

Report to Council



Date: July 27, 2020
To: Council
From: City Manager
Subject: Rental Housing Agreement Bylaws – July 2020
Department: Policy & Planning

Recommendation:

THAT Council, receives for information, the report from Policy and Planning dated July 27, 2020 recommending that the City of Kelowna enter into two housing agreements to secure 285 long-term rental housing units.

AND THAT Bylaw No. 12044 authorizing a Housing Agreement between 815 Leon Developments Ltd., Inc. No. BC105909, which requires the owners to designate 127 dwelling units in a purpose-built rental housing for Lot A, District Lot 138, ODYD, Plan EPP78759, at 815 Leon Avenue, Kelowna, BC be forwarded for reading consideration.

AND FURTHER THAT Bylaw No. 12046 authorizing a Housing Agreement between PC Urban Clement Holdings Ltd. NO. BC1099980, which requires the owners to designate 158 dwelling units in purpose-built rental housing for Lot A Section 30 Township 26, ODYD, PLAN EPP83554 at 740 Clement Ave and 1195 Richter Street, Kelowna BC be forwarded for reading consideration.

Purpose:

To consider two Rental Housing Agreements for projects pursuing rental housing incentives, in accordance with the Revitalization Tax Exemption Bylaw No. 9561.

Background:

In order to be eligible for a rental housing revitalization tax exemption, a housing agreement with the City of Kelowna must be in place to secure the rental housing units for a minimum of ten years.

Discussion:

Both of the projects pursuing the revitalization tax exemption are developing long-term rental housing in close proximity to the Downtown. The Clement Avenue rental project includes two buildings with commercial-retail units on the ground floor and a total of 158 long-term rental units above. The Leon Avenue project is a purpose-built rental housing project that will include 127 units in a six-storey wood frame structure.

The housing agreement for the Clement Avenue project is different than the usual approach, allowing for the commercial-retail strata units to be excluded from the housing agreement. After the project receives occupancy and strata plans are registered on title the landowner will make a formal request to the City to exclude the commercial-retail strata units from the housing agreement. The long-term rental housing units will remain under the housing agreement as well as a Section 219 Covenant. If the landowner chooses to lift the agreement after ten years, Council approval will be required to remove both the agreement and Section 219 Covenant.

The Leon Ave rental project follows the City's standard approach for rental housing agreements. If Council should authorize the housing agreement it would become bylaw upon approval from Council, ensuring the project operates as purpose-built rental housing for a minimum of ten years. After ten years, if a landowner chooses to lift the agreement, Council approval will be required.

Conclusion:

These two housing agreements ensure the 285 long-term rental units associated with these projects are secured for long-term rental housing for a minimum of ten years. The housing agreements align with the City's goal of promoting and protecting the supply of long-term rental housing.

Internal Circulation:

Divisional Director, Planning and Development Services
Policy and Planning
Development Planning
Legislative Services

Legal/Statutory Authority:

Local Government Act, Section 483.

Existing Policy:

2030 Official Community Plan

Objective 10.3 Support the creation of affordable and safe rental, non-market and /or special needs housing

Policies 10.3.1, 10.3.2, 10.3.3 & 10.3.4

Submitted by:

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Approved for inclusion:



D. Noble-Brandt, Department Manager, Policy & Planning

cc:

Legislative Services