



# Revitalization Tax Exemption Program Update

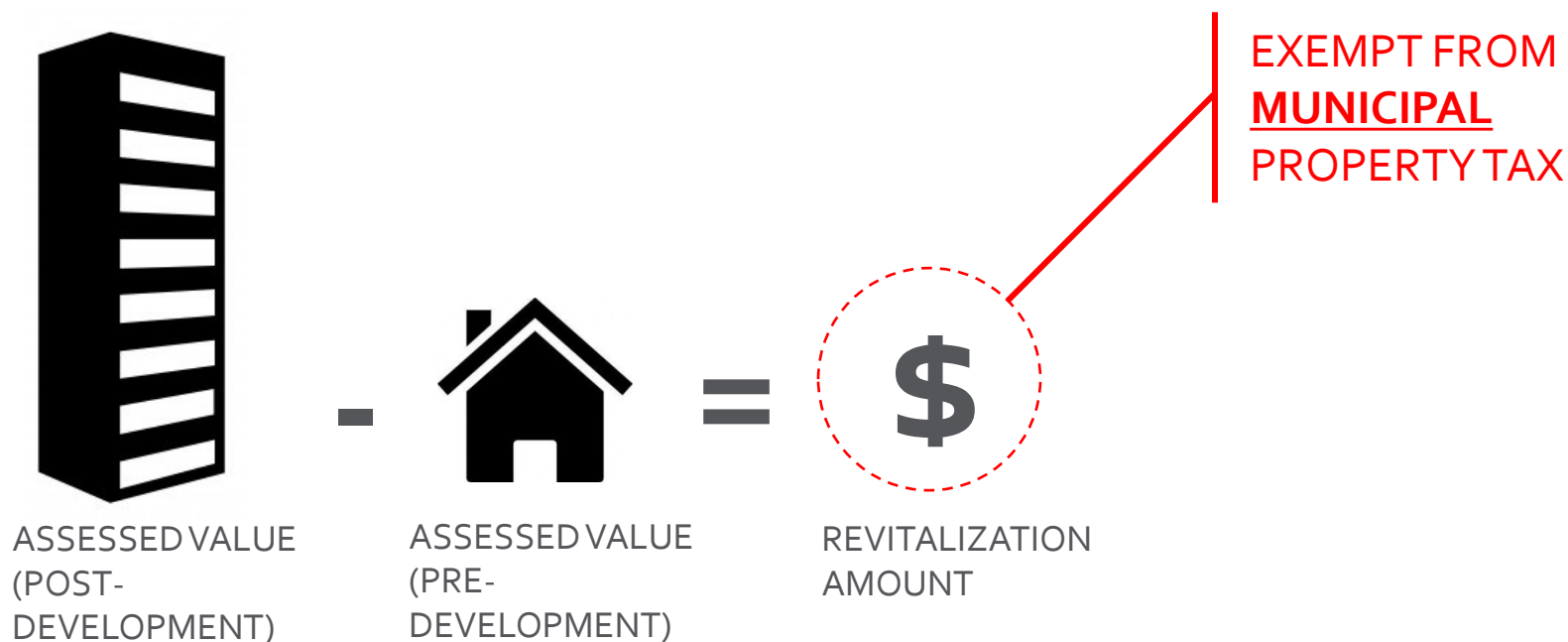
September 18, 2017



# Purpose of Report

- ▶ Annual update
- ▶ Recent activity
- ▶ Housekeeping updates

# Revitalization Amount



# Background on Program

- ▶ Purpose of financial incentives
- ▶ Tax Incentive Areas
  - ▶ Downtown
  - ▶ Rutland
- ▶ Purpose-built rental housing Program

# Background on Program

- ▶ Tax Incentive Areas Program
  - ▶ Area 1: flexible
  - ▶ Area 2: 50-75% for small projects 100% for big projects
  - ▶ Area 3: has 200,000 ft<sup>2</sup> threshold
  - ▶ Area 4: flexible
- ▶ Purpose-built rental housing Program
  - ▶ When vacancy rate is under 3%



# Program updates

## ▶ Downtown

- ▶ Significant amount of investment
- ▶ Area 3 at 200,000 sq ft cap
- ▶ Area 1 and Area 2 positive signs

## ▶ Rutland

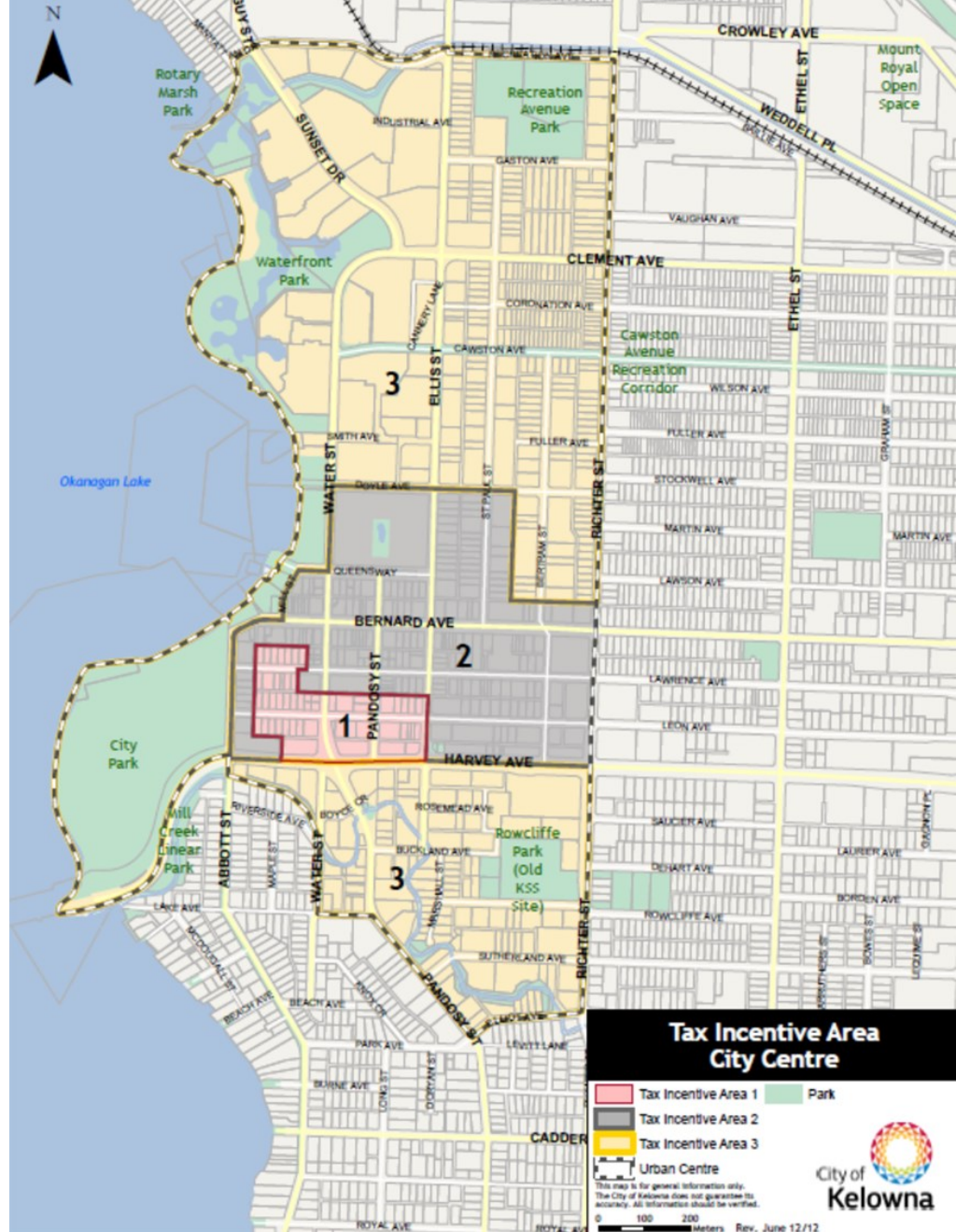
- ▶ Area 4 some positive trends



# Bylaw updates

## ► Downtown

- Tax Area 3 at cap
  - 200,000 sq ft in development permits
  - Okanagan Centre for Innovation, Central Green Two, and Sole 2



# Rental Program Updates

- ▶ Significant uptake
- ▶ Vacancy rate below 1 per cent
- ▶ Considerable rental housing construction
- ▶ Potential to focus on affordable rental as supply increases





# Bylaw updates

- ▶ BC Housing using stratification
- ▶ Approach is in conflict with BC Assessment's interpretation of RTE Bylaw
- ▶ Update Definition to support BC Housing projects

# Conclusion

- ▶ RTE complements city goals
- ▶ Tax Incentive Area 3 threshold is achieved
- ▶ Updates to bylaw to support BC Housing projects
- ▶ Monitor rental housing vacancy rates
- ▶ Healthy Housing Strategy to explore affordable housing incentives