

Date: February 14, 2025

To: **Mayor and Council.**

Name and title: Deanna Wasnik, Director of Planning and Development

Subject: City of Prince George Housing Action Strategy

Attachment(s): City of Prince George Housing Action Strategy

## Recommendation(s):

That Council RECEIVES FOR INFORMATION the report dated February 14, 2025, from the Director of Planning and Development titled “City of Prince George Housing Action Strategy.”

## Purpose:

The purpose of this report is to present the City of Prince George Housing Action Strategy (HAS), prepared by Parcel Economics and Third Space Consulting. This report examines the feasibility of both financial and non-financial incentives to address the housing demand in Prince George.

## Background:

Rising demand for housing has created considerable strain within the housing market, as builders struggle to keep pace and increasing prices are leaving many residents without suitable housing options. To better understand challenges in the housing market, the City of Prince George conducted its Housing Needs Report (HNR) in 2021 and made subsequent updates in 2022 and most recently in 2024. The HNR identifies critical gaps across the housing spectrum and serves as the foundation for the Housing Action Strategy, which evaluates the financial feasibility of in-demand market housing types and outlines solutions to accelerate development.

The Housing Action Strategy was developed with support from Northern Development Initiative Trust’s (NDIT) Healthy Communities Capacity Building Program, which provided a grant to the City to address local housing needs through the completion of this strategy and the creation of the Housing Development Liaison position.

## Housing Action Strategy:

To address housing needs, the report evaluates a range of financial and non-financial incentives to determine their effectiveness in encouraging the development of ownership townhouses, purpose-built apartments, accessory dwelling units, and seniors’ rental housing. The analysis consists of two parts: (1) a baseline assessment of current financial viability of building type, (2) an evaluation of how incentives could enhance feasibility, and (3) an analysis of estimated time to recoup costs of incentives. Financial incentives reviewed include property tax exemptions, fee reductions, and per-unit grants, while non-financial incentives focus on expedited approvals, upzoning, and pre-approved plans.

Results indicate that townhouses may be viable without additional support, and other housing types, such as purpose-built apartment rentals and seniors' housing, require a combination of financial and non-financial incentives to become financially feasible. These findings align with the City's recently completed Complete Community Study, which similarly highlighted the challenges in achieving market housing feasibility under current economic conditions. Stakeholder interviews further reinforce these insights, capturing perspectives from market and non-market housing developers and development support professionals. The report concludes with recommendations (Section 3.0) to further refine incentives, streamline processes, and leverage funding sources, aiming for a balanced strategy that expands housing supply while managing costs for the City.

#### Strategic Priorities:

The Housing Action Strategy aligns with both Council priorities and MyPG goals by addressing the need for affordable, accessible, and diverse housing, which contributes to improved social health and well-being for all residents, and is critical for workforce retention, business investment, and overall economic resilience. Additionally, the focus on streamlined processes and non-financial policy incentives aligns with the City's vision for efficient governance.

#### Next Steps:

Staff intends to prioritize the implementation of incentives that do not require upfront financial investment from the City. This includes exploring non-financial measures such as zoning bylaw reform, pre-approved housing designs, and streamlined approval processes, as well as identifying opportunities for working with non-profit housing providers and seeking externally funded grants that align with ongoing housing objectives, such as the NDIT Northern Housing Incentive.

As outlined in Section 3.2 of the HAS, further exploration of financial incentives through detailed cost-benefit analyses must be directed by Council. Following Council direction, staff can further explore financial incentives that may have budgetary implications for the City.

#### Summary and conclusion:

The Housing Action Strategy provides a strategic framework to address housing challenges in Prince George while minimizing financial impacts on the City. Staff will prioritize the implementation of non-financial incentives and bring forward any initiatives requiring regulatory changes or Council approval. Council direction will be required for financial incentives. Administration recommends that Council receive this report for information.

#### Respectfully submitted:

Deanna Wasnik, Director of Planning and Development

Prepared by Imogene Broberg-Hull, Housing Development Liaison

#### Approved:

Walter Babicz, City Manager

Meeting date: 2025/03/24