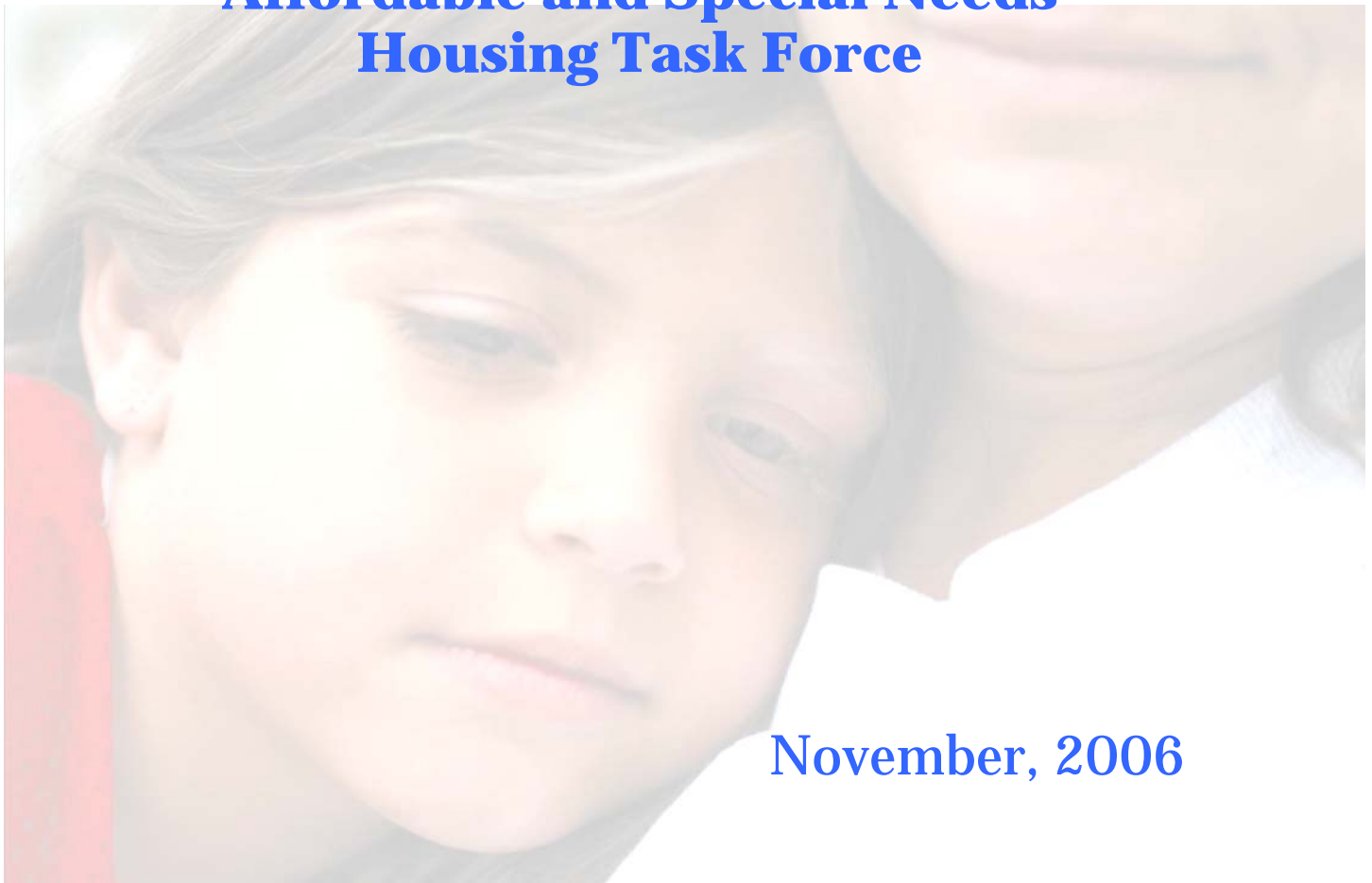


Report From the City of Kelowna Affordable and Special Needs Housing Task Force



November, 2006

FCM



Canadian
Home
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canadienne
des constructeurs
d'habitations



PREFACE

The project documented in this report received an Affordability and Choice Today (ACT) grant. ACT is a housing regulatory reform initiative delivered in partnership by the Federation of Canadian Municipalities (ACT administrator), Canada Mortgage and Housing Corporation (ACT funder), the Canadian Home Builders' Association, and the Canadian Housing and Renewal Association.

ACT, launched in 1990, encourages housing affordability and choice through regulatory reform. The United Nations Centre for Human Settlements recognized ACT in 1998 as one of the top global best practices for improving the living environment.

Over the years, ACT has created an impressive body of knowledge others can use to facilitate regulatory change in their communities. Projects range from innovative housing forms, secondary suites and streamlined approval procedures to NIMBY, alternative development and renovation standards, and more. ACT projects contribute in many ways to sustainable development. They have also served to enhance working relationships between local governments, the building industry and non-profit organizations.

In summary, ACT promotes regulatory reform through

- its database of solutions, which others may borrow from and adapt freely to meet their needs (see Web site address below).
- grants to local governments, builders, developers, architects, non-profit organizations and others across Canada to help facilitate the development of innovative solutions;
- other means of promoting regulatory solutions, such as workshops that highlight ACT solutions and address specific regulatory barriers.

For more information, visit ACT's website at www.actprogram.com, or contact:

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DISCLAIMER

This project was partially funded by ACT. The contents, views and editorial quality of this report are the responsibility of the author(s), and ACT and its partners accept no responsibility for them or any consequences arising from the reader's use of the information, materials or techniques described herein.

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Executive Summary:

The findings of the Affordable and Special Needs Housing Task Force for the City of Kelowna are to be presented to City Council on November 20th, 2006. At the completion of the consultation process, refinements to the recommendations of the Task Force were made, as a result of community consultation and these are what Council is asked to consider. The full report outlines the background research; context, vision, mission statement and objectives; as well as the recommendations and their rationale; and consultations conducted by the Task Force. The final recommendations brought before Council are as follows:

THAT Council accept the following recommendations from the Affordable and Special Needs Housing Task Force and authorize appropriate recommended action:

1. *THAT Council authorize the preparation of text amendments to the zoning by-law to allow secondary suites, where they are not currently permitted, through a rezoning process that eliminates the need for a formal public hearing, subject to meeting all the following requirements:*
 - 1.1. *Suites should be no larger than 90 square meters in area.*
 - 1.2. *In developed areas (where a house and/or garage exist), suites would only be allowed **within existing buildings**;*
 - 1.3. *Bylaw officers will continue to enforce illegal suite regulations upon complaint of neighbours.*
 - 1.4. *Suites require a business license and meet building code requirements.*
 - 1.5. *Adequate water and sewer capacity must be available.*
 - 1.6. *Each suite would require its own off street parking.*
 - 1.7. *A check-list of design criteria including parking, window orientation, landscaping and height need to be met.*

AND THAT Council authorize the preparation of a procedure manual for rezoning without public hearing for suite in a house, where an applicant has received the written consent of the abutting property owners.

2. *THAT Council authorize staff to hire a land economist, at an estimated cost of \$30,000 from Council Contingency to assist the Task Force in analyzing the practical application, effectiveness, and cost to the city and development of the following potential OCP policy changes:*
 - 2.1. *Where development applications increase density over the existing zoning, either by increasing height and/or rezoning, or under current density bonuses:*
 - 2.1.1. *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*

- 2.1.2. 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*
 - 2.1.3. 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).*
 - 2.1.4. The above requirements would apply to residential, commercial zones or any other zone that permits residential development.*
 - 2.1.5. A further alternative in the form of a levy on all density increases as is being proposed for Penticton.*
- 2.2. AND THAT City staff, on behalf of the Affordable and Special Housing Needs Task Force, be requested to investigate other development related strategies that would increase the supply of affordable housing, including but not limited to:*
- 2.2.1. Elimination of DCC on all non-strata units below 90 meters, subject to entering into an agreement with the City that would require a payment equivalent to the applicable DCC at such time as any rental dwelling benefiting from the grant is stratified, or otherwise converted for owner occupancy.*
 - 2.2.2. Elimination of demolition/dumping costs on properties redeveloped into non-strata units below 90 meters*
 - 2.2.3. Rezoning for multi-family residences along significant portions of our major urban roads that are within close proximity of town centers, ie. Springfield, Richter, Ellis, Clement, Gordon, etc*
 - 2.2.4. In concert with transit goals, relax parking requirements for appropriately targeted/located housing*
 - 2.2.5. The granting of an annual tax grant for a five year period, equivalent to the increase in the City's property tax resulting from the creation of new non-strata units below 90 meters*
 - 2.2.6. Limiting secondary suites to only those areas of the City that do not hold potential for further infill densification*
 - 2.2.7. Asking the city to lobby the Federal Government for an increase in the allowable depreciation on new non-strata units below 90 meters from 4% to 20%.*

AND THAT any proposed amendments to the OCP or other policy or regulations, resulting from the recommendations of the Affordable and Special Needs Housing Task Force, based on the findings of the land economist's report, investigations by City staff and further consultations with the development community return to city council for consideration and ratification prior to implementation.

- 3. THAT subject to the approval of recommendation 4, below, voluntary subscription by businesses and industries to co-operative or strata housing*

be referred to and led by a newly created Kelowna Housing Corporation (see recommendation 4). (For example: A number of businesses could purchase units in a housing co-op and rent their units, at 'affordable' levels to their staff).

4. *THAT the City initiate the creation of a Kelowna Housing Corporation (KHC) which would:*
 - 4.1. *Receive an annual allocation of funds from the City of Kelowna up to \$2 per person per year to create and administer the Housing Corporation;*
 - 4.2. *Be owned by the City, alone or in partnership with other municipalities;*
 - 4.3. *Be operated by a volunteer Board of Directors with the necessary full time staff;*
 - 4.4. *Operate at "arms length" from municipal council and act as a not-for-profit developer;*
 - 4.5. *Seek funds from all sources to address affordable housing needs in Kelowna, including the use of low interest construction loans and mortgages;*
 - 4.6. *Examine the ability to offer low interest construction loans to individual homeowners for the purpose of upgrading secondary suites to meet building and servicing requirements;*
 - 4.7. *Act as a developer and housing manager of affordable rental and owner-occupied housing, alone or in partnership with others;*
 - 4.8. *Assume control of all affordable units that are subject to a housing agreement, with the exception of units managed by non-profit housing societies;*
 - 4.9. *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;*
 - 4.10. *Devise and implement a rent-to-own program;*
 - 4.11. *Create and maintain a list of registered applicants for non-market housing, in cooperation with existing non-profits and BC Housing;*
 - 4.12. *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;*
 - 4.13. *The Corporation would then seek participation by other municipalities throughout the Okanagan Valley at the same rate per capita.*

AND THAT Council authorize the redirection of funds budgeted annually for the Housing Opportunities Reserve Fund to establish and fund a Kelowna Housing Corporation beginning in 2008;

5. *THAT the City proceed with a comprehensive plan for the KSS site that will include:*
 - 5.1. *Land uses and zoning*

- 5.2. *Development layout*
- 5.3. *Servicing and road layout*
- 5.4. *Design standards*
- 5.5. *The requirement that 20% of all housing on the site meet the City's definition of affordable housing and is secured by a housing agreement.*

- 6. *THAT the City proceed with a text amendment to the zoning by-law to allow residential uses strictly as a secondary use above the current permitted uses in its business and low intensity industrial zones (I1 & I2), subject to the required public notification and public hearing, in order to increase the housing supply in developed areas.*
- 7. *THAT Council authorize the preparation of a text amendment to the OCP to allow a 2 increment increase in density in return for 75% non-market housing to be built on site, subject to the required public notification and public hearing.*
- 8. *THAT Council authorize the preparation of a text amendment to the 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), along with the required public notification and public hearing.*
- 9. *THAT Council extend the mandate of the Affordable and Special Needs Housing Task Force until April 30, 2007.*

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

COMMUNITY EFFORT

At this juncture Kelowna has a 0.6% rental vacancy rate and the second highest median home price in the country. It is widely recognized that the cost of new construction has and continues to increase at a rate much higher than the income of those in greatest need, thereby exacerbating the housing divide even further.

Our challenge may appear daunting however with the implementation of our recommendations the city will be in a better position to realize an increase in the supply of affordable (typically defined as 30% of income and usually requires subsidy), low cost (typically smaller, non-subsidized, high density units), and

special needs housing (provided by non-profit sectors usually with provincial and/or federal assistance).¹

I would like to thank the members of my team: Councillor Michele Rule, Theresa Eichler, Cory Gain, Doug Gilchrist, David Shipclark, Andrew Bruce, Sandi Horning, Tammy Abrahamson Professor David Cram along with the resources provided by the Okanagan School of Business, and the community at large who responded to our survey, workshop, and open houses. Special mention must also go to Mayor and Council for your support and advice over the past year.

In closing I now invite the community to remember that increasing the supply of affordable housing may increase the number of people living in their neighbourhoods and I would encourage them to seek out the greater good if and when that day comes. It is only with community support that together we can make a significant difference in the lives of our friends, children, parents, and neighbours.



¹ The OCP defines affordable housing, and core needs / low income housing under Section 8.1.16 and 8.1.17.

Introduction – The Affordable and Special Needs Housing Task Force:

The Affordable and Special Needs Housing Task Force was appointed by Kelowna City Council at the end of 2005. It was assigned the particular task of bringing forward key recommendations for action on affordable housing to City Council within a one year timeframe. This is the report of Kelowna's Affordable and Special Needs Housing Task Force.

To move ahead with its mission, the Task Force identified a mission statement and a vision to provide a context for its work:

Vision, Mission, and Principles

Vision Statement

A city in which every citizen has access to housing they can afford

Mission Statement

Through a blend of innovation and experience the community will discover, develop, and practice the policies, efficiencies, and capabilities necessary to deliver quality cost-effective rental and owner occupied housing

Key Principles for Sustainable Strategies:

- All residential development, including low cost housing, should be in harmony with good planning principles. This includes the dual goals of sensitive infill where new higher density developments are introduced into existing lower density neighbourhoods, and adequate water, sewer, and transportation infrastructure in place prior to occupancy.
- To achieve its goal of 300 low cost units per year, City efforts should focus on directly and indirectly increasing the supply and mix of low cost housing, integrated throughout the community.
- Strategic partnerships with Provincial and Federal Governments, developers, businesses, NGOs, neighbourhood associations, average citizens, and clients are to be encouraged.
- Income subsidies for accommodation remain the responsibility of Provincial and Federal Governments.

Background:

The urgency of the affordable housing situation has changed significantly in the last five years or so, with the sharp increases in land values and construction costs. This has or is being felt and recognized in many other North American cities. A new focus on this issue is to realize that affordable housing is a community asset and represents an investment in the economy as well as in its people².

The City of Kelowna is keenly aware of the need for affordable housing and has continually explored its options and revised its policies and actions annually for several years. In 1999/2000, comprehensive research was conducted to determine what housing affordability meant in the Kelowna context and what the needs of the community were. The results of this research are still available in the Housing Study 1999/2000 that is found on the City's web page³.

Recommendations from this work were all carried forward by City Council in the form of housing policies, many of which are found in the Official Community Plan today under Chapter 8, and actions, including the establishment of a Housing Opportunities Reserve Fund, and changes to zoning regulations. Staff and the Social Planning and Housing Committee hold annual affordable housing events and bring new recommendations to City Council on a regular basis. Examples of these include the establishment of a grants program for affordable rental housing and the ability to waive a portion of the Development Cost Charges for non-profit rental housing. The process for these financial incentives was established in 2006.

The work of the Task Force is part of the continuum in the development of proactive measures for the City to undertake to achieve an increase in the supply of affordable housing. The process carried out by the Task Force included considerable research and comprehensive consultation with the community and housing stakeholders.



² Wording used by the Region of Peel.

³ Key information from the Study, including affordability and need indicators, as well as affordable housing resources are updated annually and published in the Housing Resources Handbook. The path is www.kelowna.ca select "Community Development & Real Estate", then Community Planning. Look for the documents at the bottom of the page.

Process for the Task Force:

The assignment of the Affordable and Special Needs Housing Task Force to determine new pro-active measures for the City of Kelowna in achieving results that would increase the supply of affordable housing has been challenging. All available means that could be pursued in a one year timeframe were employed. The first was to determine the current situation. This has been described in the next sections of the report. Next, comprehensive research was conducted to get up-to-date on what measures were being used, along with their effectiveness, in other jurisdictions. Some of this research is summarized in the matrix of strategies in other jurisdictions found in [Appendix 6 Matrix of Selected Housing Strategies in Other Jurisdictions](#): (click on the link). The bibliography also indicates sources of research used by the Task Force.

Consultation:

In bringing forward recommendations to City Council, comprehensive consultation with the community and with housing stakeholders was seen as a priority. Over the summer of 2006, a housing survey was conducted to determine needs identified by those who deemed themselves to be affected by the lack of access to affordable housing. 1,242 responses to this survey were received and the results are tabulated in [Appendix 1 Results of Housing Survey](#) (click on link).

The results of the survey and the research conducted over several months in 2006 were used to develop options for the Task Force to consider as possible recommendations for City Council. These options and significant supporting research and information were brought to a workshop event held September 8th and 9th, 2006. Stakeholders including developers and builders, non-profit housing providers, government representatives, other municipalities were provided with written invitations to the workshop, which was well attended and deemed successful. Housing experts were also employed to provide panel presentations and assist with the workshop.

The report from the workshop is included as [Appendix 2 Results of September 8th and 9th Workshop](#): (click on the link) to this report. About 80 stakeholders actively participated in the two day workshop. Many new ideas were raised and considerable input was given on the options presented by the Task Force. This is all detailed in the attached report and has been incorporated in the recommendations that are now provided by the Task Force.

In October/November of 2006, the Task Force held 4 Open Houses in different neighbourhoods to provide opportunity to the broad community to view the findings and recommendations and to provide input. At this stage, the recommendations were as follows:

- 1a: Allow secondary suites in existing buildings anywhere a house is permitted without rezoning.*

- 1b: *Waive public hearing for secondary suite rezonings involving suites in existing buildings*
- 2: *Implement a policy to require affordable housing where there is an increase in density over existing zoning*
- 3: *Voluntary subscription (for businesses & industries) to co-op or strata housing led by a newly created Kelowna Housing Corporation in order to provide employee housing.*
- 4: *Create a not-for-profit Kelowna Housing Corporation.*
- 5: *Proceed with a comprehensive plan for the KSS site & require 20% of housing to be affordable.*
- 6: *Allow mixed use in low intensity industrial areas and commercial zones.*
- 7: *Change OCP to allow a 2 increment increase in density in return for 75% non-market housing to be built on site.*
- 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)*

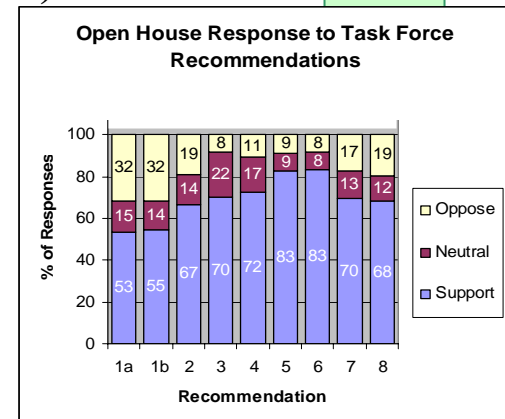
Surveys to determine input on the proposed recommendations were provided and completed by people attending the open houses and by some who wanted to provide input but were unable to attend the open houses. The above graph summarizes the 119 responses that were received, showing the number of responses in each area. The complete tabulation, including comments and correspondence, is provided at the following link:

[Appendix 4 Results of October/November Open Houses](#) of this report.

These results demonstrate strong support for all of the recommendations of the Task Force.

The highest support was for Recommendations 6 - allowing mixed use in low intensity industrial and commercial areas (83%) and 5 - a comprehensive plan for the KSS site (83%). The least support was for the secondary suite alternative recommendations alternative 1- to allow secondary suites in existing buildings without a rezoning (54%) and for alternative 2 - to allow without a public hearing, but still require rezoning (55%). Flyers to advise the community about the work and recommendations of the Task Force were mailed to 37,000 households in the city and open houses were advertised in these flyers, as well as in the newspapers and on the web site. A copy of the flyer is provided in the Appendices.

Following the open houses, round table meetings were held by the Task Force with developers from the Urban Developments Institute, members of the Chamber of Commerce and Downtown Kelowna Association and with members of Residents Associations. All input was considered and appropriate changes were incorporated accordingly. Correspondence from these agencies is included in the open house report.



Current Supply and Performance Gap of Affordable & Special Needs Housing - Housing-Related Statistics/Trends

1. According to Statistics Canada Census information and City of Kelowna data analysis, housing affordability has become an issue central to the economic health of the City of Kelowna, particularly for the lower income working population:

- 11% of Kelowna's households paid more than 30% for rent/mortgage in 1991. By 2001, that figure had increased to 27%.

2. Housing affordability in Kelowna is a more significant issue than in many other Canadian cities

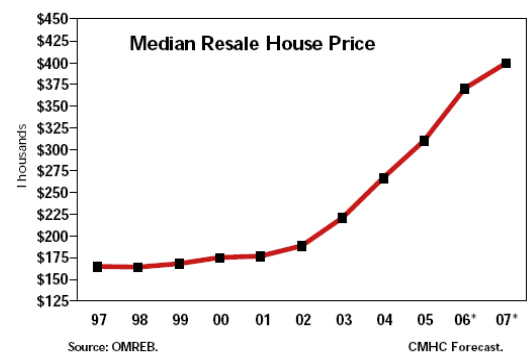
- While 27% of Kelowna households paid more than 30% for housing in 2001, the rates in other centres are as follows:
 - Calgary – 20%
 - Halifax – 21%
 - Montreal – 22%
 - Saskatoon – 22%
 - Toronto – 26%
 - Vancouver – 27%

3. New units are getting more expensive, while incomes remain relatively constant

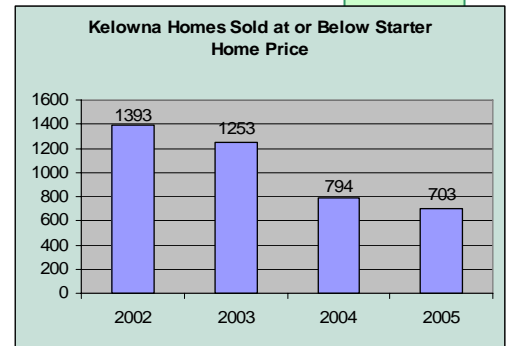
- Building permit values are increasing more quickly than the number of permits (even though an increasingly larger percentage of building permits are for multi-family construction – 36% of the total residential units in 2002 and 72% of the total residential units in 2005 were either townhouse or apartment units). Building permits statistics show that the average permit value for residential housing per unit was \$107,669.03 in 2002 and \$132,705.80 in 2005.
- The table to the right, from the Okanagan Mainline Real Estate Board, shows that MLS listings of single detached dwellings have shown a distinct shift to the higher price ranges between 2003 and 2006. The next table shows that the median price of resale homes has climbed sharply since 2002 and this climb is projected to continuing, slowing only slightly to 2007 (CMHC).

Price Range	2006*	2003*
<\$200,000	0.9%	15.8%
\$200-\$299	5.1%	30.5%
\$300-\$399	24.2%	21.6%
\$400-\$499	19.7%	12%
\$500,000+	50.1%	20.1%

Source: Okanagan Mainline Real Estate Board. * September.



- Also, the annual sales analysis conducted by the City, based on BC Assessment records of actual home sales indicates that the supply of homes at an affordable, starter home price (which enables renter to enter the ownership market) is decreasing steadily.

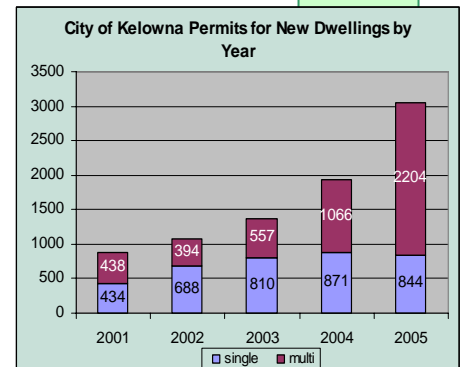


4. **Household sizes**

- 2001 Census data indicates that Kelowna had an average household size of 2.3. This compares to 2.54 in Canada. Canada is not projected to reach Kelowna's low average household size until 2021, when the national population will have the same percentage of residents aged 65+ as Kelowna currently has.
- Analysis of population trends anticipates that household sizes in Kelowna will continue to shrink; average household size in 2021 is projected to be about 2.16.
- According to the City of Kelowna Housing Resources Handbook it is estimated that Kelowna needs to provide a greater number of "small" units than comparable communities.
- Aside from these findings, the survey conducted by the Task Force in the Summer of 2006 found that those indicating that they were in need of housing in response to the survey represented larger households in the City. The average household size of respondents was 2.76. This indicates that the affordable housing needs of families with children must also be addressed. (see Appendix 1 for the results of the survey).

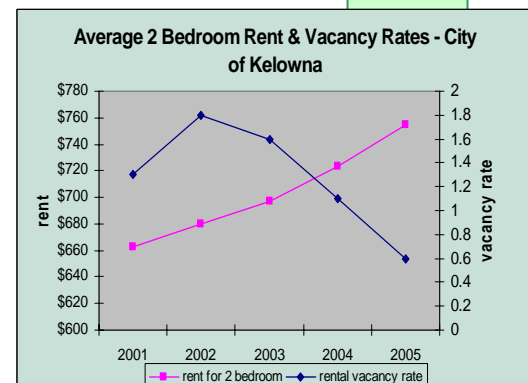
5. **Kelowna is doing well at attracting multiple-family development**

- 72% of building permits were for multiple-family development in 2005. This number would likely have been about 63% if a DCC increase on January 1, 2006 hadn't prompted a rush for building permits at the end of the year. This may contribute to a lower number of multiple-family units in 2006 as the market adjusts to uptake the approved projects.
- Adding multiple family units has not been enough to address concerns about affordability; a shortage of affordable units persists because the type and market price of units under construction do not meet the needs of the target population for affordable housing.



6. **Rental Housing is in short supply**

- Kelowna's rental market is unique in that most of the supply is not found in traditional rental buildings of three or more apartments. Canada Mortgage and Housing (CMHC) conducts a rental survey every year and includes buildings with three or more dwellings, surveying a total of 4,536 rental dwellings in 2005, while the 2001 Census indicated that there were 15,330 rental households in the city. This means that about 10,800 tenant households live in rental buildings of less than 3 units.



- Although the CMHC rental survey includes only about 30% of the rentals in Kelowna, the vacancy rates are considered to be representative of the supply situation for all rental dwellings. A healthy vacancy rate is generally accepted to be 4%. Kelowna's vacancy rate in 2005 was 0.6% and is expected to be even lower in 2006. Conversion of larger rental buildings to stratified units is an issue in the Lower Mainland of B.C. and in larger cities. However, the larger buildings make up less than 30% of the rental universe in Kelowna and very few applications for stratification of a larger building are ever processed. Initiatives to increase the supply of rental housing are needed. Rental of stratified apartments by absentee owners is providing a high cost source of rental housing, which relieves some of the demand, but new affordable rentals are scarce.

7. Housing for Low Income Households (Subsidized Housing) Does Not Meet the Need:

Kelowna compares very favourably with other BC municipalities in terms of its subsidized housing supply. Typically, subsidized housing, including residential health care, is built in response to provincial proposal calls and is influenced by budgetary priorities at the provincial and federal government levels. As a result, it is built in sporadic timeframes, meaning no subsidized housing is built in some years and a significant amount is realized in others. Over 30 years (since 1976), Kelowna has averaged about 40 new subsidized housing units per year in the form of rental dwellings and 44 additional units of residential health care, as shown below.

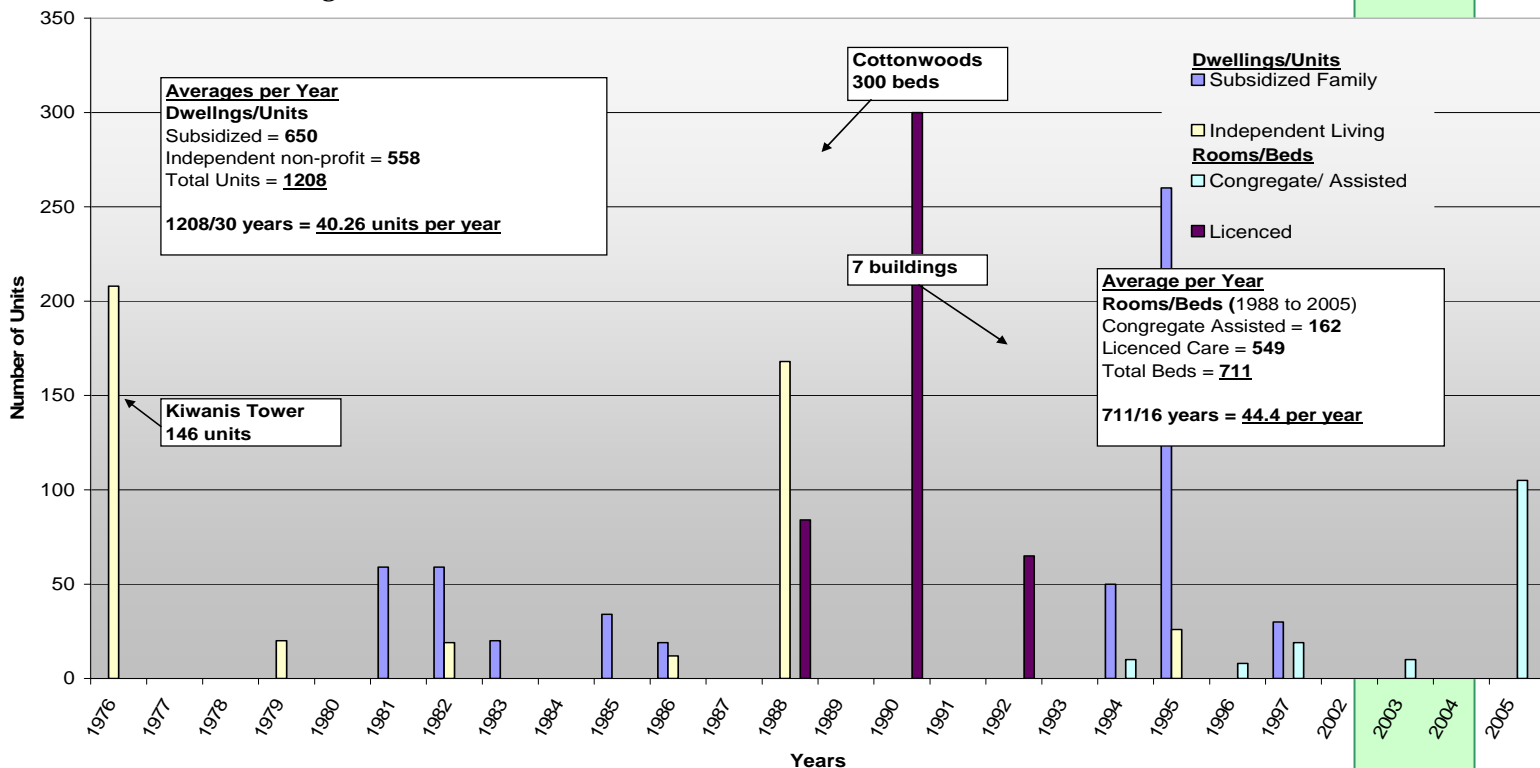


Figure 1 - Subsidized Housing in Kelowna 1976-2005

- Subsidized housing in Kelowna has been funded through provincial programs, mostly through BC Housing, although other agencies, including

Interior Health, (where there are support services to seniors, people with disabilities and the homeless) have also provided funding. Prior to this, the federal government through Canada Mortgage & Housing funded subsidized housing. Management of former CMHC-funded housing is now being delegated to the Province.

This adds up to:

- 650 subsidized rentals for families, including 25 dwellings that are handicapped accessible;
- 48 subsidized apartments for non-senior singles (no support services);
- 634 subsidized seniors rental dwellings (independent living);
- 170 seniors supportive housing units;
- 561 seniors' residential units licensed for health care;
- 209 residential units for people with mental disabilities or illnesses;

There is also temporary housing including:

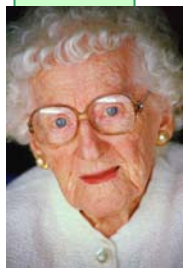
- 103 units/beds for addictions recovery;
- 131 homeless shelter beds;
- 42 rooms in transition homes

Having accounted for the above subsidized housing supply (not including temporary housing), the following numbers are the estimated low income households that ***do not*** have access to subsidized housing:

- 4,089 family households (of these, 750 were receiving BC Income Assistance for shelter)
- 634 seniors
- 3,232 non senior singles (of these, 2,135 were receiving BC Income Assistance for shelter)

This is the area of housing that the City cannot approach addressing without significant funding from elsewhere. In order to build one unit of subsidized housing, research supported by BC Housing and the Federation of Canadian Municipalities indicates that subsidies of \$75,000 or more to meet the capital costs, plus on-going operating funds to subsidize rents, are needed for each dwelling for a low income household. The City can provide small grants, land (through long-term leases) and partnerships throughout the development process, but needs other players to be at the table in this area.

The recent announcement of rent subsidies for low income families supported by employment income will provide some minimal relief. The City will continue to work with other municipalities and levels of government to address this need. This level of housing is often referred to as non-market housing due to the need for high levels of subsidy that the private market does not provide. BC Housing and other agencies that are involved with this level of housing strive to ensure that the appearance of the housing meets very high standards, that there is a good mix of "market" housing within the same property with non-market housing, if feasible and that there is a good fit with other housing and uses within the neighbourhood.



Projected Performance Gap of Affordable & Special Needs Housing

The challenge will continue

Research done in the preparation of the City of Kelowna Official Community Plan and various Housing studies purports that if 30% of new households experience affordability challenges, then almost 5000 “affordable units” must be built between now and 2020.

Effectiveness of Existing Strategies

While the City of Kelowna has pursued nearly every option available within its authority under the *Local Government Act* to encourage the private sector to develop affordable housing, few affordable dwellings have been created. Worse yet, none of these have been in the critical affordable rent area. Those created have been subsidized housing for Core Needs households.

A brief summary of each of the initiatives currently being implemented by the City of Kelowna follows:

Social Planning & Housing Committee

- Amalgamated from former Social Planning Board and Community Housing Needs Committee in 2002
- Committee work has contributed to affordable housing policies and updates since 1998, including secondary suites zoning & increased zoning flexibility for housing overall
- Has helped run annual affordable housing information events for the last 11 years

Density Bonusing/Housing Agreements:

- Zoning By-law defines bonuses available in return for affordable housing, which must be registered by a housing agreement
- Half of floor area of bonus must be returned as affordable housing
- OCP policy requires affordable housing in return for consideration of development of a higher density than present land use designation would allow
- Only one project consisting of five units of affordable housing units has been created using this tool

Small Lot Zoning:

- Small lot zoning designations⁴ were introduced with the intent to produce smaller, more affordable homes; however, the result was simply that the same homes were constructed on the smaller lots with no net benefit to affordability.

Secondary Suites:

- Allowed from the 1970s under ‘duplex’ zoning
- Allowed as carriage homes (secondary suites in accessory buildings) since 1994
- Changes to the Zoning Bylaw in 1998 created the ‘s’ zone designation specifically for secondary suites in each single family residential zone

⁴ RU3 – Small Lot Housing in the City of Kelowna Zoning By-law has a minimum lot width of 10.5 m. (34.5 ft.) and minimum lot area of 325 m² (3,498.4 sq. ft.)

- Secondary suites have primarily been developed as 'mortgage helpers' and revenue generators in investment properties
- While secondary suites represent a significant share of the rental market, they have not generally been rented at 'affordable' rents

Housing Reserve Fund:

- Established in 2000
- Main purpose is to acquire and utilize land to generate affordable housing
- GST rebate proceeds went into the fund in 2005
- Reached \$500,000 in 2005
- Annual budget allocations of \$200,000 by 2008
- Grants available (introduced in 2005)
 - \$5,000/unit for non-profit rental housing
 - \$2,500 / unit of affordable, non-subsidized rental housing
- No funds have yet been spent from the fund on land or grants for affordable housing

Policies That Protect Existing Affordable Housing:

Official Community Plan (OCP) Policy 8.1.14 directs the development and implementation of policies and procedures for re-development to ensure that low-income housing is not removed unless alternate housing is provided for the residents that are displaced. To date, Council policies have only been developed and implemented for mobile home parks and motels.

Development Cost Charges (DCCs) – BEST Practices:

- Institutional rate for congregate housing (introduced in 2000) or housing funded under the BC Housing Independent Living Program (2004)
- 2004 Density Gradient approach to calculating DCCs introduced so that smaller units at higher density in serviced areas of the City pay less (4 density classes)
- Waiving of DCCs for non-profit rental housing introduced in 2006
- 123 units of subsidized supportive seniors housing have been built since 1999
- While some new home sales in the housing market qualified under the definition of affordability, the prices upon resale were not held at that price level.

Land Partnerships:

- Premier's Task Force on Homelessness, Mental Illness & Addictions (PTF)
 - 30 units of housing for homeless people; partnership with BC Housing & Interior Health Authority (IHA), as well as federal capital
 - City land worth more than \$500,000 offered at no cost for 60 year lease
 - \$4.5 million of capital funding (building costs and rent subsidies) through BC Housing
 - \$500,000/year of health services to tenants provided by IHA
 - Moving the Kelowna Gospel Mission
 - Land commitment of at least \$500,000 by the City over 60 year lease at no cost
 - \$500,000 PTF funding
 - new facility will include housing
- Kelowna Secondary School (KSS) site – will include affordable housing
- Former City owned 260 Franklyn Road and 2490 Richter St. properties sold after unsuccessful attempts to achieve affordable housing projects but proceeds went into the Housing Reserve Fund.

- Uptake in the private and non-profit sectors for partnering with the City to use leased land or buy land at less than market costs has been minimal.

Property Taxes:

- Property taxes are waived, subject to approval of an application, for homeless shelters and transitional housing.
- As of 2006, a property tax holiday for up to 5 years is available for projects in specified areas of Rutland and Downtown Kelowna; projects with residential development must offer 10% affordable housing.



Task Force Recommendations:

Following the workshop in September, the Task Force was able to refine its recommendations and went public with them with a flyer and open houses in October/November 2006. The results of these consultations were discussed earlier. The recommendations are identified below, along with the rationale of the Task Force and recommended implementation steps. A timeline chart identifying all the recommendations, implementation steps, departments of the City with responsibility for the various task and timelines is provided in the Appendix 5, found at this link: [Appendix 5 - Implementation Chart for Task Force Recommendations](#) *text link* → Task Force Recommendations:

Secondary Suites:

In June 2006, 80% of all new homes with suites listed on MLS identified the suites as illegal. This is shown in greater detail in Table 1. 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.

Total # of Homes with Suites Listed on MLS 2003 to June 2006				
AREA	Total	Listed with Suite	Legal	<i>Not Legal</i>
Black Mountain	969	79	4	<i>69</i>
Dilworth Mountain	995	46	0	<i>45</i>
Glenmore	3040	167	23	<i>138</i>
Kelowna North	1548	95	54	<i>34</i>
Kelowna South	2566	245	98	<i>137</i>
Lower Mission	2499	91	9	<i>75</i>
North Glenmore	2222	142	14	<i>124</i>
Rutland North	2726	255	42	<i>209</i>
Rutland South	2082	233	16	<i>215</i>
South East Kelowna	1283	67	4	<i>47</i>
Springfield/Spall	592	34	10	<i>24</i>
Upper Mission	2236	71	4	<i>59</i>
Total	22758	1525 (6.7% of all listings)	278 (18.2 % of all suites)	<i>1176</i> <i>(77.1 % of all</i> <i>suites)</i>

Table 1 MLS Listings of houses with Suites – 2003-2006

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.

1. *THAT Council authorize the preparation of text amendments to the zoning by-law to allow secondary suites, where they are not currently permitted, through a rezoning process that eliminates the need for a formal public hearing, subject to meeting all the following requirements:*
 - 1.1. *Suites should be no larger than 90 square metres in area.*
 - 1.2. *In developed areas (where a house and/or garage exist), suites would only be allowed **within existing buildings**;*
 - 1.3. *Bylaw officers will continue to enforce illegal suite regulations upon complaint of neighbours.*
 - 1.4. *Suites require a business license and meet building code requirements.*
 - 1.5. *Adequate water and sewer capacity must be available.*
 - 1.6. *Each suite would require its own off street parking.*
 - 1.7. *A check-list of design criteria including parking, window orientation, landscaping and height need to be met.*

AND THAT Council authorize the preparation of a procedure manual for rezoning without public hearing for suite in a house, where an applicant has received the written consent of the abutting property owners.

This process would include a public hearing of City Council with City-wide notification through newspaper advertisements & web page notices.

City staff has reviewed this recommendation and the changes that occurred as a result of public consultation with the Task Force. Monitoring of the progress of the new zoning amendment process will be desirable in order to determine its effectiveness. Staff would return to Council with information on the results of the new process at some point in the future and may recommend further action or changes. Allowing suites without a rezoning process in areas that are not already zoned may return to Council for consideration, as one example. Other action that has been approved by Council, but then rescinded in the past, includes a more structured enforcement process for illegal suites. Such a process would require more staff resources and would be re-examined if illegal suites that pose health and safety dangers to Kelowna residents continue to be a problem. The community has again indicated, through the consultation process, that more action to address illegal suites is desired.

Recommendation 2: Partnerships with Developers

What the Development Community can do to help achieve more affordable and special needs housing in Kelowna.

Recommendation for New Development:

2. *THAT Council authorize staff to hire a land economist, at an estimated cost of \$30,000 from Council Contingency to assist the Task Force in analyzing the practical application, effectiveness, and cost to the city and development of the following potential OCP policy changes:*

2.1. *Where development applications increase density over the existing zoning, either by increasing height and/or rezoning, or under current density bonuses:*

2.1.1. *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*

2.1.2. *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*

2.1.3. *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).*

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

2.1.5. *A further alternative in the form of a levy on all density increases as is being proposed for Penticton.*

2.2. *AND THAT City staff, on behalf of the Affordable and Special Housing Needs Task Force, be requested to investigate other development related strategies that would increase the supply of affordable housing, including but not limited to:*

2.2.1. *Elimination of DCC on all non-strata units below 90 meters, subject to entering into an agreement with the City that would require a payment equivalent to the applicable DCC at such time as any rental dwelling benefiting from the grant is stratified, or otherwise converted for owner occupancy.*

2.2.2. *Elimination of demolition/dumping costs on properties redeveloped into non-strata units below 90 meters*

2.2.3. *Rezoning for multi-family residences along significant portions of our major urban roads that are within close proximity of town centers, ie. Springfield, Richter, Ellis, Clement, Gordon, etc*

2.2.4. *In concert with transit goals, relax parking requirements for appropriately targeted/located housing*

- 2.2.5. The granting of an annual tax grant for a five year period, equivalent to the increase in the City's property tax resulting from the creation of new non-strata units below 90 meters*
- 2.2.6. Limiting secondary suites to only those areas of the City that do not hold potential for further infill densification*
- 2.2.7. Asking the city to lobby the Federal Government for an increase in the allowable depreciation on new non-strata units below 90 meters from 4% to 20%.*

AND THAT any proposed amendments to the OCP or other policy or regulations, resulting from the recommendations of the Affordable and Special Needs Housing Task Force, based on the findings of the land economist's report, investigations by City staff and further consultations with the development community return to city council for consideration and ratification prior to implementation.

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 2: New Development – Implementation Steps

(See the implementation chart in the following link: [Appendix 5 - Implementation Chart for Task Force Recommendations](#) *text link* →Task Force Recommendations:)

- 1. Obtain Land Economist Consultant's Report:** This recommendation will impact costs of development. Estimates from a local developer indicate that one new apartment now costs at least \$200,000 to build. This is consistent with BC Housing staff indications that one new apartment can cost over \$220,000. The City has determined that starter home prices need to be at \$146,000 for a stratified apartment at 2005 levels, making the task of providing affordable housing, owner or tenant occupied, seem daunting. Therefore, it is recommended that Council authorize the hiring of a land economist consultant to determine the financial implications of imposing minimum requirements for the provision of affordable housing, as well as a workable cash-in-lieu procedure. In order to ensure that the proposed action will effectively generate new sources of affordable housing as part of the development process, it must be practicable and viable, to the City, to the development community and the community at large. The research should

also recommend changes to the proposed policy direction, if necessary. As an example, the Task Force would like an investigation into approaches being proposed for Penticton, involving a levy on all new development where density increases. The completion of such a study would be expected in March or April of 2007, should Recommendation 2 be supported by City Council.

Based on discussions with qualified land economists, preliminary cost estimates for this work are about \$15,000 - \$20,000 or more, depending on the specific case scenarios that are chosen. The City has received a \$5,000 grant from Affordability and Choice Today (ACT) for the work of the Task Force. \$2,000 of this amount is allocated to a land economist's report. An inquiry to the Real Estate Foundation has also confirmed that this work would be a good fit for the Foundation's funding criteria. Council would need to authorize a funding to recognize the consultant report as a direct cost towards implementing the work of the Task Force and acknowledge that outside funding sources will be sought to cover this additional cost.

2. **Investigate other Development Strategies:** Consultation by the Task Force with the development community during and following the open house process resulted in substantial change to recommendation 2. While the original proposed requirements from new development that involves a density increase resulted from a rezoning are still on the table to be reviewed by a land economist, a number of suggestions from the Urban Development Institute (UDI) of Kelowna are being put forward for review by staff. These are outlined in 2.2 of the recommendation and the source of these ideas are seen in the letter from UDI. (follow the link to the letter: [UDI Response to Affordable and Special Needs Housing Task Force Recommendations](#)).

These recommendations will require significant further investigation on the part of City staff. There are financial, legal, planning and servicing implications. Therefore several departments of the City (Planning & Development, Public Works, Clerks, CDRE and Finance) will need to examine the proposals in detail and determine if they are workable, under what framework (e.g. legally), and what costs and implications their implementation will have for the City. Since these ideas have been proposed within one week prior to the report going to City Council, there has been inadequate time to conduct this work. It is anticipated that it will take most of the Winter / Spring months of 1997 to conduct this work. The Task Force has also asked for an extension of its timeline to April 1997, in order to move forward with changes to its direction resulted from community consultation. It would also like to re-visit with the community to review further changes before coming back to City Council.

3. **Amend the OCP:** The OCP will need to be amended to add policy that will include the appropriate wording to move forward with Recommendation 2. Wording would also incorporate any necessary change as a result of the land

economist's report. The OCP amendment process will include a public hearing and broad notification in local newspapers and on the City web site. Initiation of the amendment would need to wait until the land economist's report is delivered in order to address any appropriate changes. It is anticipated that this work would start in February, and a three month process would make the policy a reality by towards the latter part of 2007, subject to Council approval.

The proposed changes may also include the need to change the zoning by-law, depending on the results of investigating the additional strategies under 2.2 of the recommendation, and Council's further direction. Again, these changes would likely not be able to move ahead until the latter part of 2007 and would involve broad public notification and a public hearing. Task Force members would also meet with the development community for further input.

Also, the recommendations that involve financial incentives will need to be implemented, if approved by Council, possibly by amending the DCC By-law and/or introducing new processes. These actions would likely take until the end of 1997, early 1998 to happen if they are to proceed. Further reporting on these ideas will come before Council for consideration in 1997, hopefully near the end of the extended term of the Task Force in April.

4. **Define cash- in – lieu process:** Although the OCP policy would include a cash-in-lieu option, as presented, the process should be clearly identified. Financial staff at the City would assist in preparation of a functional and fair process for application and collection of cash-in-lieu. Initially, this money would be directed to the Housing Opportunities Fund.

Recommendation 3: Partnerships with Businesses

What the Business Community can do to help achieve more affordable and special needs housing in Kelowna.

3. *THAT subject to the approval of recommendation 4, below, voluntary subscription by businesses and industries to co-operative or strata housing be referred to and led by a newly created Kelowna Housing Corporation (see recommendation 4). (For example: A number of businesses could purchase units in a housing co-op and rent their units, at 'affordable' levels to their staff).*

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.

Implementation for Recommendation 3:

This recommendation is dependent on the creation of a Housing Corporation, which is also being recommended. Research and results of the September 8th and 9th housing workshop both indicate that it would be difficult to establish a housing cooperative at the city level without adequate resources and personnel to administer it. Should Council approve this recommendation, implementation should be deferred to be considered by and at such time as a Housing Corporation is established. Late 2007 or early 2008 would be an optimistic estimate of when a housing cooperative would be initiated.

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

4. *THAT the City initiate the creation of a Kelowna Housing Corporation (KHC) which would:*
 - 4.1. *Receive an annual allocation of funds from the City of Kelowna up to \$2 per person per year to create and administer the Housing Corporation;*
 - 4.2. *Be owned by the City, alone or in partnership with other municipalities;*
 - 4.3. *Be operated by a volunteer Board of Directors with the necessary full time staff;*
 - 4.4. *Operate at “arms length” from municipal council and act as a not-for-profit developer;*
 - 4.5. *Seek funds from all sources to address affordable housing needs in Kelowna, including the use of low interest construction loans and mortgages;*
 - 4.6. *Examine the ability to offer low interest construction loans to individual homeowners for the purpose of upgrading secondary suites to meet building and servicing requirements;*
 - 4.7. *Act as a developer and housing manager of affordable rental and owner-occupied housing, alone or in partnership with others;*
 - 4.8. *Assume control of all affordable units that are subject to a housing agreement, with the exception of units managed by non-profit housing societies;*
 - 4.9. *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;*
 - 4.10. *Devise and implement a rent-to-own program;*
 - 4.11. *Create and maintain a list of registered applicants for non-market housing, in cooperation with existing non-profits and BC Housing;*
 - 4.12. *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;*

4.13. The Corporation would then seek participation by other municipalities throughout the Okanagan Valley at the same rate per capita.

AND THAT Council authorize the redirection of funds budgeted annually for the Housing Opportunities Reserve Fund to establish and fund a Kelowna Housing Corporation beginning in 2008;

Rationale:

Most importantly, research indicates that affordable housing supply is only significantly increased when there is a dedicated agency to implement affordable housing strategies, and manage housing units. In municipalities where there is no dedicated housing corporation or centre, very little results are seen in terms of increased affordable housing supply. Examples of municipalities with housing centres or corporations include; Peel Region, Vancouver, Whistler, Seattle, the County of Montgomery (Maryland), Carlsbad (California), Banff, Calgary; (see/click the link → [Appendix 6 Matrix of Selected Housing Strategies in Other Jurisdictions](#)., those that have a dedicated housing agency are highlighted yellow). Results in terms of the number of affordable housing units created under a corporation/agency in key municipalities are summarized below:

Vancouver Housing Centre:

- More than one-third of all social housing - 7,500 units - in the City is now on City-owned land. (total social units is 20,000)
- Housing Centre operates 770 units of social housing
- rest is operated by non-profit housing societies

Whistler Housing Authority:

- Created 144 units/330 beds for employees between '97 and '02 that are managed by the Authority and considered affordable.
- Manages an inventory of 1,441 employee restricted dwellings with 4,311 beds as of 2002) from web site and staff discussions

Peel Region – Ontario:

- Housing Corporation (Peel Living) Peel added a total of 367 permanent and transitional units to the housing portfolio between 2003 & 2005;
- another 465 units are being developed and planned for completion starting in 2007

Montgomery County (State of Vermont):

- Department of Housing & Community Affairs & County Housing Opportunities Commission (HOC) that manages low income units
- Created over 10,000 moderately priced dwelling units over 25 years ; from '76 to '99; 7,637 owner units and 2,958 rental units, total 10,595 units
- In addition, Housing Initiative Fund has created or rehabilitated a total of 3,500 units

The following points were also raised by the Task Force based on research and the results of the 2 day workshop (September 8th and 9th, 2006).

- ✓ Clearly, based on the research, results in terms of affordable housing units are most evident in jurisdictions that have a housing corporation, authority or agency with geographic responsibility for managing and producing affordable housing.
- ✓ 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.

Implementation for Recommendation 4 – Create a Housing Corporation:

Should Council support the creation of a housing corporation for Kelowna, approval for a budget to initiate such an organization would be the first step. One suggestion would be to redirect the annual budgeted funds for the Housing Opportunities Reserve Fund, \$200,000 by 2008, to direct to the operating costs of the corporation. Creating a Board, then hiring a manager and determining a location would follow. Once established, the housing corporation would continually seek funding opportunities and public and private partnerships. At the September workshop, several funding sources were suggested, including:

The Real Estate Foundation
UBCM
BC Housing
Financial Institutions

Philanthropic (individuals/gifting)
Service clubs
Churches
Private Foundations
CMHC

Affordable housing that is achieved as a result of using City land or City land acquisitions for affordable housing could be managed by the corporation. As in other examples, sales of non-market housing within developments that feature affordable housing could be used to fund the work of the Corporation. Over time, partnerships with other municipalities could be sought to increase economies of scale, obtain best the staff resources and maximize resources and their use.

Recommendation 5: Do a Comprehensive Plan that Includes Affordable Housing for the former Kelowna Secondary School (KSS) Site

5. *THAT the City proceed with a comprehensive plan for the KSS site that will include:*
- 5.1. Land uses and zoning*
 - 5.2. Development layout*
 - 5.3. Servicing and road layout*
 - 5.4. Design standards*
 - 5.5. The requirement that 20% of all housing on the site meet the City's definition of affordable housing and is 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 potential.
- ✓ 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 provides an excellent opportunity to demonstrate leadership in the area of mixed use (commercial and residential), mixed density (from stacked townhouses to high rises), and affordable housing.

Implementation for Recommendation 5: Comprehensive Plan for the KSS Site:

In order to arrive at a comprehensive plan for the KSS site, the City should hire a consultant to work with Council and City staff to devise the plan. Funds for this kind of work have been secured through the 2006 budget process. Additional measures that should be included in the comprehensive plan would be to provide design specifications for development of the site. Implementation of the 20% affordable housing provision would be addressed by the City, possibly with the assistance of a housing corporation, in terms of managing the housing, should the Corporation be created. Completion of the comprehensive plan is expected to take until towards the end of 1997. Development of the site would optimistically start in 2008.

Recommendation 6: *Allow mixed use in low intensity industrial areas.*

6. *THAT the City proceed with a text amendment to the zoning by-law to allow residential uses strictly as a secondary use above the current permitted uses in its business and low intensity industrial zones (I1 & I2), subject to the required public notification and public hearing, 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 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 an industrial use, 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.

Implementation of Recommendation 6 – Mixed Use:

Zoning Amendments would need to be prepared by Planning and Development staff and approved by City Council. This process would take about 4 months and would include a formal public hearing of City Council that would be advertised in local newspapers.

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

7. *THAT Council authorize the preparation of a text amendment to the OCP to allow a 2 increment increase in density in return for 75% non-market housing to be built on site, subject to the required public notification and public hearing.*

Rationale:

- ✓ A current policy in the OCP provides for changes to the land use designation to increase density by one increment, as long as a number of conditions are met, including the provision of some affordable housing.

- ✓ Many not-for-profits would like to develop non-market housing for low income people. However they are severely restricted by 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.

Implementation of Recommendation 7:

A report was taken to Council in July of 2006 to propose a very similar OCP amendment. Council deferred any decision regarding the policy change to be included as part of the work of the Affordable and Special Needs Housing Task Force. This idea was discussed at the two day workshop held by the Task Force on September 8th and 9th of 2006. There was broad support for the idea at the workshop. The Task Force was mindful, however, of wanting to achieve a mix of housing in any given part of the city and also learned that the cost of developing housing is very high. In order to offset the potential cost of building non-market housing, and to achieve a better mix of housing in such situations, the Task Force changed the proposal to read that the increase in density by two increments would apply to situations where 75% of the housing is non-market.

City staff had originally proposed the text amendment to the OCP based on actual case scenarios when partnerships between the City and other agencies to achieve provincially funded non-market housing could not proceed on a candidate site due to the fact that OCP policy direction could not be met. Wording of the policy and the manner in which it could be implemented had been prepared in consultation with planning and development services staff to ensure that future situations would have an opportunity for City support. Further consultations and work at the staff level will be necessary to bring the amendment forward for consideration by Council including the necessary public notification and public hearing.

Recommendation 8: Change OCP to require a mix of housing units in all new developments

- 8. THAT Council authorize the preparation of a text amendment to the 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), along with the required public notification and public hearing.*

Rationale:

- ✓ A significant driver of new housing costs is the rising cost of land. Mixed density developments reduce the land cost per unit.
- ✓ Zoning in the 1960s and 1970s was more likely to include several types of dwellings in one zone, like duplexes, houses, and housing with additional

apartments. It is only fairly recently that people have expected areas to be zoned only for single detached homes.

- ✓ Our policy direction in the Official Community Plan indicates that the lowest density should allow up to two dwellings per lot, not limited to one.
- ✓ We are running out of land that is suited to new development. It makes more sense to make better use of the land that can be developed. Servicing and land costs would be less per dwelling this way.

Implementation of Recommendation 8: Mix of housing:

Within areas designated as “Single / Two Unit Residential” designation under the OCP an amendment would need to be introduced. Similar policy already exists. The City needs to determine whether more specific wording is needed, as well as whether the magnitude of development that would be subject to this idea should be specified. Existing similar policy is as follows:

.34 Land Utilization within Single Detached Areas. *Work towards achieving more efficient use of land within developed single-detached neighbourhoods by encouraging rezoning, subdivision and building permit applications that would allow for smaller lot sizes, secondary suites, minor boarding facilities, minor group homes, duplexes etc. that are sensitively integrated into a neighbourhood;*

.42 Integration. *Encourage the sensitive integration of different housing forms in the various sectors of the City, in support of neighbourhood diversity and healthy communities;*

.45 Secondary Suites. *Encourage, under the conditions stipulated in the Zoning Bylaw, the creation of secondary suites;*

Any policy change would be subject to the holding of the required public hearing with broad notice to the community in both local newspapers and on the City web site. The time frame for this action would be about 3 months and could be done parallel to other OCP amendments proposed by the Task Force (recommendations 2 and 7).

Extending the Work of the Task Force:

In the process of including and accommodating community consultation, the Task Force has brought forward considerable change to its recommendations. Many of these changes were proposed and accepted by the Task Force within two weeks of the targeted date of November 20, 2006 to report back to City Council. In order to properly consider these changes, further investigation and consultation is needed. Therefore, the Task Force is requested that Council extend its mandate to April 2007.



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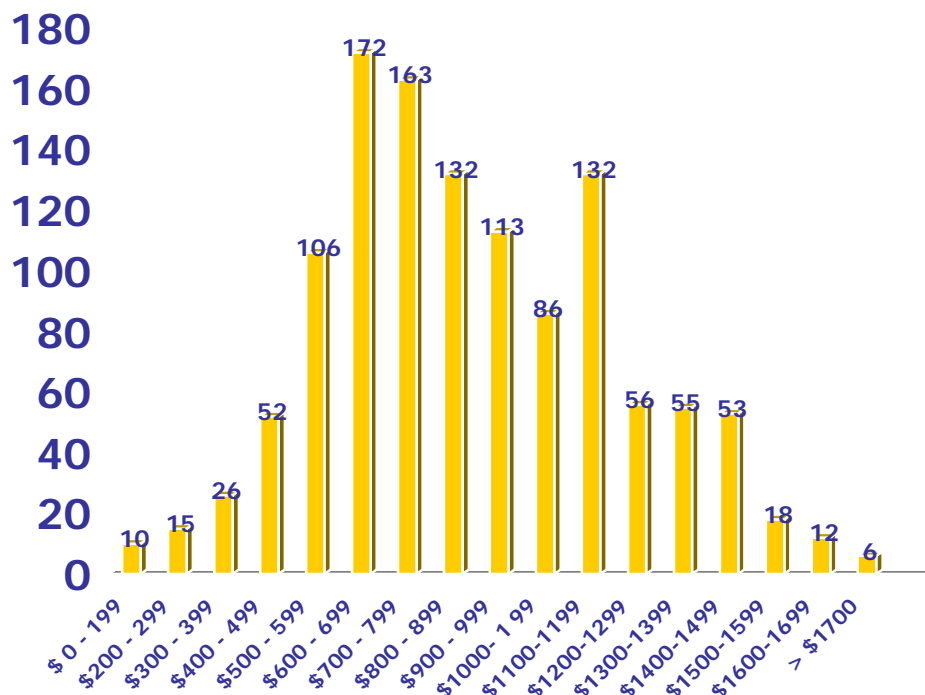
Appendices:

Appendix 1 *Results of Housing Survey*

Click to return to main report ([Consultation:](#))

- Over July & August, 2006, 1242 surveys were submitted representing about 3432 people.
- Average household size of respondents is 2.76 compared to 2001 Census Canada figure of 2.3 for all of Kelowna.
- 21% of respondents currently own a unit. 63% are renting, 7% live at home (with family??), and 9% have made other arrangements. Of those who are renting, nearly twice as many are renting illegal suites over legal ones. (132 vs 86)
- Approximately 50% of all respondents would be capable of purchasing a home – if the supply of appropriately priced entry level units is increased. (Required owner-occupied units X Median monthly payments) don't know what this sentence means

The Amount That Survey Respondents Can Pay For Housing / Month

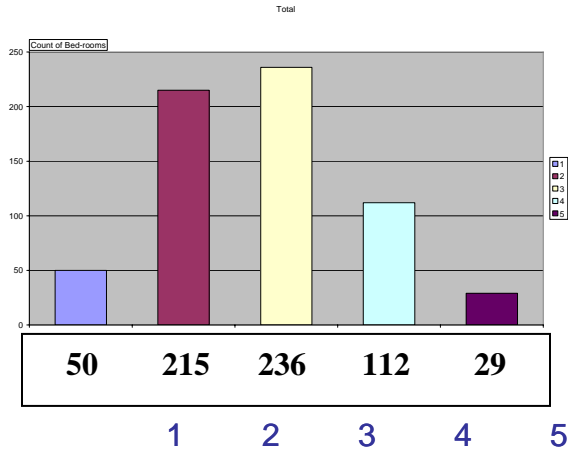


Of those who can purchase, 87% can support a monthly payment in the range of \$550 - \$1350 per month. After accounting for stated down-payments, this translates into homes roughly between \$150,000 and \$200,000. While these prices

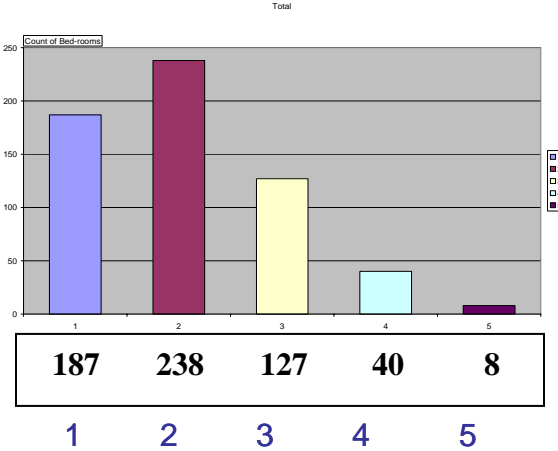
may appear low when compared to the 2006 CMHC projected median single family home price in Kelowna of \$350,000, they are possible with the right combination of strategies.

Bedrooms Requested

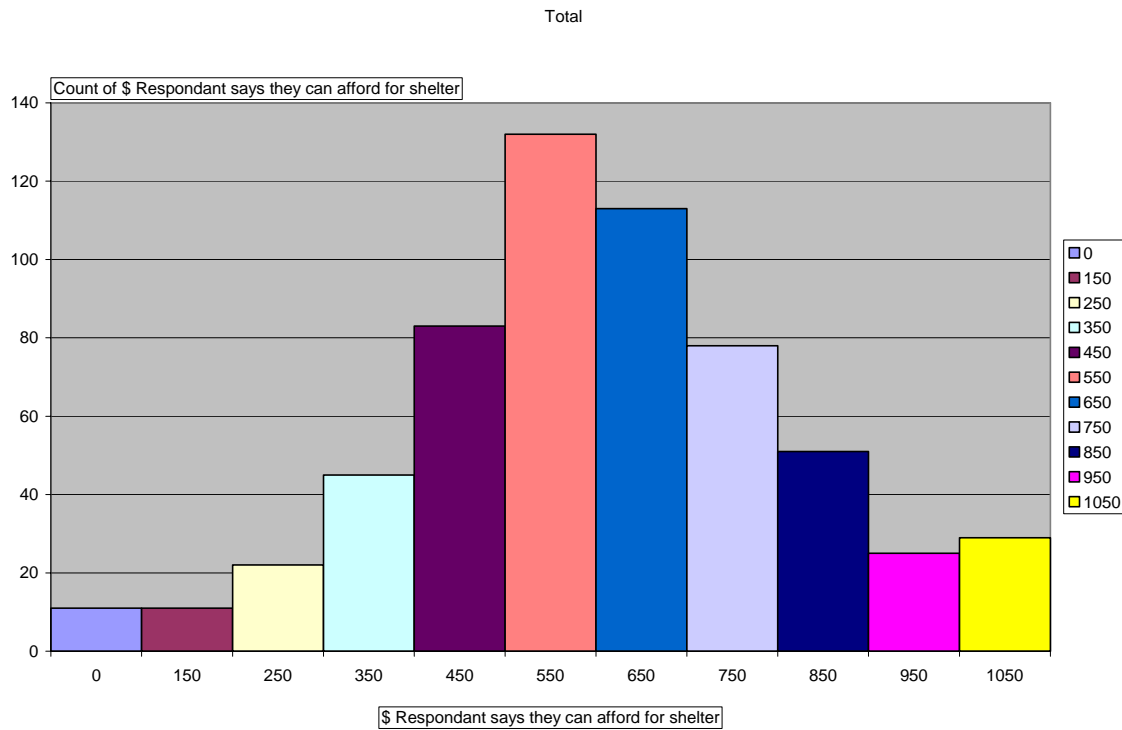
Purchased Units



Rental Units



Rental Picture:



On the rental side just under 50% of respondents need help finding affordable or special needs rental housing. Households in this cluster can afford anywhere from zero to \$1050/month for accommodation – with 84% falling in the \$350 - \$850 range.

Summary:

Based on Council's instructions on May 15, 2006 that the Task Force report back to council with an action plan to achieve 300 affordable dwellings per year – it appears an initial goal of approximately 150 rental and 150 owner-occupied units per year would be appropriate. Furthermore – based on bedrooms requested, a variety of one to five bedroom units should be built with 70% of sale units built with two to three bedrooms and 70% of rental units built with one to two bedrooms.

Other results of note include:

- 17% of respondents have special needs
- 47% of households include children, with 394 children, or 17%, of households involving single parent families.
- Help finding affordable or special needs housing crosses across all generations with over 37% of respondents having lived in Kelowna for more than 20 years.

Opportunities for Smart Growth:

- 34% work in city centre but only 18% live there.
- 24% of respondents live in Rutland but only 11% of respondents work in Rutland.

Appendix 2 Results of September 8th and 9th Workshop:

(click on this link to return to main report) [Consultation:](#)

Sponsors: City of Kelowna & Okanagan School of Business

September 8 & 9, 2006

Affordable and Special Needs Housing Workshop

Opening by Mayor Sharon Shepherd

Introduction among table members

Introduction by Norm Letnick

Norm Letnick

“why are we here?”

the Okanagan is facing a new reality – a perfect storm of:

- a. people with money from around the world being attracted here by advertising and for all the same reasons why we love it here.
 - b. the baby boom phenomena of the largest demographic wave of citizens with money in Canadian history identifying the Okanagan Valley in general and Kelowna in particular as one of their top retirement destinations.
 - c. a lack of skilled workers bidding up the cost of labour
 - d. natural disasters coupled with a housing boom in many parts of the world bidding up the costs of materials
 - e. developers from away who are used to lower profit margins bidding up the cost of land
 - f. the implementation of higher development cost charges that more closely reflect the true costs of growth?
2. this combination of events has helped to increase the net worth of many in the Okanagan and simultaneously made it more difficult for those who are not riding this wave, to find housing that is affordable or suits their special needs.
 3. our job today is not to fix poverty, nor is it to fix our free market system. Our job is to find real, practical, politically supportable housing supply strategies and to provide the Task Force with some input on a list of directed questions.
 4. So as you are discussing, debating, and articulating your ideas please allow me to share with you the vision of the Task Force...

We are looking for a combination of strategies that will:

- a) Be ready to participate in any program our provincial and federal governments introduce for social housing
- b) result in an increase in the supply of affordable and special needs housing at prices people say they can afford (not necessarily 30% of income)
- c) not require one municipal tax payer to be subsidizing the housing costs of another

- d) if there is to be any need for cross-subsidization, those who are benefiting the most from the current situation should be asked to carry the greatest load
- e) distribute units throughout each community rather than concentrate them in one area alone
- f) make good planning sense but if necessary we can think outside of our past planning comfort zone
- g) be fair to all concerned and politically supportable

Introduction of Professor David Cram – Workshop Facilitator

Margaret McNeil – BC Housing

- Richard Coleman has an upcoming announcement re: affordable housing
- Safer Shelter Aid for Elderly Renters – apply for based on income
- Top priority: senior housing
- Independent Living BC – Gov't subsidized assistance with (Joseph Benjamin Residence, Mountainview Lodge)
- Target is most vulnerable – those homeless or close to (mentally disabled, women fleeing abusive relationships)
- BC Non Profit Housing Association – most social housing in BC is provided by non profit organizations
- Provincial Homelessness Initiative – 130 units in Gospel Mission being added, St. Paul Development commendation, need for support services
- BC Housing serves 84,000 households per year

Cory Gain – City of Kelowna representative (slideshow)

- Official Community Plan – incl. secondary suites, special needs & senior housing, staff designated for affordable housing
- Task Force created as a resource
- Supply an issue, average value of residential building permits increasing, development cost charge increase January 2006, shortage of affordable housing despite the increase in multi-family units
- Avg value of residential housing \$152000 in 2005 for new units, incomes remaining constant
- Value of townhouses spiked due to unique factors
- Redevelopment not approved unless new housing is available
- City Survey – (non scientific) Nearly 2x as many renting illegal suites as legal, 37% of respondents lived in Kelowna for over 37 years
- Same houses constructed in smaller lots, not creating affordable housing
- 'S' designation for secondary suites (accessory building or principal building)
- Property owned by the City was sold after affordable housing could not be met
- 30% of new houses experience affordable housing issues
- Can achieve 26 storeys of building height without receiving bonus density
- 70% rental 2-3 bedrooms

David Cram

Definition of community (from Wikipedia)

A community is a collection of living things that share an environment, so forming a recognizable group. These living things can be plants or animals; any species, any size. Communities are characterized by interaction in many ways. The definitive aspect of community is that each subject in the mix have something in common that allows an identification. This article focuses on human communities, in which intent, belief, resources, preferences, needs, risks and a number of other conditions may be present and common, affecting the identity of the participants and their degree of adhesion.

Overview of Workshop Process

- Stage 1 – groups clustered by discipline to provide input on potential strategies
- Stage 2 – multi-disciplinary groups to provide input on assigned questions
- Stage 3 – panel discussion, with Q & A
- Stage 4 – reform original clustered groups to devise and articulate potential menu of strategies

Theme 1: Neighbour Helping Neighbour

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

City wide secondary suites permitted in all single family homes

Annual non-market housing budget in the general tax roll (i.e. \$65 average from each municipal tax payer)

Policy Makers

Sharon Shephard, Penny Gambell, Deborah Leroux, Marji Basso, John Slater, Gunnar Forsstrom

- Incentive to allow for secondary suites
- Tax breaks in certain areas
- Secondary suites in certain areas
- Strata
- Blanket rezoning for all residential zones to allow for secondary suites
- Easy registration for applicants thru permit and business licensing
- Work with insurers (lack of knowledge about secondary suites)
- Neighbourhood parking issue
- Subsidy is the ability to pay % (expensive homes should pay more towards a subsidy)
- Social DCC pool

Policy Makers

Robert Hobson, James Baker, Ron Hovanes, Pat Hampson, Stu Wells, Terry Condon, Juliette Cunningham, Shirley Hutt

- Secondary suites
- City wide?
- Where infrastructure permits (sewer)

- With neighbourhood approval
- As designated by OCP
- Designed into new development
- Owner resident
- Large lot
- Create tax equity
- Consider tax provincially
- Sewer system considerations
- Neighbourhood approval within the OCP
- Owner to provide the supervision to ensure kind of quality neighbourhood remains constant
- No consensus about flat tax (a tax appropriate, tax levy should be equitable, small communities face a challenge, \$20 per household would create more than \$50,000,000 per year on a household basis)

Planners

Randy Rose, Alain Cunningham, Darwin Horning, Gary Stephen, Ewald Bergen, Tom Witty

- Yes to legalizing suites (safety)
 - 100% for suites within a community, even in multifamily zones
 - Parking provisions for those areas
 - Access
- Must be more incentives beyond waiving fees to bring underground suites to legal
 - Waiving fees not enough because of potential costs
 - Tax incentives
 - Grant program
- Home owner enticement and accountability
 - Must be accountability (ie, overload of sewage, if infrastructure of neighbourhood can handle the extra)
- Overloading system (?)
 - Possible sampling program
 - Size restriction
 - Flat tax would be a difficult sell (sensitive issue, not sure about whether that would succeed in this area or not)

Policy Influencers

Alleson Mandzuik, David Smith, Linda Sankey, Annette Sharkey, Theresa Eichler, Corine Gain, Alice Sundberg

Need to address education within the community for secondary suites as a way to provide affordable housing

Yes, secondary suites should be allowed in all residential zones

Yes, tax would be an appropriate way to go (equity issues)

Yes, but should be:

based on service capacity
can do it as a block, a whole community or have people come forward
addressing NIMBY
Yes, with education on why/how it benefits all community members
legislative change to allow DCCs to be collected for affordable housing
who benefits from escalated housing?

Developers/Builders

Jonathon Friesen, Keith Funk, Renee Wasylyk, Greg Bird, Rick Miller, Tim Evans, Allan Kirschner, Carol Gran

- Need to consider –
 - Occupancy
 - DCC for those suites
- If this went into effect
 - Would reduce rental rates in favour of tax levy, but proportional to tax assessment

Presentation:

- Flat tax
- Most favour secondary suite designation
- Problem of occupancy (overcrowding)
- All suites would need to be legalized (mortgage and financing improved)
- Potential to drive rents down by having oversupply of rentals
- Encourage people to legalize
- Higher assessments, permit income, licensing for City, existing charges for DCCs for existing units

Developers/Builders

JoAnne Adamson, Dmitri Gulak, Gregory Smythe, Grant Gaucher, Paul Donaldson

- a) Secondary suites – Yes, but rules in place would have to be implemented on secondary suites
 - a. design guidelines for new developments should be allowed to disallow suites (if necessary) for those who don't want to live in an area with suites
 - b. an incentive should be created to encourage illegal suites to legalize
- b) Increase property taxes – Yes

Agreement with flat tax

Developers/Builders

Gail Temple, Michael Brown, Shane Worman, Lloyd Anderson, Tim Dorn

- New zoning area should include pre-zoned area for secondary suites
- City of Kelowna benefiting from the escalation in the cost of housing, as well as investors and land owners
- City to assist with upgrading of illegal suites
- Taxation increase viewed favourably

Business & Others

Weldon LeBlanc, Robert Fine, Patty Lou Bryant, Bruce Blachford, Naida Tease, Garry Tebutt, Marion Bremner

- Legal vs illegal
 - Declaration of income from illegal suites (problems with Revenue Canada, bank financing)
 - Owner occupied*
 - Cost of standardizing and doing upgrades to meet codes
- Stereotype of “affordable” tenants/owners
 - Education to change attitudes of NIMBYs
- Grants from City to upgrade illegal suites
 - Establish and publish minimum standard/criteria
- Flat tax - \$65 per annum / \$5 per month
 - If assessment over \$500,000+
 - If you’re living in a luxurious home, you are better able to help your neighbour
 - City needs a good plan to demonstrate good use and stewardship of that money (people like to see their money is well spent)
 - Have to be a higher “flat tax” as it comes from fewer number of residences
 - Provide charitable receipt “Adopt a family at home”

Agencies

Brigitte Reimer, Luke Stack, Peter Chau, Shelley Cook, Shawn Baenziger, Melany Beaty (Ashley)

1. Universal – yes
2. Grandfathering – yes, with minimal code
 - a. Remove DCC’s on S zones which discourages developments
3. Incentives to register illegal suites for safety reasons
4. Registry – grant incentive
 - a. As rent stays low, grants could increase
 - b. Don’t forget if suite is legal, assessment would increase in future
5. General tax – yes
 - a. Timeline
 - b. Accountable administration with community oversight

Financial incentives

Universal – yes

Grandfathering – yes, with minimal code

Expert Panel

Cameron Gray, Matthew MacNeil, Michael Bacon, Tim Wake

Theme 2: Partnerships with Developers

What the Development Community can do to help achieve more affordable and special needs housing in Kelowna.

- a) Non-market housing or cash in lieu in exchange for height variance

- b) Non-market housing or cash in lieu in exchange for rezoning
- c) Require a minimum of all new housing to be non-market housing on all new residential developments
- d) All new development share in the annual responsibility for achieving community affordable housing goal

Related Questions:

A & B – What amount of money or units, is fair (i.e. city keeps increase in land value and developer retains the rest)?

C – What amount is fair? (i.e. equal to Vancouver, Langford, Cambridge, or Carlsbad??)

C – If a minimum is required – what other options should be available (i.e. cash in lieu, and if cash – how much? Should there be an allowance for off-site concurrent development? Should these units be subject to a city wide waiting list or should developers be free to decide who qualifies?)

D – If a 1% levy is instituted who will pay? Will the extra charge be passed to new home buyers OR will the charge reduce developers' profits OR will the charge be absorbed by land owners as developers factor in the higher costs in their offers of purchase OR a combination?

D – Should there be minimum threshold below which no % is levied or does all development contribute to a reduction in affordability and therefore all, except affordable or non-profit housing projects, contribute the same percentage?

Policy Makers

Sharon Shephard, Penny Gambell, Deborah Leroux, Marji Basso, John Slater, Gunnar Forsstrom

- No trading cash for zoning – too much potential for easy outs – least desirable – avoid social action
- Policy created by council to ensure % of social housing is enforced through the permit process
- Housing agreement policy attached to permit process in order to avoid buy back/ buy in by influence of developer
- These units administered by a not-for-profit organization to safeguard availability for most deserving/highest need persons
- Bridge category between rental & ownership
Lease eligibility in control of non profit administrator
- 1% municipal transfer tax on profit from sale of property
\$ matched by province
No flat levy
Land Titles Office could collect fee on behalf of municipality
- When rezoning is given to increase density then 50% of the increased floorspace must be allocated for low income housing

Policy Makers

Robert Hobson, James Baker, Ron Hovanes, Pat Hampson, Stu Wells, Terry Condon, Juliette Cunningham, Shirley Hutt

- Bonusing must be “industry norm” (equity)
 - Bonusing difficult to manage because of construction costs over a certain height, must be done on an industry norm so towns aren’t competing with each other
- Cash in lieu doesn’t always equal housing units
- Affordable housing units
 - Built as part of “project” and many “projects” in OCP
 - Provincially mandated that affordable housing is included in all multi-family construction
 - Prevent “flipping” for profit – zoning changes with property being flipped doesn’t serve anybody
- Land trusts
- Partnerships with developers inherently risky!
- Completion issues – projects as sold to communities must be completed and sold
- Federal social issue deserves a federal solution (1% GST reduction back into social housing would create \$5 billion in funding)
- Partnerships with developer
 - City takes risks – use of land
- DCC tax – social - \$
- All new development – big \$
- Zoning driven by planners not developers
- Developers – find a way to work with non-profits
- Requirement – minimum of all new housing be non-market (commercial & residential)
 - Big box stores
 - Opt out – cash in lieu of housing (non-mark), non-profits

Planners

Randy Rose, Alain Cunningham, Darwin Horning, Gary Stephen, Ewald Bergen, Tom Witty

- Density bonus – tactical difficulties, many places in Kelowna are already maxed out
 - Create incentive by downsizing
 - No variances (Politicians do not prescribe variances – allowing flatter building does not leave anything to negotiate)
 - Transferable development rights
 - Rezoning (+/-)
- 5 year supply zoned (certainty/go elsewhere)
- Fast tracking for affordable housing
 - Resource
- Continuum to spread costs across the board
 - 1) Inclusionary housing policy (incremental – developer pays)

- 2) New development levy paid equally
- 3) Flat tax paid equally

Presentation:

- Are the areas going to be suitable for low income housing
- Sufficient supply of zoned land to make sure developments don't go elsewhere
- Zoning useful for negotiating with developer

Ewald:

- Relationship between city planners and developers is very adversarial at this time

Policy Influencers

Alleson Mandzuik, David Smith, Linda Sankey, Annette Sharkey, Theresa Eichler, Corine Gain, Alice Sundberg

Cory:

- C7 most affected, talk about bonusing from a different perspective, maximize FAR in a different way, must come out of council policy (council changes creates risk), include in zoning bylaw
- One way to solve problem would be to lower the ratio of the zones
- Made ineffective
- - a) Housing for height
 - a. Bonus density with height (change definition) but politically unpalatable – could be a council policy if they are willing to take on the challenges (enforcing density)
 - b. In order to be effective – have to change FAR
 - i. Must be easy to understand
 - b) Housing for re-zoning
 - a. Needs a clear plan so developer understands
 - b. Define minimum number of units (eg, 50) for the levy
 - c. Define percentage etc. or square footage
 - d. Try to make it more attractive to go with housing units
 - e. Encourage housing with commercial/industrial (live to work)
 - c) Inclusionary housing policy
 - a. Needs to be monitored – housing authority
 - b. Working well in Langford
 - c. Salesmanship – education → what is affordable unit (income of \$50,000)
 - d) New development levy
 - a. Issue may be legally challenged – changes in provincial legislation needed, necessary for policies and targets to be very clear
 - b. Effects of affordability of housing in general bumps costs
 - c. Focus could be on commercial/industrial that create low income positions
 - i. Result: Use of funds for affordable units that benefit their employees/community
 - d. Policies/targets – how the funds are spent

Developers/Builders

Jonathon Friesen, Keith Funk, Renee Wasylyk, Greg Bird, Rick Miller, Tim Evans, Allan Kirschner, Carol Gran

- Housing for height (unusable)
- Public/private partnerships
Partnerships that could be formed, other assets could be combined to create more value at the end of the day, more affordable is 2,4,6 storey buildings (construction), political reaction changes developments
- Political will
Selling zoning – must be political change for requirements
- Density bonus doesn't work
can't be done in a business sense, not market achievable
development community is open to do it
- Land use swap for affordable housing in contrary to law
- Relook at OCP, ALR, City land lease
- Allow residential above commercial to consider
20% NMH
eg, Hwy 97/shopping centre
Financial realities – selling \$150/sq ft not practical in today's market
Subsidies from provincial government, property transfer tax
Not possible today – can't be built

Presentation:

- Reassessing idea of putting 20% of all housing as affordable – not enough margin to do, create greater burden on those who cannot afford to live further out of the city
- Adding another form of housing – if mixed use developments were allowed
- Potential subsidies – 20% within projects, need a model that could be subsidized with land leasing/provincial/federal funding
- 1% levy on development surcharges on applications – not favoured, will raise cost of existing housing because of increased charge on new developments
- Has to go to another level of thinking re: 20% requirement
- Lower costs found through development costs freedoms

Developers/Builders

JoAnne Adamson, Dmitri Gulak, Gregory Smythe, Grant Gaucher, Paul Donaldson

- Support
- In principal sub to further discussion:
Customer as.
Net only suction
- Don't support
One rule doesn't work for all scenarios
- One sector of the economy would be responsible for a long term solution
- Could support A & B if we could spend substantial time discussing the costs for the bonuses
- Not supporting C & D because there is no choice

- C we can't support as this would stop development
- D we believe that the cost will be passed onto the purchaser, making the cost of housing even more expensive, further making matters work

Presentation:

- About choice or not choice

Developers/Builders

Gail Temple, Michael Brown, Shane Worman, Lloyd Anderson, Tim Dorn,

Desire for profit creates challenges

- Need to take risk
- DCC social taxation on all development for those unable to get wages
- Driven by planners, not necessarily developers
- People could opt out in lieu of money for non-profit
- Partnership is key

Business & Others

Weldon LeBlanc, Robert Fine, Patty Lou Bryant, Bruce Blachford, Naida Tease, Phil Johnson, Garry Tebutt, Marion Bremner

Stages of development

- Impact at time of rezoning to higher density
Some "sharing" of "windfall" from increased value?
Who pays?
- Bring density to appropriate areas
ie, build downtown – get benefit
(Landmarks drew people and business away from downtown)
High cost of land downtown today
- Do we need to build the "large" homes we're building?
Reduce size
Economics are determining
- Commerce – supply & demand controls
- Integrate affordable units with market units
Create community not exclusive neighbours

Plan A

For a tower development

- Sell top 3 floors as luxury properties
- Most of balance – market price
- Percentage affordable – placed strategically through out

Plan B

Build 100 suites

Pay for land based on value of 75 suites

- People qualify for affordable units
- Requirement to stay there for min period of time
- Add surcharge to all new development of a certain value – ie, tax luxury, not affordability

- Land – density, variances – for increased density
- Determine value of density – how do you spend? As affordable units, or cash in lieu?

Presentation:

- Increase in density – give contribution back to community
Option: cash – measurement of enhanced value, affordable units
- Tax reduction for affordability – already in place (assessed value)
- Market place is not where social engineering takes place
- Increase in density is straightforward equation, can calculate increase in value
- Marketplace is not
- Level marketplace – must compete equally with 20% requirement
- PPP is a workable model – private could make a return and sell back to community for \$1
- Have no control of supply and demand
- 40% of land base is in ALR

Agencies

Brigette Reimer, Luke Stack, Peter Chau, Shelley Cook, Shawn Baenziger, Melany Beaty (Ashley)

- B. a+b) Housing for height
Great idea if:
 - 1) Increase in density (FAR) – significantly 1 to 2.5
 - 2) Keep limited site coverage or lower it (ie, smaller footprint)
 - 3) Win-win as essentially creating “more land” and City gets “land lift”
 - 4) Locate in proper zone and location (near existing infrastructure)
- Context for both needs definition
B. c) 20% seems high?
Works better for lower densities?
Concern over long term sustainability
Will result in integration of affordable housing (preferable to low cost areas)
Doesn't hit developers for cost, it comes from land cost (this is good thing in the longer term)
Slows land escalation cost rather than end users
Habitat for Humanity (or their model) could be used to administer
- Could this admin be third partied out?
B. d) Disagree.
Net cost will be passed to consumers
Unfair as puts burden on development, not general population
- Good idea, should be an increase in the FAR, potentially even lower limits for FAR

- Bonuses should be significant to allow for increase in construction costs to be put over more units
- Developer wins because he can use more square footage
- Good fund created
- Concerned about proper zones and locations
- Context for both
- 2-B Increase in zoning had more concerns, weren't sure how that would work as easily as the height
- 2-C Lottery, integrates lower and higher incomes, not building a slum, best thing is the integration, concerns about sustainability after 23 years, hits the land owners instead of developers, may help lower land use costs, would need to be phased in
- 2D Didn't like, puts burden on the developer, use Habitat for Humanity model

Expert Panel

Cameron Gray, Matthew MacNeil, Michael Bacon, Tim Wake

Theme 3: Partnerships with Business

What the Business Community can do to help achieve more affordable and special needs housing in Kelowna.

- a) Voluntary subscription to coop housing organized by the city
- b) Establish an employee housing services bylaw requiring construction of employee housing with each new business development or the payment of cash in lieu.

Policy Makers

Sharon Shephard, Penny Gambell, Deborah Leroux, Marji Basso, John Slater, Gunnar Forsstrom

- Create zoning that allows for commercial/residential mix
Parking an issue
- Co-op housing would need to have an incentive for businesses to be supportive
 1. Portion for staff, portion for affordable housing
 2. Subsidy from housing reserve
- Redevelopment of existing business should be encouraged to include housing component: voluntary approach
- No support for city to manage co-op housing
- Need federal \$ to partner to ensure strong business community
- Can create inequities between communities if housing incentives are provided for service providers (eg, RCMP)
- Eliminate 1% DCC "social" tax by crediting this for social housing (low income)
- Bylaw must be universal

Presentation:

- Create zoning that allows for commercial/residential
- Co-op housing – mixed option – incentive for business to be supported
- Subsidy from the housing reserve
- Redevelopment of commercial to include affordable housing

- Concern about the farming community – the farming community is in need of workers who are not paid very much
- Could create inequities between communities if one community does one thing and another community does another thing
- Eliminate 1% DCC social tax – credit this for social housing – might be an incentive for business to get involved in commercial/residential mix
- Maybe a bylaw is developed – but it needs to be universal

Policy Makers

Robert Hobson, James Baker, Ron Hovanes, Pat Hampson, Stu Wells, Terry Condon, Juliette Cunningham, Shirley Hutt

- Small specific need occasions provides value
- Tenant inability to buy disincentive
- Builds a “company town” if there is too much co-op housing
- Requires administrative structure

Presentation:

- Fruit industry has different needs than affordable/special needs housing
- Inability to buy was not good
- Should a housing authority be created – probably not

Planners

Randy Rose, Alain Cunningham, Darwin Horning, Gary Stephen, Ewald Bergen, Tom Witty

For Kelowna:

- Not in favour of programs making it more difficult to establish
- Small and medium size business (diversity) are bulk of growth
- Encourage residential in large commercial developments
- Encourage residential as part of the commercial development

Policy Influencers

Alleson Mandzuik, David Smith, Linda Sankey, Annette Sharkey, Theresa Eichler, Corine Gain, Alice Sundberg

- Why not a strata as opposed to a co-op?
Issues with co-op – what happens when someone quits, implementing co-op
How do you get businesses to buy in
Better option is regional housing corporation – body that manages housing in region – includes all municipalities – reduces admin costs – partnerships with businesses/agencies impacted
Greater role by non profits
Businesses do have a vested interest in providing affordable housing so that people will move to work – can’t businesses not contribute
Co-ops could work with non-profits (ie, women’s co-op managed by a transition house)

Presentation:

- A municipality can't really form a co-op – a lot of difficulty with a company investing in a co-op because of employee turnover
- Rather than a municipal housing authority – implement a regional housing authority – contract out how the housing is developed to non-profit societies that already exist in the community and know how to run co-op housing
- Fee for a new business for employee housing – unfair
- Possibly create a strata corporation with a group of businesses
- Community Agency is sometimes interested in providing affordable housing (women's shelter) – Maybe these agencies could form a co-op
- These ideas can't go very far without provincial and federal support

Developers/Builders

Jonathon Friesen, Keith Funk, Renee Wasylyk, Greg Bird, Rick Miller, Tim Evans, Allan Kirschner, Carol Gran

- Not in favour
Deterrent to business (they will just move elsewhere)
- Reasonable in certain resort areas, but Kelowna is not it

Presentation:

- This concept probably could not work in the Kelowna area
- Many other good ideas that came forward this morning that would be better than this one

Developers/Builders

JoAnne Adamson, Dmitri Gulak, Gregory Smythe, Grant Gaucher, Paul Donaldson

- B. Co-op housing (3a)
 - Supportable by government agencies and some long term businesses
 - Not realistic for small business (mom & pop) – possibly large businesses
- B. Levy on new businesses (3b)
 - “New” businesses only?
 - Which sized businesses?
 - Not supported
 - Discourages new businesses!
 - Levy only applies to new businesses – not good as it will not attract new business to Kelowna

Developers/Builders

Gail Temple, Michael Brown, Shane Worman, Lloyd Anderson, Tim Dorn

- Co-op will not work

Presentation:

- Direct link get employment better employment & housing (not only new)
- \$ may go toward a “regional housing authority”

Business & Others

Weldon LeBlanc, Robert Fine, Patty Lou Bryant, Bruce Blachford, Naida Tease, Phil Johnson, Garry Tebutt, Marion Bremner

a) More deterrents = sprawl (eg, min wage increase, box retailers)

Co-op housing

- Voluntary
- Tool for business to solve own problems
- Retention tool
- Little downside
- Employer of choice
- No longer need it, sell it back

b) Whistler model – good for smaller community, buying into opportunity

- Business needs to be involved at table
- Why only tax new businesses
- Deterrent to business – anchor around neck
- Less competitive
- Direct fee in business taxes
- Incentive for business to build housing with commercial
- Housing mix

Presentation:

- Liked Whistler idea, but not feasible for Kelowna
- Mixed use good – commercial on the ground floor, residential above
- Minimum Wage issue – increase wages especially with big box stores
- Need to look at other ways to achieve
- Co-op Housing favourable – attracts new employees to the region

Agencies

Brigitte Reimer, Luke Stack, Peter Chau, Shelley Cook, Shawn Baenziger, Melany Beaty (Ashley)

2. a) Cumbersome, business owners do not/may not want to be landlords

3. b) Can't be onerous – disincentive to business

- If tied to square footage, tax or levy developer, not the business

Presentation:

- We don't think business owners want to be landlords
- Nothing to do with businesses – this is for the developer

Expert Panel

Cameron Gray, Matthew MacNeil, Michael Bacon, Tim Wake

- Not a levy against new businesses – levy against development and tourism space (Whistler)
- Didn't do this as the only solution – this was only a part of the puzzle
- There are a number of ways to do it – will take participation by developers – will need provincial & federal support

- Employee housing should be built as businesses are suffering from not having housing for employees
- Levy should apply to ALL businesses
- Co-op just on option from many different models – Calgary looked at a third party who managing housing for the business community
- Where can the money come from – real estate investment trust maybe – incentive to the business community
- Difference between employee housing for seasonal and long-term employees

Theme 4: Other Land Use Initiatives

Action City Council can take to achieve more affordable and special needs housing in Kelowna.

Change OCP to allow a 2 increment increase in density in return for 100% non-market housing to be built on site

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)

Create and provide zones for affordable and special needs housing.

Policy Makers

Sharon Shephard, Penny Gambell, Deborah Leroux, Marji Basso, John Slater, Gunnar Forsstrom

- B. With regards to OCP and allowing 2 increment increase, depends very much on infrastructure (ie, water, sewer, roads, transit, ALR, etc.)
 - Does not encourage a mixed use philosophy (integration doesn't occur)
 - Could be used occasionally, but not a "rule of thumb"
- b) Change of OCP to require a mix of housing units, we would support within a core area
 - Newly developed area may want to look at mixed use planning
- B. Creating/providing zones for affordable/special needs housing – yes
 - Not worded exclusively – but includes designation

Presentation:

- Make sure the increment increase depends on infrastructure – be used occasionally but not the rule of thumb
- Mixed housing units – only apply to new housing units – core area of the City
- Make sure its included in the OCP – not exclusive to be an affordable or special needs housing zone

Policy Makers

Robert Hobson, James Baker, Ron Hovanes, Pat Hampson, Stu Wells, Terry Condon, Juliette Cunningham, Shirley Hutt

- a) Innovative exceptions that work get community support
- b) OCP issues
 - Municipalities partner with senior government, non profit & business
 - That's one option – Industrial housing not a favourite
 - Housing corporation should be regional or inter regional

- A mechanism required to keep unit as affordable housing
- Registry used to allocate housing according to need

Presentation:

- One-off process – Yes
- OCP should have a mix of housing types and densities – opportunity to designate a social housing zone – What will be the affect on the overall community

Planners

Randy Rose, Alain Cunningham, Darwin Horning, Gary Stephen, Ewald Bergen, Tom Witty

2 Increments for affordable housing

- 1) why not joint partner?
- 2) Legerdemain to reduce land costs → but land use patterns/services

Mixed Housing developments

- 1) Great social mixing/adaptability – life-cycling (housing agreement)
- 2) But affordability
- 3) Increases ground accessible housing

Pre-Zone for affordable houses

- 1) Reserve funds → purchase land
- 2) Integrate – no “projects”

Presentation:

- No – availability for participation by the provincial or federal governments
Maybe – great to have different types of housing units – good for the social mix – good for life cycling, stay in the same area – increases ground accessible housing – need to be sure that the mixed housing developments are really going to be affordable – might have to register a housing agreement
- Yes – set up a reserve fund – don’t want to create a stigma, but if done properly will work

Policy Influencers

Alleson Mandzuik, David Smith, Linda Sankey, Annette Sharkey, Theresa Eichler, Corine Gain, Alice Sundberg

a) Density for 100%

- Yes, but specify affordable housing definition (ie, core needs, specific groups, services attached like childcare)
- B. Requirement for mixed housing units
 - Yes, and could also encourage/require mixed land use
 - Works best with larger developments
 - Education on advantages to mixed housing
- B. Pre-zone for affordable housing
 - Don’t like this concept: stigma, discriminating

Presentation:

- Yes – small qualifier as to definition as to who really needs affordable housing – is it CORE people or people who just can’t afford a downpayment

- new green space that has not yet been developed – like a golf course – mixed use housing – affordable – market – also contain some commercial
- pre-zone – don't like the stigma of the zone name of “affordable housing zone”

Developers/Builders

Jonathon Friesen, Keith Funk, Renee Wasylyk, Greg Bird, Rick Miller, Tim Evans, Allan Kirschner, Carol Gran

- a) This concept works in private public partnership on public lands, however % should be considered – mix the market with non market
- b) Single unit development
 - too far from services
 - imposes cost to homeowners
 - don't require, encourage
- c) Social and Affordable are two different things
 - To consider – max out land use! Go for full density/rewrite bylaws (eg, parking) to fit

Presentation:

- Concept works if it is private/public partnership only – developers will to do it a 0% profit in the room – Mix the affordable housing with market value housing – just affordable housing probably won't work
- Single family designation still on the outskirts of the City – Don't require it, but encourage it
- Social/Affordable separation not good
- Maxing out land use is actually very positive – encourage developers to do this – parking requirements don't match the densities – variances are good ways to ensure densities are achieved at all times

Developers/Builders

JoAnne Adamson, Dmitri Gulak, Gregory Smythe, Grant Gaucher, Paul Donaldson

- a) Yes
- b) No – too restrictive
 - Does not work for every site and could stop development
- c) No pre-zoning site will support creating zone to be applied by market through public hearing process
 - Zone would include:

2 increment increase in zoning

waiving DCCs

other incentives to make it financially feasible

Presentation:

YES

Too restrictive to require different housing densities on a specific site

Rather than specifying a zone as “affordable” make a new zone that will encourage affordable housing density

Developers/Builders

Gail Temple, Michael Brown, Shane Worman, Lloyd Anderson, Tim Dorn

a) OCP change up to 2 increments provided it is on a site specific basis that makes sense (must be under very clear conditions)

b) Yes, require a mix of housing

- types: single; multiple
- size: use unit size requirements to promote affordability
- still must follow wise planning principles
- must be an **increase** of density not a decrease
- B. No to special zones for affordable and special needs housing
- keep it in all residential zones

Presentation:

Change to OCP up 2 increments good – provided that it is site specific – approved by the City but must be very clear objectives otherwise would not be supported

Should there be a mix of housing – yes – single & multi housing units in the same development – size of units good tool to help support affordability – certain units at a certain size would be affordable housing units

Increase in density not a decrease

No special zones – keep in ALL residential zones and therefore could be done anywhere in the City

Business & Others

Weldon LeBlanc, Robert Fine, Patty Lou Bryant, Bruce Blachford, Naida Tease, Phil Johnson, Garry Tebutt, Marion Bremner

old model of government doesn't work

negative reaction – existing housing to this new entity

Believe the KSS site offers a fantastic opportunity to have affordable housing which can be shown in the community as an example

Government to offer loan guarantee

Rules developed by the government levels begin to set up road blocks in achieving different levels of housing

Municipal government has become impediment

Presentation:

- New formula is needed – challenges are advancing faster than a municipal government can keep up to

Agencies

Brigitte Reimer, Luke Stack, Peter Chau, Shelley Cook, Shawn Baenziger, Melany Beaty (Ashley)

a) Yes

b) Yes... but increases density but does not necessarily promote affordability

c) City land – what's new?

- Prefer public process
- Certainty of form and character

- How do you define an “affordable” zone?

Presentation:

YES – look to provincial & federal for funding

Yes – but does not necessary create greater affordability

Like the public process aspect

Questions for Discussion

Group Structure

Broom Group

Sharon Shepherd
Pat Hampson
Darwin Horning
David Smith
Greg Bird

Gregory Smythe
Tim Dorn
Phil Johnson
Melany Beaty (Ashley)

Tape Measure Group

Carol Gran
John Slater
Ewald Bergen
Rick Miller

Grant Gaucher
Brigette Reimer
Gary Tebbutt

Screwdriver Group

Robert Hobson
Stu Wells
Randy Rose
Linda Sankey

Weldon LeBlanc
Luke Stack
Tom Witty

Crescent Wrench Group

Penny Gambell
Alleson Mandzuik
Theresa Eichler

Tim Evans
Paul Donaldson
Robert Fine

Pliers Group

James Baker
Juliette Cunningham
Gary Stephen
Jonathan Friesen

Allan Kirschner
Gail Temple
Patty Lou Bryant
Peter Chau
Corine Gain

Saw Group

Deborah Leroux
Gunnar Forsstrom

Keith Funk
JoAnne Adamson
Shane Worman

Pipe Wrench Group

Marji Basso
Shirley Hutt
Alain Cunningham
Renee Wasylyk

Hammer Group

Ron Hovanes
Terry Condon
Annette Sharkey
Michael Brown

Expert Group

Cameron Gray
Matthew MacNeil

Bruce Blachford
Shelley Cook
Alice Sunberge

Dmitri Gulak
Lloyd Anderson
Naida Tease
Shawn Baenziger

Michael Bacon
Tim Wake

Question A

Should the city leave ‘social housing’ initiatives (i.e. shelters, seniors housing) to senior levels of government? Remember the donation of land is a direct contribution by the city – as good as cash.

Broom Group

- No, municipalities should work in partnerships with other levels of government, no profits and development community.

Presentation:

- No, municipalities should work in partnership members of the community

Tape Measure Group

- No – partnerships pursued

Presentation:

- Property transfer tax

Screwdriver Group

- Senior levels are key, but municipal level should participate. BCHMC has a good infrastructure in place. Property transfer tax should be reinvested into affordable housing, creating windfall.

Presentation:

- No

Crescent Wrench Group

- No

Presentation:

- Yes, PPP, community/business development, lobbying for federal/provincial grants

Pliers Group

- Yes, private/public partnerships, attempts to engage Federal and Provincial government

Presentation:

- Yes

Saw Group

- Shared responsibility

Presentation:

- No

Pipe Wrench Group

- No – requires partnership of all levels of government plus developer/builder

Hammer Group

- All levels of government must work together to achieve ‘social housing’

Presentation:

- No

Expert Group

- If only we could. Like NHI principles and process, avoids imposing/cookie cutter, won’t happen otherwise, municipalities need to partner and contribute, need operating

Question B

Should the city use funds from the housing reserve fund to provide direct housing subsidies to individual households (like provincial government welfare)?

Broom Group

- No – would never end!

Tape Measure Group

- No, administrative concerns, costs

Screwdriver Group

- No, this should be used for land purchase and infrastructure (restrictive covenants).

Crescent Wrench Group

- No.

Pliers Group

- No. Bottomless pit.

Saw Group

- “Welfare” stigma, helping to buy housing needs “means testing”, difference between a hand up and a hand out

Presentation:

- No, equity is achieved through individual projects not subsidies

Pipe Wrench Group

- No – equity is achieved through community projects, not individual subsidies

Hammer Group

- No

Expert Group

- No, not feasible.

Question C

Should the city create a Kelowna Housing Corporation responsible for building, controlling, and maintaining city housing projects or should it partner with others to deliver and manage all or a portion of the required new non-market housing, or do both, neither?

Broom Group

- Should be regional in partnership with non profits.

Presentation:

- Should partner with regional area/not whole valley

Tape Measure Group

- Try to pursue regional with enough authority and autonomy to work
- Contract non profit society
- Put under OMMA?
- People would immigrate to this area for the better housing cost

Screwdriver Group

City to purchase land and partner with a non profit to build, manage, and operate the units.

No. Smaller communities are not currently interested. Small fish/big fish

Crescent Wrench Group

Yes

- with public/private partnerships – unclear as to whether existing staff or outside contract
- City hires general contractor to build
- Once projects are large enough, bring management in house – best business plan?

Presentation:

No

- City hire general contractor
- Manage in house or by contract

Pliers Group

Partner with others from community but...

Saw Group

No, but in partnership with variety of groups

Pipe Wrench Group

No. Yes if independent third party management keeps municipality at arms length

Presentation:

- Combined C&D
- Required independent 3rd party management
- Keep city at arms length

Hammer Group

B. No

ii. Yes, partner with others – builders, operator

Expert Group

Regional NPDC/NPPM, local ownership/management, strategic partnerships

B. NP/P = “fully formed”

(eg, CCCT $\leftarrow \rightarrow$ HCAC, HYH, NPDC, HH/NH, CHR, P.Dev’t)

Presentation:

- Combined C&D
- Control must be local, not regional
- Specialize in housing on non profit basis
- Done through strategic partnerships
- Private sector willing to help
- Non profit must be clear in what they’re looking for

Question D

Should the City lead the creation of an Okanagan Housing Corporation instead of a city only housing corporation?

Broom Group

Should be regional in partnership with non profits

Tape Measure Group

See C above

Screwdriver Group

No. Smaller communities are not currently interested. Small fish/big fish.

Crescent Wrench Group

Okanagan model preferred

- not led by a single municipality

Pliers Group

Make regional

Saw Group

No. Wording? Concept – City could lead the way to agreements with governments – N/S of City “Central Okanagan”

Pipe Wrench Group

Yes to create arms length administration and regionalize solutions

Hammer Group

No

- No the housing corporation

Expert Group

See C above

Question E

Should the City change its housing agreements to maintain non-market housing owner occupied units as such in perpetuity as we do for rental units (i.e. based on an average annual BC CPI or a predetermined fixed equity share)?

Broom Group

- Wasn't enough info to answer question

Tape Measure Group

- 5% per year equity – can be sold or equity can be purchased and re-leased

Presentation:

- Different formula
- People living in units get 5% equity each year
- Unit could be sold with municipality taking their part of profits and reselling
- Incentive to:
 - o owners for upkeep
 - o for city to reinvest funds into program
 - o renters will want to stay

Screwdriver Group

- Change to perpetuity

Presentation:

- Current City housing is 10 years
- Owner must get something out of it
 - o Using program because they can't afford otherwise

Crescent Wrench Group

- Yes – in perpetuity

Presentation:

- Perpetuity

Pliers Group

- Longer than 10 years, but not forever

Presentation:

- 10 year time change
- Inherent problems with depreciation, owner responsibility to keep up
- Buy in at 75% market value, must sell at 75% market value

Saw Group

- City “should” work to protect a supply of non-market housing

Presentation:

- 5% per year good
- City should protect supply

Pipe Wrench Group

- Affordable housing units must be kept affordable – the mechanism is less important

Presentation:

- Favour tape measure's plan
- Affordable housing units must be kept affordable and available

Hammer Group

- Appraisal – 25% subsidy. Add in perpetuity. Sale uses same formula. Option to purchase on title to ensure compliance

Presentation:

- Equity gain

- Market appraisal works in perpetuity
- City would register an option to purchase to ensure property could not be flipped

Expert Group

- PAH Yes

Presentation:

- Must be careful about % of market value because it could become unrealistic
- Pride of ownership takes precedence over equity gain (regarding housing upkeep)
- Perpetual housing best maintained by non profit
- Equity on mortgage plus 25% of appreciation that stays with non profit

Question F

Should the city create and maintain a single registry of citizens who say they need help finding appropriate housing?

Broom Group

- There is a need but not entirely sure how it would work – better info required for affordable housing supply

Presentation:

- Freedom of Information Act
- Yes

Tape Measure Group

- Construct to non-profit under OMMA auspices. Helps small communities and reduces administrative costs.

Presentation:

- Regional authority for not-for-profit should maintain registry
- Many not-for-profit societies have their guidelines for home ownership

Screwdriver Group

- Use existing resource available through BC Housing.

Presentation:

- BC Housing already operating registry

Crescent Wrench Group

- No – responsibility for lists correlates with management of buildings

Presentation:

- Not responsibility to compile and update the list
- Correlation of list would be part of management

Pliers Group

- Sure, create a website. Guidelines for the citizens are a must. Private/public partnership are a must. There are problems with this. Take it regional.

Presentation:

- Ditto

Saw Group

- Somebody should

Presentation:

- Ditto

Pipe Wrench Group

- Yes to City/administrative authority, and allocate accommodation according to need

Presentation:

- Ditto

Hammer Group

- No

Presentation:

- City shouldn't do it, but someone should

Expert Group

Yes → RHA/BC Housing?/SH/AH

Real data

Pre-lease opportunities

(Privacy)

Presentation:

- Regional Housing Authority should do it
- Would collect "real data" on housing needs
- Allows for presentation to developers regarding affordable housing needs

Question G

Should the city deliver a major affordable housing project on the old KSS site or should it rezone this parcel to its highest and best use and then sell it to the private sector?

(Development would then occur subject to the same affordable housing requirements as with all other developments.)

Broom Group

- Rezoned to highest & best use. Ensure an affordable housing component.
Opportunity to set the standard. City should not be the developers.

Presentation:

- Highest and best use
- Mixed commercial and residential
- Model for City

Tape Measure Group

- Must be mixed. Including commercial, small and large units. Set zoning with stipulated requirements.

Presentation:

- Mixed, small and large units, small units affordable because of small square footage
- Set zoning first

Screwdriver Group

- Mixed use site with affordability being constructed first. Comprehensive pre-planning.

Presentation:

- Designate affordable housing
- Mixed commercial and residential

Crescent Wrench Group

- No – the entire site should be a mixed development with a higher than average amount under affordable housing *Model community for City's goals

Presentation:

- Higher % of affordable housing
- Model for City

Pliers Group

- Two extremes. Is there another more creative solution? Not all social housing best use for community.

Presentation:

- Neither option is great
- Look at area, have planners develop as they want it (highest and best use)

Saw Group

- Parts of site – balance sold – fund set aside for projects elsewhere – tied back to I. Note architectural guidelines

Presentation:

- Part affordable housing
- Part best use to get profit to funds projects elsewhere

Pipe Wrench Group

- Sell quantity with mixed zoning including affordable housing

Presentation:

- Planners opportunity to showcase mixed zoning use
- Include affordable housing of different types gathered through it
- Sold to developer

Hammer Group

- Yes, a private/public partnership to build both non market & market housing
- Presentation:
- Component of affordable housing
 - Sold to developer

Expert Group

Create mixed-use development in municipal plan

- a. Carved off and sold where appropriate including non profits
- b. RFP
- c. Both

Presentation:

- Sell off individual components or sell as one unit

Question H

Should the city look at mixed use in its low intensity industrial zones (I1 & I2)? (i.e. to include residential above the bakery or welding shop)

Broom Group

- No/Yes, in commercial/retail zones

Presentation:

- Residential above commercial

Tape Measure Group

- Absolutely

Presentation:

- Security issues with residential tied into industrial area
- Industrial areas within transportation system

Screwdriver Group

- Yes to mixed use that is compatible.

Presentation:

- Ditto to mixed use as compatible

Crescent Wrench Group

Qualified yes – I1 & I2 only

- Lifestyle costs in higher industrial levels

Presentation:

- Should be an option in light industrial, not heavy industrial

Pliers Group

- Yes

Presentation:

- Yes with guidelines

Saw Group

- Yes. Form/use-based zoning, commercial must be included

Presentation:

- Form use-based zoning
- Commercial zones in downtown core must be included in process

Pipe Wrench Group

- Yes – with compatible commercial use

Presentation:

- Industrial use must be compatible

Hammer Group

- Yes

Expert Group

“Live-work”

- Want critical mass around nodes
- Avoid over-zoning
- Need to understand market
- Least desirable
- Socially viable neighbourhood?
- Infrastructure (parks, retail, etc.)

Presentation:

- Live-work opportunities
- Avoid overzoning
- Create socially viable neighbourhoods

Question I

Should the city limit affordable housing projects to 4 storeys?

Broom Group

- No, limits creative solutions

Tape Measure Group

- No

Presentation:

- Mixed use of commercial

Screwdriver Group

- Why? If the situation works for multi-use affordable rental and for purchase. Try mixed use.

Presentation:

- Why limit height?
- Want to expand, not limit things right now

Crescent Wrench Group

- No

Presentation:

- Be creative

Pliers Group

- Self-limiting

Saw Group

- No

Pipe Wrench Group

- City should not have single unit accommodation housing buildings. Building height not the issue.

Hammer Group

- No

Expert Group

- No... why?

Presentation:

- Likewise

Question J

Assuming demand outstrips supply – how should successful candidates for affordable housing units be selected

Broom Group

- See I – use provincial scoring system

Presentation:

- Somebody other than City should do it (don't reinvent the wheel)

Tape Measure Group

- See I and (f). Refer to exports

Presentation:

- Same administration as other programs

Screwdriver Group

- Follow the BC Housing criteria for selecting qualified individuals and define criteria.

Crescent Wrench Group

- Management of housing units includes both management of spaces & eligibility *
Use the Golf & Country Club Model!

Pliers Group

- Lottery or regulatory authority

Presentation

- Have to be some form of lottery in system that randomizes

Saw Group

- Develop queue system – the line starts here

Presentation:

- Queue system might work best

Pipe Wrench Group

- Equity based on first come first served/need/unit (not in order)

Presentation:

- First come, first served
- Type of unit available

Hammer Group

- Candidates should be screened by a non profit society

Presentation:

- Screened by whomever operates non-profit housing
- No City involvement

Expert Group

Leave it to the non profits – it's their business and their expense

= P (x) ownership, rental, special needs

Presentation:

- Leave up to non profit organization

Question K

Do you have any comments on the following definition of Affordable Housing?

Burnaby defines Affordable Housing as:

Affordable or special needs housing is housing which is affordable to low or moderate income households or which has features that the private market generally does not or cannot provide, and can include:

- units developed under senior government non-profit housing programs

- price controlled limited-equity market units
- units controlled or managed or owned by non-profit housing groups providing affordable housing
- guaranteed rental units
- housing for people with special needs such as those with physical or mental disabilities, or victims of violence.

Broom Group

- We believe it addresses housing needs in general.

Tape Measure Group

- Leadership rules must come from local authorities. Proactive vs reactive. Govern desired results.

Presentation:

- Attitudes existing between governing bodies and providers
- Municipalities must take proactive role, must govern to receive results

Screwdriver Group

- Definition is fine for qualifying applicants, but it is important to remember not to allow the definition to contribute to stigma related to the need for affordable housing.

Presentation:

- Definition fine
- Stigma of non profit housing

Crescent Wrench Group

- Yes – but allow for (f) allow for price controlled full ownership

Presentation:

- Add price controlled full ownership

Pliers Group

- Looks like zoning policy rather than dn/. Should be relative to income.

Presentation:

- Some acknowledgement to income

Saw Group

- No time!!!

Pipe Wrench Group

- Definition works for Burnaby! CIBC says okay!

Presentation:

- Works for Burnaby!

Hammer Group

- Don't like definition because it link affordability with special needs with social. These need to be separated.

Presentation:

- Didn't like
- Links affordability with special needs housing

Expert Group

Presentation:

- Ditto

Notes from Expert Group

- Employee co-op
- Third party management
- Third party contributions
- Value latching
- EH REIT – investors (businesses, investors, community)
- Community bonds for EH
- **Potential conflicts**
- **Seasonal vs long-term**
Yes. Levy all business, REIT
Co-ops – Yes

Guest Speaker – Matthew MacNeil (Calgary Area)

Private consultant around homelessness and solving it

Calgary Community Land Trust

- Model is to form strategic partnerships within the community
- Build housing, manage housing
- Conducted feasibility studies
- Best model so far
- Financially sustainable land trust
- Biggest failure
 - o Not achieving targets within set timeframes
 - o Timeframes were unrealistic – took two years to get charitable status
 - o Some board members were “black hat” thinkers who were ignored
 - o Getting community to understand initiative
- Now helping set up _____ Land Trust

Set up CMHC workshop

- Fundamental barrier is the “me me me” mindset
- Get to heart of matter before addressing the issue
- Align the process to the values of the community
- Not going to be successful in every community
- Failure:
 - o Clients without budget
- Racism, bigotry is the underlying issue
- Cochrane, AB

- Biggest success developed plan around NIMBY, built to capacity, garnered attention nationwide, attitude shift
- Failure was underestimating what the Council needs, repeating same answer when not understood is not

Basic principles:

- Take the time to do it right
- Create a package of services or solutions that is sequential
- Get the right people together (aligned values, embrace conflict to open new avenues)
- Focus on cumulative impacts (snowball effect)

From United Way:

- **Honour**
- **Engaged**
- **Accountable**
- **Respect**
- **Trust** (fulfill promises, not expectations)

Guest Speaker Cameron Gray (Vancouver)

Vancouver's experience

- Housing market is regional market
- Over 50% of population are renters
- 1/3 population can't afford
- Redevelopment of older stock a problem
- New supply is more important than anything else
- Secondary suites allowed everywhere (had one public hearing)
- Patience is required
- Social housing is in a down cycle
- 1/12 housing units is affordable
- Distributed throughout the City
- Families, Singles, Other (Natives, Youth, Seniors, Physically Disabled)
- Priority: new neighbourhoods, replace hotels (provide most affordable housing)
- Low Income Urban Singles program
 - 750 units built
- Low Income Singles
 - Rooming housing converted back into single family houses
- Dedicated buildings
 - 300-350 sq ft units
 - Minimal issues in community
- New neighbourhoods have 20% policy
 - 20% of units for social housing
 - 50% of units for families
 - Sites developed through federal/provincial funding
- Co-ops a great way to create communities
- Non-profit rentals, new communities, no issues
- Homeless Action Plan
 - Homeless doubled
 - Improve access to welfare

- Support service
 - Improve housing
- Supportive Housing
 - For people with mental illnesses and addictions
 - Works well, keeps people off streets, managed
 - Triage: lots of public issues, alcohol and drug free treatment
 - Shelters: 24 hour full service, transition housing, year-round, extreme weather response
- Basic Funding Formula
 - City sells or leases at a discount
 - Fed/Prov pays for buildings & provides operating subsidies
 - Fed/Prov administers & oversees management
 - 2002 onward: buys and leases sites at nominal rent, buys all/part of construction/renovation, \$43,000 per unit (not sustainable)
- Mixed income projects/communities very important to reducing stigma
- Stanley/New Fountain Hotel
 - Occupied by younger, meth-addicted crowd
 - Bought for \$2 million
 - Upgrades were \$500,000
- Granville Hotel
 - Charge \$6/sq ft for DCL (DCC)
 - \$7 million
- Passlin Hotel
 - New units are 350 sq ft studios
 - Developer given bonus floor space & \$720,000 to provide the units
 - City contribution was \$5.8 million
- Invested \$35 from 2002-2005
- Looking for clarity, buy sites, free leases, develop supportive housing project, develop non-profit rental programs (with Province)
- Will have a session/symposium on density and eco-housing

Guest Speaker Tim Wake (Whistler)

- Affordable housing consultant
- Everyone has housing affordability issues because of the market
- Action is very important
- Results are achievable
- Built 4,000 beds of affordable housing
- Permanent population of 10,000
- Not everything is applicable from resort communities
- Common themes in big cities and small towns Community success drives the need, increasing land values, opportunities for walkability, and transit, NIMBY or BANANA (Build absolutely nothing near anybody or anyone)
- Who is it for?
 - Core community and workforce
 - Distinction from social housing

- Different solutions and funding abilities for different segments of affordable housing market
- When do we need it?
 - o Understanding the housing market (lots of suites)
 - o Rental housing still affordable
 - o Ownership housing has caused the problem (housing market failure)
 - o Encourage market solutions in early stages
- What is unaffordable?
 - o Kelowna is today where Whistler was in 1994 (turning point)
- Where will it be built?
 - o Zoning for affordable housing
 - o Integration vs segregation
 - o Infill or sprawl (development opportunities)
 - o Mixed use (opportunity with KSS site)
 - o Plan early or react later
- How much do we need?
 - o Needs assessments
 - o More about rate than absolute number
 - o Establishing a waitlist (first come, first serve)
 - o Monitoring (track demand for various projects and waitlist)
- What form will it take?
 - o Apartment, townhouse, etc
 - o Various sizes
- Enforcing occupancy is hard to control
- How do we keep it affordable?
 - o Size restrictions, occupancy restrictions, etc.
- Summary
 - o Plan for success
 - o Begin now
 - o Assign responsibility (to deliver the housing)
 - o Start small
 - o Be patient and diligent

Guest Speaker Michael Bacon (Banff)

- Banff Housing Corporation
- Lottery draws have been tried, mortgage options
- All land is leased because of Provincial Park status
- Between 1990-1995 had highest housing costs in Alberta (no longer in top 10)
- Modeled on Vale program
- BHC identified suitable lands for family housing, developed and sold housing to local families by establishing a point system that would try to give long term families with the greatest need a first choice at housing, program aimed at first time home buyers, component of longevity, not subsidized by town
- Built Narrow Lot Single units over ten years ago, mostly original owners still
- Homes sold at actual cost to build
- Sublease percentage of home that was owned
- Sublease agreement set a process for future transactions to preserve affordability

- Built 170 units in 7 different projects over 7 years
- Many projects were duplexes, built hiking/biking systems, parks, etc.
- All units in all development were pre-sold, waiting list was established for resale
- Town of Banff agreed to guarantee construction loans – lower borrowing rates and lower soft costs
- Planning department relationship resulted in relaxing of some guidelines
- CMHC allowed a 5% down payment program
- BHC equity recognized by homes so owners did not need insurance
- Energy efficient homes (R2000) built to provide home owners with lower energy costs
- Rocky Mountain Housing Co-op
 - o Businesses would buy units with 25% downpayment and monthly payments

Question Period

Q: How was financing achieved?

A Tim: \$6.5 million housing fund created through works and service charges, most built through partnerships

Q: Economic incentive for developers?

A Tim: Tried to get land at little or no cost and then sell or rent. Convinced developer to build not-for-profit portion of development as a bonus for community.

Q: Calgary Community Land Trust Society – what motivated donations? How much have they received in past four years of operations?

A Matthew: Advantage is specialty in acquiring land, other non profits are focusing on activities/programs. Permanent affordability, no opportunity to flip home. Donations for construction lies with someone else. Donations are leveraged for government money. \$1.5 million combined land and book value. Home Depot land worth \$1 million land sold for \$300,000.

Q: Without provincial government funds, donations, etc. from other agencies could the land trust succeed?

A Matthew: No. Strategic partnerships are critical.

Q: For these to succeed, can it be done without partnerships?

A Cameron: Partnerships work and going it alone doesn't.

Q: Experience of 1,000 angry people showing up (Triage). What could we learn?

A Cameron: Did project because funding was available. Now funding is sporadic. Neighbourhood wanted to know what was next and get a long term plan. City of Vancouver will lay out affordable housing plan to get consensus across city. Get buy in, health authority presence for education, justification must be provided up front.

Q: Opposition to plans.

A Matthew: Position of respect is important. Must view everyone as experts and geniuses. Must work through to find out how the project can be modified to make the project work. Must listen to people in the neighbourhood because they know what is missing or required. Dig down to core issues to address them and not the red herrings.

A Cameron: White hat, black hat syndrome. Need to find out what misunderstanding of issue. Have to be patient and take the time. NIABY (Not in anyone's backyard) is new website with strong viewpoint. 30 years of deinstitutionalization requires education regarding the mentally ill.

Q: Displacement with the Winter Olympics – what is being done about it?

A Cameron: Without partnership funds, there is likely to be displacement (some hotels are shutting down, older apartments, etc.). Need funding in order to deliver on our commitments. In the negotiation stage with the province.

Q: Strata restrictions have limited or removed altogether tenancy rentals due to problem tenants.

A Cameron: Don't have a good idea of how condominium works. Long term rental strategy will include inventory stock. More challenging than traditional relationship. May become separate strata for rentals than owned.

A Tim: Related challenge in Whistler. Buildings with much tougher surfaces, better sound proofing, tough elevator finishings (for skis and snowboards). If separating rental from strata ownership, long term rental works well with ownership, but short term rentals does not. Whistler is moving towards separating ownership from rental pools.

Q: In Kelowna, 27% of families would have to spend over 30% of income on housing. There seems to be no follow up measure whether successful or not.

A Tim: Affordable projects require people to qualify to get the mortgage in the first place. The way the system is set up, they can't buy something that is more than what they can afford in the ownership situation. For rentals, flip the 30% around and build up.

A Matthew: Looking at the median or mean takes away the individual factor. Individuals must be looked at individually. The 30% norm originated from after WWII when people thought that one week's salary should pay rent, in 60s and 70s evaluations showed that people were paying closer to 30%. People in resort towns are willing to pay closer to 40 or 50% to live that lifestyle. Main housing registry would track the numbers to see how the numbers are improving.

A Cameron: This is not a problem that can be solved, it must be managed. Must avoid making promises to solve because of increasing population growth rate. Measure success on an individual basis – the individual family and their needs.

Q : Comment on last question. 30% of income does seem like a reasonable amount. Is the question housing supply or income question? Canada has the greatest amount of "working poor." Homelessness continues to grow because of other factors – cutting

social programs, poor access to welfare. It doesn't mean that it isn't effective, it just has been offset by other factors.

About the land trust, they develop the land, and other parties manage it. How does the trust select the managing party and has anybody developed on the land?

A Matthew: 30% is pretax. It should be noted that for smaller incomes 30% is not realistic proportionately.

Yes, there are. On the first property there is Habit for Humanity development, second project is for supportive transitional home, Home Depot project is being developed with Habit for Humanity, fourth project is mental health (undeveloped). The criteria for building on the land: as registered charity 10% must be set aside for profitable, must be able to do the work of a private developer. Setting up charity foundation where developer will work on non profit basis.

Q: Housing corporation set up in Banff. What were the dynamics of the corporation

A Michael: First projects local contractors built the houses and making 10-15% profit on project. After that discovery the project was built ourselves. The Planning department would not give any preferential treatment.

A Tim: Similar. Development Consultant took the design to Architect and sent RFP. Next project was partnered with the builder, housing authority and builder tendered the project together. Must work together to get the development done (in various roles).

Q: How much time is spent exploring alternative business materials?

A Michael: R2000 construction added to the cost of the project but met certain energy standards and will save the homeowner more than what was spent. It is hard to find people to do it.

A Tim: Beaver Flats was a hardy plank exterior, geothermal heating, etc. It is difficult with municipally-driven projects as materials are not accepted by the business code, can cause delay, not sure it's going to work. Project was delayed because contractors could not agree on how the materials were to go together. It's challenging.

A Cameron: If it's public you don't want to do anything too different. Affordability usually relies on the standard practices for efficiency.

A Matthew: Energy costs in Alberta fluctuate and have highlighted the need for energy efficiency.

Group Recommendations & Rationale

Developers & Builders

1. Tax incentives (property tax) – to encourage rental housing
 - Comprehensive strategy
 - Education for community
2. Revisit goals of 150 rentals/150 ownership
(We believe there should be more rentals) possibly more cooperatives
3. Establish a City of Kelowna land trust

- Set specific goals
 - Have accountability
 - Use this to achieve goals
 - Use KSS as a flagship
4. Continually pressure the province to adjust income help for those on assistance. There is a lack of income problem which adds to the affordability issue.
 5. Separate “Special NEEDS” housing from “Affordable” housing
 - Both are very important, but they are very different target groups
 6. Taxation: proportionate tax on all properties in Kelowna
 - Commercial
 - Residential
 (Do not support DCC increases)
 - Legislative change
 7. Encourage City not to become a developer or rental LANDLORD
 - Focus on LAND TRUST
 - Focus on partnerships
 8. KELOWNA should pressure provincial government to expand & promote BC Housing’s funding role (ie, Let’s not recreate a local version of BC Housing)
 9. Zoning: We support mixed use
 - Zones
 - Size restrictions on some units to keep them affordable
 - Re think the entire parking requirements to make density more achievable
 - Quit letting the tail wag the dog. Council should direct planning & engineering on the “big picture” City goals & objectives & city vision
 - Support amending OCP to allow higher density for specific goal centered projects
 - Promote residential housing integrated carefully in strategic retail commercial zones (ie, on transit routes)
 10. City leadership: Be Pro-active
 - Develop a pilot project
 - Take it to the province & seek participation
 11. Hold another session to create accountability once goals are set
(Day of reckoning!)

Thank & acknowledge:

- City Council
- Housing Task Force

For sponsoring the workshop & inviting guests to be part of the solution.

Presentation:

- Affordable housing through tax incentives
- Education in community to City goals and why
- More emphasis on rentals and co-ops instead of ownership
- Establish City of Kelowna land trust – create specific goals, accountability, achieve goals faster, use KSS site as example

- Continually pressure the province to adjust income levels on assistance – province has not adjusted income levels for years, gov’t refuses to adjust rate – used to be reasonable
- Recommend separating special needs from affordable housing – different
- Taxation – proportion of tax on all areas of Kelowna, include commercial and residential properties, not increasing DCC taxes – felt DCC tax was working against affordable housing.
- Encourage the City not to become a rental landlord, focus on developing partnerships
- Pressure gov’t to create more funding for existing services/tools
- Support zoning/mixed use
- Like size restrictions to keep within range
- City of Kelowna parking requirements to be thought through
- Planning and Engineering not influence the Council (tail wagging the dog) to achieve objectives, not resist them
- Densify commercial zones
- City leadership be proactive
- City develop pilot project and seek participation from higher levels of gov’t
- Hold another session to create accountability once goals are set (Day of Reckoning)
- Thanks for City and Housing Workforce for showing leadership in this area

Agencies

Recommendations:

Immediate

1. Implementation of secondary suites City-wide
 - Must include incentive program (could just be low conversion costs, not necessarily financial benefit) to legalize existing suites

Rationale: Immediate & low cost benefit

 - Cater to core need group
 - Immediate influx of rental

→ Establish an “affordable” secondary suite registry and provide an incentive to participate in the registry. For example: A grant could be made available to legalize (or possibly to create) a secondary suite and an additional grant or tax break. Could be offered to make that secondary suite “affordable” and part of the registry.
2. Establish a stakeholder consortium

Must include supply & demand

Rationale:

 - Promotes collegial process
 - Ensures appropriate consultation
 - Builds relationships
3. Sell (or JV) the KSS site – as a condition of, 20% of all units must be affordable
 - RFP – short timeline (whole or parts of site)

- Should include very high density, commercial, limited green space
- Cash from sale of site establishes the housing initiative
Rationale: Negates the need for a tax levy
- 4. Interest realized from the sale proceeds should be used to hire dedicated affordable housing staff responsible for the City's (or region's) affordable housing initiatives and policies
Rationale: Keep the process moving!
- 5. Adopt recommendation policy 4A from booklet
 - Not on large sites
 - Must be RM designation in OCP
- 6. Make density bonusing meaningful
- 7. Remove DCC's for "S" zone (new suites) immediately!

Long Term

1. Develop a regional strategy (housing authority/trust/whatever)
2. Develop policies & zones to allow residential within most commercial zones (and/or industrial where appropriate)

Presentation:

- Immediate and long term goals
- Incentives to make suites legal (not necessarily financial) – immediate influx of rental, immediate benefit
- Registry for secondary suites out there, incentive to make units affordable
- Stakeholder consortium with supply and demand parties at the table to continue dialogue, build relationships
- KSS site should be joint ventured or sold (20% of units affordable, short time line RFP, quick way to raise funds that will be used to establish trust/initiative, negates need for tax levy).
- Liked Policy 4a in booklet, could be integrated into community quite easily, OCP could go from RM3 → RM4
- Density bonusing not meaningful, change immediately
- DCCs for newly created S zones be ditched immediately, will pull secondary suites out, not creating new suites, disincentive
- Long term – regional authority, housing trust has to be created
- Create policy in zones
- Take interim step to come up with recommendations that people can discuss in detail before the Task Force reviews

Developers and Builders

Public Initiatives

- New sites: City land! Land trust (non jurisdictional), max out supply on all land

Private Initiatives

- Existing sites: Secondary suites BCBC
- Development: Benefit modeling
- Mixed use all 'C': 'I' zones

Funding

- Yes: City funds (reserves), non-profit tax credit
- No: Social DCC, public levy

Management

- Housing authority (board run)
Non-profit
Regionally based
Representatives from community

Process

- Creative, open-minded planning
- Mixed use in all commercial : industrial zones
- Land trust process
- Mortgage helper
 - Legalize existing by inspection and grants?
 - No DCC's for 2nd unit
 - Limit occupancy
- Political courage

Other

- Volunteerism
 - Professional (cost recovery)
 - Developer's social obligation
- KSS
 - Kelowna's "False Creek"
 - Model a new paradigm

Land Trust Mandate

- Regional
- Independent board
- Kick start management
- Needs analysis ongoing
- Public education

Presentation:

- Could take land trust regional
- Maxing out supply on all land – higher density, utilizing existing land

- All existing suites – remove DCCs, immediate solution, give S designation, development modeling (being able to strike deals, takes out zoning bylaw, gives Council flexibility on density, create new ideas)
- Mix use of commercial and industrial – less one storey development
- Funding – yes to utilizing what the City already has, utilizing non profit tax credit, tax benefits, down on DCCs (bites the hand you want to feed), no to public levy (resources already in place that can help the problem)
- Create independent, non profit, regionally-based board – coordinates land trust, non profits, social housing, affordable housing, construction companies, etc.
- Need creative, open minded planning for Planning Dept. – open communication
- Want to utilize existing land correctly (held by City)
- Grant for secondary suites that need to be legalized – allows control, puts into public forum
- No DCCs
- Possibly limiting occupancy, number of bedrooms, won't overload systems that are already in place
- Any plan will take a tremendous amount of political courage
- Developers social obligation – need to get buy in from developers, architects, etc. on cost recovery basis, lots of willingness out there
- KSS site – see as part of sustainable solution, model a new paradigm, create market & non market housing, market profit gain are filtered back into trust fund to create more affordable housing
- Evaluate situation on an ongoing basis – imperative!
- Public education – lots of people don't understand the problem of affordable housing

Developers and Builders

B. Role of the Politicians

- Public awareness/education of these issues surrounding affordable housing & the community relevance of same...
- Program to promote legalization of all secondary suites, carriage houses, etc. in Kelowna
 - Incentive – 5 year property tax break (%)
 - Accountability – inspection, followed by report, etc.
- Have the political will (aka “balls”) to promote & implement a property tax increase (%) on the entire tax base of City to raise annual min \$3M affordable housing subsidy fund
 - Eg. \$300,000 assessed property - \$10.00
 - Eg. \$1M assessed property - \$50.00
- Encourage, not compel the development community to pursue affordable housing development.
 - Eg. No 10% min. affordable housing comp. in all future developments
- Development of affordable housing incentives:
 - a) Either rental or to own developments
 - 2 increment minimum variance re: density

- property tax holiday for a minimum of 5 years, anywhere in Kelowna
- b) Increase density bonusing in the zones & reduce the 50 to 25% re: floor area bonus
- Hire planning staff (at least 1 person) to focus on affordable housing issues, etc.

B. Role of City Planners

- Politicians should allow planners to:
 - a) Take more initiative
 - b) Not be as afraid of their political taskmasters – different culture
 - c) To express more of their personal, creative insights
 - d) To exercise greater sensitivities to the pitfalls & obstacles developers face – both institutionally/structurally on a specific project basis
- Promote a separate protocol for affordable housing projects based on the “Tim” principle (ie, cooperation vs adversarial)

C. New Institutions/Structures

- Create a Kelowna vs Okanagan Housing Corp. (affordable)

D. Role of Developers

- Need to be educated on the benefits of doing affordable housing projects
- Encourage/create dialogue among/with developers about affordable housing pros & cons

Presentation:

- Politicians – obligation/responsibility to create awareness of issues surrounding problem, educate other council members who did not attend, City ought to increase taxation, encourage but not compel housing developments
- Development of housing alternatives – property tax holiday for rental, increase bonus density
- Hire one person in planning whose role is
- Planners to take more initiative, don’t fear, allow to express more personal and creative insights, exercise greater sensitivities of project pitfalls, create cooperation vs adversarial culture
- Kelowna vs Okanagan split
- Developers need to be educated on benefits they will gain by doing affordable housing
- Encourage Mayors to lobby provincial gov’t for affordable housing

Policy Influencers

Okanagan Valley Housing Corporation

Mission: To enable municipalities to implement affordable housing projects.

Membership

- Developers
- Community groups/non-profits
- Business community (Chambers, Community Futures)
- Municipalities

Functions

1. Identify priorities – assist municipalities to achieve housing targets appropriate to their communities
2. Research & development
3. Identifying partners, facilitating partnerships
4. Recommendations for best practices/policies
5. Initiates affordable housing projects
6. Manage and administer housing funds & land trusts
7. Monitoring agreements & land trusts
8. Access funding sources
9. Advocate to provincial/federal gov't on a regional basis
10. Educating communities, addressing NIMBY, marketing advantages, why communities need affordable housing

Benefits

- Regional approach to a regional issue
- Shared administrative costs (centralized)
- Municipalities have access to expertise, recommendations, research of experts in the field
- Better chance for leveraging provincial & federal funding
- Arms length body to address NIMBY & take leadership role in potentially controversial projects (support for councils for unpopular decisions)
- Partnerships

Sources of Seed funding

- Real Estate Foundation
- UBCM
- BC Housing
- Status of Women
- Financial Institutions
- Philanthropic – individuals/gifting
- Service clubs
- Churches
- CMHC

Timeline

- At least 2 years to put in place

Challenges

- Initial funding/ongoing sustainability
- Public perception of another level of bureaucracy
- Political complexity/resistance/trust
- Location – centralized vs satellites
- Different agendas/interests
- Potential legislative challenges

- Perception that it is provincial responsibility

Presentation:

- Focus on Ok valley wide housing
- 1. leadership role in addressing problems, learn from each other instead of individually
- 2. Integrated approach
- 3. Not in competition with BC Housing, regional body focusing on issues, complexity with trust, neutral body
- 4. Location: centralized vs satellite, potential legislative challenges

Policy Makers

Where are the Savings?

Costs

- Land
- Materials
- Labour & machinery
- Fees – DCC & Architect
- Cost of money

Create 300 living units each year

Phase I – Time sensitive

1. Inventory Control
2. Use what you have
 - Secondary suites
 - Rental rules?
 - Rent controls?
 - Upzone – small lots
- B. Municipality creates “land trust”
 - Leases land
 - Tenders build of predesigned units

Phase II – Sustainability

1. Key remains reduced land cost
 - Acquire Crown land & leverage
2. Require (??%) of affordable units in all developments
3. Waive/reduce DCCs & fees
4. Build on smaller parcels
5. Flexible zoning
 - Residential/light industrial/any commercial
6. Independent administration – not City

Phase III – Funding

1. Affordable housing capital costs should be a federal/provincial/municipal partnership
2. Create a ‘line item’ on municipal tax bill, charge secondary suite fee
3. Create & introduce a DCC – affordable housing
4. BCH/means test qualification

5. Annex Crown land & include affordable housing as a condition of development

Presentation:

- Land trusts – separate land from homes
- Reduced land costs – acquiring Crown land as leverage to developer (50% affordable housing)
- Required % of affordable housing in all units
- Infrastructure
- Flexible zoning
- Light industrial
- Density bonusing – ensure it goes to affordable housing
- Independent administration – municipalities not to be landlords
- Flat tax – maybe provincial issue, would take pressure off local politicians, viewed as health care (shared)
- Create a line item on municipal tax bill
- Create/introduce a DCC for affordable housing
- BC Housing means test for qualification is good

Policy Makers

- 1) Social DCC to be directly applied to social housing – creation of housing reserve fund [May require legislative change] Example: Model of City of Richmond

OR

2% Social Housing Tax – Transfer tax at point of sale for real estate – model after luxury tax to attach a minimum amount of sale price – ie: 300K

- 2) Remove requirement for rezoning for placing a suite in existing residential. Business license only required for operating suite.
→ Maintain 'S' zone for accessory buildings.
Ie: carriage house [may adjust at later date]
- 3) Grandfather in all illegal suites in order to improve the accuracy of suites overall.
Grant 6 months amnesty period for reporting.
- 4) Change permitted use in C-10 zones to include residential units. Specify maximum size which would encourage affordability.
- 5) Industrial zones I1 & I2 to include 'Form based zoning' that allows residential.
- 6) Mixed use housing priority of KSS site, should include a minimum of 20% - also mix rental & ownership units.
- 7) Professional evaluation of options for housing corporation development – boundary unit equal to CORD.
? ie: - How would City interact with housing groups already in existence?
- Viability of corp, how to measure success, rationale for creation.
- Determination of partner possibilities. Ie: business & developers
- 8) ? How to improve level of acceptance by neighbourhoods to inclusion of affordable housing
Hire Matthew! ☺

Answer: Neighbourhood Association input into defining the ultimate direction of affordable housing goals of the City.

B. Missing from the guest list today.

- 9) Landlord/Tenant Act revision required. No incentive to become a landlord. Act is heavily weighted in support of the tenant – creates no incentive to become an affordable housing supplier.

Presentation:

- Social DCC applied directly to social housing
- Create social housing tax
- Transfer tax at POS for real estate
- Remove requirement for building permit
- Maintain S zone for accessory building (not carriage building)
- Grandfather in illegal suites – improve accuracy of inventory
- Committed use in C10 zones, specify maximum size to remain affordable
- I1/I2 to include residential opportunities
- 20% opportunities
- Housing corporation
- Input into finding ultimate direction of housing goals
- Neighbourhood associations not present
- Landlord tenant act provides no incentive to become landlord

Business & Others

- A realistic expectation is the group of solutions emerging from this workshop will not be politically acceptable. City council will need the political will to take this forward. For all of this work to have an effect.

1.

a. Neighbour Helping Neighbour

- B. Recommend blanket zoning for secondary suites, of any kind (eg, carriage houses, etc.)

Requirements:

- Owner occupied
- Off street parking
- Conform to Building Code with 12 months of applications
- No permit/fee costs
- Illegal is illegal
- We see this as the most immediate short term low cost solution
- This should be anticipated in the planning process for new subdivision/development

b. Tax Roll

- B. We support this, spreads a portion of the cost of the burden across the largest group who can realistically afford it

Requirements:

- All of this income must go to affordable housing initiatives

- A baseline assessment value should be determined & established and all residential housing below this level would be exempt
- May require a legislative change
- 2.
 - a. Partnerships with Developers
 - B. We support non market housing or cash in lieu for density bonusing
 - Height variances or re-zoning don't guarantee a benefit
 Requirements:
 - Council needs to be stricter on the granting of variances so that variances do not become a short cut/loophole around rezoning, density increase
 - b. See (a) above
 - c. We support this
 - Requirements:
 - Only applies to large master planned communities
 - Developer obtains a tax receipt on donated lands with a value based on the end use zoning
 - These lands must go to affordable housing initiatives
 - d. New Development Levy
 - B. We don't support
 - Reasons:
 - Could drive renovation type permits underground
 - Too vague on where it applies or does not apply
- 3.
 - a. Partnering with Business – Co-op Housing
 - B. We support
 - Requirements: non profit operated
 - b. No

Presentation:

- Realistic expectation is that the group of solutions emerging from this workshop will not be workable.
- In favour of secondary suites – quickest access to lowest cost solution to problem, should be owner occupied, requirements for offstreet parking, conform to building code (give more time), any permit charge should be waived
- Tax income must go to affordable housing initiatives, percentage or flat based
- Support non market housing (cash in lieu), variance with parking okay (doesn't change density), stricter adherence to granting variances
- Dedicate % to social/affordable housing not viable in infill, can be done for large new developments, should be evaluated on end use, granted back to developer to encourage process
- New development levy not supported, could drive people underground, very vague
- Supported housing co-ops – requirement is non profit, management, housing services bylaw

Matthew MacNeil on behalf of experts

Planning process for housing

- 1) Finalize strategy
 - a. Filter through legal, test solutions, get people back together again, community needs to be educated on why certain ideas can't be implemented/testing process, hire an affordable housing coordinator
 - b. Community development strategy to get people to educate people, understand values, what is Kelowna's spirit?, talk about how affordable housing is important, can refilter ideas from today that may not be viable
- 2) Crawl... walk... run
 - a. Look at existing capacity available today – can be done before KSS site development
 - b. Development community willing to buy in, non profits in community experienced with management
 - 1 – Don't house the hardest to house first!
 - 2 – KSS site as pilot flagship
 - 3 – Look at regional housing authority
- 3) Affordable housing coordinator
 - a. Who do they work for? City? Region? Task force?
 - b. Building relationships with private, public, non profit sectors
 - c. Community relations & education
 - i. Explain who/what affordable housing is
 - d. Feasible housing studies
 - i. Projects
 - ii. Regional housing authority
 - e. Broker deals/partnerships on specific projects

[Appendix 3 - Separate Electronic Attachment of Open House Flyer](#) Click to return to main report: **Consultation:**

Appendix 4 Results of October/November Open Houses

Link back to report: → (**Consultation:**)

AFFORDABLE HOUSING RECOMMENDATION FEEDBACK

In October/November of 2006, the Task Force held 4 Open Houses in different neighbourhoods to provide opportunity to the broad community to view the findings and recommendations and to provide input. Recommendations at this stage are summarized as follows:

- 1a: Allow secondary suites in existing buildings anywhere a house is permitted without rezoning.*
- 1b: Waive public hearing for secondary suite rezonings involving suites in existing buildings*
- 2: Implement a policy to require affordable housing where there is an increase in density over existing zoning*
- 3: Voluntary subscription (for businesses & industries) to co-op or strata housing led by a newly created Kelowna Housing Corporation in order to provide employee housing.*
- 4: Create a not-for-profit Kelowna Housing Corporation.*
- 5: Proceed with a comprehensive plan for the KSS site & require 20% of housing to be affordable.*
- 6: Allow mixed use in low intensity industrial areas and commercial zones.*
- 7: Change OCP to allow a 2 increment increase in density in return for 75% non-market housing to be built on site.*
- 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)*

SURVEY RESULTS

Surveys Received: 119

<u>Recommendation</u>	<u>Support</u>	<u>Neutral</u>	<u>Opposed</u>	<u>Total Surveys</u>
Recommendation 1, Alternative 1	62 (53.5%)	17 (14.7%)	37 (31.9%)	116
Recommendation 1, Alternative 2	60 (54.5%)	15 (13.6%)	35 (31.8%)	110
Recommendation 2	74 (66.7%)	16 (14.4%)	21 (18.9%)	111
Recommendation 3	79 (69.9%)	25 (22.1%)	9 (8%)	113
Recommendation 4	81 (72.3%)	19 (17.0%)	12 (10.7%)	112
Recommendation 5	95 (82.6%)	10 (8.7%)	10 (8.7%)	115
Recommendation 6	99 (83.6%)	10 (8.4%)	10 (8.4%)	119
Recommendation 7	78 (69.6%)	15 (13.4%)	19 (17.0%)	112
Recommendation 8	77 (68.1%)	14 (12.4%)	22 (19.5%)	113

VERBATIM COMMENTS

Multi-family properties should be allowed higher densities than currently permitted, provided the property is adequately large. For example, why waste valuable scarce land with duplexes and fourplexes when the same property could physically accommodate fourplexes and eightplexes respectively? A condition of permitting this significantly higher density to the developer would be to allocate a percentage of the extra suites to affordable housing (possibly 50% of them).

Your flyer may not catch the eye of all those willing to provide the input you want as it more closely resembles developer advertising material and “City of Kelowna – Housing” is very understated on the front page. What does “comfortably” mean? Affordable housing should be basic.

Many of us need to provide for our parents. With housing costs being so high, the bank won’t accept the income from a suite unless it’s considered legal. The lack of legal suites available is a problem. The hoops a person has to go through to legalize a suite is intimidating. Therefore, my parents are paying for too much where they’re at, without the care we could give them. If only it were easier to do, we could provide a suite for them at a much more affordable price than their present situation.

We own our own home that doesn’t have a secondary suite. However, about 3 of our neighbors have illegal suites. This has never been an issue to us. Our neighbors are concerned about the type of people they rent to. I think we should conclude that people will use good judgment to whom they rent. The point is, we need more rental units that are affordable for families. Most people will never afford a home, if they don’t already. Children need access to back yards. Seniors and others need to supplement their income.

Have the government top up people’s income to meet the “real” cost of living. It’s about time the government realized what people “need” instead of thinking that everything is a “luxury” item. Stop donating to certain things (eg. Arts Centre) and put that money into affordable housing. Any houses that the City of Kelowna owns, have a rent to own option (since the City has already used the taxpayer’s money to purchase these houses). The Tutt Farm that was just recently purchased be made into low cost housing and homes for people to purchase at a reasonable price (and any other vacant land that the City owns). Have a lottery so people could win a home (Kelowna only). Let more people who own five and ten acres to subdivide only if they will sell the land to build houses for the poor/working poor. Food and clothes vouchers (eg. During the firestorm) but must prove that they need it (poor/working poor).

I am assuming that all Councillors have access to all input forms submitted before voting on recommendations. My support is based on the following assumptions: Rec. #1 – existing noise parking, maintenance, City bylaws are strictly and timely enforced; Rec #3/#4 – KHC consists of representation from developers, builders, City officials and other community members. “Affordable Housing” is distributed as evenly as possible between Mission/Downtown Center/Glenmore/Rutland. Rec. #7 – Depends on density and where located – could become a ghetto.

City Council to listen more to the public opinion – not people in upper class living in Lakeview Heights, Mission or lawyers, politicians! At present time I am not homeless but do remember when I and my family was and understand their needs. Have spent time helping the needy in many countries – seen poverty! City tax department should not fine the public with higher taxes that make improvements to property, including extra living suites. What about “HABITAT” type of construction? I gladly support it!

On Recommendation #5 use City Park component for indoor swimming pool/rec centre. As other sites become identified, include rec facilities there as well. Opposed to Mission Park Aquatic Centre as unresponsive to community need for affordable and widely dispersed facilities throughout the community – test is less then 3km between each facility and its nearest neighbor facility (allows residents to walk/cycle to facility).

My response is attached. My general comment is that it looks like a great report! I hope it is accepted by Council.

Recommendation #3 might be useful for medium to large business, won’t help small Business. Recommendation 4 & 6 would definitely increase security around businesses. Recommendation 1, Alternative 2 – neighbors will generally say no, defeating the purpose. Recommendation #5 – any City-owned land can do this job, KSS or otherwise, limiting this to KSS will only address a very very small portion of the problem. Recommendation #7 – not entirely sure what this is and can’t show up to find out.

Recommendation #4 – reduction in leasing costs possible? Recommendation #5 – OK if City implements strict standards.

My husband and I just bought an affordable housing unit at Ziprick Place. I fully support this initiative and wish there were more units available for families in this situation. We are “lucky” that we only have one child and so a two bedroom is suitable. It would’ve been great to have a yard for our son, instead of a condo balcony, but we can’t complain given the opportunity we found!

Build low income rent-to-own cooperatives or strata type facilities. Single parents and low income cannot even think about owning.

Definitely needed for disabled individuals – particularly #4.

Increased density must not be at the expense of green space. Cut down on car use – make neighborhoods bike and pedestrian friendly.

A residence for females who pay rent and get their meals (3 a day) with just a room with a single bed, dresser and closet. A commercial washroom will suffice. A separate residence for men, same as this in another part of town.

Builders – promote an entire floor of building – 1 per every 4 and double for each after that towards low-income. Provide an inside floor plan to a built-in play room for parents with children (I would use this if it was available). Secondary suites with disability support – I’m presently facing an investigation (called assessment) into this very reason. Single mom on DBII with multiple health troubles facing Social Services. Having immediate, long-term, affordable and safe place so I can take care of my son. Homeless 4 months last year and 1 month this year – paying \$800.

As a City that now ranks second in Canada for house costs we must plan for a future where you people and all first time buyers can get into the housing market.

Vibrant communities are predicated on mixed-use. Kelowna needs to densify to meet energy/transportation needs and decreased CO2 produced, oil used. This is a good beginning – we must start at once to meet with need. Principle of construction by new Housing Corporation should be green technology (ie: geothermal, heat pump, solar panels, etc.).

Secondary suites pit neighbors against neighbors. It should not be up to homeowners to voice disapproval. The City should continue (start?) to prohibit secondary suites in certain areas (eg: Dilworth Mtn.) and enforce it!!

Limit approval of building permits of each medium and upper class home for every four affordable home permits for the next two years. Also, encourage people to develop rental suites in appropriate residences.

Thanks to Mayor and Council for taking positive action.

Very much opposed to recommendation #4 as after time there would be an increase from the \$2. Therefore do not even start it.

Kelowna is in desperate need of affordable and accessible housing. With no place they can afford to live, lower level workers are already leaving the city and even the valley altogether in search of a home. No city can function without these individuals. A top-heavy city like Kelowna will inevitably collapse.

There is a reason why secondary suites are only allowed in certain areas. They destroy neighborhoods of formerly single family homes. Keeping cars from lining the streets is only part of the problem. Cars/trucks stacked up in driveways aren't too attractive either. This housing issue is cyclical.

I strongly prefer Recommendation 1, Alternative 1 because it is harmful that public policy should be hindered by one person (ie: uncooperative neighbor). I would like to see significant monies generated from the KSS site to be invested in parks.

I support six of your eight proposals. Recommendation #3 sounds messy to me. I doubt that it would be attractive to employers but if they want that option I wouldn't be opposed. I fear Recommendation #8 could empty the more exclusive neighborhoods and deprive the City of the high tax dollars they presently provide for our other City programs. Those neighborhoods would no longer warrant higher assessments - as with increased density the value of their investment would be reduced and they could likely afford to move elsewhere. The Committee has done an excellent job in producing these recommendations.

With respect to Recommendation #1, secondary suites also provide a benefit to homeowners, allowing them to subsidize high property prices with monthly rental payments from tenants. Alternative #1 of Recommendation #3 would save homeowners with "illegal" suites the time and money that is currently required to go through the Public Hearing process. I would support Alternative #1.

I feel generally that all suggestions are valid. Please enact Inclusionary Housing. Note: In some instances Carriage Houses are too large for the property.

Concerns of availability of land for future expansion of Kelowna General Hospital – KSS would have been a good site for quick ambulance access to Hwy. 97. This must be considered if we are going to let this City grow. However, costs to taxpayers must be kept at a minimum - \$73 for the ridiculous pool etc. and sewer \$ may just force my husband to move. PS he works for Tolko for now!

Recommendation #6 is the best. The City of Edmonton renewed old districts with business and living quarters 35 years ago. Marvelous idea – works out to the satisfaction of all people of the area!

Good ideas. Also, there needs to be more focus on core needs housing. The City must involve itself in ensuring enough of these units get built. These people are citizens too. If we can build \$35 million pools, we can and must house our vulnerable citizens. Stop using the excuse that it is a federal or provincial responsibility. It is our issue, we need to solve it. Perhaps on the City's new ranch!!? Also, advocate with federal and provincial gov'ts to put disabled on federal income security programs and give them rent subsidies.

KSS should be used for affordable housing and park/green space, also put small businesses on site within a quiet zone. Suite rentals in homes are also fine. Agreed with Recommendations #1 & #5. The long term development of any plan needs to be met, housing costs, OUC students, green space, and road construction to meet the needs of a growing population. We also agree that non-registered suites cannot become slums, with “slum lords”.

I also comment as follows: Recommendation #2 – I oppose the “cash in lieu” option as I don't see how this will help the lack of affordable housing situation. Recommendation #5 – The KSS site is big enough that 50%, instead of 20%, of all housing could be affordable. This is also a great location for affordable housing as it is central to everything. Recommendation #8 – This recommendation must be carefully planned, as some high-end neighborhoods may strongly oppose this type of mixed development. However, if a multi-family house is built to look similar to the single family dwellings in the neighborhood, it may be more acceptable to these neighborhoods than two houses on one lot.

Recommendation #4 – How can KHC be “arms length” if shareholders are Kelowna City Councillors? Recommendation #2 – Not in favour of cash in lieu as giving city coffers more money does not solve the problem. City needs to have it done correct from the start, not collect money to do something later which will then cost twice as much.

Ensure accommodation & support for single room occupancy and supportive housing?
Don't forget about green space! Granville Island's a good example.

Developers of multi-million dollar home developments be taxed a small levy in support of affordable housing. Green space be a major consideration particularly in high density housing.

Recommendation #1, Alternative #1 – revisit parking requirements to encourage transit use for a greener community.

Property transfer tax funds – there are billions of dollars. Housing needs should be using these funds. It's nice to have an opportunity for opinion. Fabulous survey and info – thanks. PS – when a tenant complains about mould and living conditions, Inspector should investigate. No risk to tenant losing accommodations.

I am never going to be able to own my own home unless some of this goes through. Also, I have a 21 year old daughter with fetal alcohol syndrome. At the moment she is in an apartment (filthy and run down) and sharing with a roommate. All her disability is going to rent and food – no money left to live on at all.

All proposals should be “child friendly” (routes to schools, playgrounds, etc.). Recommendations #1 & #2 – check Kitsilano re parking and children on the street (eg: road hockey). City shouldn't be involved I housing directly. Where is the Provincial Gov't in funding for non-profit group housing (eg: Army & Navy). Let them (the groups) do it!

We need to do all we can to address the issue of affordable housing.

Recommendation #6 – I wouldn't wish that on my worst enemy. Would have to live above a welding & fabricating shop.

Need zoning to permit mobile home parks. Kelowna should not become a drawing place for people from other areas that need housing. All areas of the City should be treated equally. City should argue with Provincial and Federal Gov'ts to permit mortgage interest payments to be tax deductible. This may increase building development. Do not put pressure on Agricultural Lands for affordable housing development.

I support a “land trust” but think the City should not actually be a developer and housing manager. I would prefer to see the City work with non-for-profit groups for development and management. It will be more economical and encourage all groups to participate in being part of the solution. I do not think the City should “assume control” of units that come out of housing agreements. Better to allow management by non-profits at arm’s length. The City will discover that “managing” these units will be very costly and challenging. City should not develop its own non-market housing waiting list. Pass this task onto BC Housing. They already have a system in place. Density Bonusing: This tool has been on the books for years and has rarely been used. The reason is that Parking Requirements are the limiting factor in density. Without parking variance in existing zoning densities, many projects could not proceed. I do recommend that proposals to build housing should be looked at on an individual basis to determine if parking variances are justified. Density bonus by itself will fail for the same reason it failed last time – parking. Assume control of all affordable units that are subject to a housing agreement. This should exclude non-profit groups that are already under operating agreements by Provincial & Federal gov’ts.

In respect to legalizing secondary suites, I feel having a business licence will only raise prices of suites. The City cannot police the suites at the moment and I feel it will continue as present. This seems very much like a money grab to increase City coffers. It would be better for trying to make an incentive to correct illegal suites. We definitely need to make sure all suites are safety and health controlled. Maybe the government should be lobbied for some kind of funding.

Judging by the number of vehicles already parked on street would probably be very difficult to enforce. Whatever decisions are made care should be taken to ensure that “affordable” units should remain so, upon resale, in perpetuity. Why wait for spring? Do it now!!

Based on my experience of approx. 15 years in Kelowna as a contractor doing mostly kitchen and bathroom renovations, I think it would be a hardship in many cases to expect a clean and available suite to comply with all 2006 building codes. I suggest you relax on issues of wheelchair access or special fire barrier if existing bath is large and windows/egress is large now.

Recommendation 5 – eliminate the 5 acre park; City Park and Strathcona Park are nearby. Build a commercial area beside the highway, ie: as Boston Pizza’s size. The rest should be apartment buildings with all, or mostly subsidized rentals for singles and couples now living in places like the Kiwanis Towers and the Burtches. These 2 buildings could be used for homeless men and women (and possibly very small family units, ie: 3 people or on a temporary basis). The Provincial “S.A.F.E.R.” program

should have a lower age requirement, down from 50 years or less for low-income people.

To allow single family housing zones to have suites penalizes the homeowner that purchased property in the proper designated zone (eg: RU6). The city must recognize a need to compensate property owners by increasing their multi-family designation, eg: instead of 2 family dwellings, RU6 would become 3 family.

Great idea to make suites more available. Too high a density transfer will negatively impact the area more than the few added affordable units.

Vote as you will but DO NOT involve neighbors. They are obviously looking out for their own interests.

Bylaw infrastructure to enforce quality of suites/absentee landlords, etc.

Inclusionary zone that would require developers to include 20% affordable housing in the zone.

Please – no secondary suites in areas where they are not already zoned!
Recommendation 8 – would be OK except for the secondary suites.

Affordable housing should be in all parts of town not just limited to downtown/Rutland, etc. The Mission etc. NEEDS to have affordable and mixed density not just housing for the rich.

I like all the recommendations. We need options for people as housing is extremely expensive here. I think having mixed use can offer revitalization to certain areas of town. You've obviously put a lot of work and effort into this. It is important to look at multiple approaches in dealing with this issue.

More monitoring and regulation is needed for rental standards. Don't let the feds off the hook!

Recommendation 1, Alternative 1: support subjection to parking and inspections.
Recommendation 1, Alternative 2: support with other options – gives neighbors power.

Recommendation 1, Alternative 1: no way. Most people usually choose to live in neighborhoods based on current zonings. Changes should be made to areas that are either new developments or being redeveloped. Zoning changes should also only be made through a public process.

Too many require 55 as age requirement. Too few are built for single and/or disability involved. Not everybody wants to live out in Winfield or Rutland. Develop KSS property!!! It is central and well situated. I know – I live there and would like to stay there. Just need a single with disability, 1 bedroom under \$400.

With regard to secondary suites, it is extremely important to ensure that there is no rent gouging!! With regard to Recommendation 2, there needs to be monitoring and enforcement provisions to ensure compliance. We also need a “standards of maintenance” bylaw as a tool for Public Health to meet health standards, etc. I also support “Mandatory Inclusionary Housing”. The City could also work with local strata councils to create secondary suite options. The downtown core could be utilized more for multi-use residential as well. Also, with regard to secondary suites, ensure that they will be governed by the Residential Tenancy Act.

Do not change OCP to require a mix of housing. People should be able to live where they want. Do not allow developers to change OCP for higher density for affordable housing.

I support your recommendations.

Important to address restrictions in bareland stratas and the provincial Act that restricts the possibility of legal suites. Addressing housing, income and support will go a long way towards helping those with housing and income need
Recommendation #8 – too black or white a question.

Recommendation #4 is the best solution for taking a very positive step toward affording housing. It has been proven to work.

For the sake of the many homeless and low income people in Kelowna, I sincerely hope many, if not all, of the above recommendations will be implemented sooner rather than later. Full speed ahead Kelowna on this ambitious and necessary project!

Recommendation #8: this is so important. More housing that offers a variety in supported living. For people that have mental health issues and for people who have fetal alcohol syndrome, 90% require supported housing and 60% have justice problems.

I commend City Council for finally addressing this urgent need for affordable housing. Council needs to be constantly “in your face” before the public through every available means, eg: radio talk shows, papers, TV, and maybe a special column in the newspapers once a week citing ideas put forth from the public, business community, developers and anyone else you can think of. Has Council every considered a private meeting with all developers to brainstorm and come up with affordable housing? Can’t Council “shame” some of these developers into putting some of their profits from the high end housing into at least providing materials into upgrading existing really run-down housing? And please – don’t let “ghetto like” development happen any more where families and kids in school especially are ashamed of their address. Good luck Michelle – you are very brave as is Norm to take on this great task. You get my vote in next election!

We need higher living density in the downtown area. It needs to be “people friendly”, including all incomes. I support mandatory inclusionary zoning.

I want to express my sincere appreciation to our Mayor, Mrs. Shepherd, our Councillors and the City of Kelowna for addressing housing for lower income citizens and other social issues. The Chilian system I was suggesting is no longer in effect. People did not pay and the government at the end had to waive too many debts. Recommendation #2 – I oppose too high density in concept but I do not oppose developer’s dedicating a percentage to affordable housing. I strongly support the creation of a Kelowna Housing Corporation. Suggestion: That the City of Kelowna encourage the School District to implement budgeting workshops for students. Perhaps, students could put money into Kelowna Housing Corporation as a saving for their house downpayment.

Alternate 1 is too loose. Although Alternate 2 puts some peer pressure on the neighbors, at least there is some thought that must go into the decision. We need to maintain at least a moderate level of controls. Recommendations #2 & #7 – I agree with the assessment of the Citizens for Responsible Community Planning. The Task Force suggests “the expansion of suite zones will relieve the pressure to develop illegal suites”. The decision made here will have long term impacts on all communities and I am pleased that the City is taking its time and gathering significant input. It is clear that people don’t agree with the task force comments that suites make a neighborhood safer. In many cases suites bring an undesirable element to the neighborhood. I think controls must be maintained on the % of suites in an area and the impact of poor property maintenance. Somehow the city needs to be able to enforce a reasonable level of conformity with the rest of the neighborhood. Many illegal suites can be identified during construction, yet there are no preemptive efforts to shut them down. The City

seems to take the position that if the neighbors are not complaining, things must be OK. I can say in our neighborhood the reason for the silence is concession. Our efforts working with the City to control suites have been very frustrating and we have simply given up trying

Do not support unlimited expansion of secondary suites in existing neighborhoods – increase in traffic, parking issues, noise, etc. Prefer that additional rental units be provided in new developments. Fully support measures that will increase the number of lower rent units. Feel that Council should obtain as much authority as they can to deal with developers to either provide the type of housing desired or have to contribute to a fund that will be used to obtain the desired type of housing.

Feel City should do what is necessary to implement mandatory inclusionary zoning. Worried about a valley filled with high-rises. Nothing attractive about concrete monoliths on a valley floor (other valley cities eg: Palm Springs, have limited their building heights to (2) stories but it's too late for Kelowna – our vistas are disappearing at a rapid rate I'm afraid. How sad.

Urban sprawl must be minimized. If City Council agrees with this, then it follows that Kelowna must make the most efficient use possible of the residential land it already has. This means increasing densities: **we need to build taller buildings**, even on lands currently designated low-density, such as RU4, RU6, RM1, RM2, etc. (Site coverage may need to be increased to accommodate the extra parking needs, or parking could be at grade level with the residential units above). These higher densities would be granted to developers **in exchange for a covenant that a significant number of these extra living units (possibly 35%) would be reserved for affordable housing**. Some areas where density could be increased include: 1) area bounded by Hwy. 97 on the north, Rose Ave./Guisachan Rd. on the south, Pandosy St. on the west and Burtch Rd. on the east, 2) much of the north end, 3) much of Glenmore including under-utilized lands on Valley Rd., 4) Armour Ct./Old Meadows Rd. area of the Mission, 5) all areas designated Further Urban Reserve, 6) churches – many churches are sitting on large parcels of land – the City should permit and encourage them to develop some of this property into high-density, affordable housing.

Recommendation #4 is excellent. Recommendation #5 – I suggest the City retains ownership of some of the KSS property that that it can be development by the Kelowna Housing Corporation (see Recommendation #5). Kelowna has many large parcels of land occupied by a single house. These lands may have been rural at some time but no longer are. Some of these properties could be better used for apartment buildings, townhouses, etc. This would be especially helpful near schools and shopping areas.

City Hall should have Local Government Act amended or have City Hall exempt to force developers to provide inclusionary low cost housing without concessions.

City Hall must force developers to provide low cost inclusionary affordable housing in all their multi-family developments without density bonuses and other concessions.

Implement mandatory inclusionary zoning making it a requirement that developers provide 20% off all units on a residential development as affordable housing!

Regarding secondary suites, we have a suite across the street from us right now. The largest problem is parking. There are always 2 cars in the driveway, which is obviously not a problem, but then there are another 3 cars on our road. They do not have the room to park these cars on the driveway. Again, this is not the end of the world, but it does create problems and dangerous ones at that. The cars mean that the children playing on the street and riding bikes are often hidden from traffic until the last moment. To date no one has been hurt but are you going to wait until that happens. At the moment there is only one suite! What happens if you open this up??? A university student in the basement is one thing. But, as we have across the street, multiple families living in the same house causes problems. When we built our house we thought we were building in an area of single family dwellings. We wanted to live in an area of single family dwellings. It is wrong to change this after we have invested our life savings into our home in an area we have chosen specifically for these reasons. If we had wanted to live in a rental district we would have chosen differently. It is very wrong for politicians to change the rules of the game after the fact as the conservatives have done. When the rules are set or promises are made we must abide by them. If we had known the area was allowed to have suites we would not have built there. Do not change the rules after the fact!!! It is just wrong!!

This is a subject that many people do not take the time to comment on until it becomes relevant to them. I really do not think it is fair to change the zoning after the fact. We and many others have chosen to live in a certain area for specific reasons. That is why areas have zoning! It is not right to change that and affect our neighborhood. Not only is the suite a problem. The people are running their taxes business out of the home. They change drivers on our street, the drivers hand the money over on the street, they work on fixing the cars on the street, they also do all of this at 3 am in the morning!!! Tow trucks show up slamming there beds down with there beeper going waking up the whole street. The worst part is it is dangerous to kids playing!!! Even though the area is not zoned for this we apparently cannot do anything. All of the neighbors have tried but the city does not care. We are supposed to be living in a single family zone. The family is supposedly related? Already one family moved out and another has moved in. I guess they are related as well.

Our street went to council once to express concern over one other neighbor who wanted to rezone. The whole street and more showed up to say no. Just ask Andre and Hobson. They will likely remember. It is also public record we do not want multiple family dwellings.

Affordable housing is a provincial responsibility. Any affordable housing must use existing provisions of the Local Government Act and Zoning Bylaws. No rezoning will be required. Build within existing zones. Keep OCP Future Land Use intact.

Mixed density is best in all development but coach houses are horrible (people living in back alleys) and they are definitely not “affordable”. I live on a street of 6 houses (3 have suites and some multiple). I live on a dead end street and the one home has 4 vehicles for family and 2 for the suite. No parking at all off-site (except for 2). Is this what we want – to jam every corner with house and cars? Affordable housing is definitely required, but should be part of all development including waterfront.

I am still in shock after hearing a Developer (who obviously had a lot of money and very little human compassion) state that he and his investors don't want to live beside anyone who is on welfare or low income. When I stated that there is a big difference between who is on welfare and those like myself who are on disability pensions due to severe medical problems. He stated there is no difference as far as he is concerned and it is certainly not his problem - if we can't afford Kelowna maybe we should move to someplace more affordable... I was born in BC - my doctors are here - where am I supposed to go? Who is he to tell me I do not have a right to live in Kelowna?

What about the poverty levels and basic human dignity. We live in Canada - how can we be treated so badly? Who is going to stick up for those who can not look after themselves?

I believe the Kelowna Housing would be the best option - although it would only be a drop in the bucket - I think that KSS Site is also badly needed for social housing. (The BC Govt raising rent rates up from \$325 - maybe fed gov't needs to look at poverty levels too) I do not agree with bsmt suites etc as the landlords rent places which are unacceptable to live in and expect the rate from Income assistance. Have you looked at what is available for \$325 or \$650 with a roommate? I worked for a property management developer and saw first hand how the poor are treated. BC Residential Tenancy does nothing to protect renters from landlords who do not follow the rules.

Please force the developers to include those who are disabled or on low incomes - we are human beings too - and I see the people sleeping in the parks and on the street and realize that if anything else bad happens to me I could be put in that situation too and would not be able to cope or survive in that cruel world. I am barely able to keep a rented home with a roommate - if I lose my roommate or my landlord gives notice I will

have no where to go. It is a huge worry - Most people can't even comprehend being homeless and being hungry. I never understood it until it happened to me - I was shocked when the doctors told me I would never be able to work again when I was 35 - no warning and no place to go for help. I was able to fill out my Canada Pension Application and wait 14 months until it was approved; and my BC Disability 2 Status for Life took another 6 months - however, I am lucky I would bet there are hundreds maybe even thousands who do not understand the system or even where to go to try starting to fill out the paperwork.

It is a disgrace that we are treated like we are such problems or embarrassments - we are people too trying to survive and deserving human compassion.

Thanks for your time and attention in regards to this important matter.

I commend the City of Kelowna for taking an active approach to dealing with the housing crisis that is evident in Kelowna. Sustainable development which includes a mix of housing, houses on smaller lots, units that are designated as affordable for families and mixed density needs to become a mandate for City Council.

Families who are paying \$1,000+ per month for housing should be able to own property to build equity. The housing task force data quotes that the “median income for a household in Kelowna was \$58,446”. This income is not enough to buy an apartment anymore. Townhouses cost \$300,000, houses in decent areas are well over \$350,000 and REMAX recently stated that the average house price in Kelowna would be over \$400,000 this year. Therefore, how do people who work in Kelowna afford to live here? The Economic Development Commission is marketing Kelowna to Europeans to alleviate the labour shortage. Where are these people supposed to live?

The City of Kelowna is a landlord who owns numerous units throughout the city. Why not rent these units at lower than market. If the City of Kelowna takes action to build or encourage the building of affordable units, will there be a “priority registration” for current residents or a minimum residency requirement..

Building more multi-family developments is not the answer for families with children. Children need back yards and space. Developments like Somerville Corner, Horizon Lane and Regency Heights need to be encouraged, albeit at a reasonable price that is affordable for families. Affordable housing issues affect more than seniors, disabled and the homeless. It also affects the working middle class.

I want to congratulate you on the great work you have done towards finding a solution to the affordable housing crisis here in Kelowna. Due to health reasons I was not able to attend the public meetings on it, but want to express my support for the plan.

There is an enormous need out there for low income housing for the disabled, handicapped and older adults in particular and the sad part of it is no one will rent to them. If they do find someone who will rent to them they are treated unfairly as many of them do not know their rights.

Another large issue is the fact that you allow the realtors to buy up all the affordable housing then they turn around and split up houses so they rent for \$1,200 up and \$1,200 for the basement. Landlords only want to rent to working people who are never home and they come with a barrage of rules like no smoking, no pets, no parties, no noise, and no visitors. They raise rents far above the 4% allowed a year and most people are not aware this should not happen. We need a Landlord Tenant Advisory Board here who can actually help people. Right now they have a little box of an office and if you want help you can call them and will wait an hour or more dangling on a telephone line to talk to someone and often they will ask if you can call back as they are too busy. What kind of a system is that?

I honestly believe you need to put some bylaws in place and some form of control. If larger cities like Calgary have low income housing in place (and we do have some) why can't we and I don't mean just for people with children., It should also be for singles, couples special needs and elderly able to live on their own. I hope you find the right answer – you certainly have my support.

Under current policies and bylaws I suppose, current zoning means nothing. It is the future land use map that carries the majority of weight when it comes to decisions on zoning. It is common knowledge that Kelowna permits one upward zoning change with little or no resistance from city “planners” and there is not one ZONE in Kelowna that is secure in its present state. Right now, the current OCP permits additional zoning changes if the developer includes affordable housing (while maybe not written stone, it has been permitted in the past), which equates to the developer buying the zoning from the City. Little or no thought has gone into the OCP and whatever claims that you make are quickly quashed by decisions, made by both City Hall and City Council, that go against the OCP as it becomes obvious that research and numbers are dissolved if the development or developer pay as they go.

If the City, or the Affording Housing Committee, had actually done their homework, they would have found that most (if not all by now) municipalities that have creating inclusionary zoning have also added major incentives to developers in the form of tax breaks, tax holidays, reduced DCC and grants in order to offset the cost to the builder for affordable housing. It has been found that without substantial financial incentives for the builders, market housing costs are increased to cover the costs of the non-market housing requirements, and that while diversification is somewhat achieved by the inclusionary zoning, the actual marketing of the homes must be addressed as these affordable houses take on a stigma all their own and selling these units is difficult at best. It must also be said that while the zoning changes and incentives do make a marked increase in the affordable housing in the short term, the planning must also be in

place for years down the road when these non-market (affordable) houses revert to conventional market housing (when the agreements run out).

Please go back and check the success of density bonus and incentives that you currently have in place for affordable housing and ask yourself why more builders have not taken advantage of them. Then try to imagine that if they have never taken advantage of the current options open to them, what makes you think that they will not just “opt out” of any requirements for affordable housing, given that you have that “buy out” option in your proposal. Also, while you are checking the success rate of the current affordable housing incentives, look at the projects that have actually included affordable units and the reasons why.

Why are no members of the general public, especially the working poor or homeless, on City Hall’s Affordable Housing Task Force? And where is the transparency and proof that the recommendations are what the general public want rather than what two Councillors, City staff and Chambers of Commerce business want recommended?

In Recommendation #2, partnerships with developers, rationale #3 states that the City, under the Local Government Act, has no power to force developers to include affordable housing in their developments unless they are requesting an increase in density. This contravenes the United Nations Charter which gives every citizen the right to adequate affordable housing and every government a right to ensure this occurs. This also allows minority developers to hamstring and hold City Hall to ransom in having a humane caring community through low cost affordable housing. Clearly the Act unfairly and unjustly favours developers over City Hall and the greater good of the community and society. City Hall should demand the Provincial Government amend the Act to force developers to have low cost inclusionary housing in their developments. If the Provincial government fails to amend the Act, then City Hall should demand being exempt from the Act enabling the City to pass bylaws forcing developers to provide low cost affordable housing.

Under rationale #1, in Recommendation #2, it states there are many opportunities for developers to voluntarily contribute affordable housing as part of new development, but this has seldom happened. Clearly City Hall must forcibly mandate through bylaws that developers provide low cost inclusionary housing to avoid a major crisis.

Under Recommendation #2, the proper recommendation for new development should read as follows: that the City implement a policy whereby developers apply for rezoning must provide low cost affordable housing of at least 20% in all their multi-family developments. The above requirement would apply to residential and commercial zones or any other zone that permits residential development. And further that all city concessions and subsidizations such as density bonuses, height restrictions, tax incentives, etc. be abolished permanently.

Regarding recommendation #5 involving the KSS site, the community desperately needs more parkland in the downtown core. Why buy it when you already own suitable land here? Therefore most of the KSS site should be used for park and the rest primarily used for low cost affordable housing.

Other recommendations not already mentioned to help solve affordable housing:

1. Punish greed by:
 - a) making usury a criminal offence
 - b) Fed gov't bypass private banks in issuance of currency by using the Bank of Canada to issue currency
 - c) Have Fed gov't reinstate a proper fractional reserve system to neutralize the private bank's current Panzi pyramid scheme where they can create money out of thin air and thereby dilute everyone's purchasing power.
2. It is obscene and environmentally consumptive to have 2 people living in 3,000 – 8,000 sq.ft. house. Therefore, City Hall needs to have an annual area consumptive tax on any residence that exceeds the norm of 1,800 – 2,000 sq.ft. area. Suggested rate of tax be \$250 per each 500 sq.ft. area in excess of the average. This tax money to be used toward low cost housing for working poor, the disadvantaged and sustaining the environment.
3. Let the wealthy Chamber of Commerce pay for its own promotions. The large amounts of money City Hall gives annually to help subsidize the COC in promoting Kelowna should be diverted to help low cost housing and homelessness.

CORRESPONDENCE RECEIVED

Dear Mayor Sharon Shepherd (and the rest I've copied this email to),

I've been following the affordable housing process with some interest but unfortunately did not attend any of the open houses on the subject.

I have one significant comment to make; not to do with affordable housing, but rather the interest in using a portion of the KSS site for housing.

I feel that slicing up this property into pieces for developers to build housing (affordable and other) will result in a huge missed opportunity.

Nowhere else in the downtown area of Kelowna does the City own such a large and prominent piece of contiguous land. I was under the impression that the City was interested in expanding on the already substantial role that we play in providing the Interior of BC with large and sophisticated medical services. Part of that service requires a medical education facility/campus. About a year and a half ago, while having a quick bite of pizza with Ron Mattiussi, I brought up the idea of designating the KSS lands for short and long term development of a medical campus. The location is ideal partly because it would be relatively close to the hospital. It would have a huge influence on the

downtown and populate the area with a higher caliber of both teachers and students. There would be demand for more downtown housing and that would add to the mix of low/medium income, retired and wealthy part-time residents. Students and teachers would welcome the opportunity to be schooled and work close to the lake. The youth would bring energy to the downtown. High rises would start to be built (away from the waterfront) and the area's community would be much less dependent on the automobile.

This single project could overcome all the challenges the downtown faces by bringing a mix of the right people to animate and "police" the whole downtown.

Ron was in agreement at the time. I have run this idea past a few people in the city and I've had nothing but positive response. I hope that it could be considered by others.

Breaking up the KSS lands for housing will be a huge missed opportunity. We need to address the affordable housing issue but it should not jeopardize a much-needed investment that will develop into a clean and well-paid industry to offset the over abundance of lower-income retail jobs that are increasing due to the disproportionate share of wealthy retirees moving to Kelowna. The medical industry requires many support services, and this serves to diversify our economy, which in turn helps balance the disparity between affordable housing and personal income.

Feel free to pass this email along. I welcome your comments.

Sincerely,
Michael Neill

Mr. Norm Letnick
Task Force on Affordable and Special Needs Housing

Dear Mr. Letnick:

Citizens for Responsible Community Planning (CRCP) wishes to make the following comments on the draft recommendations of the Task Force. We presently have 30 members, 29 of which reside in Kelowna.

CRCP recommends that any of the final recommendations of the Task Force observe the following principles:

1. Affordable housing should be provided primarily by developers and not funded through tax dollars.

2. Affordable housing should be a requirement of developers in all residential projects (inclusionary housing) as opposed to providing incentives to developers through means such as density bonusing (recommendations 2 and 7).
3. Density bonusing is undesirable in many parts of the city as allowable densities there are already too high. CRCP recommends that densities do not exceed 40 residential units per acre or heights in excess of four storeys. This standard was adopted by observing practices in some other cities that have avoided many of the planning mistakes that are presently occurring in Kelowna.

We further wish to make the following comments on some specific draft recommendations. CRCP rejects Recommendations 2 and 7 if it would mean creating densities in excess of 40 units per acre or building heights in excess of four storeys. We further reject the rationale of the Task Force that “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” as other BC cities such as Langford and Ucluelet have passed inclusionary zoning bylaws under the same legislative authority that is also available to Kelowna. This has been done as BC municipalities may require that developers provide affordable housing as an amenity in return for granting them a change in zoning. It has been estimated that 75% of all multi-family development applications in Kelowna involve a change in zoning.

CRCP recommends that Kelowna follow the example of Langford and Ucluelet and implement a mandatory inclusionary zoning bylaw. Furthermore, we recommend that the City request that the Provincial Government provide all BC municipalities with enabling legislation that would allow mandatory inclusionary housing in all residential development applications whether it involves a change in zoning or not.

Attached is a copy of the fact sheet that CRCP has provided the media and has distributed at the recent public open houses on the Task Force’s recommendations.

Yours truly,

John Zeger, Chairman
Citizens for Responsible
Community Planning

Hi there. Just thought I would give my 2 cents worth. I attended the open house at City Hall last Friday. I was impressed at the number of people and the interest of those folks. What took me by surprise were the people that approached Michelle and Norm with their great ideas. Where have these people been? (maybe not the greatest ideas but interesting proposals). It is clear there is concern about the safety and appeal of neighborhoods with some of the committee recommendations. I spoke with a couple of long time Kelowna residents and safety of the neighborhood worried them.



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September 7, 2006

FAXED
Sept. 7/06

Norm Letnick
City of Kelowna, Councillor
Chair, Affordable and Special
Needs Housing Task Force
1325 Water Street
Kelowna, BC

Dear Mr. Letnick:

Re: Affordable & Special Needs Housing Workshop

Thank you for the invitation to the above workshop scheduled for September 8th and 9th, 2006. Unfortunately I would only be available for a couple of hours on the Friday morning and could not commit to the two full days due to previous engagements.

However, there are a few ideas which I believe from a market perspective would help in increasing our affordable housing stock in the City of Kelowna. Ideally these could be implemented in a timely basis and without relying on substantial outside government assistance.

1. Elimination of DCC's on all non-strata units below 1,000 square feet for a trial period of three (3) years.
2. Official designation within the OCP for multi-family residences along significant portions of our major urban roads that are within close proximity of town centers, i.e. Springfield, Richter, Ellis, Clement, Gordon, etc.
3. A moratorium of offsite engineering upgrades and demolition/dumping costs with regards to items 1 and 2 above.

✓

4. Relaxation of parking requirements to 1 parking stall per unit, with respect to items 1 and 2 above and elimination of the guest parking requirements. (*note, units would be developed on major bus routes, and lower income families rarely have 1.2 to 1.5 cars for a 1 or 2 bedroom apartment.
5. The City grant an annual tax grant for a five (5) year period, equivalent to the increase in the City's property tax resulting from the creation of new affordable and special needs housing units.
6. The City of Kelowna to lobby the Federal Government for increasing the allowable depreciation on affordable housing and special needs housing units from 4% to 20%.

I congratulate you and the committee on pursuing practical means of providing for the City's affordable housing needs and hope the workshop is a great success.

Should you have any questions, please feel free to contact the undersigned at your convenience.

Sincerely,

ARGUS PROPERTIES LTD.



E.J. (Ted) Callahan
President

eg/dm

cc: Mayor Sharon Shepherd



PLEASANTVALE HOMES SOCIETY

Sponsored by The Rotary Club of Kelowna

KELOWNA, B.C.
CANADA

November 8, 2006

Councillor Norm Letnick, Chair
Affordable Housing Task Force

Dear Councillor Letnick:

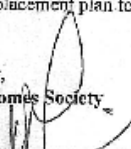
Congratulations on the hard and detailed work completed by your task force.

Pleasantvale Homes Society has provided 50 low cost housing units for Kelowna seniors for fifty years. As a result, we are very familiar with the needs and problems with supplying affordable housing.

We are in support of your task force efforts to find ways to provide more affordable housing for Kelowna residents. In particular, the Pleasantvale Re-development Committee supports recommendation #7, namely "Change OCP to allow a two increment increase in density in return for 75% non-market housing to be built on site.

The Committee and the Society look forward to working with all levels of government in developing a replacement plan for our aging Pleasantvale facility.

Yours very truly,
Pleasantvale Homes Society


Percy Tinker, President



OKANAGAN

I.K. BARBER SCHOOL OF ARTS AND SCIENCES

8 November 2006

Re: Affordable Housing Recommendations

Hi Norm,

I apologize for my delay in response as usual I seem to be constantly trying to catch up with trains that are leaving the station! Anyway I have looked at the document that came from your Task Force and distributed in the local papers, and have thought about some of the issues. I will comment on each of your 8 draft recommendations:

1. Secondary suites. This is one I did a bit of internet research on and the evidence seems to be that legalizing secondary suites does not seem to increase their supply and might even reduce their supply. So the current situation might be the best: the vast majority of them illegal under the zoning by-laws, but with no enforcement of the by-laws from the city. In my neighbourhood secondary suites are not allowed but I would say about 60% of homes have them, maybe even the majority of homes. If they were made legal I doubt if many homeowners would go through the legalization process (have to register as a business, declare income for taxes, declare improvements for property taxes, provide off-street parking, meet building code etc).

Plus there is a bit of a two-edged sword with these suites - homes on MLS etc. with secondary suites (legal or illegal) cost more than homes without them, so they actually raise the cost of housing and reduce the chance of finding an affordable home for some people (those who don't want to have strangers living in their basement!). Of course these people can always buy a home without a suite, but by having suites the average price of homes is actually higher, not lower, and the supply of homes without suites is lower, given the demand, so prices of even these higher than otherwise. Of course the suites provide affordable rental accommodation, and are mortgage helpers for many, so the net effect of them being prevalent is as your Task Force recognizes, to increase the supply of affordable housing for purchasers who can live with another family in a suite in their home and for renters of those suites. But it should be also kept in mind that they perhaps reduce the supply of affordable housing for some others (those that want just a single family home). Even for homes without a suite, when it says on MLS "basement can be easily suited" this raises the selling price.

2. This seems sensible that developers should pay into an affordable housing fund if they want an increase in density over the existing allowable maximums. Paying into a fund (cash in lieu) seems a bit more practical than the developer actually providing the affordable housing themselves in their development. As you say providing affordable housing as part of a for-profit development has seldom occurred in the past and is

unlikely I think to occur in the future. For-profit development are usually targeted at specific market segments (first-time buyer town homes, luxury condominiums, multi-million dollar estate homes etc, and mixed affordable-unaffordable complexes are pretty uncommon e.g. I can't see the developers of Discovery Point or the Lagoons or Park Place could have been persuaded to provide below-market-price units in these towers. The cash in lieu seems more sensible to me. I saw on the news last night Penficton is proposing to allow developers to increase density (in the forms of extra stories/height) if they provide \$15 per square foot of the added floor space into a fund for city provision of parks and affordable housing. Generally I don't think you can depend on the private for-profit development sector to provide affordable below-market-price housing (they might provide affordable market-price units however, e.g. smaller, less luxury, first-time buyer units such as studios, basic town homes etc).

3. This seems useful to me that is businesses providing what is perhaps akin to "affordable company housing" below-market price or rent via a public housing authority. They would own the units and could sell them back to the authority if they no longer need them. Of course as the price of housing escalates they might do this themselves via their own company and outside any public authority in order to attract and house their workers.

4. This seems to me to be the best and most direct way the city can get involved in providing below-market-price or rent housing, via a public housing authority. The \$2 per person per year seems to me to be a bit on the low side to run such a corporation (you would probably need participation of other municipalities at this rate) but the structure as an arm's length not-for-profit developer and manager of affordable rental and owner-occupied housing seems the correct one. It could borrow and seek other funds and land donations etc to build and run these units. Of course there is a costly to administer application and waiting list apparatus to also manage, and owners would be restricted as to their home-equity appreciation to keep the units affordable in perpetuity. Rental rates and selling prices would have to be closely controlled. But I agree if we need more affordable units in the city, it is more likely they will come from such a public not-for-profit corporation than from private for-profit developers.

I think also in this recommendation you should encourage other not-for-profit housing corporations to come into existence or more if they already exist, to increase their activity. I assume there is a active existing not-for-profit housing sector in the city (churches largely I imagine, also other charitable societies?) that provide affordable not-for-profit and co-op housing and ways to encourage these should be explored. I know in Ireland where I used to live there was a massive network of private not-for-profit housing providers and there was an umbrella public housing trust that coordinated or registered all of this activity.

5. I see a good opportunity for the city to sell off portions of the KSS site with the condition that only affordable housing can be build on these portions (would the city have to seek an amendment of the Local Government Act?). These could be market-price rental and owner-occupied units, or below-market-price (sell land below market price and regulate housing sales prices and rental rates in perpetuity).

6. This seems reasonable perhaps there are some public safety issues with having residential units in industrial areas but certainly retail and commercial and some light industrial (welding shops?) might be OK. Housing above stores in the downtown is a no-

brainer, we obviously should have this (some parking issues perhaps). Even some developments that are not above but are within or adjacent to industrial zones might be desirable (e.g. I am thinking of developments like the pre-fabricated housing "College Heights" on Hollywood Road North above Sexsmith and sunn affordable housing within say the development of the Marshall Feed Lot etc).

7. This is good to allow not-for-profits providing affordable housing more latitude in increasing density than private for-profit developers.

8. This is good I am not sure it will work for all new developments e.g. Woodland Hills where the marketing strategy seems to be all multi-million dollar homes. There is still a need not to kill the market for such developments given that if we don't attract the multi-millionaires to Kelowna they will go somewhere else, and if they are going to exist and live somewhere, they might as well be in our community!

Overall then those are my general comments but I am no expert here all I am using is some of the (probably warped!) thinking that results from having taught basic economics for 25 years or so. The bottom line I think is you can't really force for-profit developers to provide non-profit affordable housing, they can provide for-profit affordable market-price housing (smaller, more basic units and should be encouraged to do so), but you should look primarily to the public sector and the not-for-profit private sector (churches etc) to be the main provider and take the lead. So in that way I think the public housing corporation is the best idea, along with encouraging the not-for-profit organizations to increase their provision of non-for-profit and below market price and rent housing.

One final thought you should perhaps mention how the provincial rental subsidies recently announced will likely fit into the overall plan.

Anyway you are doing a great job and the city owes you and your Task Force a debt of gratitude for your efforts so far. Good luck with City Council!

Peter

Peter Wylie
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UDI Response to Affordable and Special Needs Housing Task Force Recommendations

Link back to main report: → [Recommendation 2: New Development – Implementation Steps](#)

Task Force Recommendation 1: Neighbour Helping Neighbour

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

UDI supports this recommendation and further suggests:

- Encourage the creation of secondary suites with the following cautions:
 - Do so only on a fair and equitable basis in relation to the local rental apartment industry that is subject to all market regulatory requirements, fees and impediments to development.
 - Do so only in those areas of the City that do not hold potential for further infill densification. Secondary suites effectively increase the value of their parent property and delay the potential to assemble such property for more meaningful densification through up-zoning and redevelopment.

Task Force Recommendation 2: Partnerships with Developers

What the Development community can do to help achieve more affordable and special needs housing in Kelowna.

UDI does not support the recommendation of the Task Force.

We understand that the goal is to assist with access to having housing for all income levels. However, this Recommendation increases costs significantly on new housing that requires rezoning or a density variance. We cannot support any form of tax, fee, cash in lieu, subsidized sale prices or any other cost to development that, inevitably, must be passed on to the end user as an increase in sale or rental/lease prices.

The long-term negative effects of recommendations that add to the cost of new housing will far outweigh any short-term result. From an economic perspective, it will have the opposite effect to what was intended. Further inflation in the housing market will occur as a result of increased costs, thereby decreasing overall affordability. From a planning perspective, current and long range planning goals will be upset, as recommendations may be welcomed by “green field” development but considered a disincentive for development in urban centres. Desired densification opportunities close to existing services and infrastructure will be missed, while urban sprawl will be inadvertently encouraged as developers supply the housing demand in areas outside of the city.

UDI Recommendations:

1. We agree with the concept of partnerships with developers and suggest the city make city owned land available at little or no cost for the provision of affordable housing. (See Recommendation 4)
2. We support current OCP policy, which encourages density in return for providing affordable housing on a voluntary and case-by-case basis.
3. Revisit the OCP with regard to missed opportunities for multi-family densification along major urban roads near town centres (i.e. Springfield, Richter, Ellis, Clement, Gordon, etc.). Moreover, the OCP should be reviewed to ensure that every piece of property in the City is, realistically, planned for its highest and best use, thereby maximizing its efficiency.
4. Achieve maximum densities by encouraging developers, through the planning and approval process, to optimize allowable FAR.
5. DCC reduction to encourage appropriately targeted affordable housing (i.e. multi family units under 1000 sq.ft.).
6. Provide DCC incentives for non-Strata Titled (rental) units.
7. Reduce or eliminate off-site requirements and other City charges (i.e. dumping/demolition, dewatering, etc) to new development, which voluntarily offers an affordable housing component.
8. In concert with transit goals, relax parking requirements for appropriately targeted/located housing.
9. Property Tax grant(s) for appropriately targeted/located housing.

Prior to the adoption of any recommendation concerning partnerships with developers, we strongly suggest that further discussion with the development community is needed.

Task Force Recommendation 3: Partnerships with Businesses

What the Business Community can do to help achieve more affordable and special needs housing in Kelowna.

UDI supports this recommendation and further suggests:

1. Work together with UDI, CHBA, Chamber of Commerce and Provincial Government to lobby the Federal Government to amend Revenue Canada policy to encourage affordable and/or special needs housing by increasing allowable depreciation and relaxing capital gains requirements etc. for appropriately targeted/located housing.
2. Work together with UDI and all other concerned organizations to lobby the Provincial Government to address and assist with affordability issues in urban centres.

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

UDI supports this recommendation and comments as follows:

1. Affordable (non-market) and special needs housing is an issue for all of us and subsidies in some form are required. This is not, historically or logically, a matter that falls under municipal jurisdiction. However, if there is an obvious and strong desire from the community to address the issue municipally, then funding for such projects should be made available through general taxation, sale of City land, or some other mechanism that does not target one sector of the community.
2. The Housing Corporation should be used to supply rental housing only, not housing for ownership.
3. The targeted end user of the affordable housing created through this Corporation needs to be consistent with the BC Housing definition of those “in need.”

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

UDI supports this recommendation.

- By incorporating the 20% affordable housing within the comprehensive plan ahead of time, the appropriate land value will be reflected in the selling price/s.

UDI further suggests:

- As a test market case, negotiate to have affordable housing constructed either on City owned land or a market development site at the City’s own market cost. If the City can put forth capital in the form of cash or land, we are confident that, for a reasonable return, the local development/construction industry will readily partner with the City on a project to address the targeted need.

Task Force Recommendation 6: Allow Mixed Use in low intensity industrial areas and commercial zones

UDI supports this recommendation as a positive initiative for increasing the supply of alternative housing.

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

As it is understood that this recommendation is specific to Not for Profit Housing Groups, UDI supports the recommendation of the Task Force.

Task Force 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)

UDI supports this recommendation, in principle, but rather than being “required”, a mix of housing units should be “encouraged” wherever appropriate in terms of the development and market demand.

Conclusion

The terms “low income housing” and “affordable housing” often seem to be used interchangeably. We see the two terms, and their solutions, as being very different.

Satisfying demand throughout the market housing spectrum is what we do, and affordability is directly connected with overall supply of market housing. As an industry, we welcome the opportunity to work with the City to find market driven solutions to “affordable housing”.

To help provide information, UDI would be pleased to organize a development tour of new market housing in Kelowna that addresses the housing needs of median income individuals.

“Low income housing,” however, is a very different matter, which, on a social infrastructure level, is clearly and historically the responsibility of the Provincial and Federal Governments.

Therefore, in terms of “low income, special needs, and affordable housing”, we support new incentives and initiatives as outlined in our comments above.



November 9, 2006

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Councillors Norm Letnick and Michelle Rule
Co-Chairs
Affordable and Special Needs Housing Task Force
City of Kelowna
1435 Water Street,
Kelowna, B.C.

Dear Task Force Members:

On behalf of the Kelowna Chamber of Commerce, I want to thank the Affordable and Special Needs Housing Task Force for their efforts to find solutions to the pressing issue of creating affordable housing in Kelowna. The dialogue generated throughout this process has been tremendously productive and has helped to create a greater understanding of the complexities of developing housing in our community. More importantly, it has identified possible solutions to the issue.

The Kelowna Chamber recognizes the expertise of UDI (Kelowna Chapter) in the area of development. This group has provided valuable feedback to the Chamber of Commerce and the Task Force on the proposed recommendations, and it is impressive that consensus has been gained on seven of the eight recommendations. Congratulations to the Task Force and the development community for successfully finding common ground on these recommendations. These seven points, with minor modifications, provide an excellent starting point in creating additional affordable units.

In our discussions, **recommendation #2** was deemed to be contrary to the overall objective of creating additional affordable housing. The primary objective of the task force is to create additional affordable units in Kelowna. It is believed that this recommendation will have a detrimental impact by inadvertently increasing the cost of development.

Many of the issues identified during this process are complex, and the difficulty lies in determining the full ramifications of each of the recommendations. Overall the positive dialogue that has resulted from this initiative has helped to create a better understanding of the intricacies of development in Kelowna.

These initial discussions have, in general terms, generated excellent options to create more affordable housing units. We look forward to reviewing the final recommendations that will be presented to Kelowna City Council, and address any additional concerns as this process continues. As we move forward, it is important to continue the dialogue with the business community to more fully explore the ramifications of these recommendations prior to implementation.

Certainly, as a community, we don't want to inadvertently implement recommendations that would deter development in Kelowna. This could lead to a decrease in the overall supply and the number of affordable units created. To be truly successful, the solutions should be market driven and focused on providing incentives to create affordable units.

Sincerely,

A handwritten signature in black ink, appearing to read 'K Crookes', with a stylized, flowing script.

Kevin Crookes, President
Kelowna Chamber of Commerce

c.c. Kelowna City Council

M. (Matthew) Barlow & W. J. (Jim) Cooke
604 & 548 Francis Avenue
Kelowna, B. C.
V1Y 5G3

City of Kelowna
1435 Water Street,
Kelowna, B. C.,
V1Y 1J4

3 November 2006

Attention: Mr. Norm Letnick
Chair, Affordable & Special Needs Task Force

Dear Mr. Letnick,

Further to our discussions during the Open House on Friday the 3rd November 2006, we would like to confirm a number of thoughts connected with the Task Force recommendations planned for presentation to City Council on 20 November 2006. Also, we wish to submit the completed surveys handed out at the Open House.

Our experience indicates that owners of rental accommodation in condominiums and individual homes or suites particularly in our neighborhood have not acted in the best interests of the neighborhood. Additionally, they are nonresident and their objective is financial gain only. Even though bylaws exist for building and occupancy control, an illegal "four dwelling" rental structure is being operated on our street. We note also from your information sheet, the number of illegal suites are significant and as well, there is little fear by the owners in listing them on MLS. This leads us to believe enforcement of the bylaws and building codes has not been achieved and there is little to no fear by the owners of neighborhood or legal consequences. Our further experience is that the suites and rental houses lead to conditions of excessive occupancy, excessive parking on the street, unacceptable noise levels at night and unacceptable danger to adults and children particularly on weekends and holidays.

Recommendation No. 1

Even though the nine (9) conditions as listed appear credible, there should be no blanket coverage for rental suites. Rather, selective coverage should prevail as it does now, and an effort should be made instead to establish a Kelowna Housing Corporation as in Recommendation No. 4. Additionally, we have no confidence that any existing or new bylaws will be enforced even though good intentions are expected. We believe therefore both Alternatives 1 & 2 will lead to proliferation of the conditions noted above and we are strongly opposed to both Alternatives.

Recommendations No. 2

Knowledge of your Task Force was not apparent to us until the morning of 3rd November 2006 even though we are diligent readers of two local news papers and as well listeners to one local radio station. Little time was therefore provided in your required schedule for us to study the reasoning and future effects of this recommendation by the 6 November 2006. Consequently we cannot support it at this time.

Recommendation No. 3

As in No. 2 above, little time was provided to investigate this recommendation, however the principle of a Housing Corporation has merit. We therefore can agree with this recommendation.

Recommendation No. 4

We strongly support the formation of a Kelowna Housing Corporation and we would gladly contribute to its' formation and continued success.

Recommendation No. 5

We support the principle and your vision for the KSS site, and also we believe the direction taken on the KSS site should be one of the Housing Corporation's first projects. We therefore agree with this recommendation, however the development process should lean heavily on successful models in other cities and communities before a plan is selected.

Recommendation No. 6

We support the principle of allowing mixed use in low intensity industrial areas and commercial zones.

Recommendation No. 7

As in No. 2 above, little time was provided to investigate this recommendation. We therefore must disagree with it at this time.

Recommendation No. 8

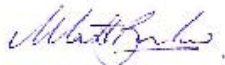
This recommendation has the ring of the same issues noted in Recommendation No. 1 above. Also, as in No. 2, little time was provided for investigation. Consequently we must disagree with it.

Our general comment is that a long term vision for the City of Kelowna and its focus is not well considered in the Task Force's recommendations. Additionally, it is not apparent there is coordination amongst the mandates of other Task Forces such as the one considering redevelopment of Rutland, and it is also not clear that infrastructure issues have been considered. Also, we see a need by the Task Force to redefine "affordable housing" particularly in the wake of rising wages as a result of recent supply/demand pressures on the local economy.

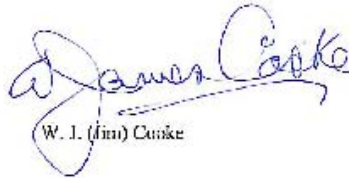
You will note we have signed each of our two survey sheets and provided our addresses since we believe there should be identification of those who are property owners or rental property owners and those who are non-property owners particularly if differing weights are given to them by the Task Force.

We hope these views are helpful and that they are seriously considered by your Task Force.

Regards



M. (Matthew) Barlow



W. J. (Jim) Cooke

Copy to: Ms. Sharon Shepherd
Mayor

Appendix 5 - Implementation Chart for Task Force Recommendations [text link](#) → Task Force Recommendations:

Department Implementation Responsibility: **CDRE** / Staff: CPM(TE); SPM(New Position);

Clerk's / Legal Advice

2007/2008 Timeline →	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D
Recommendation & Corresponding Action ↓																								
Recommendation 1: For rezoning to allow secondary suites anywhere a house is permitted without a public hearing subject to conditions Action: Make necessary zone changes: <i>Process would include a public hearing of City Council with City-wide notification through newspaper advertisements & web page notices.</i>																								
1.1 New definition for "suite in house/existing building"																								
1.2 Requirement for business licence																								
1.3 Design criteria (in zoning by-law or separately TBD)																								
1.4 Change parking requirements if necessary																								
2.0 Create procedure manual for rezoning without public hearing for suite in house, including requirement for abutting neighbours input																								
Recommendation 2:																								
1. Obtain land economist consultant's report on economics of this recommendation including the costs to development applications and recommending appropriate cash-in-lieu calculations.																								
2. City staff to investigate a number of other development-related strategies on behalf of the Task Force and report back to City Council.																								
3. Prepare and take forward any necessary amendments to the OCP and/or other by-laws, including necessary public notification, consultation with the development community and required public hearing resulting from the findings of 1 and 2, above.																								

Planning / Staff: SB, GS, SG others?

Consultant – economic analysis

Finance / Staff: PM, KG, others?

Housing Corporation

Public Works / **Environment/Transportation;**

[illegible]

Department Implementation Responsibility: CDRE / Staff: CPM(TE); SPM(New Position); Planning / Staff: SB, GS, SG others? Finance / Staff: PM, KG, others? Public Works / Environment/Transportation; Consultant – economic analysis Housing Corporation	Clerk's / Legal Advice
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Appendix 6 Matrix of Selected Housing Strategies in Other Jurisdictions:

Report links: (Task Force Recommendations:) (**Recommendation 4: Create a not-for-profit Kelowna Housing Corporation**)

Other Jurisdictions	A Selection of Housing Strategies	Implementation
Abbotsford	<ul style="list-style-type: none"> 2nd suites permitted in most zones (took 4 years) 	<ul style="list-style-type: none"> Some neighbourhoods have developed into 100% sec suites areas due to cultural influences New subdivisions have a limit of 50% sec suites
Burnaby	<ul style="list-style-type: none"> Density Bonus Program 	<ul style="list-style-type: none"> Take-up of the density bonus opportunity by developers has been enthusiastic; since the policy was adopted, 18 developments have received increased density in return for providing community benefits worth a total value of approximately \$16.4 million.
Chilliwack	<ul style="list-style-type: none"> Densification of Downtown Coach houses in some zones today and looking at expanding zones 	<ul style="list-style-type: none">
Coquitlam	<ul style="list-style-type: none"> Going through a similar process as us with draft strategies slated for consideration in the Fall. Strategies will include a provision for 5-10% non-market housing as amenity in all developments or cash in lieu. 	<ul style="list-style-type: none">
Langford	<ul style="list-style-type: none"> provide 1/10 lots subdivided as an affordable house (10% gross floor area or one out of each 10 units) contribute \$2,000 to City Park fund for every lot above a full increment of 10 units contribute \$1,250/ground oriented unit and \$750/all other units in multi-family developments to City Park fund sell each affordable house for \$150,000 register a housing agreement which restricts resale of the property provide minimum 25% of land being rezoned to the City as open space Secondary suites everywhere except small lot homes (since 1999) almost all issues had to do with parking – once parking was off street 90% of issues were solved Other initiatives include: Small Lot Intensive Residential Developments; Streamlined Development Approvals; Subsidies to social and seniors' housing developments (waiving taxes and DCCs) 	<ul style="list-style-type: none"> Since policy adoption March 2004, 9 properties have been rezoned which will provide a total of 32 affordable housing units, the first of which was ready for occupancy in October 2005 Based on a market value of \$250,000 per lot and house, these 32 houses will have a market value of \$8,000,000, but are sold for a total of \$4,800,000. The Affordable Housing Policy complements other housing strategies in the region This is just Council's policy. You don't need authority to enact policies, as they are not enforceable like bylaws. The contribution comes at the time of rezoning, and rather than being a DCC, the contributions (both the cash and the house) are written into the bylaw for small lot single family homes (as this is the only type of housing that has so far contributed via the policy) as a density bonus. Therefore, if you don't contribute according to the policy, the density in the zone is 1 house per 550 m2. If you do contribute per the policy, the density is 1 lot per 300 m2. Part 26 of the LGA allows Council's to trade density for public amenity. A cash contribution to a general amenity reserve fund, and the creation of affordable houses are considered acceptable public amenities.

Other Jurisdictions	A Selection of Housing Strategies	Implementation
Maple Ridge	<ul style="list-style-type: none"> 2nd suites everywhere except very small lots 	<ul style="list-style-type: none">
Kamloops	<ul style="list-style-type: none"> (draft) Policy 2.6 encourages developers of large-scale housing projects (over 20 units) to provide an additional 5% of units as affordable or rent geared to income dwelling units through a density bonus over and above the density allowed under existing zoning. Affordable housing units provided through density bonusing will be: <ul style="list-style-type: none"> Exempt from development cost charges in accordance with Section 933 (12) of the Local Government Act; and Subject to a housing agreement with the City of Kamloops The City will encourage developers to set up rental agreements with non-profit housing providers to manage the 5% affordable housing units on a rent geared to income basis. Annual allocation of \$50,000 to the Affordable Housing Reserve Fund to support appropriate affordable housing projects Continue to encourage the use of Development Vairance Permits to allow secondary kitchens for aged, disabled, or immediate family members; Encourage the rezoning of proposed and existing neighbourhoods to allow secondary suites where they can be sensitively integrated; and Continue a limited enforcement procedure for illegal suite complaints. 	<ul style="list-style-type: none"> Existing low income housing on City owned land all managed by non-profit housing societies. Portion of the proceeds of the sale of market units on City owned land goes into the housing reserve fund <ul style="list-style-type: none"> Senior levels of government will continue to be the prime source of funding to address issues of homelessness and housing affordability City's role is to assist in the timely processing of DPs and to partner with non-profits who will continue to initiate the construction of and be responsible for the ongoing management and maintenance of affordable housing projects. Partnerships with the city will be on the basis of exempting DCCs for not for profit rental housing in accordance with Section 933 (12) of the local government act; consider waiving building permit fees; making city-owned land available either at market value or below market value; supporting variances for innovative housing types; direct cash contributions; or a combination of any of these.
Nanaimo	<ul style="list-style-type: none"> 60 yr lease on land @ 75% Of market value (with prov or feds) 6 mths ago legalized sec suites throughout city (off street parking) currently looking at a \$500 fee per new unit to go toward affordable housing 	<ul style="list-style-type: none"> land market wasn't hot enough in the past to use density bonusing
North Vancouver	<ul style="list-style-type: none"> density bonuses and transfers beyond ocp in exchange for cash which they give to non-profits or to offset dcc's on non-market housing partnering with other non-profits to purchase market housing under threat of demolition secondary suites are permitted throughout the city 	<ul style="list-style-type: none"> after initial fears all is okay, they insist that the principle residence is owner occupied and off street parking. The suites are in the community – why make criminals of homeowners. Estimates 25% of single family homes have legal or illegal suites
Port Coquitlam	<ul style="list-style-type: none"> secondary suites in all single family areas, enforce code only upon a complaint -\$5700 per door for any density bonused units 	<ul style="list-style-type: none">

Other Jurisdictions	A Selection of Housing Strategies	Implementation
Prince George	<ul style="list-style-type: none"> secondary suites in all single family neighbourhoods The City will encourage developers to make a percentage of all new housing units or lots available for affordable and/or special needs housing. The City will continue to make city land available for affordable and/or special needs housing development at a lower cost than to the private market. 	<ul style="list-style-type: none"> little price pressure compared to the rest of province follow up on a couple dozen complaints a year doesn't think people zoning is legal (requiring homes to be owner occupied) but perhaps as a business licence you can have more control
Squamish	<ul style="list-style-type: none"> Bringing in policy for units or cash in lieu on new developments but for now they are negotiating with each applicant 	<ul style="list-style-type: none">
Surrey	<ul style="list-style-type: none"> No bonusing for density Rezoning 'only' takes 5-6 months Secondary suites in some zones (not all) but they have a policy of 'live and let live' with 12-14,000 suites in Surrey (less than 1000 legal) 	<ul style="list-style-type: none"> Population increasing 10,000 – 12,000/year Use to charge \$750/new unit from developers and stopped a few years ago. They used the 8million dollar fund for forgivable 2nd mortgages (people with income 10% below average and first time buyers) and now they are targeting homelessness with it.
Vancouver	<ul style="list-style-type: none"> 20% of the units in new neighbourhoods be designated for non-market housing, with a priority for core-need homes 	<ul style="list-style-type: none"> Managed through a Housing Resource Centre with staffing funded by the City. Units in 20% inventory are managed by non-profit housing societies. City owns, operates, or has leased land for over 7,500 units of social housing one-third of all social housing in the City is now on City-owned land. (total social units is 20,000) operates 770 units of social housing
Whistler	<ul style="list-style-type: none"> Does not have minimum requirements in the OCP, but encourages employee-oriented housing in certain areas. Built a housing reserve fund of \$6.5 million from developer contributions in lieu of providing affordable employee housing between 97 and 02; fund has earned over \$400,000 in interest; proceeds from the sale of units in projects are also added to the fund As of 2001 most of the fund had been expended by purchasing land and buildings for affordable housing. 	<ul style="list-style-type: none"> The municipality, through its wholly owned subsidiary, the Whistler Housing Authority (WHA), manages resident housing throughout the valley Manages an inventory of employee restricted housing. Rents and prices for employee housing also controlled. Run by a council-appointed Board WHA has 2 staff and is partially funded out of the housing reserve fund, plus relies on planning staff for other resources. Created 144 units/330 beds for employees between 97 and 02 that are managed by the Authority and considered affordable.
West Vancouver	<ul style="list-style-type: none"> Limited success with seniors coop (1980) – provided land at market value based on current zoning and then approved of their up zoning application. Units at 75% of market. Allow secondary suites only for in laws 	<ul style="list-style-type: none"> Illegal suites are policed only on complaint while the person who wants a legal suite is turned away unless the suite is for an in-law.

Other Jurisdictions	A Selection of Housing Strategies	Implementation
Penticton	<p>Reviewing its affordable housing direction now. Considering the following actions:</p> <ul style="list-style-type: none"> • Establishing a housing reserve fund • Partnerships with non-profits to achieve core needs housing; including providing grants • Density bonusing: Looking at designating 12 to 15 sites where highrises of up to 15 storeys would be permitted on the basis of rezoning; mostly in C2 zoned areas, currently limited to 3 storeys and an FAR of 1.2 to 1.5 & increasing the FAR to 2 or 2.2 with the 15 storey height limit 	Only at the policy development and research stage.
Vernon	<ul style="list-style-type: none"> • Closely following the Kelowna examples and the work of the Task Force • Examining ways to increase permission for secondary suites • Conducted a survey and will present the report of findings to Council in November 2006 	
Toronto	<ul style="list-style-type: none"> • Large residential developments provide an opportunity to achieve a mix of housing in terms of types and affordability. On large sites, generally greater than 5 hectares in size: • A minimum of 30 % of the new housing units will be in forms other than single-detached and semi-detached houses, such as row housing, triplexes and multi-unit residential buildings; and • A minimum of 20% of the new housing units must be affordable where additional height and/or density may be permitted, in accordance with Section 5.1.1 of this Plan. 	New policy. No evidence of implementation.
Guelph	<ul style="list-style-type: none"> • 7.2.2 The City shall encourage and assist, where possible, in the production of an adequate supply and mix of affordable housing by: • c) Encouraging the provision of affordable housing in plans of subdivision that are designed for moderate and lower income households, and, more particularly, for large subdivisions requiring this housing form to be provided to a minimum 25% of the total potential units. 	<ul style="list-style-type: none"> • No definition of affordable housing and no evidence of implementation.
Pickering	<ul style="list-style-type: none"> • "require that a minimum 25% of new residential construction, on a City-wide basis, be of forms that would be affordable to households of low or moderate income, reflecting affordable housing forms identified in Appendix I- Quality of Life Indicators and Performance Targets." 	<ul style="list-style-type: none"> • Not really enforced or implemented, according to staff.

Other Jurisdictions	A Selection of Housing Strategies	Implementation
Cambridge	<ul style="list-style-type: none"> • (re: maximum net residential densities (units/ha) in specific areas) Notwithstanding Policy 9.2.2.3, the City may consider increasing the maximum densities where the proposed development meets the compatibility policies outlined in 9.1.4 of this plan, the location criteria for multi-unit residential development outlined in policy 9.1.5 and one or more of the following objectives: • at least 30% of the residential units will be affordable housing; • (other opportunities to density bonus include heritage preservation or enhancement; removal of incompatible land uses; and provision of amenities including child day care, public open space or recreational facilities accessible to the public that council considers beneficial to the community) • 9.3.2.5 (referencing a policy that provides a maximum density for specific residential districts) Notwithstanding Policy 9.3.2.3, the City may consider increasing the maximum density in the Residential Districts (providing density bonuses) where the proposed development meets the compatibility policies outlined in Policy 9.1.4 of this plan, the location criteria for multi-unit residential development outlined in Policy 9.1.5 and one or more of the following objectives: • a) at least 30% of the residential units will be affordable housing; 	<ul style="list-style-type: none"> • So far have used policy to grant a density bonus in return for a block of land that will be used for affordable housing. • The City may require the owner of the property on which the density bonus is being considered to enter into one or more agreements with the City (which may be registered against the title of the affected property) specifying the terms under which the density bonus will be granted.
Peel Region	<ul style="list-style-type: none"> • Has developed an entity know as PATH – Peel Access to Housing and also has a Housing Policy Section with 5 staff • Administers programs including rental assistance (provincial funds), a housing corporation (Peel Living), information for housing providers; and assisting people to access social housing regardless of which level of government funds the housing. • Applicants for subsidized housing increased from 5,000 to 14,700 between 1995 and 2006 • View housing as a community asset 	<ul style="list-style-type: none"> • Peel added a total of 367 permanent and transitional units to the housing portfolio between 2003 & 2005; • another 465 units are being developed and planned for completion starting in 2007

Other Jurisdictions	A Selection of Housing Strategies	Implementation
California	<ul style="list-style-type: none"> • State Department of Housing & Community Development (HCD)– requires local governments to have policies requiring affordable housing / details determined at local level – examples Irvine and Orange Counties • State requires mandatory and optional requirements in zoning and subdivision ordinances for inclusion of lower-income housing • In Orange Country a lawsuit challenging the County's failure to comply with state legislation on affordable housing led to the adoption of inclusionary housing policy in 1979 • Power to hold up building permits until housing element is addressed • 1983, stance of HCD was modified. 25% density bonus was offered to developers in return for provision of 25% affordable housing; alternative cash in lieu, land dedications and off-site compliance were also available • in 1990s, State (HCD) identified a concern with the impact on IH policies on the supply of housing, as a form of government intervention • in response to the pressures of developers, municipalities offered benefits in return for inclusion of affordable housing, including density bonuses, waiving or deferral of payment of development fees, reduced parking, regulatory or design requirements; favourable financing also was available • most programs require 10 to 15% of units to be affordable. • Low income is defined as 50-80% of median income and moderate is defined as 80 to 100% of median income • Time requirements for affordability range from 10 years to permanent with 30 years being the average requirement. 	<ul style="list-style-type: none"> • By '92, housing prices were 190% of those elsewhere in the country • Problem with state law is that it includes the regulatory requirements but has no mechanism to ensure implementation, so results are limited. • Petaluma & Davis awarded points to projects featuring affordable housing that allotted priority in issuance of building permits • In Irvine a law suit arising from the rezoning of over 2,000 ac. Of land for industrial purpose resulted in a requirement for the industry applying for the zone change to provide 700 units of affordable housing. In return the City paid a significant portion of the infrastructure costs. • Recognition of affordable housing crisis helped to bring about 30 local areas to adopting inclusionary housing regulations • In a depressed development market, developers can successfully contest inclusionary regulations and argue that without further financial assistance, relaxation of requirements does not help them achieve projects. In a positive market, affordable units can be provided on this basis • Average project size is 10 units and size varies up to 100 units. • About \$21.4 million has been collected across the State under cash-in-lieu provisions. In lieu fees range from \$600 to \$36,000 per unit based on market value to developer of being relieved from requirements for provision of affordable units • Preference has been to provide for moderate income households not low income; 87% were owner occupied units

Other Jurisdictions	A Selection of Housing Strategies	Implementation
<p>Carlsbad</p>	<ul style="list-style-type: none"> • Example of City under State requirements for affordable housing • Adopted inclusionary housing ordinance in 1993 & updated it in 2000 • 15% of all residential units in any master plan, specific plan or residential subdivision must be for affordable to lower income households / has 4 classes of low income • housing costs are based on 30% of income • provided cash in lieu option to projects of fewer than 6 units to at \$4,515 per market housing unit • requires housing impact fee of \$2,925 per market housing units approved prior to discretionary approval in 1993, paid at building permit • requirements for inclusionary housing units applies to all residential projects of 7 or more units • inclusionary units must be located close to services like transit, employment etc. • Design of inclusionary units must be consistent with design of total project • Rental units are restricted for 55 years; owner occupied units are subject to a resale restriction of 30 years • Incentives in return for inclusionary units include a density bonus of one market unit for each affordable unit provided • Alternatives to providing the units include providing other forms of affordable or special needs housing 	<ul style="list-style-type: none"> • Several low income housing projects are listed on the City's web page: http://www.carlsbadca.gov/housing/index.html <p>There is a housing commission, Housing and Redevelopment Department at the City described as follows:</p> <p>oversees and administers: Section 8 Rental Assistance Program, CDBG/HOME Programs; affordable housing projects Citywide; and redevelopment projects within the Village Redevelopment area.</p> <p>The Department is comprised of a team of dedicated individuals committed to delivering the very best in customer service.</p>

Other Jurisdictions	A Selection of Housing Strategies	Implementation
<p>Montgomery County</p>	<p>Moderately Priced Dwelling Unit (MPDU) Program (pop'n of County 875,000)</p> <ul style="list-style-type: none"> • approved in 1973 & required 15% of all units in new subdivisions of 50 or more lots to be affordable to low or moderate income households; subdivision density could then be increased by 20%; legislation vetoed then finally approved Jan '74; first units available '76 • 1/3rd of the lower priced units to be managed by County Housing Opportunities Commission • today law requires that 12.5 to 15% of all units in subdivisions of 50 units or more or in high rise apartment buildings to be affordable. This is determined based on the density bonus that can be provided – up to 22% • units managed by MPDU must be owner-occupied and occupancy is controlled for 10 years; when unit is sold at market price, County gets half the profit from the sale. • Units bought & managed by HOC or non-profits are rental & rent control lasts for 20 years • Alternative of providing affordable units elsewhere or making contribution to Housing Initiative Fund is available but discouraged & has only been used 3 times. • The median price of a new single-family detached home in the County in 2000 was \$364,000, and the median price for a new single-family townhouse was \$212,000. The average turnover rent in April 2000 for a market-rate, two-bedroom apartment was \$945. • Also has comprehensive housing policy and other funds for a variety of purposes: e.g. repairs, homeowner assistance; live near work program • 3 neighbouring counties are now replicating the program 	<ul style="list-style-type: none"> • over 10,000 moderately priced dwelling units over 25 years ; from 76 to 99; 7,637 owner units and 2,958 rental units, total 10,595 units • In addition, Housing Initiative Fund has created or rehabilitated a total of 3,500 units • has Department of Housing & Community Affairs & County Housing Opportunities Commission (HOC) that manages low income units • MPDU program markets units to renters and first-time home buyers with incomes ranging from under \$16,000 up to \$49,000 for families of 5 or more people • average MPDU purchaser had an income of \$27,754 in 1996. The median income of a 4-person family living in Washington Metropolitan area in 1996 is \$68,300. Households having an income at or below approximately 65 % of the area's median income, adjusted by family size, qualify for the program • units range in price from \$85,000 for a 2 bedroom condominium to approximately \$135,000 for a 3 bedroom detached house with a basement and garage. • HOC manages units it purchases from the program as rental units. Nonprofit housing societies can also purchase units. Tenant incomes range from below \$10,000 to \$36,150 which is approximately 50% of the area's median income. The HOC has a waiting list of approximately 8,000 households and currently owns more than 1,600 MPDUs. Nonprofit housing sponsors have purchased approximately 85 MPDUs since 1989. • MPDU office funded by the County& has 5 staff & annual operating budget of \$400,000

Other Jurisdictions	A Selection of Housing Strategies	Implementation
New Jersey	<ul style="list-style-type: none"> • 1983 Mount Laurel II decision led to state level requirements for local municipalities to address inclusive housing policy; based on one specific suburban area, but found that zoning was being used to exclude low and moderate income households in violation of the state constitution; court determined that municipalities had a legal obligation to provide their fair share of low to moderate income housing opportunities; recommended lower income density bonuses and "mandatory set asides" • developers and builders brought 90 suits against 70 municipalities for not having the mechanism in place for them to benefit from density bonuses in return for affordable housing. They indicated a willingness to provide 20% low or moderate income housing in developments • moderate income would be 50 to 80% of median income; low income was defined as households making less than 50% of median income • State formed Council on Affordable Housing (COAH) which develop standard regulations that could be used by local municipalities, however the "one size fits all" approach was not really viable • Through COAH, State could provide protection from lawsuits from developers to municipalities if mandatory policies and regulations for affordable housing were in place • 	<ul style="list-style-type: none"> • by 1988 12,000 units were produced state-wide • preference for moderate income units over low income • in the 1980s 87% of units were owner-occupied as opposed to rental. • Not much produced for those earning less than 40% of the median income • Availability of federal low income tax credit for building rentals resulted in more rentals being built / opinions says they would not have been built at all without the mandatory inclusionary policy (Calavita) • Main benefactors of the program were families from suburbia (their children) doctors, government workers, teachers, etc./ original objectives of racial and economic integration were not met • Smaller scale developments seen as one effect of the policies / lower costs to the developer • Overbuilt starter homes; in the 90s, demand for larger sf homes meant that land was being downzoned and relief from inclusionary zoning was sought / cash in lieu was available and there was a mechanism for a suburban municipality to contribute to the housing fund of a more urban municipality.= Regional Contribution Agreements (RCAs) = \$20,000/unit, greater than the cost of providing the units