

STAFF REPORT TO COUNCIL

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DATE: November 7, 2019

TO: **MAYOR AND COUNCIL**

NAME AND TITLE: Ian Wells, General Manager of Planning and Development

SUBJECT: Update on City of Prince George Multi-Family Housing Incentive Bylaw No. 8679, 2015

ATTACHMENT(S): Multi-Family Housing Incentive Update Presentation

RECOMMENDATION(S):

THAT the staff report dated November 7, 2019 from the General Manager of Planning and Development titled "Update on City of Prince George Multi-Family Housing Incentive Bylaw No. 8679, 2015" be received for information.

PURPOSE:

The purpose of this report is to provide Council with a brief update on the status of the Multi-Family Housing Incentive program and to define the timing of the lapse of City of Prince George Multi-Family Housing Incentive Bylaw No 8679, 2015.

BACKGROUND

City of Prince George Multi-Family Housing Incentive Bylaw No. 8679, 2015 was adopted by Council on December 14, 2015. Since the bylaw's adoption, two amendments (Amendment Bylaw Nos. 8763, 2016 and 8927, 2018) have occurred to modify the scope of the program, adding additional objectives and support for seniors focused housing and development with low environmental impacts.

The incentive bylaw is permitted under Section 226 of the Community Charter, which permits a local government to establish a revitalization tax exemption (RTE) program. In addition, Section 563(1) of the Local Government Act permits a local government to reduce or waive Development Cost Charges of eligible development through a bylaw. The Multi-Family Housing Incentive Bylaw combined those two provisions into a single incentive bylaw.

The bylaw has an expiry condition built in wherein applications to the program are no longer accepted after either the total assessed value of the improvement exceed \$75 Million dollars, or 5 years have lapsed since the adoption of the bylaw. Dec 14, 2020 will mark the end of the 5th year of the program.

CITY OF PRINCE GEORGE MULTI-FAMILY HOUSING INCENTIVE BYLAW NO. 8679, 2015:

Developed from the Official Community Plan growth management and land use direction as well as the Council approved Housing for Affordability Policy, the objectives of the Multi-Family Housing Incentives Bylaw are:

- Encourage multi-family residential developments adjacent to downtown that are low-environmental impact and within established growth priority areas with full municipal services, nearby amenities and access to public transit;

- Create a broader range of housing options, with a particular emphasis in providing an increase in adaptable housing units to allow residents to “age in place”;
- Attract new community investments in the form of multi-family housing;
- Demonstrate leadership to meet the growing need for housing and care facilities for seniors in our community; and,
- Encourage partnerships between non-profit housing organizations and developers.

To fulfill these objectives, the incentive program focused on priority areas within Prince George: Adjacent to the Downtown as well as in Neighbourhood Centres and along major corridors. In addition to the tax incentive, the program also allows for waived or reduced Development Cost Charges (DCCs) for not-for-profit housing or housing developments with reduced environmental impact, respectively.

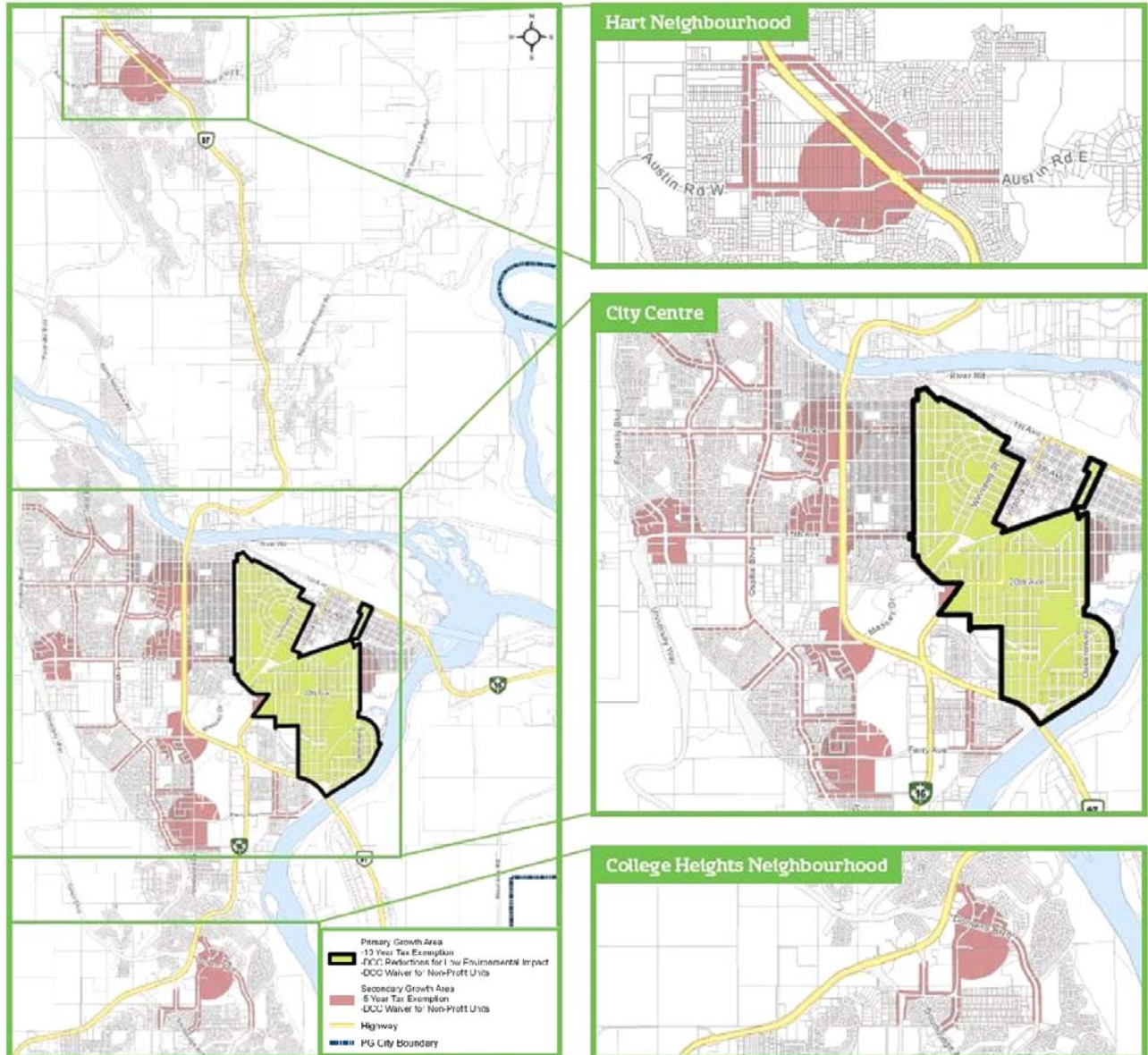


Figure 1: Multi-Family Housing Incentive areas

The incentive program was implemented with a limited lifespan. Section 6.5 of the incentives bylaw indicates that applications be accepted until either:

- The assessed value of residential improvements under the program reaches \$75, 000, 000; or,
- 5 years have lapsed from the adoption of the bylaw.

When either of these conditions are met, no new applications will be accepted by Administration. At that point, the bylaw will be used to guide Administration in processing the applications in progress and fulfilling the requirements of any existing agreements.

Since the development of the Multi-Family Housing Incentive program, three projects have been completed and issued tax certificates. The approximate value of the improvements from these developments total under \$25 Million. There are a number of other applications either in progress, or likely to be submitted within the year. Given this trajectory, it appears unlikely that the \$75 Million cap will be reached prior to the 5th year of the program.

Table 1: Completed projects

File Number	Project Name	Civic Address	Exemption years	Number of Units	Number of Adaptable Units	Estimated Construction Value
MHF00001	Riverbend Seniors Housing	1444 20 th Avenue	2018 - 2027	173	106	\$16,000,000
MFH00003	9 on 7 th	1694 7 th Avenue	2020 - 2029	9	6	\$2,360,000
MFH00004	Ts'oo Yoh	1811 Spruce Street	2019 - 2028	27	27	\$5,296,811
Totals				209	139	\$23,656,811

As the Bylaw was adopted on December 14, 2015, applications for the Housing Incentive program will no longer be accepted after December 14, 2020. Any applications that have been received by the December 2020 cutoff date will have 3 years to receive Final Occupancy on the proposed development or the application will be cancelled without a Tax Certificate being issued. The deadline to receive Final Occupancy is September 30th, as Staff must submit the Tax Certificate to BC Assessment in October.

With this timing in mind, a Tax Certificate could conceivably be submitted to BC Assessment in the fall of 2023. A development in the Primary Area of the program receiving a full 10-year exemption would thus be exempt from paying the municipal portion of the taxes on the value of the development until 2033.

Despite not accepting new applications, the Bylaw will need to remain in effect until the latest exemption year to ensure that the full terms of any existing agreements are honoured. Bylaw 8679, 2015 may be fully repealed after this final year. Figure 2 summarizes the timing discussed above.

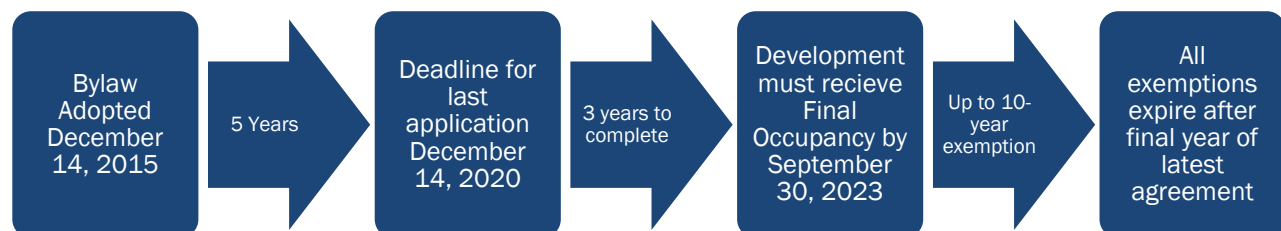


Figure 2: Timeline for Multi-Family Housing Incentive

Program Observations

The following observations have been made to-date, and are important considerations as future policies and programs are assessed and considered:

- A marked increase in new built multi-family housing has occurred, increasing the options of housing stock in the community;
- Housing choice options are being constructed within targeted growth priority areas where full municipal services and infrastructure exists, and are near key amenities such as grocery stores, transit corridors, medical facilities, etc.
- All three projects are located within the Primary Growth Area (10-year tax exemption, reduced DCCs, no DCCs for one non-profit housing development). An improved standard of development design is seen within these projects, also reflective of the incentive bylaw requirements.

- Reduced (low environmental impact criteria and area) or waived DCCs (for non-profit housing providers) have been a major attraction for those developing through the Multi-Family Housing Incentive program. This could be an incentive considered in other RTE programs, or through an amendment to the DCC bylaw;
- Adaptability was a strong focus of the Incentive Program, resulting in 139 new adaptable units, all three projects achieved higher than required adaptability requirements (minimum is 50%). While there is strong OCP support for visitable and adaptable housing, there has been little uptake outside of the Multi-Family Housing Incentive program to develop housing to these standards;
- The Province offers an additional tax incentive to the provincial portion of taxes for purpose-built rental housing. To access this program, a municipality must have a RTE bylaw in place, with a goal of providing rental housing. If the City does not have a residential focused RTE bylaw after the Multi-Family Housing Incentive Bylaw lapses, developers will not have access to this provincial program;
- The incentive program allows for new builds as well as renovation projects. To date, there have been no applications for renovation projects.
- Multi-family housing development has occurred in partnership between housing organizations and developers, inclusive of seniors and elders units.

As the Multi-Family Housing Incentive program is still ongoing, it is premature to make a full assessment as to its success in achieving the objectives outlined within the bylaw. After the final application deadline and when all tax certificates associated to those developments have been issued, Administration will be in a better position to fully analyze the impacts that the program has had in achieving its objectives; although, current observations show that success has been achieved in each of the objectives to-date.

STRATEGIC PRIORITIES:

The Multi-Family Housing Incentive program is consistent with the following Council Priorities:

- Target development at community, commercial, housing and transportation nodes, and in the downtown.
- Prioritize infill development and diverse housing options in targeted growth areas.

SUMMARY AND CONCLUSION:

City of Prince George Multi-Family Housing Incentive Bylaw No. 8679, 2015 requires Administration to stop accepting applications to the program after December 14, 2020. Any applications submitted before that deadline will have 3 years to complete development and receive final occupancy. With this timing in mind, developments under this program may potentially receive tax exemptions through to 2033.

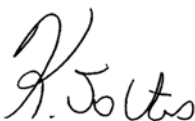
RESPECTFULLY SUBMITTED:



Ian Wells, General Manager of Planning and Development

PREPARED BY: Tristin Deveau, Planner, Sustainable Community Development

APPROVED:



Kathleen Soltis, City Manager
Meeting date: November 18, 2019