
City of Kelowna

MEMORANDUM

DATE: February 7, 2007
FILE: OCP06-0016
TO: City Manager
FROM: Community Planning Manager
RE: Proposed OCP Amendment OCP06-0016 to Housing Policies

REPORT PREPARED BY: Theresa Eichler, Community Planning Manager

RECOMMENDATION:

THAT changes outlined in the report of the Community Development & Real Estate Division dated January 31, 2007 to OCP Bylaw Text Amendment No. OCP06-0016 to amend *Kelowna 2020* – Official Community Plan Bylaw No. 7600 by adding a new policy 8.1.32 – **Higher Density for Affordable Housing** and by renumbering the existing 8.1.32, and subsequent policies, be authorized by Council and that Bylaw No. 9648 be considered for amendment at first reading;

AND THAT Council considers the public consultation conducted through the Affordable and Special Needs Task Force and related activities to be sufficient for the purposes of Section 879 of the *Local Government Act*;

AND THAT the OCP By-law Amendment No. OCP 9648, as amended, be forwarded to a public hearing for further consideration.

PURPOSE:

Council considered this draft amendment in an earlier form at its meeting of July 24, 2006. Initially the amendment was prepared to enable partnerships to achieve affordable housing in situations where a project features 100% affordable and/or core needs housing and an OCP amendment is required to increase the residential density. The following direction was given by Council:

At the Regular Meeting of Monday, July 24, 2006, Council adopted a resolution advancing the subject application to Public Hearing. This will confirm that the OCP amending bylaw subsequently was given first reading at a Regular Meeting held at 1:30 p.m. on Tuesday, August 8, 2006. The bylaw will not be scheduled to a Public Hearing date until the proposed amendment has been reviewed by the Affordable and Special Needs Housing Task Force.

REPORT:

The proposed amendment subsequently became part of the work of the Affordable and Special Needs Housing Task Force. The concept of considering OCP amendments to increase density in situations involving development that primarily consists of affordable housing received significant support at the September workshop with housing stakeholders held by the Task Force. It was

also well supported during the public open houses and consultation with the development community by the Task Force.

However, change to the intended wording of the policy was recommended as part of this consultation. The change was to apply the policy to situations where at least 75%, instead of 100% of the housing was to be affordable and/or core needs, in conformity with the City's definitions. The rationale included a desire to mix developments and to enable some revenue from market housing within an affordable and/or core needs housing proposal. Another change was recommended to remove a specific height restriction in order to increase flexibility in considering future situations where significant senior government or other funding may be contemplated. Height of buildings in such proposals would still need to be considered in the context of the surrounding area and all design measures to ensure the development would be properly serviced and integrated into the community would continue to be taken.

Servicing needs of any development that rezones and re-designates a property to allow a higher density must be addressed as part of the development process, both in terms of servicing the proposed development and the impact on servicing plans for the community. At this point, the proposed amendment would create a process for considering such applications, but does not in itself have any effect on servicing. The Local Government Act under Section 882(3) requires amendments to the OCP to indicate whether there is an impact on the City's Financial Plan or Waste Management Plan. In itself, this amendment will not affect either of these plans. Any effects of new development would be determined on an individual basis at the time of application to the City.

The previous rationale for moving forward with this amendment still applies, as follows:

The City has entertained numerous development proposals for housing that exceed the current OCP designation and require OCP amendments to allow greater density. Policy 8.1.31 in the OCP requires that such applications address affordable housing, and a number of other requirements, in order to be supportable. Some of these applications have been approved without addressing the need for affordable housing.

When the City is a partner involving land, it needs to act in a consistent manner with OCP policy direction. Even when a project may feature urgently-needed affordable and/or core needs dwellings, staff cannot offer support if the OCP requirements cannot be met. This situation has been experienced more than once when land assets are under review for their potential to provide affordable housing. When trying to ensure that the City can qualify for limited senior government funding for affordable housing by demonstrating partnership with land or other forms of cooperation, policy direction is needed in order to facilitate the partnership and secure the funding.

Staff has met and reviewed situations where proposals involving affordable housing included City-owned land and derived a scenario that should be workable in terms of both allowing the housing to go ahead, subject to OCP amendment to increase density, while also ensuring minimal impact of increased density on the surrounding neighbourhood. The qualifying pre-requisite would be that the proposal consist of 75% affordable or core needs housing, as defined in the OCP (8.1.16 and 8.1.17). This can include but does not have to be limited to City-owned land.

Suggested wording for the policy would be as follows, (the draft By-law 9648 to introduce the amendment is attached):

The City of Kelowna will

8.1.32 Higher Density for Affordable Housing: *Consider support for development of land involving an OCP amendment to increase the density by no more than two increments to a maximum density designation of Multiple Unit Residential (Medium Density) for proposals where 75 % of the housing meets the City's definition of affordable housing and/or core needs housing as defined in the OCP (8.1.16 & 8.1.17). The development must meet the following conditions:*

- *the density of the development can be sensitively integrated into the surrounding neighbourhood;*
- *where a lot line abuts a lower density residential land use designation, buildings facing this lot line within the development shall be stepped back such that there is no more than a one-storey height gain between these building frontages and the height permitted within land uses assigned to adjacent parcels; and*
- *height must be determined by the City as appropriate within the context of the adjacent land use designations; and*
- *supporting infrastructure and park land is sufficient to accommodate the proposed development (or the developer is prepared to upgrade the necessary infrastructure and park land); and*
- *a housing agreement must be entered into with the City and registered on title to secure the affordable dwellings for the long term.*

Existing policy 8.1.32 would need to be re-numbered to 8.1.33 and renumbering of all the subsequent housing policies would also be necessary. The suggested changes will need to be advanced to a public hearing if Council is willing to proceed.

Theresa Eichler
Community Planning Manager

Approved for Inclusion

David L. Shipclark
Director of Corporate Services

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CITY OF KELOWNA

BYLAW NO. 9648

Official Community Plan Amendment No. OCP06-0016 Adds new policy to Chapter 8 – Housing

AND WHEREAS Council wishes to adopt a text amendment adding a new policy to Bylaw No. 7600 *Kelowna 2020 – Official Community Plan*;

AND WHEREAS Council may adopt an official community plan by bylaw and each reading of the bylaw must receive an affirmative vote of a majority of all members of Council;

AND WHEREAS after first reading of the bylaw and before third reading of the bylaw, Council held a public hearing on the proposed amendment to the official community plan in accordance with Sections 890 through 894 of the *Local Government Act*;

NOW THEREFORE the Municipal Council of the City of Kelowna, in open meeting assembled, enacts as follows:

1. THAT **Chapter 8 – Housing** be amended by :

(a) Adding a new policy 8.1.32 – **Higher Density for Affordable Housing**:

“.32**Higher Density for Affordable Housing**: Consider support for development of land involving an OCP amendment to increase the density by no more than two increments to a maximum density designation of Multiple Unit Residential (Medium Density) for proposals where 75 % of the housing meets the City's definition of affordable housing and/or core needs housing as defined in the OCP (8.1.16 & 8.1.17). The development must meet the following conditions:

- the density of the development can be sensitively integrated into the surrounding neighbourhood;
- where a lot line abuts a lower density residential land use designation, buildings facing this lot line within the development shall be stepped back such that there is no more than a one-storey height gain between these building frontages and the height permitted within land uses assigned to adjacent parcels; and
- height must be determined by the City as appropriate within the context of the adjacent land use designations; and
- supporting infrastructure and park land is sufficient to accommodate the proposed development (or the developer is prepared to upgrade the necessary infrastructure and park land); and
- a housing agreement must be entered into with the City and registered on title to secure the affordable dwellings for the long term.”

(b) Renumbering the existing policy 8.1.32 and subsequent policies appropriately.

Read a first time by the Municipal Council this 8th day of August, 2006.

Considered at a Public Hearing on the

Read a second and third time and adopted by the Municipal Council of the City of Kelowna this @ day of @ 2006.

Mayor

City Clerk