



**AFFORDABLE RENTAL
HOUSING REVITALIZATION
TAX EXEMPTION BYLAW
NO. 24-014**

This consolidation is a copy of a bylaw consolidated under the authority of section 139 of the *Community Charter*. (Consolidated on March 12, 2026 up to Bylaw No. 26-010)

This bylaw is printed under and by authority of the Corporate Administrator of the Corporation of the City of Victoria.

NO. 24-014

AFFORDABLE RENTAL HOUSING REVITALIZATION TAX EXEMPTION BYLAW

A BYLAW OF THE CITY OF VICTORIA

(Consolidated to include Bylaw No. 26-010)

26-010 The purpose of this bylaw is to establish a revitalization tax exemption program to incentivize the development of rental housing and housing cooperatives that serves the full range of income groups and supports the ongoing revitalization of the City's rental housing and housing cooperatives stock.

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Under its statutory powers, including section 226 of the *Community Charter*, the Council of the Corporation of the City of Victoria in an open meeting assembled enacts the following provisions:

Title

- 1 This bylaw may be cited as the "Affordable Rental Housing Revitalization Tax Exemption Bylaw".

26-010 **Definitions**

- 2 In this bylaw:

- a. "building" means a new multi-unit residential building within the City of Victoria and may include some commercial units provided they consume less than 50% of the total floor area.
- b. "deadline" means four years from the date the City issues a building permit for construction of the building.

- c. “dwelling unit” means a suite of rooms in a building with a separate entrance, kitchen and bathroom facilities, exclusively for the purpose of providing a place of residence.
- d. “improvements” means the improvements as defined in the *Assessment Act*.
- e. “owner” means the registered owner of the rental building and the land the building is situated on.
- f. “property taxes” means the municipal property value taxes imposed by the City under section 197(1)(a), *Community Charter*.
- g. “tax exemption agreement” means an agreement substantially in the form at Schedule B.
- h. “tax exemption certificate” means a certificate substantially in the form at Schedule C.

Objectives

3 A revitalization tax exemption program is established under this bylaw in order to:

- 26-010 a. encourage the development of new purpose-built rental housing or housing cooperatives; and
- b. increase the supply of dwelling units that are affordable to median and low-income households.

4 The revitalization tax exemption program is intended to accomplish the objectives in section 3 by:

- 26-010 a. offsetting the cost of developing non-market rental buildings or housing cooperatives;
- b. offsetting the cost of providing affordable units in new market rate rental buildings; and
- c. requiring long-term affordable rent levels as a condition of receiving the tax exemption for this program.

Program Eligibility

- 5** To be eligible for a revitalization tax exemption under this bylaw, the property must meet the general criteria in subsection A and the criteria in subsection B or C.

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A. General Criteria

- a. The principal building on the land must be a building that contains a minimum of five dwelling units; and
- b. The land and improvements shall have no overdue property taxes or fees, charges, fines or other amounts owing to the City.

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B. Market Rental Stream

- a. The building has not been issued an occupancy permit at the time of or prior to the owner's application for a tax exemption under this bylaw;
- b. The building is located in a zone where the form of tenure is limited to residential rental tenure or the owner has entered into a housing agreement with the City that limits the tenure of the building to rental tenure in perpetuity;
- c. The owner has entered into a housing agreement with the City for a minimum of 20 years that requires at least 10% of the dwelling units in the building to be rented at rent levels affordable to median income households in accordance with the City's prevailing policies; and

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- d. Where an existing residential building with tenants is demolished to construct the building, the owner has complied with the Tenant Protection During Redevelopment Bylaw except that, notwithstanding section 13(2) of the Tenant Protection During Redevelopment Bylaw, the owner has offered a right of first refusal to existing tenants to rental units in the building:

- (i) with the same number of bedrooms as the vacated unit,
- (ii) at median income rent levels prescribed by the housing agreement under subsection 5.B.c., and
- (iii) with a household income prescribed by the housing agreement under subsection 5.B.c..

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C. Non-Market Rental Stream

- a. The building has not been issued the first occupancy permit more than 12 months prior to the owner's application for a tax exemption under this bylaw;
- b. The tenure of the building is secured by one of the following:

- (i) the building is located in a zone where the form of tenure is limited to residential rental tenure; or
 - (ii) the owner has entered into a housing agreement with the City that limits the tenure of the building to rental tenure for 60 years or the life of the building, whichever is greater; or
 - (iii) the building is owned and operated or solely operated by a housing cooperative in accordance with the criteria stipulated within the definition of “Affordable Housing Development” in the Zoning Bylaw 2018;
- c. The owner has entered into a legal agreement with the City for 60 years or the life of the building, whichever is greater, that secures affordable rent levels in accordance with the City’s prevailing affordable housing policies;
 - d. the building meets the ownership and operating criteria stipulated within the definition of “Affordable Housing Development” in the Zoning Bylaw 2018; and
 - e. where an existing residential building with tenants is being demolished, the owner has complied with the Tenant Protection During Redevelopment Bylaw.

Tax Exemption

- 6** Subject to section 7, an owner issued a tax exemption certificate under this bylaw may be exempted from property taxes during each year of the term in an amount equal to the increase in the assessed value of land and improvements resulting from the construction of the building calculated in accordance with the formula in Schedule A.
- 7** The tax exemption shall be calculated to exclude non-residential portions of the building and proportional assessed value of the land.

Term

- 8** The maximum term of a revitalization tax exemption under this bylaw is 10 years.

Application

- 9** If an owner wishes to receive a revitalization tax exemption under this bylaw, the owner must submit a complete application in the form prescribed by the Director of Planning and Development.

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Tax Exemption Certificate

- 10** A tax exemption certificate must be issued once the following requirements are met:

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- a. the owner has completed the requirements in this bylaw to the satisfaction of the Director of Planning and Development;

- b. the rental building has been issued an occupancy permit by the deadline; and
- c. the owner and the City have executed a tax exemption agreement.

11 A tax exemption certificate is subject to the conditions specified in Schedule C.

Recapture Amount

12 If the tax exemption certificate is cancelled, then a recapture amount must be paid by the owner as specified in the tax exemption certificate.

Delegation and Designated Municipal Officer

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13 The Director of Planning and Development is delegated with authority to enter into and execute the tax exemption agreement.

14 The person who holds the financial officer position pursuant to section 149 of the *Community Charter* is delegated with authority to issue the tax exemption certificate and is the designated municipal officer under section 226(13) of the *Community Charter*.

15 If a person to whom a power, duty, or function has been delegated under this bylaw is absent or unable to act, their deputy or assistant director may exercise that power, duty, or function.

Commencement

16 This bylaw comes into force on adoption.

| | | | | |
|------------------------|------------------------|--------|-------------|------|
| READ A FIRST TIME the | 20th | day of | June | 2024 |
| READ A SECOND TIME the | 20th | day of | June | 2024 |
| READ A THIRD TIME the | 20th | day of | June | 2024 |
| ADOPTED on the | 27th | day of | June | 2024 |

“CURT KINGSLEY”
CITY CLERK

“MARIANNE ALTO”
MAYOR

SCHEDULE A

TAX EXEMPTION FORMULA

26-010 Step 1. Calculate the increase in assessed value of residential land and improvements resulting from the construction of the building, with the increase calculated:

- a. beginning from the calendar year before construction of the building substantially started and
- b. ending in the calendar year in which an occupancy permit is issued for the building.

Step 2. Divide the increased assessment amount by the post-construction assessed value and multiply by 100 to obtain a percentage. Round to a whole number (round up if decimal is 0.5 and up and round down if under 0.5). For example, if the increase in assessed value calculated from Step 1 is \$6 million and the post construction value is \$11 million: $6/11 = 0.545 \times 100 = 54.5 = 55\%$. This is the tax exemption percentage that will apply to each year in the term.

SCHEDULE B

REVITALIZATION TAX EXEMPTION AGREEMENT

BETWEEN:

THE CORPORATION OF THE CITY OF VICTORIA
1 Centennial Square
Victoria, BC, V8W 1P6

(the “**City**”)

AND:

[Name and Address of Owner of Land]

(the “**Owner**”)

WHEREAS

- A. The City has, through the Affordable Rental Housing Revitalization Tax Exemption Bylaw, established a revitalization tax exemption program for the objectives described in the bylaw;
- 26-010 B. The Owner is the registered and beneficial owner of the Lands and a building situated on the Land, and has applied for a revitalization tax exemption under the Affordable Rental Housing Revitalization Tax Exemption Bylaw; and
- C. Pursuant to section 226 of the *Community Charter*, a revitalization tax exemption agreement must apply to the property in order for a revitalization tax exemption to be granted.

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the mutual covenants and agreements contained herein and the payment by the Owner to the City of Victoria consideration in the amount of Ten Dollars (\$10.00), the receipt and sufficiency of which are acknowledged by the City, the City and Owner covenant and agree with each other as follows:

26-010 **DEFINED TERMS**

1. In this Agreement,
 - a) “Building” means the residential building on the Lands that has been accepted into the [Market Stream or Non-Market Stream - specify which stream], consisting of ___ dwelling units [describe the building];
 - b) “Land” means:

Civic address: [*]
PID: [*]
Legal description: [*]
 - c) “Owner” means the registered and beneficial owner of the Lands;
 - d) “tax exemption certificate” has the same meaning as under the Affordable Rental Housing Revitalization Tax Exemption Bylaw.

TERM

2. This Agreement commences on the day of its execution by the City and shall terminate on the day that is eleven years after the day on which a tax exemption certificate is issued.

APPLICABLE LAND AND IMPROVEMENTS

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3. For certainty, the tax exemption applies only in respect of the residential portion of the Building and proportional assessed value of the land, and the amount of the tax exemption is as specified in the tax exemption certificate.

OWNER’S COVENANTS

4. The Owner covenants with the City that it will:
 - (a) comply with all laws and regulations governing the alterations and operation of the Building; and
 - (b) comply promptly, at its own expense, with the legal requirements of all authorities in respect to alterations, maintenance, and operation of the Building.

PUBLICATION

5. The Owner agrees that the City may use the Building as a public case study and may include information related to the Building and the revitalization tax exemption program (including total tax exemptions) in publications and documents.

6. The Owner agrees to recognize the City's role as a financial contributor to the Building revitalization upgrades at any public events during the term of the tax exemption certificate.
7. The City will provide protocol guidelines for public events and visual guidelines for publications and documents related to the City's financial contribution to the Building.

INDEMNITY AND RELEASE

8. The Owner shall indemnify and save harmless the City and each of its elected and appointed officials, officers, employees, agents and contractors, from any and all claims, causes of action, suits, demands, fines, penalties, costs or expenses or legal fees whatsoever which anyone has or may have, whether as owner, occupier or user of the Lands, or by a person who has an interest in or comes onto the Lands, or otherwise, which the City incurs as a result of any loss or damage or injury, including economic loss, arising out of or connected with:
 - (a) the breach of any covenant in this Agreement;
 - (b) the use of the Lands contemplated under this Agreement; and
 - (c) restrictions or requirements under this Agreement.
9. The Owner hereby releases and forever discharges the City and each of its elected and appointed officials, officers, employees, agents and contractors, of and from any claims, causes of action, suits, demands, fines, penalties, costs or expenses or legal fees whatsoever which the Owner can or may have against the City for any loss or damage or injury, including economic loss, that the Owner may sustain or suffer arising out of or connected with:
 - (a) the breach of any covenant in this Agreement;
 - (b) the use of the Lands contemplated under this Agreement; and
 - (c) restrictions or requirements under this Agreement.

CITY'S RIGHTS

10. Nothing contained or implied herein will derogate from the obligations of the Owner under any other agreement with the City or prejudice or affect the City's rights, powers, duties or obligations in the exercise of its functions under any enactment and the rights, powers, duties and obligations of the City under all public and private statutes, by-laws, orders and regulations, which may be as fully and effectively exercised in relation to the Lands as if this Agreement had not been executed and delivered by the Owner and the City.

11. Where the City is required or permitted by this Agreement to form an opinion, exercise a discretion, express satisfaction, make a determination or give its consent, the Owner agrees that the City is under no public law duty of fairness or natural justice in that regard and agrees that the City may do any of those things in the same manner as if it were a private party and not a public body.

MISCELLANEOUS COVENANTS

12. **Representations.** It is mutually understood, acknowledged and agreed by the parties hereto that the City has made no representations, covenants, warranties, guarantees, promises or agreements (oral or otherwise) with the Owner other than those contained in this Agreement.
13. **Time.** Time is of the essence of this Agreement.
14. **Agreement.** This Agreement constitutes the entire agreement between the City and the Owner with regards to the subject matter hereof and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, of the City, with the Owner.
15. **Notices.** Any notice required to be given under this Agreement shall be deemed to be sufficiently given:
- (a) if delivered, at the time of delivery, and
 - (b) if mailed from any government post office in the Province of British Columbia by prepaid, registered mail addressed as follows:

if to the City:

1 Centennial Square
Victoria, BC, V8W 1P6

if to the Owner:

<*>

or at the address a party may from time to time designate, then the notice shall be deemed to have been received 72 hours after the time and date of mailing. If, at the time of the mailing of the notice, the delivery of mail in the Province of British Columbia has been interrupted in whole or in part by reason of a strike, slow-down, lock-out or other labour dispute, then the notice may only be given by actual delivery of it;

16. **Binding Effect.** This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, successors, including future mayors and council members, administrators and permitted assignees.
17. **Amendment.** The parties hereto may by agreement amend the terms of this Agreement, such amendment to be evidenced in writing and executed by both parties.
18. **Applicable Law.** This Agreement shall be construed in accordance with and governed by the laws applicable in the Province of British Columbia.
19. **Owner Warrants.** The Owner warrants that:
- (a) all necessary corporate actions and proceedings have been taken by the Owner to authorize its entry into and performance of this Agreement;
 - (b) upon execution and delivery on behalf of the Owner, this Agreement constitutes a valid and binding contractual obligation of the Owner;
 - (c) neither the execution and delivery, nor the performance of this Agreement shall breach any other Agreement or obligation, or cause the Owner to be in default of any other Agreement or obligation respecting the Lands; and
 - (d) the Owner has the corporate capacity and authority to enter into and perform this Agreement;
20. **Interpretation.**
- (a) when the singular or neuter are used in this Agreement, they include the plural or the feminine or the masculine or the body politic or corporate where the context or the parties require;
 - (b) all provisions of this Agreement are to be construed as covenants and agreements as though the words importing covenants and agreements were used in each separate paragraph; and
 - (c) that the headings to the clauses in this Agreement have been inserted as a matter of convenience and for reference only and in no way define, limit or enlarge the scope or meaning of this Agreement or provision of it.

IN WITNESS WHEREOF the parties have executed this Agreement

THE CORPORATION OF CITY OF VICTORIA by its authorized signatory:

Date signed: _____

OWNER by its authorized signatory:

Signature: _____

Print name: _____

Date signed: _____

SCHEDULE C

TAX EXEMPTION CERTIFICATE

Date of Issuance: _____

Certificate Number: _____

Term Length: _____

Date of Expiry: _____

Civic Address:

PID:

Legal description:

Occupancy Permit Number:

Property Roll Number:

RTE Application Number:

Amount of Exemption: The land and improvements at the property specified above are exempt from property taxes in each year of the term as follows:

26-010 **Defined Terms**

Unless otherwise noted, all terms used in this certificate have the same meaning as per the Affordable Rental Housing Revitalization Tax Exemption Bylaw.

26-010 **Conditions**

This certificate is subject to the following conditions for the term of the tax exemption:

1. the building remains in existence and operation;
2. the owner maintains rental tenure of the dwelling units;
3. the owner remains in compliance with any housing agreements with the City in respect of the building;
4. the owner continually meets all other terms and conditions of the Affordable Rental Housing Revitalization Tax Exemption Bylaw, the tax exemption agreement and this tax exemption certificate.

Cancellation

This certificate may be cancelled by the council of the City of Victoria:

- (a) on the request of the owner; or
- (b) if any of the conditions specified in this certificate are not met.

Recapture Amount

- 5. If this certificate is cancelled by City council on request of the owner or if any condition is not met, a recapture amount is payable calculated as equal to a percentage of the amount of the exemption with the percentage derived from the period of the taxation year remaining from the date of cancellation.

Transferability

This certificate is transferable upon the sale of the land and improvements.

Effective Date

This certificate does not apply to taxation in a calendar year unless it is issued on or before October 31 of the preceding year.

Issued by: _____