

REPORT TO COUNCIL



Date: August 8, 2016

RIM No. 0505-88

To: City Manager

From: Community Planning Department (AC)

Application: RTE16-0002 **Owner:** The Provincial Rental Housing Corporation (PRHC)

Address: 678 Richter Street **Applicant:** The Society of Housing Opportunities and Progressive Employment

Subject: Revitalization Tax Exemption

1.0 Recommendation

THAT Council approves the City of Kelowna entering into a Revitalization Tax Exemption Agreement with The Society of Housing Opportunities and Progressive Employment for Lot B, District Lot 9, ODYD, Plan EPP39552, located on 678 Richter Street, Kelowna, BC, in the form attached to the report from Community Planning dated August 8, 2016;

AND THAT the Mayor and City Clerk be authorized to execute the Revitalization Tax Exemption Agreement.

2.0 Purpose

To enter into a 10 year Revitalization Tax Exemption Agreement with The Society of Housing Opportunities and Progressive Employment in accordance with Revitalization Tax Exemption Program Bylaw No. 9561.

3.0 Background

The subject property is designated as MRL - Multiple Unit Residential (Low Density) and MRM - Multiple Unit Residential (Medium Density) in the Official Community Plan (OCP) and is zoned RM3 - Low Density Multiple Housing and RM5 - Medium Density Multiple Housing. The Building Permit was submitted on June 9, 2014 and was issued by the City. Occupancy for the subject property occurred December 21, 2015. In addition, the Development Permit and Development Variance Permit for the 50 apartment rentals and 20 rental townhomes was approved July 29, 2014 by Council under DP13-0048/DVP13-0049.

The project is in the Purpose-Built Rental Housing Projects category as described by the Revitalization Tax Exemption Program Bylaw No.9561. In this category, projects will be considered for a tax incentive as long:

1. The vacancy rate is at or below 3%

2. The subject property has a Housing Agreement (for up to 10 years)
3. Are in compliance with the OCP Future Land Use designation as at May 30, 2011.

Over the last few years' rental housing has been in great demand. According to CMHC at the end of 2015 the total vacancy rate in the Kelowna CMA was 0.7% compared to 1.0% the year prior. Therefore, the vacancy rate requirement is met. The Housing Agreement (for up to 10 years) are met and was approved by Council on April 25, 2016. Lastly, the subject property is in compliance with the OCP Future Land Use designation.

With all requirements met the property is qualified to receive 100% of the Revitalization Amount on the parcel. The exemption will be valid for the tax years 2017-2026.

4.0 Internal Circulation:

Revenue Manager, Financial Services

5.0 Existing Policy:

Revitalization Tax Exemption Program Bylaw No. 9561

6.0 Application Chronology:

Date of Application Received: January 26, 2016

Report prepared by:

Adam Cseke, Planner
&

Jenna Ratzlaff, Planner

Approved for Inclusion:



Terry Barton, Urban Planning Manager

Attachments:

Draft Revitalization Tax Exemption Agreement

Cc: Lynn Walter and Matt Friesen Revenue Branch