



Rental Incentives Update

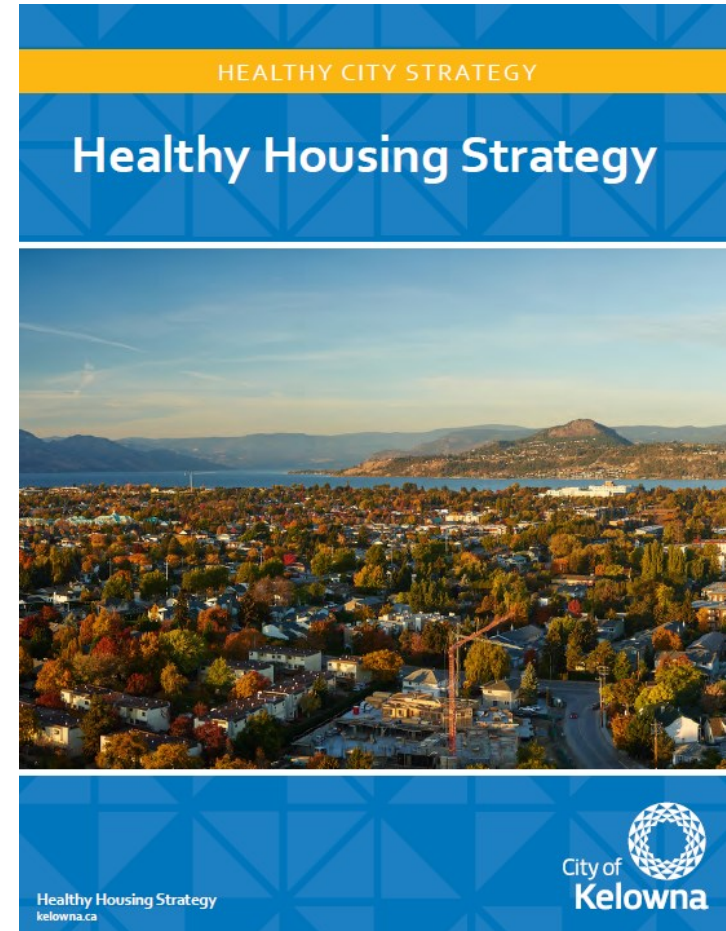
Healthy Housing Strategy Implementation
August 12, 2019



Healthy Housing Background

► *Council Endorsement of 4 key directions*

- 1) Promote and protect rental housing;
- 2) Improve housing affordability and reduce barriers for affordable housing;
- 3) Build the right supply; and
- 4) Strengthen partnerships and align investments.



Current Rental Housing Incentives

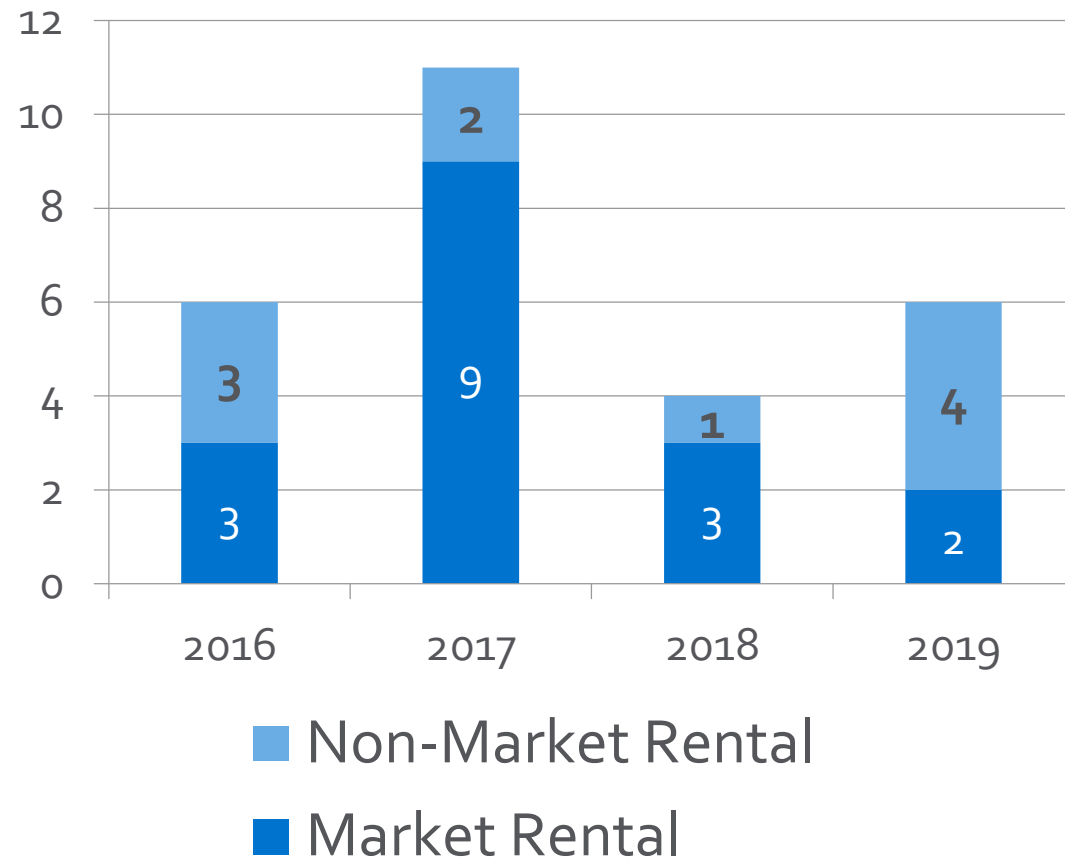
1. *Rental Housing Grants*
2. *Rental Housing Tax Exemptions*



Current Program Rental Housing Grants

- ▶ Annual grant funding via DCC credits
- ▶ All long-term rental projects eligible
- ▶ Any location in city
- ▶ Housing agreement with City required
- ▶ Many small grants disbursed to market & non-market projects

Number of Applications 2016-19



Proposed Updates to Rental Housing Grants

1. Shift focus to non-market long-term rental projects;
2. Require projects to be located in areas with transit and amenities.
3. Lift requirement of City of Kelowna housing agreement for projects with long-term operating agreement with BC Housing.



Non-market rentals (Pleasantvale Project)

Current Rental Tax Exemption Program

- ▶ Mix of market and non-market projects, anywhere in city
- ▶ Vacancy rate must be 3 per cent or lower
- ▶ High number of rental tax agreements approved over last 5 years
- ▶ Mid-market rental projects receive roughly \$7,000 / unit over the 10-year exemption
- ▶ Key incentive for market rental providers



Market Rental Project at 1155 Pacific Ave

Proposed Updates to Rental Tax Exemption Program

- ▶ Eliminate 3 per cent vacancy requirement
- ▶ Introduce location requirement, focus on areas with transit and amenities
- ▶ Remove requirement of City of Kelowna housing agreements for projects with long-term(+15 years) agreements with BC Housing



Conclusion

- ▶ Growing proportion of residents rely on long-term rental
- ▶ Implementing Healthy Housing Strategy recommendations
- ▶ Key to promoting investments in attainable & affordable housing options



Next Steps for Healthy Housing

- ▶ Long-term strategy
- ▶ Forthcoming report on rental housing inventory

