

# Memo



Date: October 14, 2009  
File: 5040-20  
To: City Manager  
From: Theresa Eichler  
Community Planning Manager  
Subject: Kelowna Housing Strategy

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## Recommendation:

THAT Council direct staff to proceed with the development of a Housing Strategy, as set out in the staff report dated October 14, 2009;

AND THAT Council direct staff to involve the Housing Committee in the preparation and consultation process for the Housing Strategy.

## Background:

The City of Kelowna has many effective housing policies and strategies. These have been adopted in OCP, Zoning and Housing Opportunities Reserve Fund By-laws and in Council Policies.

Although the City has undertaken many actions to address the need for affordable housing, housing remains a key issue highlighted in recent citizen surveys. Kelowna, along with many other communities, is experiencing affordable housing shortages as a result of shifts in national policy and investment, as well as market conditions. As a smaller and younger city, Kelowna does not have the benefit of a significant supply of older (and thereby more affordable) house stock. This, combined with desirable geographic conditions, further accentuates the affordable housing issue for Kelowna. Economic changes over the past year have increased rental housing supply and slightly lowered home purchase prices. However, the Canadian Mortgage and Housing Corporation (CMHC) has advised that much of this change may be temporary. The recent increased rental supply is thought to be due to units within strata-titled buildings becoming available as rentals. Once market conditions improve, it is thought that rental units will again be in short supply and high demand.

For Kelowna's future success, it is critical that housing issues be addressed. Other levels of government will need to play a key role, but local government's actions are also important.

A Housing Strategy will provide the City with a clear approach to addressing the wide-ranging housing needs of its residents and help to guide sustainable growth. The purpose of the strategy would be to ensure that policies and actions are aligned to respond to the housing needs of both current and future residents. Placing all housing related initiatives, actions and policy direction into one document will allow the City to more effectively communicate its role in meeting local housing needs. The Housing Strategy is an opportunity to comprehensively respond to a number of housing-related items identified in both the Community Strategic Plan and subsequent Council discussions.

In addition to pulling together existing housing-related material, it is envisioned that the housing strategy would:

- identify the range of housing options required to meet the full spectrum of Kelowna's needs now and in the future;
- review the definitions of affordability;

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- determine what role the City should play in meeting local housing needs -- is the City a housing provider, regulator, facilitator, and partner, or is it some of these, but not all?
- identify ways to establish partnerships with builders, developers and other levels of government in an effort to use targeted City-owned land, existing resources and legislative tools to influence the supply and diversity of housing and to increase the supply of affordable housing;
- review development-related bylaws and policies to determine if there is a need for greater incentives for building the types of housing in low supply (and high demand);
- identify under what circumstances density bonussing might be appropriate;
- identify under what circumstances greater building heights might be appropriate;
- provide recommendations with respect to where secondary suites should be allowed and with what types of regulatory controls;
- explore ways to improve the economic viability of building housing close to transit and in locations that allow optimum use of infrastructure;
- seek ways to improve housing with green building practices to increase environmental and economic sustainability by reducing water and energy consumption and costs and examine how the installation of supportive infrastructure can be encouraged given that initial costs are often higher; and
- examine whether Zoning Bylaw changes would be appropriate to, in the context of ensuring neighbourhood 'fit', increase the supply of secondary suites, accessory suites in multi-unit housing and purpose-built rental housing.

The above is a preliminary list of issues that could be explored. The final Strategy contents will likely be refined as a result of input that will be received through Council, public and stakeholder consultation associated with this project.

#### **Internal Circulation:**

Land Use Planning  
Real Estate and Building Services  
Community and Media Relations

#### **Existing Policy:**

Official Community Plan.  
Chapter 8 - Housing

#### **Strategic Plan**

Goal 3: To foster the social and physical well-being of residents and visitors.

Objective 4: Realize construction of housing forms and prices that meet the needs of Kelowna residents.

- Work in partnership with housing organizations and finance institutions to monitor the range of housing options required in the City.
- Identify ways to establish partnerships with builders, developers and other levels of government in an effort to use targeted City owned land, existing resources and legislative tools to influence the supply and diversity of housing and to increase the supply of affordable housing.
- Review development related bylaws and policies to determine if greater incentives for building affordable housing can be provided.

#### **Financial/Budgetary Considerations:**

Policy and Planning Department 2010 planning budget resources would be used to finance expenses associated with this initiative. Expenses are anticipated to be primarily related to consultation initiatives, as the Strategy will be prepared in-house.

#### **Communications Considerations:**

The Communications and Media Relations department will be consulted on appropriate means of engaging stakeholders.

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The Communications and Media Relations department will be consulted on appropriate means of engaging stakeholders.

**External Agency/Public Comments:**

The OCP review process has generated significant public and stakeholder input specific to the housing needs and growth of residential areas. The Housing Strategy will incorporate this feedback.

The Housing Committee passed a motion on October 13, 2009, to support the recommendation to Council to prepare a Housing Strategy. The Committee wanted to ensure that the full spectrum of housing needs would be examined and that greater clarity be provided around housing affordability. The cost of installing utilities, including green infrastructure, was identified as an issue for the development community.

**Considerations not applicable to this report:**

Technical Requirements:

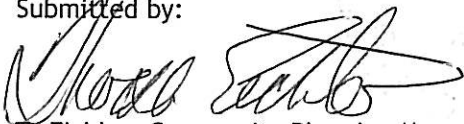
Alternate Recommendation:

Legal/Statutory Authority:

Legal/statutory Procedural Requirements:


Personnel Implications:

Submitted by:



T. Eichler, Community Planning Manager

Approved for inclusion:



Jim Paterson, FCCLA

General Manager, Community Sustainability

cc:

Director, Land Use Management

Director, Community and Media Relations

Director, Real Estate and Building Services

Housing Committee Members