



City of Kelowna
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Council Policy

Rental Housing Grants Policy

APPROVED July 24, 2006

RESOLUTION: R450/12/05/14

REPLACING: R143/07/02/05, R738/06/07/24

DATE OF LAST REVIEW: May 2012

1. Applications for funding under this policy will be accepted until September 30th of each year. Applications should be submitted to the Community Planning Manager;
2. All applications will be reviewed and a report to Council will summarize eligible dwellings for rental housing grants by October 31st annually;
3. Funding to be awarded will be determined by April 30th each year;
4. Sources of funding will be an amount allocated through the annual City Financial Plan for the Housing Opportunities Reserve Fund and an annually budgeted amount to provide some relief from development cost charges for affordable rental housing;
5. Funds allocated annually from taxation to the Housing Opportunities Reserve Fund (HORF) will be awarded up to the maximum annual budget allocation. Any funds that are not paid out in grants in a given year will return to the HORF to be used for other purposes set out in the HORF By-law;
6. Un-used portions of the funding for the grants assigned to provide additional relief from Development Cost Charges in any given year will be carried over and added to the next year's budget for rental housing grants;
7. Funds may be awarded as follows, subject to the amount of money allocated annually:
 - (a) Up to \$5,000 per dwelling that qualifies as affordable rental housing, as defined in the City's Official Community Plan;
 - (b) An additional amount that, when combined with funds provided under part (a), is not to exceed the equivalent of the applicable development cost charge per unit of rental housing;
 - (c) All units that qualify for funding, based on the City's current definitions of affordable rental housing or core needs housing in the Official Community Plan, will need to be identified by a housing *agreement with the City registered on the title of the property to confirm that the units will remain as affordable, rental housing.*
8. The amount available per dwelling unit, up to the identified maximums defined in 7, above, will be determined based on the number of eligible units that have been applied for and the amount of money available in the given year;
9. Projects where the City has contributed land at little or no cost, by lease or sale, in order to secure affordable housing, would qualify to apply for the funding identified under 7 (a) (b) and (c), above, up to a maximum dollar amount equivalent to the total development cost charges payable, less the market value of the land contributed by the City;
10. Consideration of each application for funding is contingent on there being a reasonable expectation that the eligible units will be constructed in the calendar year of approval. Where a development is being phased, each distinct phase will be treated as a separate application;
11. If dwellings authorized for funding under this policy do not reach building permit stage in the year that the funding was authorized, the applicant can apply to have the authorized amount carried over to the next year. Carryover requests will only be accepted for one year following the year the grants were authorized. Any carryover requests beyond one year will be treated as a new application for funding;
12. Authorization of funding and the amount applicable will be confirmed in writing by a letter from the City;

13. At time of building permit issuance, the authorized funding will be applied as a deduction from the total development cost charges payable;
14. The Financial Services Department will track funding under this policy against budget information annually and advise the Community Planning Manager accordingly;
15. As set out in 4.4 of the Housing Opportunities Reserve Fund By-law 8593, any request to lift the notice of a housing agreement from a rental dwelling that received a grant under this policy will be subject to repayment of the grant to the City directed to the Housing Opportunities Reserve Fund.
16. The Community Planning Manager will report to Council on the distribution of available funding by April 30th , each year.

REASON FOR POLICY

Long term (“purpose-built”) rental housing is in short supply in Kelowna. If secured by a housing agreement, the OCP defines it as a form of affordable housing. This Policy provides the City with resources to partner with senior government and private sector funding to assist in the supply of lower cost housing. The City has a defined and significant need for affordable rental housing. The goal is to maximize affordable rental units that can be generated with this approach where other sources of funding may be subject to a contribution by the City.

LEGISLATIVE AUTHORITY

Section 905 of the Local Government Act sets the parameters for housing agreements. Sections 188 and 189 of the Community Charter governs the use of reserve funds. Policies in the City’s Official Community Plan define housing affordability and guide City initiatives for affordable housing. By-law 8593 - A Bylaw to Establish a Housing Opportunities Reserve Fund governs the source of funding for the reserve, defines affordable housing and provides direction for spending of these funds.

PROCEDURE FOR IMPLEMENTATION

Through the Community Planning Manager annually as authorized by Council through this policy.