

NO: R093

COUNCIL DATE: June 5, 2023

REGULAR COUNCIL

TO: **Mayor & Council** DATE: **June 1, 2023**

FROM: **General Manager, Investment & Intergovernmental Relations** FILE: **0410-01**
General Manager, Finance

SUBJECT: **Written Submission to the Pre-Budget consultations in Advance of the Upcoming 2024 Provincial Budget**

RECOMMENDATION

The Investment & Intergovernmental Relations Department and Finance Department recommend that Council:

1. Receive this report for information; and
2. Endorse the City's written submission to the Provincial Government as part of the Provincial Government's consultations ahead of Budget 2024 (attached as Appendix "I").

INTENT

The purpose of this report is to seek Council's endorsement of the City's written submission to be provided to the Provincial Government as part of the pre-budget consultations for Budget 2024, before the submission deadline of 2:00pm on June 16, 2023.

BACKGROUND

The Select Standing Committee on Finance and Government Services' Budget 2024 consultation is now open. British Columbians are invited to share their priorities for the next provincial budget by providing written input by Friday, June 16, 2023, at 2:00pm. Public hearings are also being held with the presentation of the Budget 2024 consultation paper by the Minister of Finance.

The Committee will consider all input received and intends to release its report with recommendations to the Legislative Assembly for the next budget in August 2023.

DISCUSSION

The City has prepared a written submission to the pre-budget consultations using the template and guidelines provided by the Provincial Government. A maximum of three recommendations can be submitted. A summary of the recommendations contained in Surrey's written submission to the pre-budget consultations in advance of Budget 2024 is provided below.

Recommendation 1

That the Government of BC commit to increasing funding and to make funding more predictable for school infrastructure in Surrey.

Recommendation 2

That the Government of BC commit to increasing funding for healthcare infrastructure in Surrey.

Recommendation 3

That the Government of BC commit to increasing funding for supportive and affordable housing in Surrey.

A summary of each recommendation is provided in Appendix “I”.

CONCLUSION

The Provincial Government has invited British Columbians to share their priorities for Budget 2024. The City has prepared a submission that closely aligns with provincial priorities. Recommendations included in Surrey’s submission address issues related to school infrastructure, healthcare infrastructure, and supportive and affordable housing.

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Appendix “I” – The City of Surrey’s Written Submission for the Pre-Budget Consultations in Advance of the Upcoming 2024 Provincial Budget

Written Submission for the Government of British Columbia Budget 2024
Consultation

By: City of Surrey
Submitted on June 5, 2023

The City of Surrey is pleased to present our 2024 Provincial Budget Priorities and Funding recommendation document to help inform your budget consultation. The City of Surrey appreciates its working relationship with the Province of BC and has top priorities that directly align with that of the Province's. Focusing our collective attention and resources on these priorities is the most effective path to ensuring these issues, which greatly impact the lives of people living in Surrey, are properly addressed without delay.

Recommendation 1: That the Government of BC commit to increasing funding and to make funding more predictable for school infrastructure in Surrey.

Explanation:

Surrey is home to BC's largest school district. Current enrollment in Surrey is 75,000 and it is expected to grow to upwards of 91,000 by 2030. Unfortunately, Surrey's school infrastructure is in a state of crisis.

From 2002 to 2022, Surrey experienced a 24% increase in student enrollment. While student numbers grew exponentially, investment in school infrastructure did not keep pace, resulting in an ever-increasing classroom space deficiency and a chronic reliance on hundreds of portable classrooms to bridge the gap. Surrey is growing at an average of 10,000 new residents per year, generating an average of 1,200 new students being added each year to BC's largest and most space-stressed school district. To meet the classroom space needs of the new 1,200 students arriving each year alone would require two new elementary schools to be constructed every year. This would not address the growing deficiency of classroom space built up over the years.

To begin to reduce chronic reliance on portables, more funding and predictable funding is required to allow the Surrey School District to purchase school sites early, at the time of Neighbourhood Concept Plan approval. In addition, increased and timely construction funding is required for new schools and additions to deliver school capacity aligned with development.

The current situation is not acceptable. School infrastructure must be built as quickly as possible to catch up with current needs and, moving forward, schools must be built in lockstep with new housing to avoid an even more dire situation in the future.

Recommendation 2: That the Government of BC commit to increasing funding for healthcare infrastructure in Surrey.

Explanation:

For decades, the City of Surrey has been one of the fastest growing municipalities in the Province of BC with an average of 10,000 people moving to Surrey each year. Investment in healthcare infrastructure has not kept pace and Surrey remains chronically under-served. This has resulted in Surrey now facing a healthcare infrastructure crisis that has the potential to negatively impact the well-being of every citizen of Surrey.

Surrey Memorial Hospital (SMH) was built in 1959 when Surrey's population was less than 70,000 people. In 2011, when Surrey's population was approximately 460,000, construction began on an 8-storey critical care tower on the SMH site. Since that time, the Province has not made any further significant investments in Surrey's healthcare infrastructure.

In 2017, the Province first announced a second hospital would be built in Surrey. The Province re-announced this in 2019. Unfortunately, ground has yet to be broken on this critically important project. Surrey is highly under served when it comes to healthcare and requires significantly more investment in all categories of healthcare infrastructure. It is well known that the Fraser Health Authority, which includes Surrey, does not receive a fair and proportionate share of provincial healthcare funding. This is simply unacceptable.

The strain on Surrey Memorial Hospital has increased to the point that physicians and other healthcare professionals are speaking out on the serious staffing issues and the generally deficient conditions of Surrey's only hospital. These healthcare challenges are untenable as the health and safety of our citizens are put at risk. Significant and timely investment is required to stabilize Surrey's healthcare infrastructure.

Recommendation 3: That the Government of BC commit to increasing funding for supportive and affordable housing in Surrey.

Explanation:

The City of Surrey plays a key role in the provision of new housing supply for the Metro Vancouver Region. Over the past decade, the City has consistently created 3,000 to 4,000 new housing units annually. However, Surrey's Housing Needs Report, adopted in March 2022, identified significant gaps in Surrey's supply of rental housing for low- and moderate-income households. Relative to the region, Surrey has a smaller per capita non-market housing stock with 1 non-market unit per 48 residents as compared to 1 unit per 23 residents in Metro Vancouver.

To address the need for affordable rental housing, the Surrey Housing Needs Report estimates an immediate need for 17,900 below-market units or subsidies. In the next decade (2021-2031), a further 11,000 non-market rental housing units will be needed.

Surrey also has a large, young urban Indigenous population. This population is underserved when it comes to Indigenous housing. Surrey and Vancouver have comparable urban Indigenous populations, but Surrey has 270 Indigenous non-market housing units as compared to 1,471 Indigenous housing units in Vancouver. The Surrey Urban Indigenous Leadership Committee has identified a need for at least 1,880 units of deeply affordable rental housing for Indigenous households.

In terms of supportive housing, Surrey has an immediate, time-sensitive need to replace at least 244 temporary beds in six projects located on private properties with leases due to expire in the next few years. This does not account for the supportive housing needed to accommodate Surrey's significant unhoused population.

Provincial affordable housing funding programs currently operate on an ad-hoc, request for proposals basis, without a regular period between calls. The shortfall of social housing in Surrey can be addressed with multi-year funding commitments by the Province. This switch from the ad-hoc funding model will allow for proactive planning and development of affordable and supportive housing over the long term.