

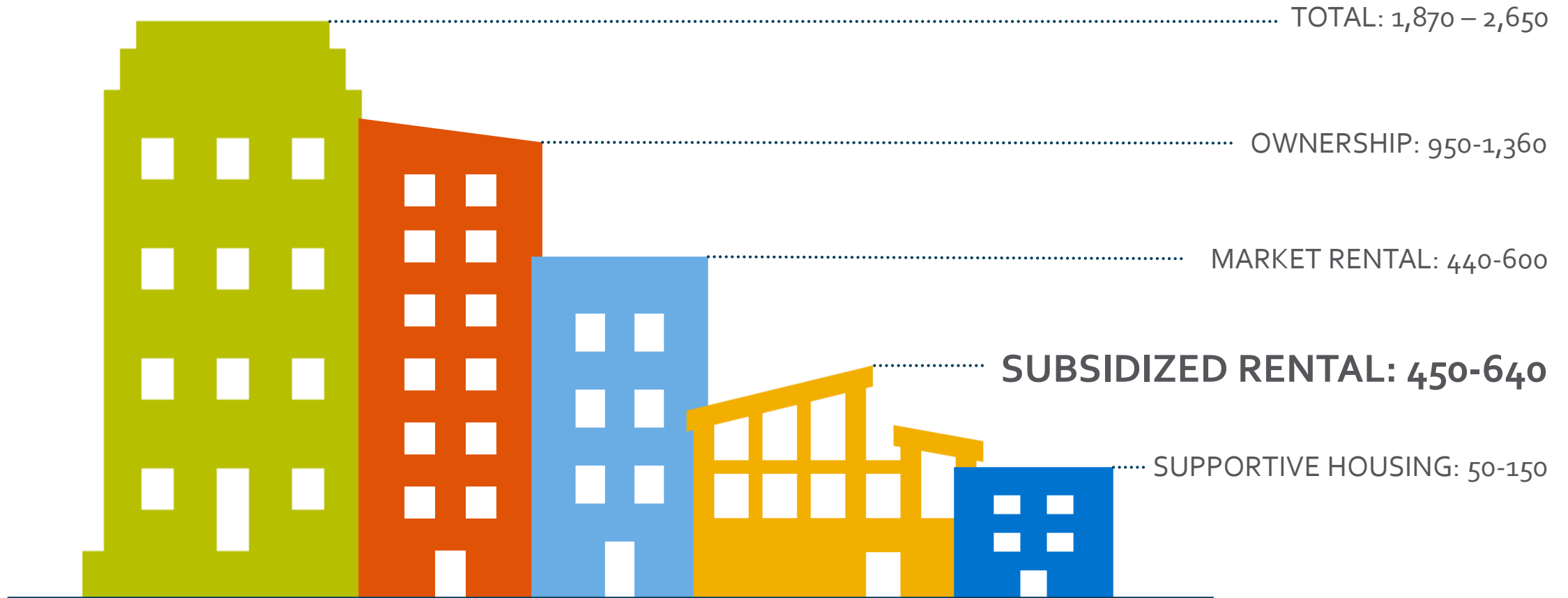


Rental Housing Grants Review: DCC Reductions for Affordable Housing

Purpose

To provide Council an overview of the City's current approach to Development Cost Charge relief for affordable housing and seek Council direction for reviewing and updating the current approach

Kelowna has a major shortage of subsidized rental housing



Many organizations have a role in the housing system



Local government housing toolbox



Direct Action

• Incentives & Regulations

- Development processes
- Supporting infrastructure
- Land acquisition
- Emergency planning



Collaborate & Advocate

- Partner with others to influence housing outcomes
- Undertake education and advocacy activities
- Convene strategic partners



Monitor & Respond

- Track housing trends and challenges
- Analyze broader context
- Adapt to changing conditions and community needs

DCC Relief – Background

What are DCCs?

- Municipal infrastructure financing tool
- Growth pays for growth
- Connected to OCP, TMP



DCC Relief – Background

Authorized by legislation for:

- Affordable rental housing
- Not-for profit rental housing
- Supportive living housing



DCC Relief – Benefits

68 homes

\$1.9M DCC Cost



A

68 homes

\$0M DCC Cost



B

Building B is more likely to:

- ☒ be financially sustainable
- ☒ get funded
- ☒ have lower rents, or additional units

DCC Relief – Benefits

- DCC relief is one way to reduce costs
- Other incentives also play a big role:
 - Land
 - Tax relief
 - Fast processing
 - Relaxed regulations

DCC Relief – Current Program

- Grant funding annually
- Total \$300K funding pool
- Equal allocation to eligible units
- 5% - 20% of DCCs



DCC Relief – Alternatives

Grants

- Easy for City financial planning
- Unpredictable for applicants
- Amounts vary widely

= more predictable, limited benefit

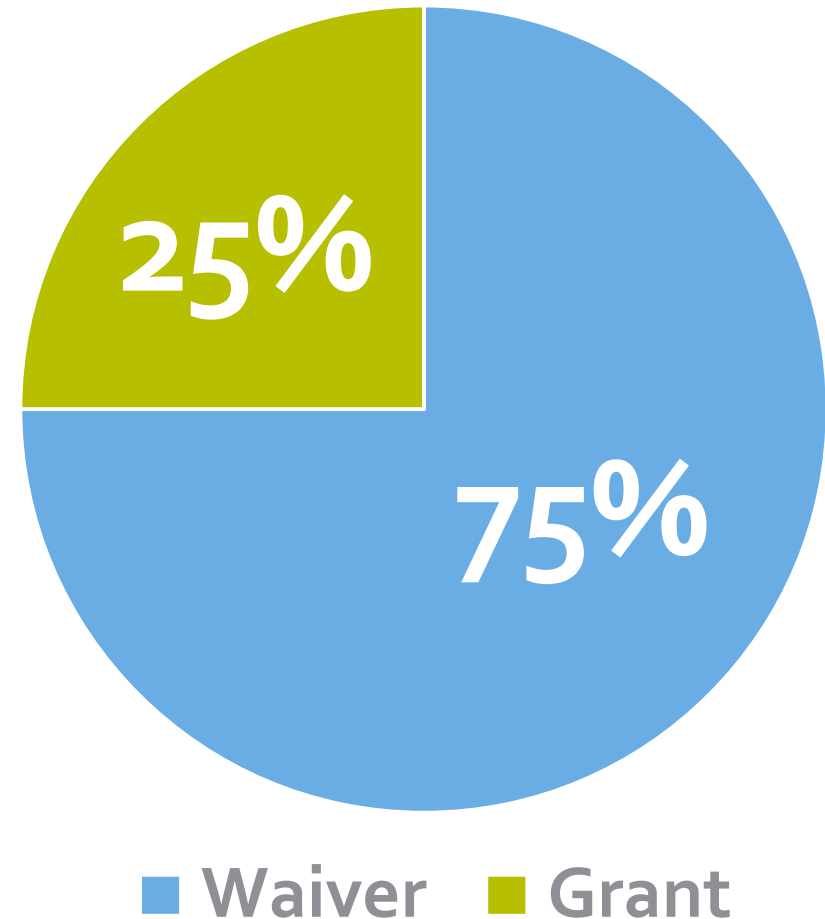
Waiver (partial / full)

- Unpredictable program cost
- Predictable for applicants
- Pre-set amounts

= less predictable, greater benefit

DCC Relief – Benchmarks

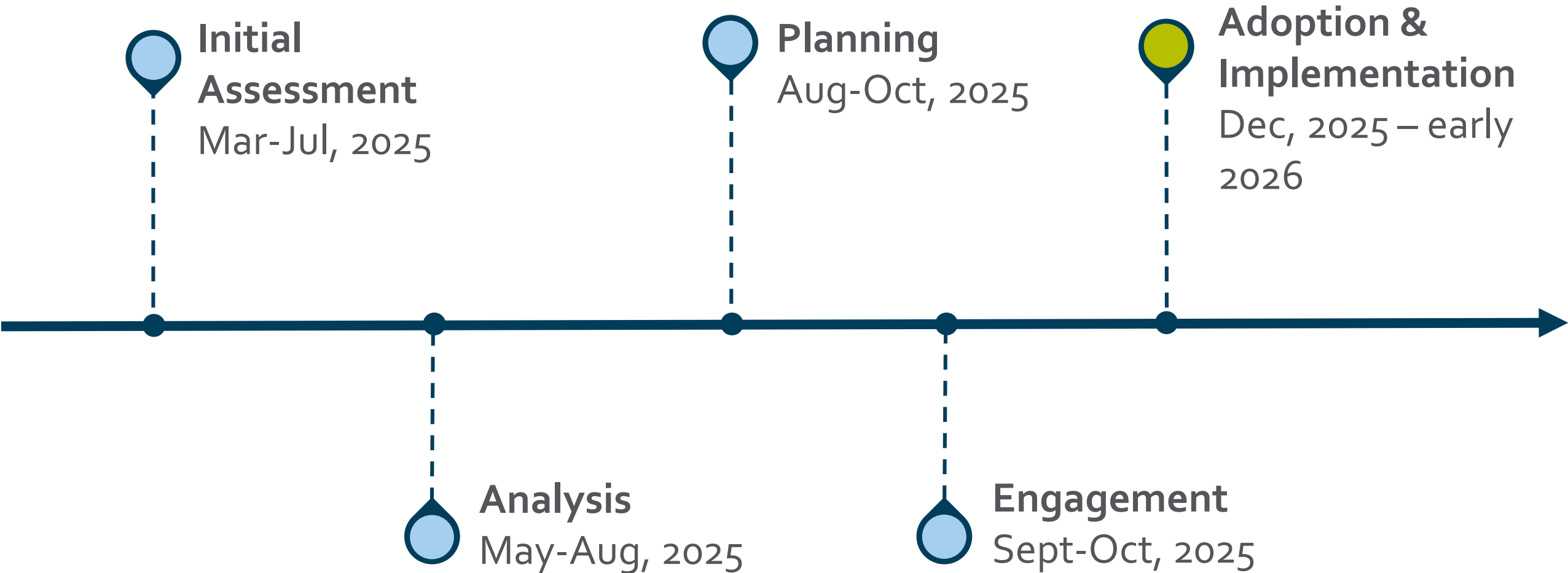
- 12 municipalities reviewed
- DCC waivers more common



DCC Relief – Consultation Findings

- All partnership is appreciated
- Improve predictability
- Increased DCC relief = improved financial sustainability
- Significant impact on funding decisions

DC Relief - Project Timeline



DCC Relief – Setting up for Success



