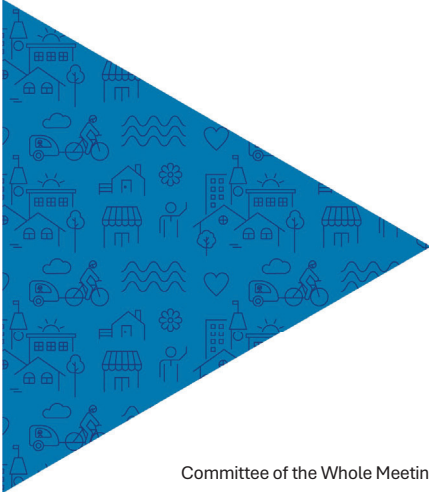


2024

CITY OF VICTORIA | Planning and Development

# DCC Grant Policy

Supporting Non-profit Affordable Housing Providers



Committee of the Whole Meeting - November 14, 2024



## Purpose

- Present a Development Cost Charge Grant Policy for Non-profit Affordable Housing for Council approval.



## Background

- Council Objective to enable non-market rental housing.
- Housing Accelerator Fund (HAF) workplan commits to rental incentives.
- Council direction for DCC Grant program:
  - **October 12, 2023:** Council directed staff to explore a **50% reduction in DCCs** for non-market rental housing projects through 2023-2024 DCC Program Review.
  - **December 14<sup>th</sup>, 2023:** Council directed staff to develop a new grant program that would offset the cost of DCCs for **non-government non-profit rental** housing projects.
- DCC Bylaw has Provincial approval, DCC Grant policy for council's consideration.

## Rationale for DCC Grant Program

- Enable affordable housing via process changes and cost savings.
- High-cost environment impacting affordable housing viability.
- Use available levers to reduce City's share of softs costs.
- Help non-profit housing groups leverage senior government funding.

### Higher interest rates resulted in 30,000 fewer housing starts last year: CMHC

*Modelling suggests 2023 interest rates slashed housing starts by 10 to 15 per cent*

Serah Louis

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## Proposed DCC Grant Program

- DCC Grant of 50% of total levies for residential DCCs for non-profit non-governmental affordable rental housing.
- Projects must meet key requirements:
  - Applicants must be a non-government non-profit organization that delivers affordable housing for very low, low, median or moderate-income households.
  - Applicants must demonstrate that they will be the long-term operator of the proposed housing.
  - Applicants must have submitted a complete development permit application.
- Applicants to demonstrate alignment with City housing priorities.

## Financial Implications

- Challenging to estimate financial impact.
- 2019-2023 saw two affordable housing projects per year.
- Estimated impact of \$900,000 annually.
- Housing Accelerator Funds can support program through 2026.
- Monitor over next two years to understand financial impact.



*2022 Vancouver Island Housing Leadership Network  
Call to Action Press Conference*

## Conclusion

- Proposed DCC Program expands supports for affordable housing.
- Responds to financial challenges non-profit housing partners are facing.
- Aligns with Action Plan under the Housing Accelerator Fund.
- Respond to acute need and limit immediate taxation impacts.



## Recommendation

- That Council approve the Development Cost Charge Grants Policy to provide grants of up to 50% of residential Development Cost Charges for non-profit non-government affordable housing providers.