



City of Kelowna
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Council Policy

Affordable Housing or Cash-in-Lieu of Affordable Housing – Interim Policy for Zoning Bylaw Bonuses For Affordable Housing

APPROVED February 23, 2009

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

1. The provisions outlined in this section will be applied only in situations where bonuses defined in the zoning by-law are available within the following zones:
 - RM2- Low Density Row Housing
 - RM3- Low Density Multiple Housing
 - RM4 – Transitional Low Density Housing
 - RM5 – Medium Density Multiple Housing
 - RM6 – High Rise Apartment Housing
 - C4 – Urban Centre Commercial
2. In cases where a site is to be developed for housing with the increase in FAR defined in the Zoning By-law as being available in return for affordable housing registered by a housing agreement, the priority (over and above a cash payment) will be to require 50% of the increase in net floor area resulting from the bonus to 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;
3. The City may accept a cash-in-lieu donation to the Housing Opportunities Reserve Fund, for developments of 10 units or less; as follows:
 - 3.1. the contribution will be determined based on 75% of the market land value of the increased net floor area where value is confirmed by a professional appraiser paid for by the applicant and meeting the approval of the City;
 - 3.2. 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.
4. For developments of more than 10 dwellings, the following will be required in order to consider a cash-in-lieu payment to the Housing Opportunities Reserve Fund:
 - 4.1. a report from a qualified professional providing compelling reasons why the provision of affordable housing on site is not feasible;
 - 4.2. the contribution will be determined based on 75% of the market land value of the increased net floor area where value is confirmed by a professional appraiser paid for by the applicant and meeting the approval of the City;
 - 4.3. 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.
5. Any funds collected as cash-in-lieu of affordable housing will be directed to the Housing Opportunities Reserve Fund governed by By-law 8593.
6. This policy is **an interim policy** to be applied until such time as the City conducts a review of the Zoning By-law.

REASON FOR POLICY

There is a need for a clear policy to guide the amount affordable housing or of cash-in-lieu thereof required in return for the density bonuses in the Zoning By-law that pertain to affordable housing.

LEGISLATIVE AUTHORITY

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

PROCEDURE FOR IMPLEMENTATION

Implementing density bonus provisions in the Zoning Bylaw for new development.