



City of Kelowna
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Council Policy

Affordable Housing and Amenities or Cash-in-Lieu of Thereof – Interim Policy for Increased Density Resulting From Official Community Plan Amendment

APPROVED February 23, 2009

RESOLUTION: R375/10/04/26
 REPLACING: R166/09/02/23
 DATE OF LAST REVIEW: April 2010

1. In cases where an amendment to the Official Community Plan (OCP) is required in order to permit an increase in density the City will require a contribution to affordable housing and / or public amenities, to be defined in negotiation between the City and the developer (amenities should be defined in the OCP) based on the following:
 - 1.1. Net lift in land value is the market value increase, based on the value of the property at its current OCP designation, compared to the market value that would result from re-designating the property to a higher density designation in the OCP.
 - 1.2. Total value of the contribution will be equivalent to 75% of the net lift in land value (after allowing for all land development costs associated with the rezoning) as determined by a professional analyst paid for by the applicant and meeting the approval of the City;
 - 1.3. The City's priority will be to require that the contribution would be in the form of affordable housing or public amenities provided on site representing the equivalent of 75% of the net lift in land value.
 - 1.4. Notwithstanding the above, where an application is in-stream prior to the date of initial adoption of this Policy, the value of the contribution will be based on 50% of the net lift in land value, as set out in 1.1 and 1.2, above.
 - 1.5. When determining the corresponding housing or amenity (as to be determined) is to be provided on site, 75 % of the increase in net floor area resulting from the bonus must be returned in the form of affordable housing units, meeting the City's definition of affordability set out in the OCP, and secured by a housing agreement;
 - 1.6. Notwithstanding 1.5, above, where an application is in-stream prior to the date of initial adoption of this Policy, the area of the affordable housing or amenity contribution to be provided on site will equal 50% of the increase in net floor area.
 - 1.7. Acceptance of cash-in-lieu of affordable housing or other amenities will be based on a report from a qualified professional providing compelling reasons why the provision of affordable housing and/or amenities on site is not feasible.
 - 1.8. The payment will be made at building permit or (at the developer's option) deferred to occupancy permit if the developer provides acceptable security such as an irrevocable letter of credit.
2. Any funds collected as cash-in-lieu of affordable housing will be directed to the Housing Opportunities Reserve Fund governed by By-law 8593.
3. Any funds collected as cash-in-lieu of any other amenities be placed in a reserve fund governed by a By-law that defines the amenities and guides the use of the funds.
4. This policy is **an interim policy** to be applied until such time as Council has completed its review of the Official Community Plan.

REASON FOR POLICY

There is a need for a clear policy to guide the amount affordable housing or of cash-in-lieu thereof, in return for increases in density by amendment to the OCP. Council is frequently faced with development proposals for housing whereby there is an increase in density and a contribution of affordable housing is recommended in policy. However, there is no guidance for the amount of the contribution. In some cases the developer does not wish to provide affordable housing on the same site in return for the density bonus. There is a need for a clear policy to guide the amount of cash that should be contributed in lieu of providing affordable housing on site. The issue of affordable housing or other amenities, or cash-in-lieu thereof provided when density is increased is presently under review as part of the review of the Official Community Plan.

LEGISLATIVE AUTHORITY

Council Resolution: Local Government Act S. 904; Community Charter S. 188, 189

PROCEDURE FOR IMPLEMENTATION

Implemented as a return for increased density at the re-zoning stage when an Official Community Plan amendment is also needed to increase the density.