



Council Report

For the Meeting of April 18, 2024

To: Council **Date:** April 4, 2024
From: Karen Hoese, Director of Sustainable Planning and Community Development
Subject: Market Rental Building Revitalization Tax Exemption Bylaw Amendment

RECOMMENDATION

That Council give first, second and third readings to the Market Rental Building Revitalization Tax Exemption Amendment Bylaw No. 24-028.

PURPOSE

The purpose of this report is to present an amendment bylaw for the Market Rental Building Revitalization Tax Exemption Bylaw 23-102. The amendments expand the options for the necessary documentation required for applications and for proving the revitalization work is complete for the greenhouse gas emissions stream of the program. This amendment will ensure that the City's program can proceed in the event that Provincial or BC Hydro incentive programs cease accepting applications.

BACKGROUND

The proposed Market Rental Building Revitalization Tax Exemption Amendment Bylaw No. 24-028 (Attachment A) is provided for Council's consideration.

In December 2023 Council adopted Bylaw 23-102 enacting a revitalization tax exemption pilot program to encourage the retention and revitalization of existing market rental buildings. There are two streams that applicants can apply to, one to reduce greenhouse gas emissions through electrification projects and one to improve seismic resilience. The greenhouse gas emissions reduction stream relies on Provincial and BC Hydro incentive program documents for project approval to enter the program, and project measurement and verification at completion. If the Provincial programs were to cease accepting applications, there would be no way for applicants to satisfy the current requirements of the bylaw.

ISSUES & ANALYSIS

There continue to be ongoing challenges with incentive programs from other levels of government being cancelled or put on hold for indeterminate amounts of time. This program instability is a program risk that should be addressed to ensure smooth operation of the City's program. To reduce exposure to this risk, staff are recommending that applicants be provided an alternative to participation in a Provincial program that would allow staff to evaluate eligibility of applications and confirm that work has been completed. This is similar to what is provided for under the seismic

stream of the existing program. The following changes are included in the amendment bylaw for Council's consideration:

In the Application section of the bylaw, adding the option to provide:

- Class D cost estimate, and;
- An energy or feasibility study that consists of a report by a professional engineer or certified energy manager outlining estimated energy and GHG savings resulting from retrofits to at least one major mechanical system (space heating, domestic hot water, or ventilation/make-up air).

In the Revitalization Work Section of the bylaw adding in the option to provide:

- A report in a form satisfactory to the Director of Sustainable Planning Community Development and verified by a professional engineer or certified energy manager detailing the actual capital costs of the upgrade, accounting for any incentives provided by other levels of government or government agencies or corporations, mechanical equipment replacement (what was replaced, how many units, etc.) and estimated GHG emissions reductions.

IMPACTS

Accessibility Impact Statement

This amendment has no impact.

2023 – 2026 Strategic Plan

This program supports the Climate Action and Environmental Stewardship priority in Council's Strategic plan. It presents an opportunity to innovate, to lead bold climate adaptation and mitigation strategies, and to accelerate decarbonization of existing buildings. It also supports the Housing priority as it will encourage investment in existing, relatively affordable market rental buildings.

Providing multiple avenues for applicants to demonstrate their project aligns with the program objectives and lessens the risk of failing to achieve the program goals due to external forces. This amendment bylaw helps to ensure this program can contribute to achieving Council's Strategic Plan goals.

Impacts to Financial Plan

None.

Official Community Plan Consistency Statement

This program is consistent with the OCP and is focused on implementing direction provided in Section 12: Climate Change and Energy.

Respectfully submitted,

Derek de Candole
Community Energy Specialist
Community Planning Division

Karen Hoese, Director
Sustainable Planning and
Community Development Department

Report accepted and recommended by the City Manager

List of Attachments

Attachment A: Market Rental Building Revitalization Tax Exemption Amendment Bylaw No. 24-028