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**CITY OF KELOWNA**  
**MEMORANDUM**

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**DATE:** January 18, 2007  
**FILE NO.:** Z05-0052

**TO:** City Manager

**FROM:** Planning & Development Services Department

APPLICATION NO. Z05-0052                      OWNER:        CERCO DEVELOPMENTS LTD.

AT:    955 – 1005 LEON AVENUE              APPLICANT: AS ABOVE

PURPOSE:                      TO SEEK AUTHORIZATION FOR THE CITY OF KELOWNA TO ENTER INTO A HOUSING AGREEMENT WITH CERCO DEVELOPMENTS LTD.

EXISTING ZONE:        RU6 – TWO DWELLING HOUSING

PROPOSED ZONE:    RM5 – MEDIUM DENSITY MULTIPLE HOUSING

REPORT PREPARED BY:    PAUL McVEY

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1.0    RECOMMENDATION

THAT Council forward Bylaw No. 9727, authorizing a Housing Agreement between the City of Kelowna and Cerco Developments Ltd. which requires the owners to designate a total of 7 units for affordable rental housing on Lot A, DL 138, O.D.Y.D., Plan KAP82339, for consideration.

2.0    SUMMARY

The applicant proposes to develop the subject properties with a 144 residential unit comprehensive apartment development. The applicant has made application to rezone the properties to the RM5 – Medium Density Multiple Housing zone, which is consistent with the Official Community Plan designation for the site. There have been applications made for a Development Variance Permit, in addition to the Rezoning and Development Permit applications, as the applicant is proposing an increase in building height from 4 storeys permitted to a maximum of 7 storeys for a portion of the proposed apartment development.

The applicant has proposed to operate this development as rental accommodation. As part of the development proposal, the applicant is seeking a density bonus to the RM5 – Medium Density Multiple Housing zone by providing parking under the building, and by entering into a housing agreement to provide for affordable (special needs) housing.

After a Public Hearing held on February 7, 2006, Council advanced the rezoning application to 3<sup>rd</sup> reading with final adoption pending Council approval of a Development Permit, a Development Variance Permit, and the final completion of the requirements

identified by the Works and Utilities Department. At the Public Hearing, the applicant indicated a desire to provide affordable rental housing units on the site as a condition of attaining a density bonus pursuant to section 6.9 of zoning bylaw 8000.

The density bonus 0.10 FAR allows an increase of 910 m<sup>2</sup>. The applicant has committed to providing 50% of this increased building area as affordable housing, which has resulted in the provision of 7 affordable rental housing units.

Staff will arrange to have Council consideration of the Development Permit, Development Variance Permit, Housing Agreement, and the Zone Amending Bylaw to occur at the same meeting.

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Shelley Gambacort  
Acting Manager of Development Services

Approved for inclusion

Mary Pynenburg, MRAIC MCIP  
Director of Planning & Development Services

PMc/pmc  
Attach.