

COUNCIL MEMBERS' MOTION

For consideration at the Standing Committee meeting of City Council on June 18, 2025

1. Jumpstarting Rental Housing: Bold Action to Boost Rental Housing Construction in Tough Economic Times

Submitted by: Councillor Bligh

WHEREAS

1. The City of Vancouver faces a significant housing affordability crisis, with a pressing need for more purpose-built rental housing;
2. Redevelopment of properties for rental housing often results in higher assessed property values, leading to increased property taxes that can deter investment in rental housing development;
3. Encouraging the construction of rental housing is a key priority for the City's housing strategy and aligns with broader regional and provincial housing goals;
4. A temporary deferral of property tax increases, holding the tax rate based on the pre-redevelopment assessed value for a set period, may provide an incentive for rental housing development while mitigating financial pressures during the construction and stabilization phases;
5. Other municipalities have explored or implemented similar tax deferral measures to support rental housing investment and affordability; and
6. The economic viability of new rental housing in Vancouver has been significantly undermined by sustained high interest rates, escalating construction and labour costs, and limited access to conventional financing, creating urgent barriers to purpose-built rental development.

THEREFORE BE IT RESOLVED

- A. THAT Council direct City staff to report back on options to design a program of tax abatement for projects that prioritize rental and below market rental units while deferring increases in property taxes for properties redeveloped for rental housing, holding the tax rate based on the assessed value prior to redevelopment, for a determined period.
- B. THAT the staff report noted in Recommendation A consider:
 - i. Legal and legislative feasibility under provincial and municipal tax regulations; including but not exclusive to considering usage of the permissive exemption under the *Vancouver Charter*;
 - ii. Potential financial and budgetary impacts for the City;

- iii. Criteria and eligibility requirements for properties to qualify for the tax deferral including potential geographic exclusions;
 - iv. Mechanisms to ensure the policy supports rental housing affordability and long-term tenure;
 - v. A permanent or time-limited incentive focused program design; and
 - vi. Best practices from other jurisdictions with similar tax deferral programs.
- C. THAT Council direct staff to seek to engage with relevant stakeholders, including housing providers, non-profit organizations, developers, and appropriate provincial ministries.

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