

Report to Council



Date: September 19, 2016
File: 0710-40
To: City Manager
From: Ross Soward, Planner Specialist
Subject: Rental Housing Grants Bylaw Update

Recommendation:

THAT COUNCIL receives for information, the report from the Planner Specialist, dated September 19th, 2016 with amendments to the Housing Opportunities Reserve Fund Bylaw No. 8593, 2012 as per the report from the Planner Specialist on August 22nd, 2016;

AND THAT Bylaw No. 11287 being Amendment No. 4 to Housing Opportunities Reserve Fund Bylaw No. 8593 be forwarded for reading consideration.

Purpose:

To consider amendments to the Housing Opportunities Reserve Fund Bylaw to encourage more rental housing diversity.

Background:

The availability of affordable, secure and suitable housing options for all residents is critical to providing a high quality of life for current and future Kelowna residents. Although market demand and senior governments largely control the availability and affordability of housing, the City can have a positive impact by implementing policy changes and grants to aid in the creation of additional housing options.

Staff presented several policy options to Council on August 22 in response to the need for new rental housing - and specifically family-friendly rental units. As an immediate action the City's Rental Housing Grants Program will be adjusted for the 2017 intake to encourage more family-friendly housing in Kelowna. The change will ensure grant funding is disbursed to more accurately reflect the costs of development and to increase the maximum funding amount to \$8,000 for three or more bedroom units. To facilitate this, the Housing Opportunities, Reserve Fund Bylaw will be amended to reflect a new tiered funding structure where one, two and three bedroom units would receive different grants.

The other change to the Rental Housing Grants program is to temporarily increase the overall pool of funding for rental housing grants to provide up to \$420,000 annually for the 2017 intake and 2018 intake. The additional funding will be allocated from the Housing Opportunities Reserve Fund in accordance with the Bylaw. The temporary increase in funding does not require any bylaw updates. The changes will encourage the development community to consider integrating family-friendly units and provide additional funding to support the housing sector in its efforts to increase the availability of rental housing.

The amendments to the Housing Opportunities Reserve Fund Bylaw will ensure the changes are in effect for the November 30th deadline for the 2017 rental housing grant intake. Staff will also undertake a more fulsome review of the Rental Housing Grants Council Policy that will be in place for the 2018 funding intake to reflect the City's new approach to council policies.

The proposed amendments to the Housing Opportunities Reserve Fund Bylaw are described in the attached bylaw.

Internal Circulation:

Divisional Director, Community Planning & Real Estate
Director, Real Estate Services
Department Manager, Community Planning
Department Manager, Policy & Planning
Director, Financial Services
City Clerk
Consultant, Community Engagement

Legal/Statutory Authority:

Local Government Act Sections 473(1)(a), 473(2) and 563

Legal/Statutory Procedural Requirements:

Housing Opportunities Reserve Fund By-law No. 8593

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

Rental Housing Grants Council Policy No. 335

Financial/Budgetary Considerations:

Current Budget for Rental Housing Grants

Annual Budget Allocation to Rental Grants in the form of DCC credits	\$120,000
Annual Budget Allocation to Rental Grants	\$200,000
Total Funds Available	\$320,000

Proposed funding for the annual intake of the program over the next two years:

Annual Budget Allocation to Rental Grants in the form of DCC credits	\$120,000
Annual Budget Allocation to Rental Grants	\$200,000
Proposed Annual Appropriation from HORF	\$100,000
Total Funds Available	\$420,000

The Proposed Appropriation from the Housing Opportunity Reserve Fund will be processed as a budget amendment in 2017 upon Council endorsement of this report.

Communication Considerations:

The Rental Housing Grants program is described on the City's website. Changes to the program as well as the extension to the November 30th deadline will be included and advertised to the housing and development community after the bylaw is adopted.

Personnel Implications:

To allow for the changes to be integrated into the 2017 Rental Housing Grants the deadline for 2017 applications will be adjusted from September 30th to November 30th. The changes to the Housing Opportunities Reserve Fund Bylaw will affect how staff calculate rental housing grants.

Submitted by:

Ross Soward, MCIP, RPP
Planner Specialist, Policy and Planning

Approved for inclusion:



J. Moore, Acting Department Manager, Policy & Planning

cc:

Divisional Director, Community Planning & Real Estate
Director, Real Estate Services
Department Manager, Community Planning
Department Manager, Policy & Planning
Director, Financial Services
City Clerk
Consultant, Community Engagement