

# Kelowna Housing Strategy

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## Foreword:

This document is intended to read like an executive summary. The idea is to provide an “easy read” instead of a long dissertation. Considerable supporting research has been conducted and is documented on the City website on the Housing Strategy page. If any issue is of particular interest, see if the materials on the website can augment the background information behind the Housing Strategy. <http://www.kelowna.ca/CM/Page2806.aspx>

## Acknowledgements:

The City would like to acknowledge all of the people, agencies and staff who helped to complete the City’s Housing Strategy, including:

- All residents who provided their thoughts, either through participating in surveys, attending the public open house in September of 2011, or otherwise touching base with the City;
- All members of the City’s Housing Committee who devoted 20 meetings to help form the basis of the Housing Strategy;
- Builders and developers who, not only participated in workshops or on the Housing Committee, but shared their business information with the City;
- All government agencies and ministry representatives who provided their expertise, time and participation in the City’s consultation processes;
- Contracted staff; Jamie McEwan and Hannah Bellamy, who each devoted several months to the City conducting research and adding their knowledge to the development of a comprehensive set of ideas and actions;
- All City Councillors who helped by providing their valued thoughts and support to this work during many Council meetings where the Housing Strategy was considered; and
- All City departments and staff who have moved the Housing Strategy forward by ensuring that workable, sound actions are pursued by the City to answer the housing needs of its residents.

*Sincere and heartfelt thanks to all of you!*

# Introduction

## Goal

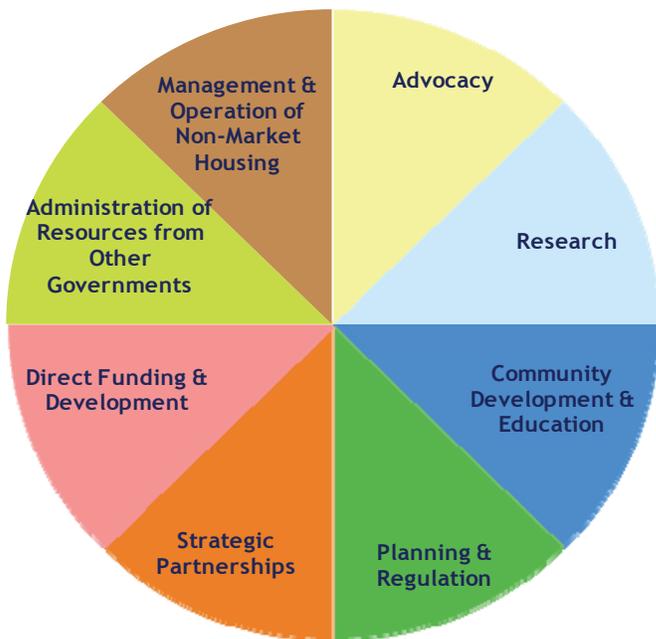
***Strive to ensure that every Kelowna resident has suitable housing.***

A healthy housing supply is fundamental to the economic and social well-being of a community. Without appropriate housing to meet the needs of every resident, a number of issues arise: the labour supply becomes limited, hampering the viability of local employers; the cost of health care escalates as a result of inadequate or unhealthy housing; and quality of life can plummet. Visible homelessness is but the tip of the iceberg.

## The City’s Role

Determining future housing needs, providing supporting infrastructure, and appropriately guiding development are key municipal responsibilities. Much of the daily services and activity of the City revolve around these responsibilities. So the role of the City in guiding the delivery of housing in the marketplace is clear and central to a sustainable and healthy community. These activities can include identifying areas for growth and setting out the servicing needs and implementation strategies for these areas. Defining appropriate densities for various neighbourhoods and then prescribing housing forms accordingly are very key areas of municipal influence over the housing supply. These matters are generally set out in the Official Community Plan, Zoning Bylaw and Finance and Servicing Plan for the city.

### Local Government Roles in Housing



When housing policy or actions differ from these more familiar roles, the appropriate and possible actions of the City become less clear. Municipal roles also vary in Canada between provinces. The adjacent chart, based on the one developed for the Calgary Housing Strategy, helps to describe Kelowna’s involvement with housing. The City has been active to varying degrees in all but two areas of the housing supply shown on the chart. *Management of non-market housing and administration of resources from other governments* don’t apply in the Kelowna situation, since funds are not assigned to municipalities in BC to fund low cost housing the way they are in some other provinces.

A Housing Strategy needs to delve into areas that are not necessarily defined in the standard plans and bylaws that guide decision making for local government. Addressing the housing needs of all the city’s residents, including all age groups, income levels and abilities, is often a less understood area of influence. The City of Kelowna has done quite well in terms of recognizing that there are a multitude of life circumstances that affect housing choices to meet needs of households in the context of these scenarios. Examples include those who need some health services or support as part of their housing, people with physical limitations or simply those who would not be able or willing to choose a more conventional home. Such needs can be met more effectively with flexibility in land use and zoning that allows health care licensed housing, group living arrangements, boarding homes and unrelated people to share housing for, example. Kelowna was recognized for this approach through an award from the Federation of Canadian Municipalities in 2010 for Sustainable Residential Development.

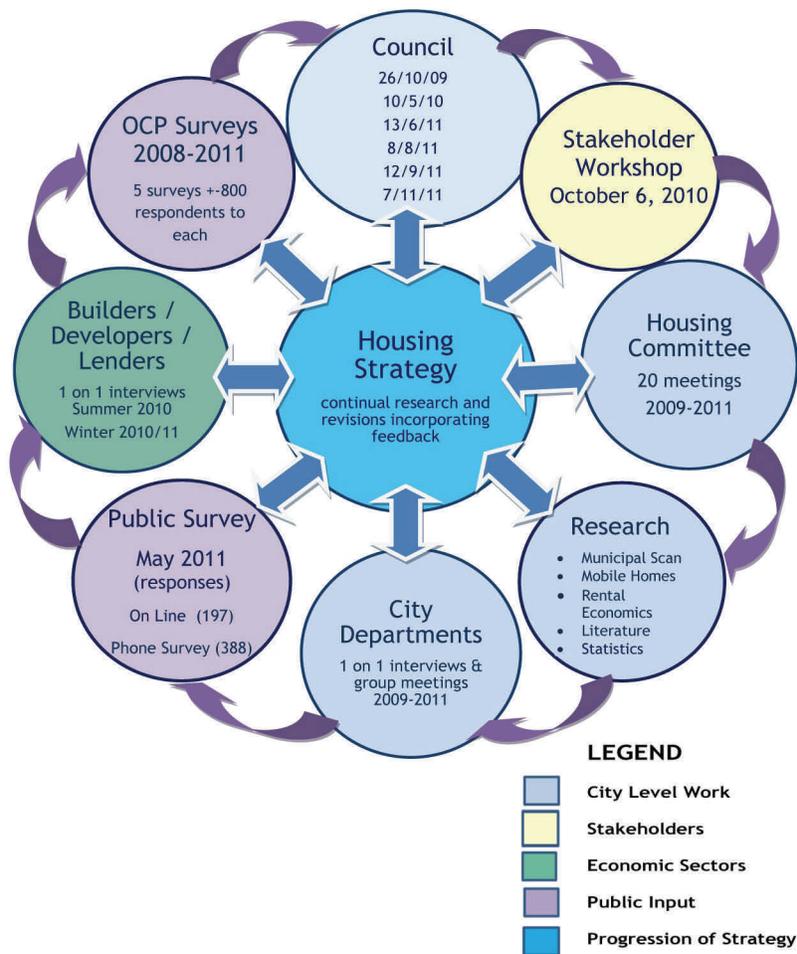
Aging in place is a key life situation that Kelowna is now able to embrace, recognizing its status as one of the communities with the highest percentage of older people in the country.

## The Process

Necessity often precipitates creativity. It is also the fuel behind a strategic process. In order to achieve a current and comprehensive approach to ensure that all avenues towards a healthy housing supply had been explored, the City followed a thorough research and consultation process, described by the adjacent chart.

Stakeholders from all sectors were integral to the development of a current Housing Strategy for Kelowna. Government, industry, non-profit and community stakeholders were included.

Workshops, committees, an open house and surveys were all used in addition to research undertaken by the City. Progress reports were delivered more than half a dozen times to City Council. The chart adjacent describes the actions undertaken and the time-frames.



## Kelowna’s Housing Landscape

*“Canada’s housing system, unlike that of most western Nations, relies almost exclusively on market mechanisms for the provision, allocation and maintenance of housing.” - Hulchanski*

The market will supply new housing in accordance with its economic viability. Developers use stringent “pro-forma” calculations to ensure that their housing proposals can be financed and will provide a return on investment. This situation exists in all Canadian communities.

In the last few decades, economic viability of new housing generally means that owner-occupied housing is favoured in the new housing supply. Not surprisingly, owners have double the median income of tenants. This also means most people presently living in rental housing could not afford to own their own homes.

Similarly, growth in rental housing supply in Kelowna is not occurring in tandem with new population and increased demand, due to the unfavourable economic prognosis of this type of development, compared to owner-occupied housing. Kelowna has a limited supply of older buildings that were built as rental housing (referred to as “purpose-built” rental housing).

More than 60% of the rental stock is found in buildings like houses, duplexes and stratified apartments that are not owner-occupied. One limitation of this is that these dwellings are not considered long-term rental housing, since many of these situations are temporary. The table below gives the results of the annual CMHC Market Rental Survey. Shorter term rentals like recreation condominiums, are not included.

Kelowna CMA	2011 Total	2010 Total	2009 Total	Change 2010-2011	Change 2009-2010
apartments & row housing	4459	4324	4280	135	44
<b>Secondary Rentals</b>					
single detached	3017	3806	4022	-789	-216
semi-row & duplex	3562	2481	2719	1081	-238
accessory suites	2353	1346	1322	1007	24
<b>TOTAL CMHC Rentals</b>	<b>11038</b>	<b>11957</b>	<b>12343</b>	<b>1434</b>	<b>-386</b>

This table shows dwellings included in the CMHC Rental Survey over the last three years. For the Kelowna Census Metropolitan Area, which includes areas beyond the city boundary (Lake Country, West Kelowna and areas east of the city referred to as Central Okanagan Subdivision 1); the rental supply has fluctuated, showing some increases from 2010 to 2011. The 2006 Census counted 12,200 tenant households within city limits, about 28% of Kelowna’s 44,000 households. Population forecasts anticipate 1,000 additional homes each year will be needed for growth alone. Based on 30% of these households renting, about 300 additional rentals per year are needed. Although the annual market rental survey may be missing rentals such as suites in small buildings, or temporary rentals, the supply is not consistent with the need for rental housing.

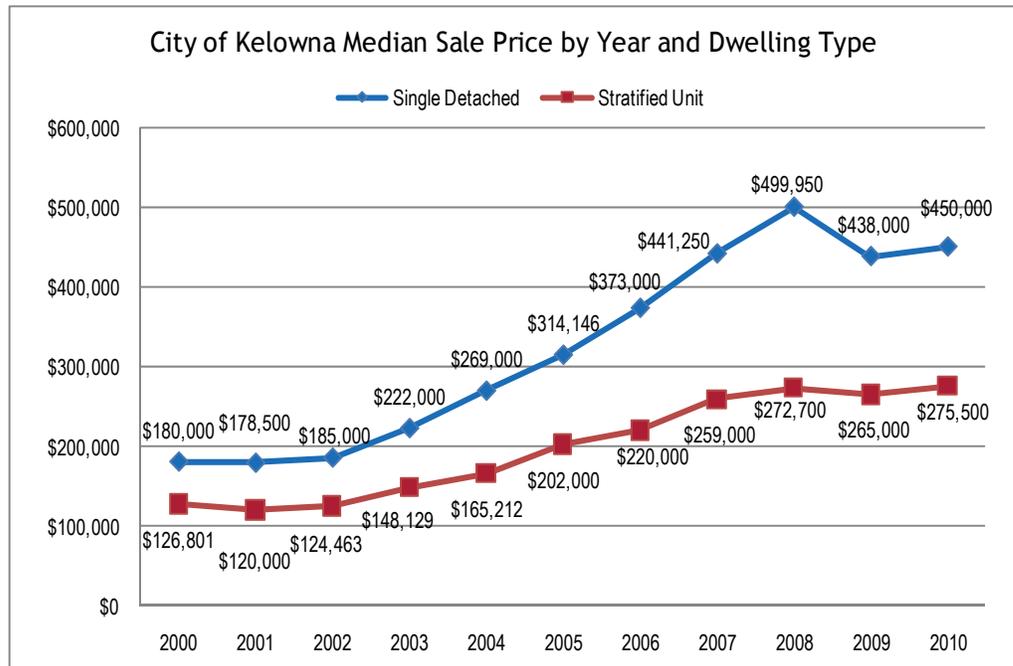
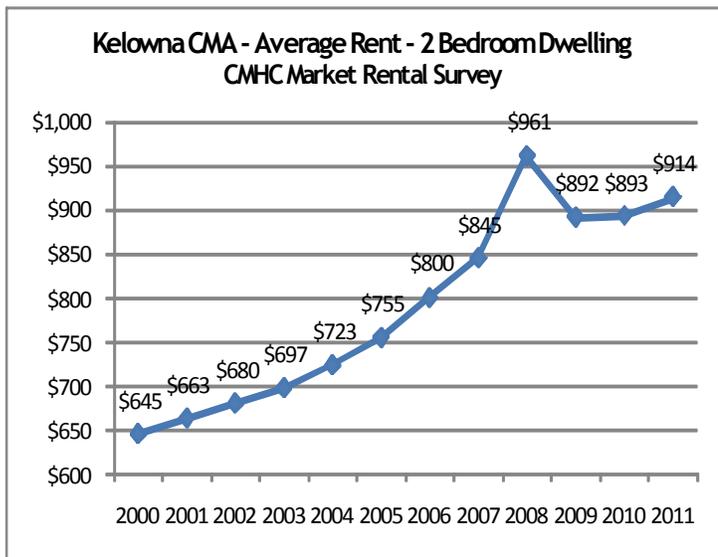
## Income and Housing

Kelowna is faced with several housing affordability challenges. It has some of the highest housing costs and lowest income levels in BC. The adjacent table gives a comparison of the income levels recorded for the 2006 Census for Kelowna relative to other BC centres.

Location	2005 Median Family Income - Census
Kelowna	\$59,087
B.C.	\$62,346
Kamloops	\$64,117
Vancouver	\$64,332
Victoria	\$69,025
Prince George	\$72,698

Home prices, by contrast, have escalated since 2003, while rents have followed a similar pattern. Some adjustments have been made with the more recent economic climate, but it appears to be a case of “too little–too late” for those in need of decent housing.

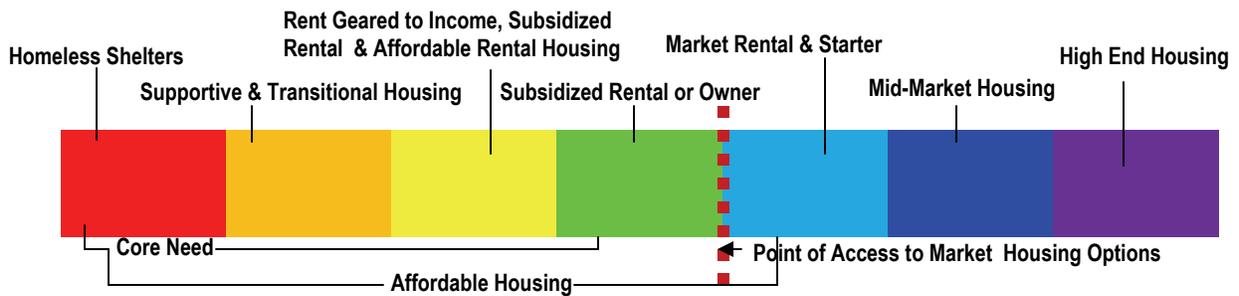
Incomes simply have not kept up with the cost of housing. Incomes are harder to track as well, since the Census is the most accurate source of income data and is conducted once every five years. Income is estimated in years between receipt of Census income information using the BC average annual consumer price index (i.e.: cost of living /inflation). Inflation increased 20.4% since 2000-2011, compared to rents which increased 42% over the same time-frame and single detached home prices which increased about 150% from 2000 to 2010.



## The Housing Continuum

Just as people differ from each other, there is a wide variety of housing forms needed to suit all their different needs. These are determined by income primarily, followed by number of people living together, ability and age. Noted already, Kelowna has historically provided zoning for the housing forms suited to an aging population. These housing forms also serve other populations well: such as people with physical and/or mental disabilities; those recovering from illness, including addictions; and those recovering from homelessness. The City has chosen to focus on housing forms, rather than defining housing based on its occupants. The latter risks exclusion of other populations which may be well suited to the building forms. The fact that “seniors housing” works for other populations is a prime example.

There is a model that describes housing using income as the determining factor of the form of housing needed. This is referred to as the “housing continuum” or “spectrum” and there are several versions used in other municipalities. Kelowna has borrowed and adapted one from the City of Saskatoon, as provided below:



The areas on the left side of the red, dashed line represent households whose income levels mean they can’t afford conventional rental or owner housing provided by the housing market, but need assistance, either in the form of income subsidies or subsidized housing, to achieve safe and appropriate housing. In the supportive, and transitional housing situations there may be health and/or ability issues that must be addressed as part of the housing provided (e.g. seniors, people with disabilities, people who are or have been homeless). When housing needs are not met on the left side of the red line, economic costs to the community include: inadequate and/or dysfunctional labour force, higher health costs, unacceptable housing conditions and homelessness. These problems exist in Kelowna much as they do in most North American cities.

The right side of the red line describes the types of housing that are provided in the market without government subsidies. The lighter blue area would include market rentals and resale condominium apartments, for example, while purple basically indicates the part of the community that has sufficient income to secure higher-end single detached homes. Providing new housing to support increases in population for all areas of the continuum is always a challenge due to the costs attached to building, land in particular. The greatest challenge is to provide housing that matches the community’s capacity to pay. Although the chart shows that owner-occupied housing is generally not subsidized, the BC Homeowners grant is a subsidy that is often overlooked.

## Defining Housing Affordability

So how do we define housing affordability? Generally, 30% of total income before tax is the accepted standard of the maximum that should be spent to afford housing.

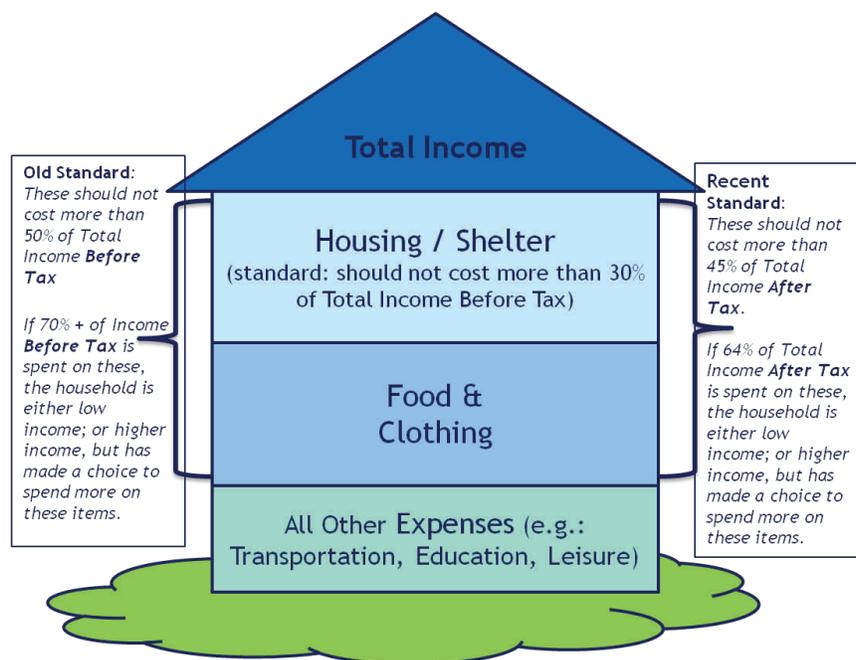
Based on all available research, the City has approved definitions of housing affordability for Kelowna. These are found within the Official Community Plan (OCP) and are quoted below.

The illustration at the bottom of the page describes the parameters for housing affordability. Although Canada does not have a defined poverty line, if income is insufficient for basic necessities, including housing, food and clothing, then a family or household is considered at or below a low income threshold. Low Income housing needs are discussed separately.

## Official Community Plan 2030

*Affordability benchmarks will be published annually in information bulletins, using accepted methodologies and data from Statistics Canada, BC Statistics and Canada Mortgage and Housing Corporation. They are based on the following criteria:*

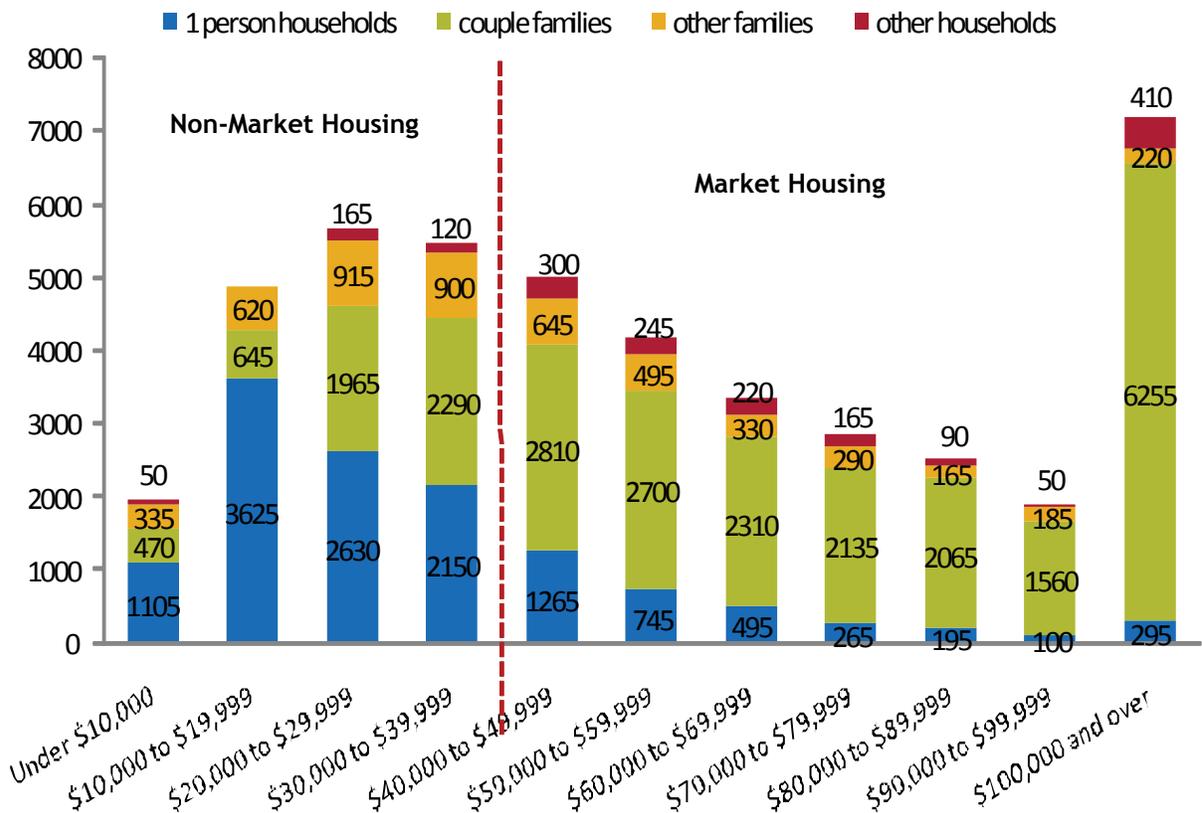
- *“Affordable Rental”: Affordable rents will be the average rents for Kelowna from the annual Canada Mortgage and Housing Corporation (CMHC) Rental Market Report;*
- *“Affordable Ownership”: Ownership affordability is based on the income level at which a household would be capable of entering the ownership market. This is equivalent to the “starter home” price and is derived based on the purchase ability at the median income level for all two or more person households from the most recent Census, assuming 30 % of gross household income expenditure for shelter. The starter home price will be updated annually between Census years using the B.C. Consumer Price Index (CPI), be published annually by the City and be given for a non-strata-titled home, a strata-titled home and a mobile / manufactured home.*



## Kelowna’s Households by Income:

The distribution of households in Kelowna, according to the 2006 Census, has been thoroughly explored as part of the City’s housing research. The chart below shows how households were distributed by income levels and living arrangements. Significant numbers of households that include families and singles, under the \$40,000 income level in 2005 (the red dashed line) who could not afford housing provided by the market place, meaning that they are living in sub-standard housing with relatively few receiving rent subsidies or living in subsidized housing. Some may be seniors living in mortgage-free homes and receiving a pension. The total number of households at this income level is just under 18,000; alarming, considering this is 2006 information and recently released 2011 Census total population figures (117,000) show a 9.6% growth in population and 12% increase in households between 2006 and 2011. An estimate of 20,000 out of the 49,668 total households in 2011 that are unable to afford market housing is therefore realistic. Given that there are so many households that would be considered low income and not able to afford most of the conventional housing in the city, an overview of low income households and their needs is provided next.

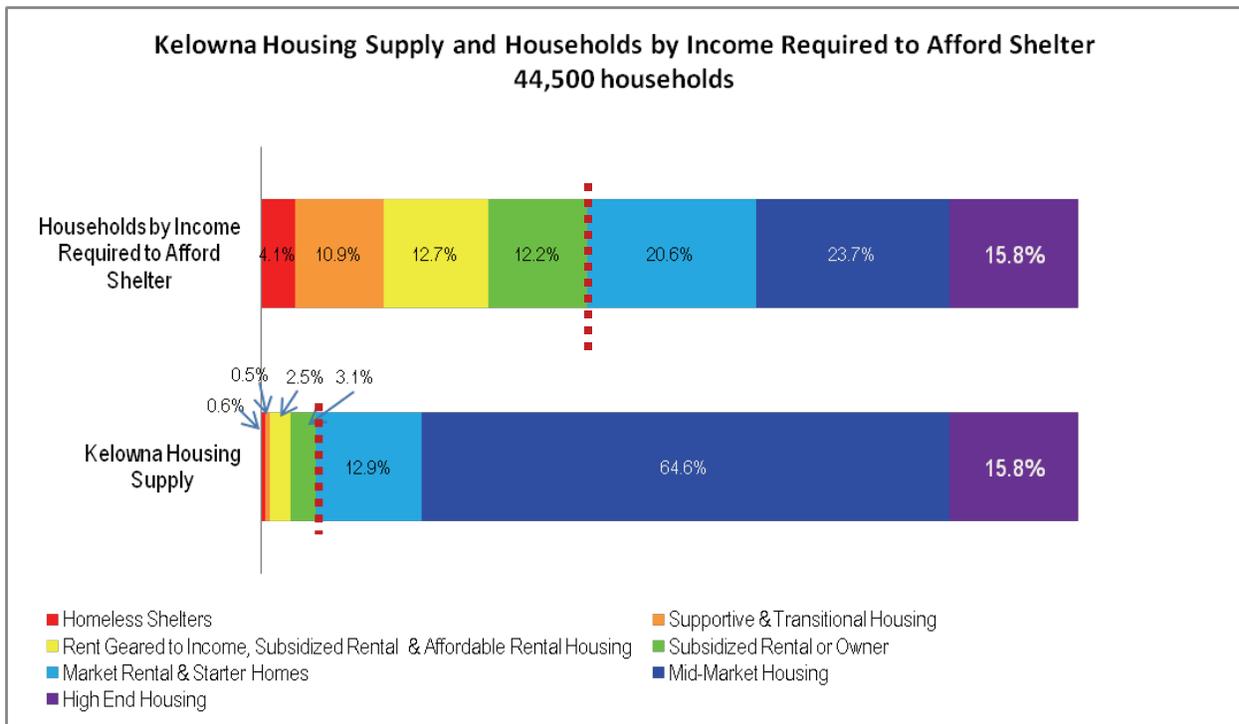
**Kelowna Households by Income and Type 2006 Census**



# Kelowna’s Housing Supply:

## The Need Vs. the Supply:

Using the distribution of households by income and applying 30% of gross income for shelter, available information has been assembled to compare the Kelowna population to the housing supply. There are a multitude of ways of looking at this, but the idea is to create a model that helps to describe the supply situation. It is mostly about the imbalance of income against supply. The bar graph below is representational, but based on interpretation of the available data. It serves to describe the abundance of housing supply to match mid to high income households (i.e.: those making \$60,000 or more at 2005 gross income levels (roughly \$66,000 at 2011 level using the BC Consumer Price Index). It also shows the lack of housing suited to those who cannot afford market housing meaning their income is \$40,000 (equivalent to \$44,080 in 2011) or less. Many Kelowna households are living in housing that would cost much more than 30% of their income. Some are retired and have homes that are mortgage-free; some are tenants who are frequently moving due to unsuitable housing, or rent they cannot afford; some choose to pay more to acquire the housing they prefer (e.g. new housing). It also shows that; based on requiring \$66,000 to own a home at 2011 income levels, much more rental housing is needed, both on the market rental side, for those at the \$44,000 to \$66,000 income range and subsidized housing or income assistance, for those who are under the \$44,000 income level at 2011 income levels.



## Core/Low Income Housing

There are many ways to quantify low income housing needs. Wait lists are one example. In BC, it is defined as people who are in “core need” of housing. Numbers for this are produced by BC Housing, based on the Census [www.bchousing.org](http://www.bchousing.org). A description of core need & numbers for Kelowna are provided here. To meet these needs, some kind of housing subsidy is essential, whether it’s a rent subsidy, subsidized housing or a combination of these.

**CORE NEED:**  
*People in core need of housing extend across all age groups and living arrangements. Most are not homeless, but either cannot afford their housing and/or live in housing that is too small or in poor condition because they are unable to afford anything else.*

**Number & Proportion of Households in Core Housing Need in the City of Kelowna by Household type, 2006**

Household Type	# of Households in Core Housing Need	Total # of Households (Hhlds)	% of Hhlds in Core Housing Need
One-person Hhlds	2,490	12,860	19%
Lone-parent Hhlds	1,135	4,485	25%
Couple with children Hhlds	660	10,420	6%
Couple without children Hhlds	545	13,765	4%
Other Households	320	3,080	10%
<b>Total Households</b>	<b>5,150</b>	<b>44,605</b>	<b>12%</b>

**Number & Proportion of Households in Core Housing Need in the City of Kelowna by Age Groups, 2006**

Age Grouping	# of Hhlds in Core Housing Need	Total # of Hhlds	% of Hhlds in Core Housing Need
Under 25 years	470	2,270	21%
25 to 44 years	1,575	13,235	12%
45 to 54 years	925	9,325	10%
55 to 64 years	680	7,175	9%
65 years +	1,500	12,600	12%
<b>Total</b>	<b>5,150</b>	<b>44,605</b>	<b>12%</b>

Source: Statistics Canada, Custom Tabulations, based on the 2006 Census (CRO0109569), January 2010.  
 Prepared by: BC Housing’s Research and Corporate Planning Department, July 2011.

## Low Income Housing Supply

**Number of Units Administered By BC Housing in the City of Kelowna by Target Client Type for September 30, 2011**

Client Type	Number of Units	Percentage of Total Units
Homeless Shelters	80	3%
Homeless Housed	351	12%
Frail Seniors	225	8%
Special Needs	190	6%
Low Income Seniors	599	15%
Low Income Families	453	20%
Aboriginal	95	3%
Rental Assistance Program (RAP)	270	9%
Shelter Aid for Elderly Renters (SAFER)	691	23%
<b>Total Units</b>	<b>2,954</b>	

Source: BC Housing, Unit Count Pivot Tables, September 30, 2011

The Provincial Ministry of Social Development advised there were approximately 750 families and 2,135 singles receiving BC Shelter Assistance in 2010, which would be additional to the numbers shown above, although there may be some overlap. (e.g. homeless people may be receiving shelter assistance).



Above, left is a boarding home for men and right is the Cardington Apartments for people who've been homeless.

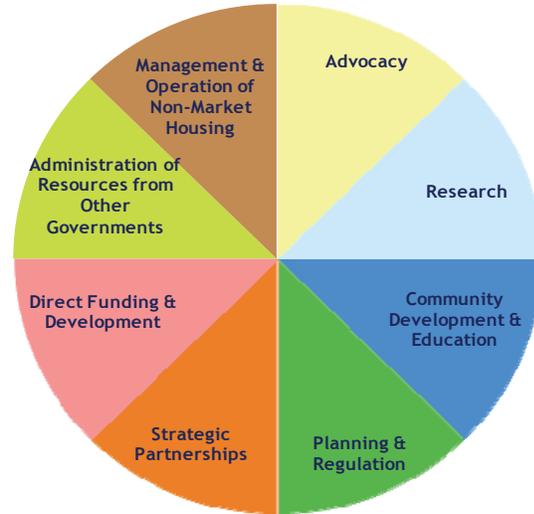


Examples of non-profit, subsidized family housing in Kelowna; coop housing on the left.



## Best Practices

The City of Kelowna has a track record of action to address the housing needs of its residents. Using the chart to describe municipal roles in the delivery of housing. that was used at the beginning of this document, these initiatives are described below:



## Land Partnerships

The City of Kelowna has provided land at no cost to eight different sites for affordable housing partnerships. A commitment has been made for 170 supportive dwellings, with 116 built and 49 under construction. Approximately 75 units are to be built on a partnership site on the Central Green (former Kelowna Secondary School (KSS) site). There is potential for another 75 affordable units to be built on the same site in a separate building.

### Local Government Roles in Housing

*The colours and roles identified in the above chart are used to categorize the actions and recommendations that exist or are approved for Kelowna.*

Eight shelter beds are in place for youth at the City-owned Glenn Ave. School.

Pleasantvale Homes, on formerly City-owned land, has been transferred to BC Housing and is committed as a location for affordable housing redevelopment. It continues to provide 50 low cost senior citizens’ apartments.

The City also has an inventory of about 52 homes that are rented at market rents until they are needed for their intended purpose of future City services, such as parks, parking areas, roads and utilities.



## Housing Opportunities Reserve Fund (HORF)

The City has directed about \$2.5 million to this fund since 2001. Nearly \$700,000 has come from developer contributions and the rest from annual taxation and redirected funds. Funds go to grants and land acquisition for affordable housing.



## Rental Housing Grants

Grants are awarded from the annual budget allocation to the HORF, with a portion specifically for these grants. Since 2006, the City has awarded \$782,735 in rental housing grants for a total of 92 rental dwellings. The program has been well-received, with the majority of the dwellings being in the non-profit sector



## Density Bonuses

Quoted in best practices publications, “density or amenity bonusing”, sometimes referred to as “inclusionary zoning” (US) is often flagged as the way to achieve affordable housing as part of new development. The concept is based on the premise that the developer achieves added value by increasing the development capacity of the land and can therefore afford to give something back to the municipality in terms of needed housing or community services. It is not a popular concept with developers due to the fact that developing new housing can be a risky and expensive undertaking. Added costs are not welcomed. Planners also have concerns that this approach appears to encourage density that is not predicted within land use and servicing plans and therefore the costs may outweigh the benefits.

Planning & Regulation

However, there are some very modest density bonuses written into the existing Zoning By-law and there has been some limited history of negotiating with developers when a development goes beyond predicted densities. The results to 2010 have been:

- ▶ 45 starter homes for purchase;
- ▶ 23 rental homes;
- ▶ 67 market rental homes; and
- ▶ \$700,000 in developer contributions to the Housing Opportunities Reserve Fund.

## Municipal Property Taxes

The City budgets annually to provide exemptions to City property taxes for transitional and residential care housing (permissive tax exemptions).

It also has a tax incentive program which offers tax relief from the City portion of property taxes for up to ten years for new developments in specific areas of Downtown and the Rutland City Centre to promote economic vitality and sustainable urban growth in these areas (see By-law 9561).

Direct Funding & Development



*One of the more recent rental buildings that has been built in Kelowna.*

).

*One of the buildings that received a rental housing grant (on the right).*



*Willowbridge (right): one of several supportive housing buildings on City-owned land. This building and the one above are also eligible for City property tax exemptions as transitional housing.*



## Development Cost Charges (DCCs)

Planning and Regulation

The City has consistently adopted best practices with the application of development cost charges (DCCs). DCCs are essential for the funding of expansions to City services resulting from new growth. A DCC may be as much as \$10,000 per dwelling or more, depending on dwelling size, density, location and servicing needed. Typically, Kelowna has been a consistent growth area for BC and has needed to plan for funding of services accordingly. However, by being diligent in its knowledge of the servicing needs of various forms of housing, the City has been able to ease the burden of DCCs for needed housing forms in various ways, including:

- ▶ The application of institutional DCC rates for congregate housing and supportive housing with health care.
- ▶ Reduced DCCs (\$2,500) for new secondary suites;
- ▶ Since 2009, lower DCCs are charged for units 600 square feet or less in size.
- ▶ Density gradient: there are lower DCCs for developments that use less infrastructure (e.g., dwellings are smaller and closer together).

Reduced DCCs have saved some buildings \$1,000,000 or more. The rental grants program to provide relief from DCCs has already been outlined in the Housing Opportunities Reserve Fund discussion.



*Mountainview Village is a seniors housing complex that facilitates ageing in place. It received provincial and federal funding. The City was able to offer lower institutional DCCs.*



*Fernbrae Manor is a congregate seniors housing facility that benefited from the institutional DCC. The complex is market, not subsidized housing.*

## Comprehensive Zoning

Planning and Regulation

Zoning has been put in place that provides for a variety of housing types and support services in most residential and commercial zones, involving defining appropriate building forms and setting performance standards for corresponding density (e.g. less parking for some housing types). Zoning regulations and uses were introduced into zones that facilitate aging in place and housing for people with special needs, including boarding and lodging; group living homes; supportive housing; congregate housing; and day care centres. This has been working effectively for over a decade by allowing diverse housing forms for specific needs populations to fit seamlessly into neighbourhoods without the need for re-zoning. Housing forms are based on the appropriate density for the given zone.

## Recommendations

Following the process described earlier in this document, the City has developed recommendations for new directions in its approach to the housing supply. These are the cumulative result of consultation and research that took place mostly in 2011. City Council endorsed these recommendations on November 7, 2011. The City will work to implement these recommendations, continually focusing its efforts on current resources and housing needs.

There is more than one way to organize the recommendations. The approach taken in the ensuing text is to look at the nature of the action that is recommended and to categorize it based on whether it is:

- Policy – new or amended policies;
- Zoning– additions or changes to the Zoning By-law; or
- Procedural – means of addressing housing needs through various processes available to the City.

Recommendations that have been approved are shown in *italics* text. The recommended actions are primarily focused on immediate or short term implementation schedules, particularly new policies the City can adopt. However some are longer term due to the fact that resources and budget are not available in 2012 to begin the work required. Longer term actions are flagged with gray highlight.

Initiatives are also coded to reflect the local government roles that have been defined and used in the previous sections of this report. The colours used match the pie chart that was used in the “Best Practices” section.

POLICY RECOMMENDATIONS		ROLES
<p><b>Recommendation:</b></p> <p><i>1. Family Housing Policy: Add policy to the OCP to express support for housing alternatives for families when single detached housing is too costly. This would include wording that describes the things that are important to families including: outdoor space, direct access to grade, workshop space, larger units, safe design, and neighbourhood characteristics (e.g.: location and amenities).</i></p> <p><b>Rationale:</b></p> <p>The income distribution of households in Kelowna shows that there are many family-sized households making less than the median income of a Kelowna two or more person household , which is close to \$66,000 in 2011 values. This gross income level would allow the purchase of a home with strata fees priced at \$206,000, or a fee simple home at about \$220,000. Realistically, the market has few choices in the lower price ranges of homes for families. That leaves the choice of renting suitable housing or buying some form of attached housing because single-detached housing is beyond the financial capability of the majority of families. The City’s policies therefore would encourage alternate housing forms that meet these needs.</p>	<p>Planning and Regulation</p>	

## POLICY RECOMMENDATIONS CONTINUED

### ROLES

**Recommendation:**

**2. Communities:** *Introduce a new OCP policy to foster healthy, inclusive communities and a diverse mix of housing forms, consistent with the appearance of the neighbourhood.*

**Rationale:**

This recommendation re-affirms the importance of creating a diverse, healthy community, while also providing for a broad range of housing needs.

Planning and Regulation

**Recommendation:**

**3. Understanding:** *Provide OCP policy to support means of increasing understanding of various housing needs and forms; and reducing “Not in My Back Yard” (NIMBY) syndrome.*

**Rationale:**

There is plenty of good information on how to help neighbourhoods and individuals understand, cope with, and even support different types of housing in their community. NIMBY should not be dismissed, but recognized and addressed. At times change will be so unpredictable and significant that serious and sometimes costly action is necessary: e.g.: assisting people to relocate their homes and/or buy property. The City must do this on occasion for City services to be constructed (new roads or utilities) or to assemble land for subsidized housing.

Community Development & Education

**Recommendation:**

**4. Neighbourhood Impact:** *Introduce OCP policy that requires the City to carefully consider the impacts on land values and neighbourhoods when assessing requests for amendments to the OCP.*

**Rationale:**

Land value research was done by a land economist for the City in 2008. It showed that the Kelowna land market was operating based on the value of the highest anticipated development capacity, beyond what the City had forecast. This was one of the prime reasons that affordability of new housing and new subsidized housing were so difficult to deliver. The land market is adjusting due to changes in the economy. A consistent approach to development by the City would serve to stabilize land prices over the longer term. There may be significant servicing costs & impacts of increasing densities beyond the intent of the OCP, some of which cannot be defined without professional consultation (e.g. traffic impact studies, environmental impact studies, etc.).

Planning and Regulation

# POLICY RECOMMENDATIONS CONTINUED

## ROLES

**Recommendation:**

**5. Adaptable Housing:** *Introduce policy to promote adaptable design.*

**Rationale:**

The District of Saanich has one of the clearest explanations & guidelines on adaptable design. See the link: <http://www.saanich.ca/business/adaptable> This is *not* handicapped accessible housing, but dwellings designed so that they can easily be adapted to meet a number of different future needs. Cost savings over the long term are significant with an initial cost of under \$1,000/ dwelling. It is best suited to apartment housing.

Planning and Regulation

**Recommendation:**

**6. Housing Mix:** *Provide policy that supports a greater mix of sizes, forms, and tenures of housing in new multi-unit & mixed use developments.*

**Rationale:**

This policy would recognize the need to promote a healthy mix of housing types serving a broad spectrum of needs.

Planning and Regulation

**Recommendation:**

**7. Secondary Suites and Accessory Apartments:** *Add OCP policy to encourage secondary suites and accessory apartments through appropriate zoning regulations.*

**Rationale:**

In 2011, surveys showed over 70% in favour of secondary suites and 80% support for “suites in my neighbourhood”<sup>1</sup>. Several other municipalities have brought in zoning that allows a suite in any single detached dwelling. Aside from the opportunity of enabling legal secondary suites, there lies a further opportunity for rental apartments to be added to apartments or other attached, stratified dwellings to address needs that would include: family such as young adults, relatives with disabilities or seniors. It would be beneficial to students to have more housing options.

Planning and Regulation

*The photos below provide three illustrations of legal secondary suites in Kelowna. The middle one is detached.*



<sup>1</sup>Based on over 300 respondents to a statistically valid phone survey and nearly 200 respondents to an on-line survey.

## POLICY RECOMMENDATIONS CONTINUED

### ROLES

**Recommendation:**

**8. Housing as Secondary to Light Industrial:** Create policy to explore limited expansion of housing options as secondary uses in light/transitional industrial areas.

Planning and Regulation

**Rationale:**

Discussions with the Housing Committee favoured housing as a secondary use in light industrial areas. Based on examples that had been witnessed in other cities, this was thought to be a way to create housing that may be less costly and attractive to specific populations like single young working people and students.

At the time of these discussions, research conducted for the Official Community Plan had determined that land allocated for residential growth to the year 2030 was more than sufficient for forecasted growth. Also, industrial lands in Kelowna are already subject to development pressures to other uses. There has been a historical desire to protect these lands to serve industrial needs. Additionally, there was a political concern about conflicts between residents and businesses in these areas.

**Recommendation:**

**9. Monitor Industrial Transitional Areas:** Provide policy to monitor Industrial transition areas and apply the results to future approaches to residential uses in industrial areas.

Planning and Regulation

**Rationale:**

Although the current land supply does not indicate a need to provide housing in areas that presently do not allow it, light industrial areas were seen by the Housing Committee as having potential for less costly housing serving particular needs for students and single working people. Therefore, the City would be looking at the limited industrial transition areas that exist and refining means of ensuring the industrial uses and housing are compatible through policies and regulations.

*The Ellis St. area (below) gave the Housing Committee the idea that the industrial business park near UBCO (left) could provide student housing above business uses.*



*Housing should meet the needs of all generations.*



# ZONING RECOMMENDATIONS

## ROLES

**Recommendation:**

**10. Fee Simple Townhouses:** Add zoning to allow for fee simple townhouses that would have their own public road frontage and lots.

Planning and Regulation

**Rationale:**

The results of surveys the City conducted in May of 2011 identified townhouses (row housing) and duplexes as the preferred choice of respondents if a single detached home is not financially feasible. Larger dwellings (3 bedroom) were also preferred. The current zoning does not have regulations that would facilitate ownership of townhomes on fee simple lots. This is therefore recommended as a housing form that could be purchased (or rented) for family housing.

**Recommendation:**

**11. Courtyard Housing:** Create the zoning regulations needed to allow courtyard housing.

Planning and Regulation

**Rationale:**

Courtyard housing is an older concept that is being revived in the central neighbourhoods of cities like Los Angeles and Portland as a housing choice for families that promotes a sustainable lifestyle. Similar to row housing, it features buildings closer to the road on a typical city block, with open, courtyard areas in the centre of the block that can be used as play/recreation areas for the residents. It can be done in Kelowna by amending the Zoning By-law. Mapping research shows that there are over 1,000 existing lots large enough and properly designated in the OCP to allow this type of housing, creating opportunities for developers and residents (could be owner or rental housing).

**Recommendation:**

**12. Six Storey Buildings:** Provide zoning that would accommodate six-storey, wood frame buildings.

Planning and Regulation

**Rationale:**

Six storey buildings are promoted by the Province as a more affordable choice for developers to build apartment housing.



*Facilitating different forms of multi-unit housing helps increase choice.*

# ZONING RECOMMENDATIONS CONTINUED

## ROLES

**Recommendation:**

**13. Accessory Apartments:** Provide zoning that would facilitate accessory apartments.

**Rationale:**

Noted before, these apartments would be located within strata-titled apartments or other attached housing forms. Accessory apartments serve as a source of rental housing for students, singles and people needing some assistance including people with disabilities and seniors; and can also serve as mortgage helpers. When under 29 m<sup>2</sup> (312 sq. ft.), there is no development cost charge for new dwellings (provincial law). This provides an opportunity for developers, homeowners and single/small tenant households; particularly suited to families with adult children, members with disabilities or seniors, who want or need proximity to family but also seek the privacy of their own home.

Planning and Regulation

**Recommendation:**

**14. Suite Parking:** Ensure that the required off street parking space for a secondary suite is not provided as tandem parking.

**Rationale:**

In 2011, City Council and the Housing Committee described on-street parking as one of the main issues regarding secondary suites. For this reason, they asked that regulations ensure accessible off-street parking is provided for secondary suites.

Planning and Regulation

**Recommendation:**

**15. Less Parking Required:** Reduce minimum parking requirements in the Zoning By-law for new multi unit housing in the Urban Core.

**Rationale:**

This is a way to encourage or reward housing that conforms to OCP policy and make housing more financially viable. It also aligns with supporting transit and reducing vehicle use. Parking spaces are expensive to provide, ranging from about \$10,000 / surface parking space to \$30,000 + / space for under-building parking.

Planning and Regulation

*Newer town-housing in Kelowna*

*Houses on small lots were once thought to be a more affordable choice. Single detached homes are now too costly for many households.*



# ZONING RECOMMENDATIONS CONTINUED

## ROLES

**Recommendation:**

**16. Secondary Suite Zoning:** Refine zone regulations for secondary suites to improve the fit of suites in the neighbourhood.

**Rationale:**

This action serves neighbourhoods as well as those whose housing needs can be met in secondary suites. There has been concern expressed to the City about the appearance of secondary suites, particularly when they are located in separate buildings from the main house. This is currently being addressed. Usually, other complaints related to suites involve illegal suites or extra dwellings in duplexes or larger buildings.

Planning and Regulation

**Recommendation:**

**17. Secondary Suites in the Urban Core:** Zone for secondary suites within the main dwelling in Single/Two Unit OCP designation within the Urban Core.

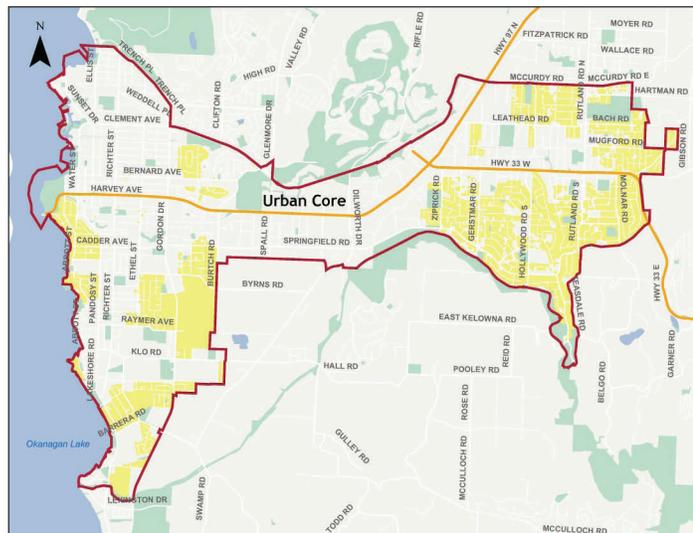
**Rationale:**

This recommendation was put forward as a way to introduce more areas where suites may be allowed without the need for a rezoning on the basis of selecting areas that are in good proximity to the services offered in the core area of the city, including employment, shopping, health or personal services and transit. The potential freezing of lands suited to future multi-residential uses is avoided by only looking at lands within the Single/Two Unit land use designation in the OCP. Council was supportive to the approach in November of 2011.

Planning and Regulation

Staff is currently working on an expanded version of this approach.

*The adjacent map shows the Single Two-Unit areas in yellow that would be allowed secondary suites within the main house and which are currently not zoned for secondary suites*



## PROCEDURAL RECOMMENDATIONS

### ROLES

**Recommendation:**

**18. Partnerships:** *Continue to seek partnerships to achieve affordable housing using City owned land and the rental housing grants program. Expand these partnerships within the private sector.*

**Rationale:**

The intent of this recommendation is to state the City’s desire to achieve housing partnerships with the private sector. The City’s existing rental grants program involves non-profit rental housing or affordable rental housing. A move to encourage purpose-built rental housing is sought in the immediate short term.

Strategic Partnerships

**Recommendation:**

**19. Canada Mortgage and Housing Corporation:** *Work with the Canadian Mortgage and Housing (CMHC) Partnership Office to achieve more affordable rental housing.*

**Rationale:**

2011 consultation with the CMHC Partnership office confirmed interest in helping the City achieve partnerships to create affordable rental housing.

Direct Funding and Development

**Recommendation:**

**20. Tax Exemption:** *Expand the application of 10 year property tax exemptions to affordable rental housing.*

**Rationale:**

Section 226 of the Community Charter provides for property tax exemptions for a maximum of ten years for improvements (e.g. new buildings) for the purpose of revitalization. Augmenting the rental housing supply is considered a revitalization strategy to help provide the kind of housing Kelowna needs.

Direct Funding and Development

**Recommendation:**

**21. Housing Opportunities Reserve Fund:** *Determine funding for the Housing Opportunities Reserve Fund annually based on budget considerations and a business plan.*

**Rationale:**

In 2011, Council requested that prior to any decision to increase taxation allocations to the HORF, the Council of the day would need to see a business plan that would outline all the development proposals for housing that would qualify for City contributions.

**PROCEDURAL RECOMMENDATIONS CONTINUED**

**ROLES**

**Recommendation:**

**22. Public Hearing:** Consider waiving the public hearing for needed housing requiring a rezoning, if it conforms to the Official Community Plan (OCP), & meets all City requirements; for fee simple town-housing and affordable rental housing.

Planning and Regulation

**Rationale:**

This action encourages development that meets the City’s policy framework. A newer approach to development looks at providing whatever incentives are feasible to promote growth or change that is serviceable and appropriate. It compares against traditional processes that look to extract requirements from new development.

It is part of increasing efforts by the City to promote economic sustainability. This and similar supported recommendations also support the following economic OCP objective and policy:

**Objective 8.5 Ensure Kelowna is competitive relative to other jurisdictions.**

**Policy .1 Monitor Costs.** Continually monitor municipal charges affecting businesses (e.g. property taxes, DCCs, application costs, off-site servicing costs, property/commercial taxes, user fees, utility charges, development fees, etc.) to identify whether costs are deterring economic activity. Charges will also be monitored to assess whether the costs of providing services are being recouped and whether revenue being collected is sufficient to deliver the services expected by Kelowna residents. The aim would be to deliver community-desired services as efficiently as possible in a fashion that supports overall prosperity. The information obtained from continual monitoring of costs will be communicated to residents and business interests.

**Recommendation:**

**23. Advisory Planning Commission:** Remove referral to the Advisory Planning Commission (APC) for rental housing, courtyard housing or town-housing that is consistent with the OCP.

Planning and Regulation

**Rationale:**

This was a 2011 Council commitment to reduce process. It is now redundant without the continuation of the Advisory Planning Commission, following the start of the 2012 to 2015 City Council.

# PROCEDURAL RECOMMENDATIONS CONTINUED

## ROLES

**Recommendation:**

**24. On-Street Parking:** *As part of a comprehensive parking plan for the city, explore expanding use of time limits for on-street parking on local, residential streets in order to reduce the neighbourhood impact of residential on-street parking.*

Planning and Regulation

**Rationale:**

Staff review of the recommendations indicated that on-street parking issues are much broader than parking for secondary suites. This issue is under review as part of the ongoing work of developing a Parking Strategy for the City.

**Recommendation:**

**25. Public Hearing—Suite:** *Consider waiving the public hearing for suites within the principal (main) dwelling within the Urban Core.*

Planning and Regulation

**Rationale:**

Historically up to 2011, there has been a desire to provide for neighbourhood input when recognizing secondary suites, even though many illegal suites exist in every neighbourhood. If legal secondary suites are to be encouraged, the removal of a public hearing is one step to make the process a little easier.

*The photo below is of the Kelowna Council Chambers where public hearings are held. It is an unfamiliar environment to many.*



*“Carriage home”-style suites can look nice, but are not everyone’s choice and they do change the look of the neighbourhood.*



## Conclusion:

This Housing Strategy is the culmination of the work of many people who are passionate about housing in Kelowna. It has also examined what is being done in other municipalities across North America and beyond to determine what could be brought to Kelowna as a workable approach to meet the needs of the community. There was excellent support from the stakeholders and members of the public who have contributed to the process.

The Strategy has outlined what the City is already doing to augment the housing supply for the complete continuum of housing needs. It also builds on what is happening and has been done to ensure that efforts are expanded, particularly to the populations that are overlooked in the housing market.

Developers have made it clear that if they cannot finance new housing that may be addressing a critical area of need, it simply won't happen. So the City has listened and put forward actions to encourage rental housing as a specified need in Kelowna. Market rental housing is still subject to rent controls and is the most affordable form of housing that can be provided in the private sector. It is clear that barriers to providing new rental housing include costs that are beyond the jurisdiction of the City. The focus has been placed on what is feasible at the local government level.

A further tactic is to recognize and reward new housing that conforms to the Official Community Plan, instead of extracting contributions from new development.

Partnerships with all viable business, government and non-profit sectors will be critical to a healthy housing supply into the future. Moving forward with the actions that are outlined will help to ensure the City is a fully engaged partner. A sustainable community must include a responsive and appropriate housing supply. This approach also supports a vigorous economy.

