

# A Home For Everyone



## The Task Force

Since its formation early in 2006, the Affordable and Special Needs Housing Task Force has made significant headway towards its goal of providing Council with the tools to make decisions that will benefit all in Kelowna's current housing climate.

Activities:

- **March 8, 2006:** Terms of Reference approved
- **April – August:** Informal meetings with key stakeholders
- **August:** City-wide survey with over 1242 households responding
- **May – July:** Development of initial set of draft recommendations
- **September 8 & 9:** Housing workshop (over 70 participants from Vancouver to Calgary)
- **September:** Meetings with Resident Associations and Developers

The Task Force hopes to bring recommendations to Kelowna City Council on November 20, 2006.

CONTACT INFORMATION

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**“I would like to provide a better home environment for my child and myself. I am facing homelessness again and it breaks my heart.”**  
*2006 Housing Needs Survey response*

## Living Comfortably Shouldn't Be A Luxury

The City of Kelowna's Affordable and Special Needs Housing Task Force has a vision, to make Kelowna a city in which every citizen has access to housing they can afford.

Affordable housing means families and individuals of all income levels and lifestyles can find suitable places to live and can enjoy a stable, secure place to call home. Communities that provide affordable housing ensure:

- Those who work can afford to live in the communities they serve.
- Young and old can afford to live in the city in which they grew up.
- Vulnerable people can find adequate and appropriate shelter and services.

The Task Force believes it is vital that Kelowna achieves this vision. After extensive consultation with stakeholders during the past year, it is clear that

affordable housing is not just an issue for the poor or mentally ill.

More and more families are finding it hard to buy or rent a home in Kelowna:

Affordable housing is not just an issue for the poor or mentally ill.

Schoolteachers, health care workers and RCMP officers can't afford to live where they work, children can't get established in school because their family is always moving, senior citizens on low fixed incomes, cooks, mechanics, childcare workers, fast food employees and many more are challenged by the rising cost of housing.

The lack of appropriate housing is exacerbating the problems businesses and government agencies are now facing trying to recruit the employees they need, community volunteer services are being challenged. If the status quo is maintained, the community that was once so desirable may not continue to be.

Kelowna needs a continuum of housing options including market-rate and low-cost home ownership, market-rate and low-cost rentals, special needs and supportive housing.

As much as possible, it is best to integrate many housing types, rather than segregating uses. This helps to build stable vibrant communities, reduces stigma, allows cross-generational support and stimulates broad inclusion of all sectors.

It's time for Kelowna to find the right solutions to this growing problem.

# Our Housing Dilemma

In the Official Community Plan, the City divides affordable housing into three categories: Affordable Ownership Housing, Affordable Rental Housing and Core Needs Housing, which addresses that segment of the population that is low income and experiences multiple challenges in finding suitable housing.

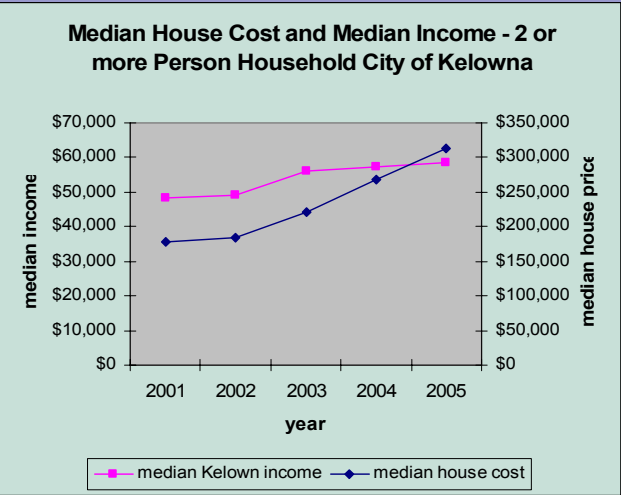
Affordable Ownership Housing (see Graph A) In 2005, the median income for a Kelowna household with two or more people was \$58,446. With this income an affordable home would cost about \$146,000 (at 2005 levels) in a building with strata fees, or \$164,000 for a home with no strata or additional fees. In 2005, the median price of a single detached home in Kelowna was \$314,146. Costs are expected to continue rising faster than incomes.

Affordable Rental Housing is based on the average rents for Kelowna published yearly by the Canadian Mortgage and Housing Corporation. Paying more than 30% of the household income on rent is NOT considered affordable. In 2005, an affordable rent for a 2 bedroom apartment

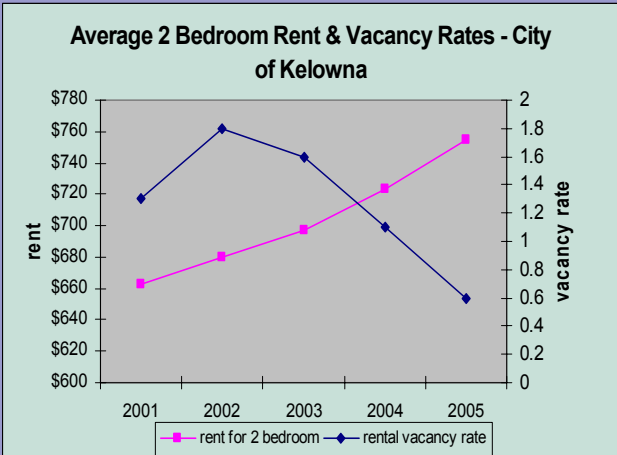
was \$755 per month and the annual income required for this to be affordable was \$30,200. Not only do rents continue to increase every year, but rental housing is increasingly hard to find. In 2005, Kelowna had an overall vacancy rate of 0.6%, 4% is considered healthy. (see Graph B)

Core Needs Housing is housing for low income people who may have additional needs. Subsidies from other levels of government are usually necessary to address Core Needs Housing requirements. Typically, a core needs household in Kelowna made \$20,000 or less in 2001 based on the most recent Census information, far below the median income. In 2001, 5,620 Kelowna households paid 30% or more for shelter and made less than \$20,000.

According to the latest Census, approximately one-third of Kelowna households are paying 30% or more towards housing and making less than \$40,000 a year.



Graph A — Affordable Ownership Housing



Graph B — Affordable Rental Housing

## The Issue of Secondary Suites . . .

In June 2006, 80% of all new homes with suites listed on MLS identified the suites as illegal. There is no way of knowing how many illegal suites are in Kelowna, but there is no denying these suites provide a housing need. The Task Force has considered:

**Benefits:**

- Secondary suites are the least expensive and fastest way to increase the supply of affordable housing throughout our community.
- Secondary suites are a very important supply of rental housing.
- Income from a suite will help all employers in their efforts to recruit and retain workers in the middle income ranges.
- People with disabilities can live in a suite and receive support from occupants of the house.
- Aging parents can live in a suite and be near family.
- Students and young working adults can live in a secondary suite.
- Secondary suites can make a neighbourhood safer by having more people able to watch over a property.
- Secondary suites are good for families because they provide access to outdoor space.
- The expansion of secondary suite zones will reduce pressure to develop illegal suites, housing on green fields, mountainsides, and lands within the ALR.
- Streamlining the process will result in significant savings in staff time and tax dollars to process each application when history shows that 90% of applications are usually passed by City Council.

**Challenges:**

- Secondary suites are often put in illegally for many reasons including avoidance of income tax, avoidance of rezoning process which involves getting city council approval, avoidance of the cost to bring units up to building code or providing adequate parking. The greater the need for more affordable housing, the greater the creation of illegal suites.
- Illegal suites can be unsafe and unhealthy as they often do not comply with building standards.
- Illegal suites do not pay for servicing costs for garbage pickup, sewer/ water connections and taxes.
- Our Official Community Plan in Kelowna already allows 2 dwellings per lot in every neighbourhood. It is only zoning that doesn't allow suites in some areas.
- There are too many illegal suites for the City to effectively shut down and if it did, many people would be put out of their homes with few other choices.

**Recommendation 1:  
Neighbour Helping Neighbour**

*What Citizens can do to help achieve more affordable and special needs housing in Kelowna.*

**Both alternatives would be subject to the same basic conditions:**

1. Suites should be no larger than 90 square meters in area.
2. In developed areas (where a house and/or garage exist), suites would only be allowed within existing

- buildings without formal rezoning application.
3. Bylaw officers will continue to enforce illegal suite regulations upon complaint of neighbours.
  4. Suites require a business license and meet building code requirements.
  5. Adequate water and sewer capacity must be available.
  6. Each suite would require its own off street parking.
  7. Check-list of design criteria including parking, window orientation, landscaping and height need to be met.
  8. No Development Cost Charges (DCC) for suites to be provided on existing lots.
  9. Half the applicable DCC for secondary suites on new lots.

**Secondary Suites Alternative 1:**  
*(Most effective in increasing the supply of affordable housing across all sectors of the city)*  
Subject to the above basic conditions being met, the City should allow secondary suites anywhere a house is permitted without rezoning and public hearing.

**Secondary Suites Alternative 2:**  
Subject to the above basic conditions being met, the City should continue to require rezoning for a secondary suite in areas where they aren't already zoned, but waive the public hearing if written support from neighbours on either side and directly behind the property is provided.



# What Can We Do Now?

**Recommendation 2:  
Partnerships with Developers**  
*What the Development Community can do to help achieve more affordable and special needs housing in Kelowna.*

- Rationale:**
- There are many opportunities for developers to voluntarily contribute affordable housing as part of new development, but this has seldom happened.
  - Our zoning bylaw currently has the ability to provide increases in density (bonuses) within the multiple dwelling residential zones, but these bonuses have been used very little.
  - According to the Local Government Act the City has no power to force developers to include affordable housing in their developments unless they are requesting an increase in density.

**Recommendation for New Development:**  
That the City implement a policy whereby a developer applying for rezoning or a variance affecting density provide one of the following:

- 50% of the increase in floor area resulting from the change be provided as affordable housing, registered by a housing agreement with the City; OR
- 20% of all the proposed development’s floor area must meet the City’s definition of affordable housing, secured by a housing agreement registered on title; OR
- A cash in lieu equivalent to the floor area in affordable housing of option 1, or 2, above (calculated as the difference between the average building permit value for that zone and average market value of the subject floor area).

*The above requirements would apply to residential, commercial zones or any other zone that permits residential development.*

**Recommendation 3:  
Partnerships with Businesses**  
*What the Business Community can do to help achieve more affordable and special needs housing in Kelowna.*

The task force recommends a voluntary subscription to co-op or strata housing led by a newly created Kelowna Housing Corporation (see recommendation 4).

- Rationale:**
- No cost to City of Kelowna taxpayers.
  - Voluntary, so there is no mandatory requirement for businesses to sign up.
  - Helps business solve its own problems.
  - Recruitment and retention tool for employees.
  - Employers may sell units back if they are no longer needed.
  - Unit owners would manage their own dwellings once they subscribe.

**Recommendation 4:  
Create a not-for-profit  
Kelowna Housing Corporation**

*The Task Force is recommending that the City initiate the creation of a Kelowna Housing Corporation (KHC) which would:*

- Receive an annual allocation of funds from the City of Kelowna equal to \$2 per person per year to create and administer the Housing Corporation.
- Shareholders of the Corporation would be Kelowna City Council.
- Be operated by a volunteer Board of Directors with the necessary full time staff.
- Operate at “arms length” from municipal council and act as a not-for-profit developer with no additional subsidies from municipal taxpayers.
- Seek funds from all sources to address affordable housing needs in Kelowna, including the use of low interest construction loans and mortgages.
- Include the ability to offer low interest construction loans to individual homeowners for the purpose of upgrading secondary suites to meet building and servicing requirements.
- Act as a developer and housing manager of affordable rental and owner-occupied housing, alone or in partnership with others.
- Assume control of all affordable units that are subject to a housing agreement.
- Create a new owner-occupied housing agreement which provides homeowners with an opportunity to realize a fair appreciation on their investment and maintains such units as affordable in-perpetuity.
- Devise and implement a rent-to-own program.
- Create and maintain a list of registered applicants for non-market housing, in cooperation with existing non-profits and BC Housing.
- Create a Community Land Trust to form strategic partnerships in the community so as to achieve land for affordable housing. This would include the ability to give tax receipts in return for donations of land.
- The Corporation would then seek participation by other municipalities throughout the Okanagan Valley at the same rate per capita.

- Rationale:**
- As housing costs rise it becomes more difficult for traditional developers to produce affordable units and realize a fair profit. With a not-for-profit mandate the KHC would increase the supply of more affordable homes.
  - Most of the measures to implement affordability requirements need to be managed in order to ensure the housing reaches the people who are in need and is properly maintained for the long run.
  - Application of affordable housing requirements needs to be fair and equitable.
  - Constant research is needed to determine additional sources of funding.
  - The housing agency needs to be able to act as a developer, which is more feasible at arms length from local municipal decision-making. Municipalities must remain free to approve or reject development applications from this corporation.

**Recommendation 5:  
Sell the former  
Kelowna Secondary School (KSS) Site**

*The Task Force is recommending that the City proceed with a comprehensive plan for the KSS site that will include:*

- *Land uses and zoning*
- *Development layout*
- *Servicing and road layout*
- *Design standards*

*The site would then be developed by selling sections within the concept plan, subject to 20% of all housing on the site meeting the City’s definition of affordable housing and secured by a housing agreement.*

- Rationale:**
- The KSS site was originally purchased using funds for city parks. Therefore, the City requires at least 2 ha. (5 acres) of the site for future park purposes.
  - Using the entire site for affordable housing is not consistent with healthy communities objectives of integrating all forms of housing types and needs, so as to not create unbalanced neighbourhoods.
  - Because of the size and location of the KSS site, it has significant development value. Funds generated by the sale of parcels over time could be used by the city to help fund its many capital priorities.
  - Current legislation does not permit the City to require all development include a provision for affordable housing – however members of the Task Force believe the KSS site is an excellent opportunity to provide leadership in the area of mixed use (commercial and residential) and mixed density (from stacked townhouses to high rises), by requiring a comprehensive plan be undertaken prior to its sale and requiring 20% of units be ‘affordable’.

*Recommendations continue on next page.*



Recommendation 6:  
Allow mixed use in low intensity industrial areas and commercial zones

The Task Force is recommending that the City allow residential uses above the current permitted uses in its low intensity industrial zones (I1 & I2) and commercial zones. (i.e. to include residential above the bakery or welding shop) in order to increase the housing supply in developed areas.

Rationale:

- The housing survey found that the greatest need for affordable housing lies within the downtown and highway 97 corridor areas.
- Housing would be limited to areas above the first story to ensure industrial and commercial use is offered first.
- In these situations the land is already paid for by the primary use and therefore the housing should be cheaper to build.
- Not everyone wants to live above a shop and therefore the lower demand and potential negative impact will dampen housing prices making them more affordable.
- People will be able to live close to where they work; which supports ‘Smart Growth’ principles.
- Offers security to new areas.
- Less reliance on cars and those with cars may have complementary parking needs.
- Could be work/live studio apartments that have minimal finishes (e.g. open-plan

concrete glass and metal lofts) and these can be targeted to start-up affordable housing for young couples and students.

Recommendation 7:  
Change OCP to allow a 2 increment increase in density in return for 75% non-market housing to be built on site

Rationale:

Many not-for-profits would like to develop more affordable and special needs housing however they are faced with the escalating cost of land and construction and a lack of senior government subsidy programs. This recommendation will help non-profits help all of us increase the supply of affordable and special needs housing, at no cost to municipal taxpayers.

Recommendation 8:  
Change OCP to require a mix of housing units in all new developments (inclusion of a large number of small lot single-homes and duplexes, as well as provision for coach houses and secondary suites)

Rationale:

A significant driver of new housing costs is the rising cost of land. Mixed density developments reduce the land cost per unit.

It’s Your Turn

The Affordable and Special Needs Housing Task Force is hosting four Open Houses to provide information on its findings and discuss the recommendations it will bring to Council.

“Before we write our final recommendations for City Council’s consideration we invite you to tell us what you think about our ideas to help increase the supply of more affordable housing in Kelowna. It’s your turn.”

Councillor Norm Letnick,  
Chair , Affordable and Special Needs Housing Task Force

OPEN HOUSES

October 30  
6 to 8 p.m.  
St David's Presbyterian Church, Glenmore Road

November 1  
5 to 8 p.m.  
Kelowna Family Y, Bach Road, Rutland

November 2  
5 to 8 p.m.  
First Lutheran Church, Lakeshore Drive

November 3  
4 to 7 p.m.  
City Hall Council Chambers Foyer, Water Street

We need your input

The Affordable and Special Needs Housing Task Force would like your opinion on these draft recommendations. If you are in need of affordable or special needs housing, know someone in need, or if you are simply an interested citizen, please take a moment and fill out this short survey. Mail it to City Hall or drop it off at City Hall (1435 Water St.) reception, main floor lobby, or email to [shorning@kelowna.ca](mailto:shorning@kelowna.ca), or fax 862-3312 by November 6, 2006.

Please place a check in the appropriate circle next to each recommendation.

	Support	Neutral	Opposed
Recommendation 1 Alternative 1	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Recommendation 1 Alternative 2	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Recommendation 2	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Recommendation 3	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Recommendation 4	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Recommendation 5	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Recommendation 6	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Recommendation 7	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Recommendation 8	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Comments: (feel free to attach more paper if you need more room)

