

# ROBERTSON'S HARD SELL AN EASY WIN FOR DE JONG

## Liberal government seems happy to accept the mayor's ultimatum

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When the B.C. Liberals recalled the legislature Monday to enable Vancouver to impose a special tax on residential vacancies, they made a point of underscoring the quick turnaround on the request from Mayor Gregor Robertson.



*CASSIDY OLIVIER FILES* Finance Minister Mike de Jong, right, says he told Vancouver Mayor Gregor Robertson, left, that the government wants the city to have the authority to impose a new tax on empty homes, “but it is ultimately their decision to proceed.”

“Two weeks ago to the day,” Mike de Jong, the finance minister and government house leader, said in reference to the June 27 face-to-face where he and the mayor first discussed the proposed addition to the city’s taxing powers.

Indeed, by the time the house reconvenes July 25, a mere month will have elapsed since Robertson pitched the tax as a way to shore up the dwindling supply of rental housing in the city.

The mayor warned that if the province wouldn't amend the Vancouver charter to create a new category of property taxation for residential vacancies, the city would concoct a measure under its existing powers to collect business taxes. Moreover, the city would proceed on its own if the province didn't respond favourably by Aug. 1.

Whether Robertson fully expected Monday's response to his ultimatum is a matter for speculation, like the real estate market itself. But far from bristling at the exercise in brinkmanship, the Liberals embraced it.

De Jong not only bowed to the mayor's view that the property tax was the best way to go, he accepted that the change needed to be made in time for the city to begin collections in the 2017 taxation year.

This expedited timetable might be viewed with frustration or bewilderment by interest groups that have been waiting months — years, even — for provincial action on their issues. But the prompt response underscores the degree to which the mayor's agenda dovetailed with that of the Liberals.

After a year of leisurely action on the real estate front, the Liberals have lately come under pressure from their own supporters to address the housing crisis in all of its manifestations — affordability, speculation, foreign ownership, the shortage of rental housing, and abuses within the industry.

On the latter score, recall of the house will be doubly convenient. As de Jong also noted Monday, the midsummer session would facilitate implementation of the tougher legislative oversight recommended in the recent report from the Real Estate Council of B.C.

The favourable response to Vancouver will also set the stage for the Liberals to pursue their drive to increase the housing supply by freeing up units already in the pipeline and boosting density along transit lines.

De Jong: "As we seek co-operation from municipalities and cities elsewhere, it's important, I believe, for the government of British Columbia to demonstrate that it is prepared to co-operate in certain circumstances where the city has articulated a preference around the approach they take."

Just last week he released a report documenting in excess of 100,000 units of housing in various stages of approval in Metro municipalities, about a quarter of them within the city of Vancouver itself.

"It is ultimately about supply," he told reporters Monday. "You will know that that is something that the province and the government take very seriously ... As a step that can be taken while some of those other units of housing receive approval for construction, it strikes us that if the city wishes to do this, it is a reasonable request on their part."

At the same, the Robertson request came ready-made for a government that did not necessarily want to extend the new property taxing power beyond Vancouver.

"It's the only jurisdiction that has provided a formal request," de Jong said, emphasizing how the city operates under a separate charter from other municipalities. "It's entirely possible that another community covered by the community charter, which is the other main body of legislation governing municipalities, may decide that they wish to follow suit. If they do, my sense is that the province would look with some sympathy."

If any other local government wanted the change, would they get it straightway?

"I'd like to say yes," the finance minister replied hesitantly. "My answer, I'm afraid, is rather technical in so far as the Vancouver charter is such a different beast from the community charter. What I think we would find,

however, is that other communities would be in a position to learn from the steps that the city has taken in terms of implementing this.”

And on everything from defining vacancies to enforcing collections — voluntary compliance? utility billings? neighbourhood snitches? city inspectors? — the Liberals are happy to hand the initiative back to the city.

“I will repeat what I have said in the past and communicated to the mayor,” de Jong told reporters when pressed for details about the workings of the tax. “We want to ensure that the City of Vancouver has clear, statutory authority to do this, but it is ultimately their decision to proceed.”

The province will share information in its possession that might be useful in the enforcement of the tax, providing the release is authorized by the privacy commissioner.

But ultimately, as de Jong emphasized more than once: “The implementation and the administration of the day-to-day administration of the tax would rest with the City of Vancouver, (and there are) lots of questions for the city to answer.”



Over to you, Mayor Robertson — and next time, be careful what you ask for from the provincial government. The Liberals just might give it to you.