

Report to Council



Date: September 9, 2024
To: Council
From: City Manager
Subject: Rental Housing Grant Program – Grant Authorization 2024/2025
Department: Housing Policy & Programs

Recommendation:

THAT Council receives, for information, the report from Housing Policy and Programs dated September 9, 2024;

AND THAT Council approve the 2024/2025 Rental Housing Grants as outlined in the Report from Housing Policy and Programs dated September 9, 2024.

Purpose:

To consider the approval of six rental housing grants as part of the enhanced Rental Housing Grants Program for 2024/2025.

Council Priority Alignment:

Affordable Housing

Background:

The Rental Housing Grants Program encourages the creation of non-market – also called ‘affordable’ or ‘subsidized’ – rental housing by distributing funding to eligible projects. The grant is applied against the Development Cost Charge (DCC) fees for the project. Council Policy #335 – Rental Housing Grants Eligibility establishes the criteria for the Rental Housing Grants Program.

At the Regular Council Meetings of May 27, 2024 and August 12, 2024, Council approved temporary enhancements to the Rental Housing Grants Program for 2024/2025, by increasing the available pool of funding, increasing the maximum possible grant amounts, and expanding the eligible areas of the City.

Discussion:

The enhanced Rental Housing grants program was open for applications until August 20, 2024. Six eligible applications were received, and are recommended to receive Rental Housing Grants for 2024/2025, as outlined in the following table:

Project Address	Applicant	# of Non-Market Units Proposed	Recommended Grant	Estimated DCCs	Type of Rental Units
1330, 1340 & 1350-1352 Belaire Ave	Freedom's Door	12	\$88,392.86	\$241,782.00	Townhouses
115 & 175 Kneller Rd	Okanagan Metis & Aboriginal Housing Society	48	\$471,428.57	\$1,288,368.00	Apartments
175, 235 & 239 Kneller Rd, 1161 Kneller Ct	Kelowna Women's Shelter	49	\$481,250.00	\$1,318,884.00	Apartments
2160 Wilkinson St	NOW Canada Society	28	\$265,178.57	\$763,201.00	Apartments
1451 Bertram St	BC Housing	114 (of 176 total units)	\$1,109,821.43	\$4,796,470.00 (including 62 market units)	Apartments
1370 Rutland Rd	Metis Community Services Society of BC	90	\$883,928.57	\$2,471,436.92	Apartments

The eligible applications received represent a total of 341 non-market housing units. This constitutes a substantial portion of the Housing Accelerator Fund Housing target for 416 affordable housing units to be issued Building Permits by October 2026. Incentivizing below-market housing aligns with the City's Housing Needs Assessment and Healthy Housing Strategy which identifies subsidized rental housing as a key element of the housing wheelhouse. It also aligns with Council's priority of affordable housing.

A total combined grant amount of \$3.3 million would offset approximately 35% to 37% of the total DCCs attributable to the non-market units for each project. If some of the projects obtain a Building Permit issuance in 2024, there is an additional \$300,000.00 previously allocated to the previous year's Rental Housing Grants program that may also be distributed accordingly among the above-noted projects.

Subject to Council approval, grant recipients will be notified by letter of the amount of the grant. In order to receive the grant, each project must have a housing agreement in place with the City to secure the rental dwellings for a minimum of ten years, or a long-term operating agreement in place with BC Housing.

Grants will be applied as a deduction from the total DCCs payable at Building Permit issuance. Building Permits must be issued by December 31, 2025, with a one-time extension until May 31, 2026 available for projects that are reasonably expected to proceed to Building Permit by that date.

Conclusion:

Rental Housing Grants support non-profit housing providers in the creation of non-market housing. Authorization of grants for the six eligible projects will support the development of 341 affordable housing units which aligns with HAF targets, the Housing Needs Assessment, Healthy Housing Strategy, and the Council priority of affordable housing.

Internal Circulation:

Communications
Financial Services
Long Range Planning
Development Planning
Real Estate Services
Social Development

Considerations applicable to this report:

Legal/Statutory Authority:

Local Government Act, s. 563

Legal/Statutory Procedural Requirements:

Housing Opportunities Reserve Fund Bylaw No. 8593

Existing Policy:

Council Policy #335 – Rental Housing Grants Eligibility

Financial/Budgetary Considerations:

Available funds from the \$300,000 annual budget and \$3,000,000 from HAF funding would be dispersed as outlined in the report.

An additional \$300,000, previously allocated to the prior year's Rental Housing Grant program, may be distributed accordingly to supplement the above funding, depending on the timing of Building Permit issuance for eligible projects. This would be dependent on some of the approved projects achieving Building Permit in 2024.

Communications Comments:

Grant recipients will be notified by letter of the amount of the grant and required next steps to receive grant funding.

Considerations not applicable to this report:

Consultation and Engagement:

Submitted by:

M. Tanner, Planner Specialist

Approved for inclusion: J. Moore, Housing Policy and Programs Manager