

Report to Council



Date: August 14, 2023
To: Council
From: City Manager
Subject: Revitalization Tax Exemption Program – Bylaw No. 9561 Repeal and Replacement
Department: Policy and Planning

Recommendation:

THAT Council receives, for information, the report from the Policy and Planning Department dated August 14, 2023 with respect to repeal and replacement of Revitalization Tax Exemption Program Bylaw No. 9561;

AND THAT Council direct staff to bring forward an update report on the implementation of the Revitalization Tax Exemption Program in September, 2024.

Purpose:

To introduce a new Revitalization Tax Exemption Bylaw No. 12561.

Background:

Included with Council’s July 24, 2023 agenda was a report with details on the implementation of the Revitalization Tax Exemption (RTE) program alongside description of proposed bylaws changes. This report introduces a replacement Bylaw for the RTE program to address those proposed changes.

Previous Council Resolution

Resolution	Date
THAT Council receives, for information, the report from the Policy and Planning Department dated July 24, 2023 with respect to the bylaw updates to the Revitalization Tax Exemption Program Bylaw 9561; AND THAT Council direct staff to bring forward a new Revitalization Tax Exemption Program Bylaw for Council consideration.	July 24, 2023

Discussion:

As discussed in the July 24, 2023 Report to Council, a number of changes to the RTE program are proposed. These are intended to ensure the program continues to incent development per its stated purpose, improve application processing efficiency, and ensure that the financial benefit of exemptions is allocated where it is needed most.

To improve bylaw legibility and achieve the goal of streamlining process, it is proposed that the existing Revitalization Tax Exemption Bylaw No 9561 be repealed and replaced with a new bylaw. This allows for a reformatting of the bylaw for clarity, as well as removal of unnecessary clutter resulting from numerous previous amendments.

No substantive changes to the bylaw other than those described below (and formatting/grammar changes) are included. The proposed changes, reflected in the new bylaw, include:

- Removal of eligibility for market (strata) residential development in all areas of the City;
- Replace the eligible map area for purpose-built rentals to align with the Core Area Map as it is now identified in the 2040 Official Community Plan;
- Replacement of the requirement for a Housing Agreement for Purpose Built Rentals with a restrictive covenant and only in instances where rental-only zoning is not in place;
- Delegation of the approval of tax exemption agreements to the Divisional Director of Planning & Development as means to simplify and streamline the approval process;
- New parameters detailing the extent of delegated authority for approving tax exemption agreements. This would include a per-project annual exemption maximum of 0.175% of the City's annual tax revenue, calculated using the following years' estimated tax revenue (identified in the 5 year Financial Plan).
 - This would result in a limit of approximately \$335,000 per project in 2024. This number is likely to capture more than 90% of RTE applications. Any application to the RTE program that is higher than this amount would be brought to Council for consideration, meaning that approval of projects with higher financial impact would not be delegated.
- Introduction of a requirement for a monitoring report to be provided to Council every other year, ensuring a review of budget impact, program efficacy and opportunities for adjustments;
- Changes to clarify application timing, process, and to reduce unnecessary requirements. This includes a provision for Council consideration of late applications in extenuating circumstances.

Conclusion:

In line with Council direction, an update report on the Revitalization Tax Exemption program will be brought forward to Council in one year's time (in September, 2024), and again in 2025, with a monitoring report every other year following that.

Submitted by:

D. Sturgeon, Planner Specialist

Approved for inclusion:



J. Moore, Infill Housing Planning Manager