

# Memo



DATE: January 29, 2010  
TO: City Manager  
FROM: Community Sustainability Division

APPLICATION NO. OCP09-0011 / Z09-0032      OWNER: Walter & Cheryl Anne Weisstock  
AT: 739 & 753 Sutherland Ave.      APPLICANT: Wise Stock Developments Ltd.

PURPOSE: OCP AMENDMENT TO CHANGE THE FUTURE LAND USE DESIGNATION OF THE SUBJECT PROPERTIES FROM SINGLE / TWO UNIT RESIDENTIAL TO THE PROPOSED MULTIPLE UNIT RESIDENTIAL - MEDIUM DENSITY DESIGNATION

TO REZONE THE SUBJECT PROPERTIES FROM RU6 - TWO DWELLING HOUSING ZONE TO THE PROPOSED RM5 - MEDIUM DENSITY HOUSING ZONE TO ALLOW FOR A 39 UNIT, 4½ STOREY APARTMENT BUILDING

EXISTING OCP DESIGNATION: SINGLE/TWO UNIT RESIDENTIAL  
PROPOSED OCP DESIGNATION: MULTIPLE UNIT RESIDENTIAL - MEDIUM DENSITY  
EXISTING ZONE: RU6 - TWO DWELLING HOUSING ZONE  
PROPOSED ZONE: RM5 - MEDIUM DENSITY MULTIPLE HOUSING  
REPORT PREPARED BY: Paul McVey

## 1.0 RECOMMENDATION

THAT OCP Bylaw Amendment No. OCP09-0011 to amend Map 19.1 of the *Kelowna 2020* - Official Community Plan Bylaw No. 7600 by changing the Future Land Use designation of Lots 3, 4, & 5, D.L. 138, Plan 2925, ODYD, located at Sutherland Avenue, Kelowna, B.C., from the current single/two unit residential designation to the proposed Multiple Unit Residential - Medium Density designation, as shown on Map "A" attached to the report of Land Use Management Department, dated January 29, 2010, not be considered by Council;

AND THAT Rezoning Application No. Z09-0032 to amend the City of Kelowna Zoning Bylaw No. 8000 by changing the zoning classification of Lots 3, 4, & 5, D.L. 138, Plan 2925, ODYD, located on Sutherland Avenue, Kelowna, B.C. from RU6 - two Dwelling Housing zone to the RM5 - Medium Density Multiple Housing zone not be considered by Council;



## 2.0 SUMMARY

The applicant is proposing to rezone the three subject properties from the existing RU6 - Two Dwelling Housing zone to the proposed RM5 - Medium Density Multiple Housing zone in order that the property can be developed with a 39 unit, 4½ storey apartment housing building.

As the proposed use is not consistent with the current OCP designation, an OCP amendment to change the Future Land Use designation of the properties from the existing Single/Two unit residential designation to the proposed Multiple Unit Residential - Medium Density designation is requested.

A Development Permit to consider the proposed form and character of the apartment building, and related variances for building setbacks and height will only be considered pending favourable consideration of the requested land use.

## 3.0 ADVISORY PLANNING COMMISSION

At a meeting held on June 23, 2009, the APC passed the following motion:

THAT the Advisory Planning Commission NOT support Official Community Plan Application No. OCP09-0011, for 739 Sutherland Avenue; Lot 3, Plan 2925, Sec 24, Twp 25, ODYD and 753 Sutherland Avenue; Lot 5, Plan 2925, Sec 24, Twp 25, ODYD to amend OCP Future Land Use designation from Single / Two Unit Residential to proposed Multiple Unit Residential - Medium density.

### **Anecdotal APC comment:**

APC confirmed that the Applicant did not want to enter into a Housing Agreement which is contrary to Council endorsed policy, and noted that the development (and the corresponding density) has not been sensitively integrated into the existing established neighbourhood pattern and streetscape context.

As the OCP amendment was not supported, the associated rezoning, Development Permit, and Development Variance Permit applications were not considered by the APC.

## 4.0 BACKGROUND

In 1997, a rezoning amendment (Z97-1025) was proposed for a seniors apartment housing project to be located east of the subject property between Sutherland and Elliott Avenues. This application was proposed by Immaculate Conception Church (ICC) and at that time was strongly opposed by residents in the local neighbourhood, and was subsequently defeated by Council. In 2005, there was a revised housing project (Z05-0004) proposed by ICC to be located the Elliot Avenue lots and was also met with strong opposition by the neighbourhood. This proposal did not proceed and the files have since been closed.

The applicant has owned the subject properties since the mid 1990's and has met with LUM staff to review development options with a form of apartment housing. The applicant has expressed the intent to target a price level that would make the project "affordable" and to create opportunities for low-income, first-time homeowners and others in the community that otherwise cannot gain ownership in the current housing



stock. However, the applicant is unwilling to enter into a housing agreement which is a requirement as per OCP policies with respect to increases in land use designations, of which this increase is a two increment bump. Their argument was that they felt housing agreement would be too restrictive for prospective purchasers.

## 5.0 THE PROPOSAL

The proposed apartment building is designed as a 4 storey residential building constructed on top of a concrete parking structure set partially into the ground and accessed from the lane. Landscaping is proposed to slope up to the top of the parking structure along the Sutherland Avenue frontage and along the east elevation in order to minimize the building height attributed to the parking structure. However, the parking structure is exposed along lanes facing the south and west elevations, and is considered as a ½ storey, necessitating the building height variance (from 4 storeys to 4½ storeys proposed). A number of additional parking stalls are located along the south and west sides of the building which are accessed directly from the lane.

The residential dwelling units fronting onto Sutherland Avenue are designed to have a portion of the living room area stepped down, which will shield the parking structure from view as well as to provide direct pedestrian access to grade for those units facing Sutherland Avenue. The walls of the fourth storey of the building are set back from the walls of the third storey in order to provide articulation to the building façade, while also providing additional outdoor deck areas to the upper floor units.

The majority of the apartment units are designed to be approximately 350 sq. ft. to under 700 sq.ft. The applicant has stated that there is a perceived shortage in units less than 600 sq.ft in size and therefore a deficit in market supply (as cited in the Caruso Danielson Inc. market analysis). Furthermore, the recent adjustment of the City of Kelowna DCC rates that acknowledge smaller dwelling units relative to rates, provides a significant incentive for the developer to provide the majority of the units under the 600 sq.ft. size limit to benefit from the significantly lower DCC charge.

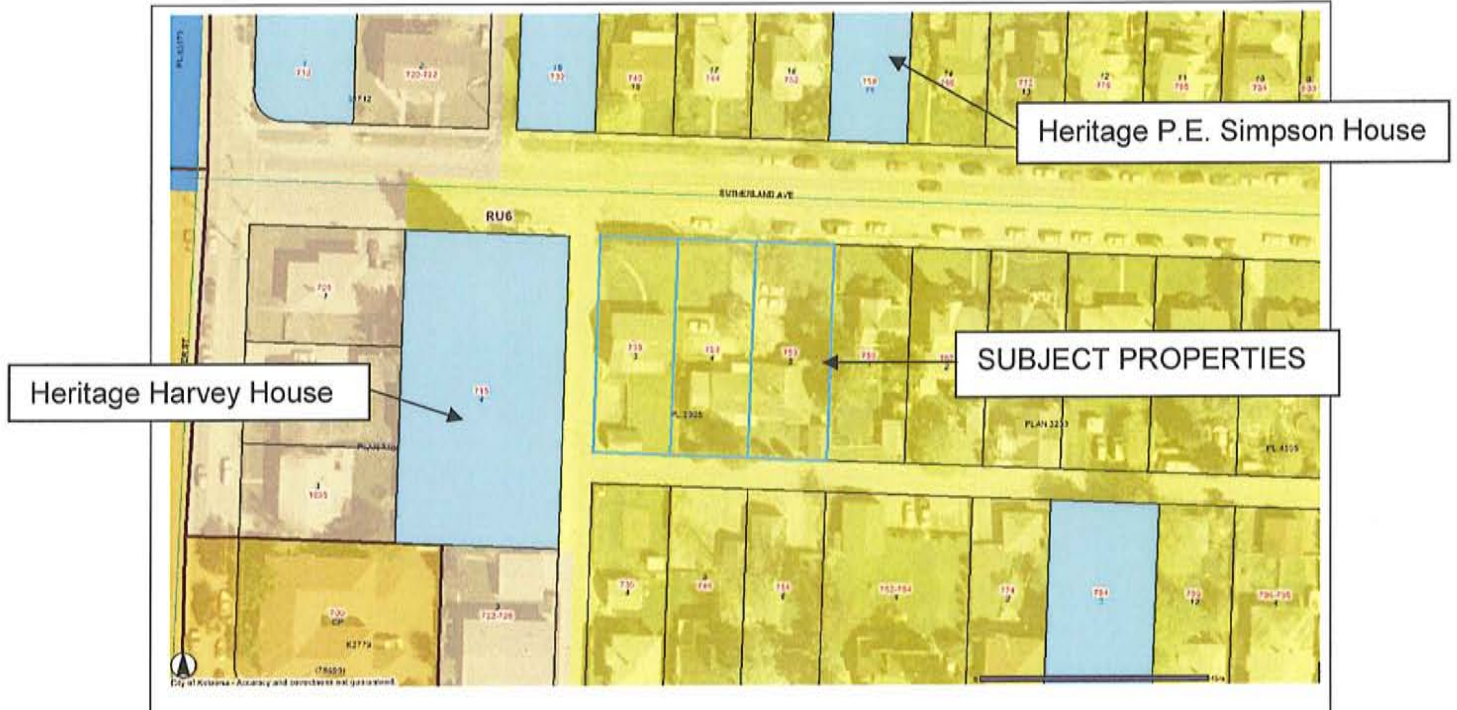
The applicant has provided a pro forma (as attached) of the project that indicates that the units can be constructed at a cost that is “affordable” to a vast majority of wage earners. As noted above, the applicant has confirmed that they are resistant to enter into a Housing Agreement, which is a requirement in accordance with the Official Community Plan policies to support an increase in density.

### 5.1 Site Context

The subject property is located on the south side of Sutherland Avenue, east of the lane. The neighbourhood is well established, and includes a number of well kept dwellings which were constructed in the 1940’s. The neighbourhood has a “character” aspect and the investment in the existing dwellings is apparent in the upgrades and streetscape appeal of this area. There are several heritage houses located in the vicinity of the subject property; the Harvey house is located across the lane to the west at 715 Sutherland Ave., and there is the P.E. Simpson House located across Sutherland Ave. to the east of the subject property at 758 Sutherland Ave. Additionally a heritage dwelling is located at 732 Sutherland Ave. across from the subject property.

5.2 SUBJECT PROPERTY MAP:

739 & 753 Sutherland Ave.



Note: Properties in blue have heritage designation.

Adjacent zones and uses are, to the:

- North - RU6 - Two Dwelling Housing zone / Sutherland Avenue
- East - RU6 - Two Dwelling Housing zone - Single Unit housing
- South - RU6 - Two Dwelling Housing zone / lane - single & two unit dwellings
- West - RU6 - Two Dwelling Housing zone / lane - Harvey House heritage bldg, home office

6.0 CURRENT DEVELOPMENT POLICY

Staff recommends that the APC public process should be considered appropriate consultation for the purpose of Section 879 of the *Local Government Act*, and that the process is sufficiently early and does not need to be further ongoing in this case. Furthermore, additional consultation with the Regional District of Central Okanagan, other boards, councils or agencies listed in Section 879, is not required in this case.

Staff have reviewed this application, and it may not move forward without affecting either the City's financial plan or waste management plan.



## 6.1 Future Land Use (OCP)

The Kelowna Official Community Plan designates the subject properties as Single/Two Unit Residential future land use, a designation which is NOT consistent with the proposed RM5 - Medium Density Multiple Housing zone. The future land use designation under application seeks a two increment jump in density.

As the density of the proposed project exceeds provisions of the Official Community Plan, there would need to be an assessment to determine if the supporting infrastructure, including parks, is in place, and what the applicant would have to do to upgrade the necessary infrastructure as required by this proposed increase in density in this location.

Section 8.1. "Housing Policies" of the Kelowna Official Community Plan includes the following policies:

**.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:

- a) the density of the development can be sensitively integrated into the surrounding neighbourhood;
- b) where a lot line abuts a lower density residential land uses 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 the land uses assigned to adjacent parcels; and
- c) height must be determined by the City as appropriate within the context of the adjacent land use designations; and
- d) 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
- e) a housing agreement must be entered into with the City and registered on title to secure the affordable dwellings for the long term.

Section 8.2. "Development Permit Guidelines for Form and Character of Multiple Unit Development" of the Kelowna Official Community Plan includes the following policies:

**Landscaping** should:

- incorporate existing vegetation with special character, historical or cultural significance

**Building Massing:**

- Developments should be sensitive to and compatible with the massing and rhythm of the established streetscape.
- There should be no more than a one storey height gain between adjacent uses within 5.0 m of the side property line where the adjacent land has not be designated on the Future Land Use Map for equal or higher density redevelopment in the OCP. Where the adjacent land has been designated for equal or higher density redevelopment the height gain or stepping back guidelines are not applicable.

**Amenities:**

- Appropriate high quality public spaces, which provide links to surrounding areas and open space relief within the development should be encouraged.

7.0 TECHNICAL COMMENTS

The application has been submitted to various technical agencies and City departments, and are included as attachments to this report.

8.0 LAND USE MANAGEMENT DEPARTMENT COMMENTS

The proposed development as designed does provide smaller 1 bedroom and studio apartments in a location that is situated near both the “City Centre” Urban Centre and the “Capri” Village Centre. It is anticipated that owing to the size of units and level of construction that the sales price of the units would be at a lower price point. The applicant has advised that the building is focused on an entry level market as the building is designed with small studio or 1 bedroom units. It is acknowledged that ‘attainable’ housing within the City is in short supply, and this proposal aims to target this demographic of the housing market. Additionally, the proposed development integrates units with direct access to grade, and incorporates a diverse palette of colours and selection of materials.

Notably, the Land Use Management Department has significant concerns with the proposed development of the subject properties with a 4½ storey, 39 unit apartment building. From a land use perspective, the proposal is a significant departure for the established character area, as it is a two increment jump without taking into consideration the uniqueness of this character neighbourhood.

The OCP policies noted below identify how the proposal does not achieve various land use and planning objectives to support the OCP amendment for a multi-family project:

- a) The density of the development can be sensitively integrated into the surrounding neighbourhood;

*The proposed development at a height of 4½ storeys is substantially higher than the existing 1 or 1½ storey well established built form of the neighborhood (or maximum permitted 2½ storey building height). Additionally, this well kept neighborhood has a strong street presence that is established through the urban form and the single family character.*



- b) Where a lot line abuts a lower density residential land uses 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 the land uses assigned to adjacent parcels;

*The context of the subject properties has an existing dwelling located to the east and is only 1½ storeys in height. The proposed building is stepped back, but only at the 3<sup>rd</sup> storey level, with an increase of 2 storeys above the existing dwelling. This does not afford the existing single family home owners the same privacy and use of their property, and may impose a shading impact as well.*

- c) Height must be determined by the City as appropriate within the context of the adjacent land use designations;

*Staff note that the proposed 4½ storey building height is not a sensitive integration into the neighborhood, as the building is substantially higher with no obvious relationship to the existing development in the immediate area. This also includes the existing heritage building located at 715 Sutherland east of the lane, which is 3½ storeys in height.*

- d) 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);

*The supporting infrastructure has not been reviewed to determine sufficiency at this time. However, a two increment jump in land use designation does afford additional density that has not been contemplated for park and natural open space planning or resource allocation.*

- e) A Housing Agreement must be entered into with the City and registered on title to secure the affordable dwellings for the long term.

*The applicant has advised that they are not willing to enter into a Housing Agreement to secure the housing as “affordable” as required by City of Kelowna housing policy. In the absence of a Housing Agreement, there is no mechanism to secure the housing stock as ‘affordable’ for any timeframe, and no community amenity can be realized for the increase in density. In this case, a two increment jump in land use is being requested with no formal community amenity.*

Owing to the substantial neighbourhood opposition to this development proposal that was evident through submissions to the Advisory Planning Commission, and the lack of willingness on the part of the applicant to embrace the elements identified in the OCP that would allow a measure of support to this application, Staff cannot support this development proposal. The proposal has merit in that it is a well thought out design, and would be welcomed in an area designated for such a density. If located in such an area, the servicing issues associated with the proposed density would have been

considered in the 20 Year Servicing Financial document which accompanies the Official Community Plan.

It is noted that the draft Kelowna 2030 OCP does not anticipate any change in the future land use designation beyond the existing single/two unit residential uses. Staff encourage applicants to be mindful of sustainable development criteria that include, but are not limited to; efficient use of public funds, placemaking, accessibility, housing variety, and proximity to alternate modes of transportation.

Should Council choose to favourably support this application, an alternate recommendation is provided.

#### 9.0 ALTERNATE RECOMMENDATION

THAT OCP Bylaw Amendment No. OCP09-0011 to amend Map 19.1 of the *Kelowna 2020* - Official Community Plan Bylaw No. 7600 by changing the Future Land Use designation of 3, 4, & 5, D.L. 138, Plan 2925, ODYD, located at Sutherland Avenue, Kelowna, B.C., from the current "single/two unit residential" designation to the proposed "Multiple Unit Residential - Medium Density" designation, as shown on Map "A" attached to the report of Land Use Management Department, dated January 29, 2010, be considered by Council;

AND THAT Rezoning Application No. Z09-0032 to amend the City of Kelowna Zoning Bylaw No. 8000 by changing the zoning classification of 3, 4, & 5, D.L. 138, Plan 2925, ODYD, located on Sutherland Avenue, Kelowna, B.C. from RU6 - two Dwelling Housing zone to the RM5 - Medium Density Multiple Housing zone be considered by Council;

AND THAT the OCP Bylaw Amendment No. OCP09-0011 and zone amending bylaw be forwarded to a Public Hearing for further consideration;


AND THAT final adoption of the zone amending bylaw be considered subsequent to the owner having executed a Housing Agreement for affordable housing and registration of a plan of subdivision for the lot consolidation;

AND THAT final adoption of the zone amending bylaw be considered in conjunction with Council's consideration of a Development Permit and Development Variance Permit on the subject property;

AND FURTHER THAT final adoption of the zone amending bylaw be considered subsequent to the requirements of the Development Engineering Branch being completed to their satisfaction.



  
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Shelley Gambacort  
Director of Land Use Management

Approved for Inclusion 

Jim Paterson  
General Manager, Community Sustainability

SG/DN/pmcv

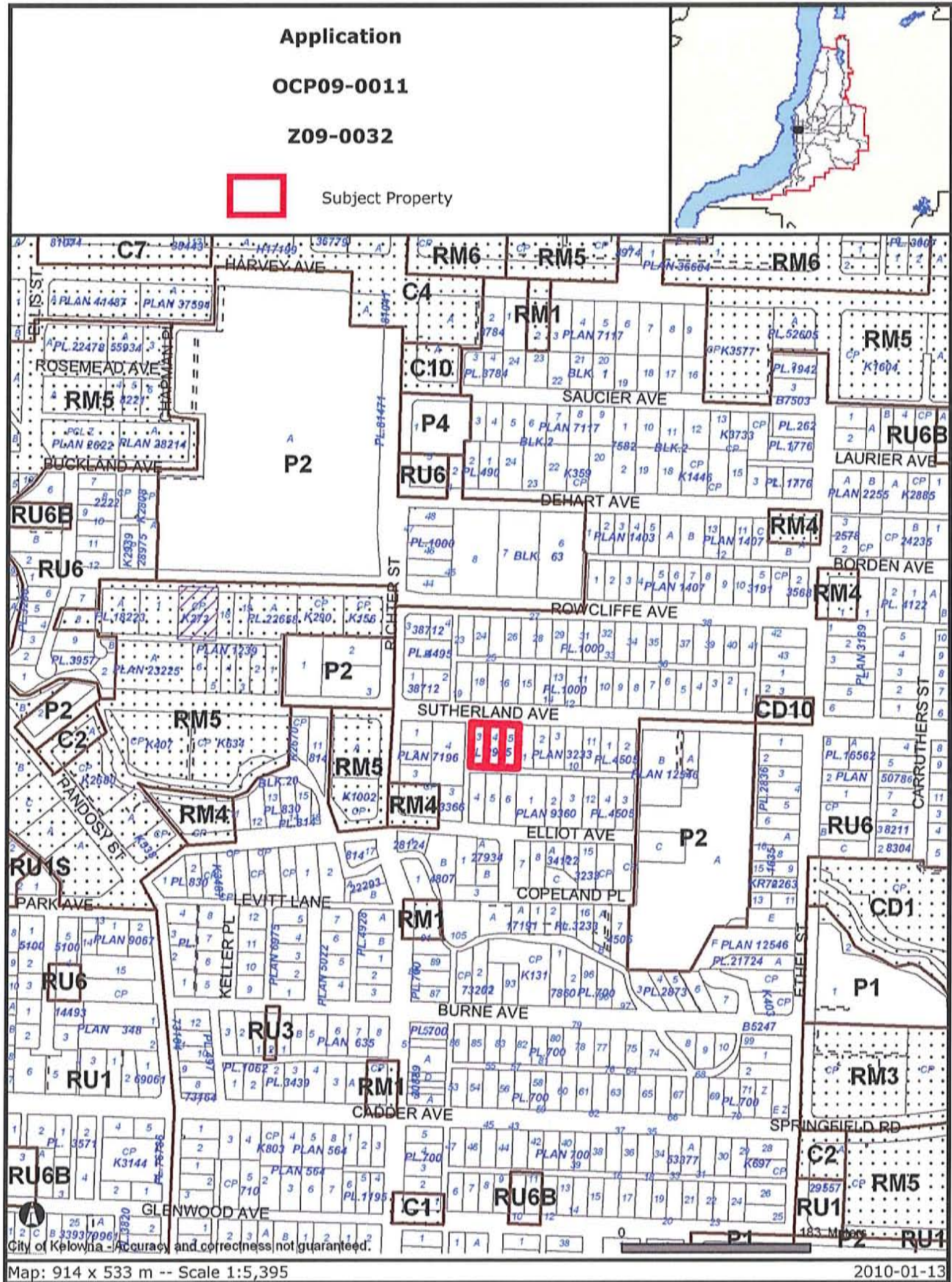
Attachments:

Subject Property Map

Map "A"

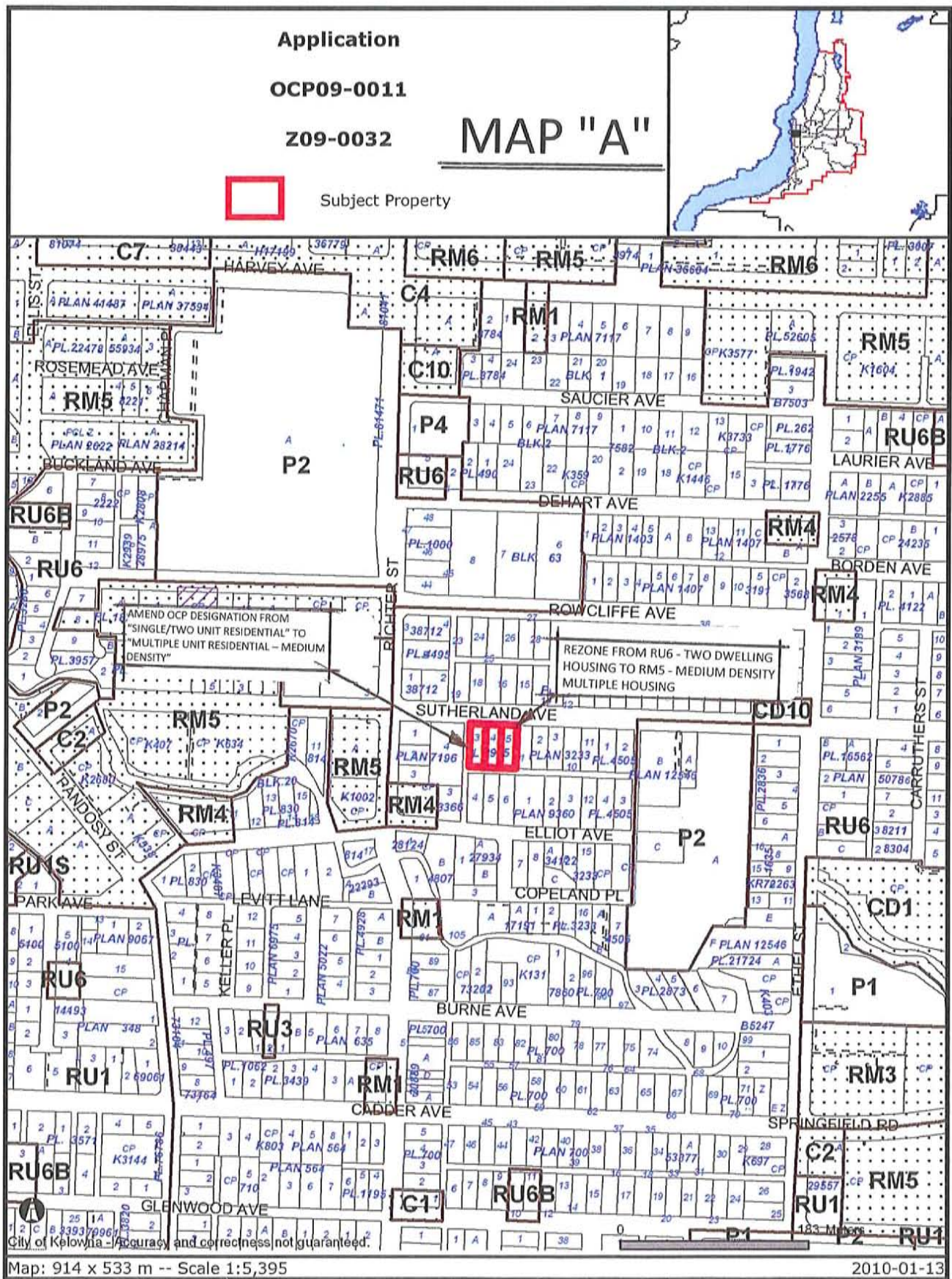
Future Land Use Map

Applicant's Submission Package for Sutherland Avenue Project



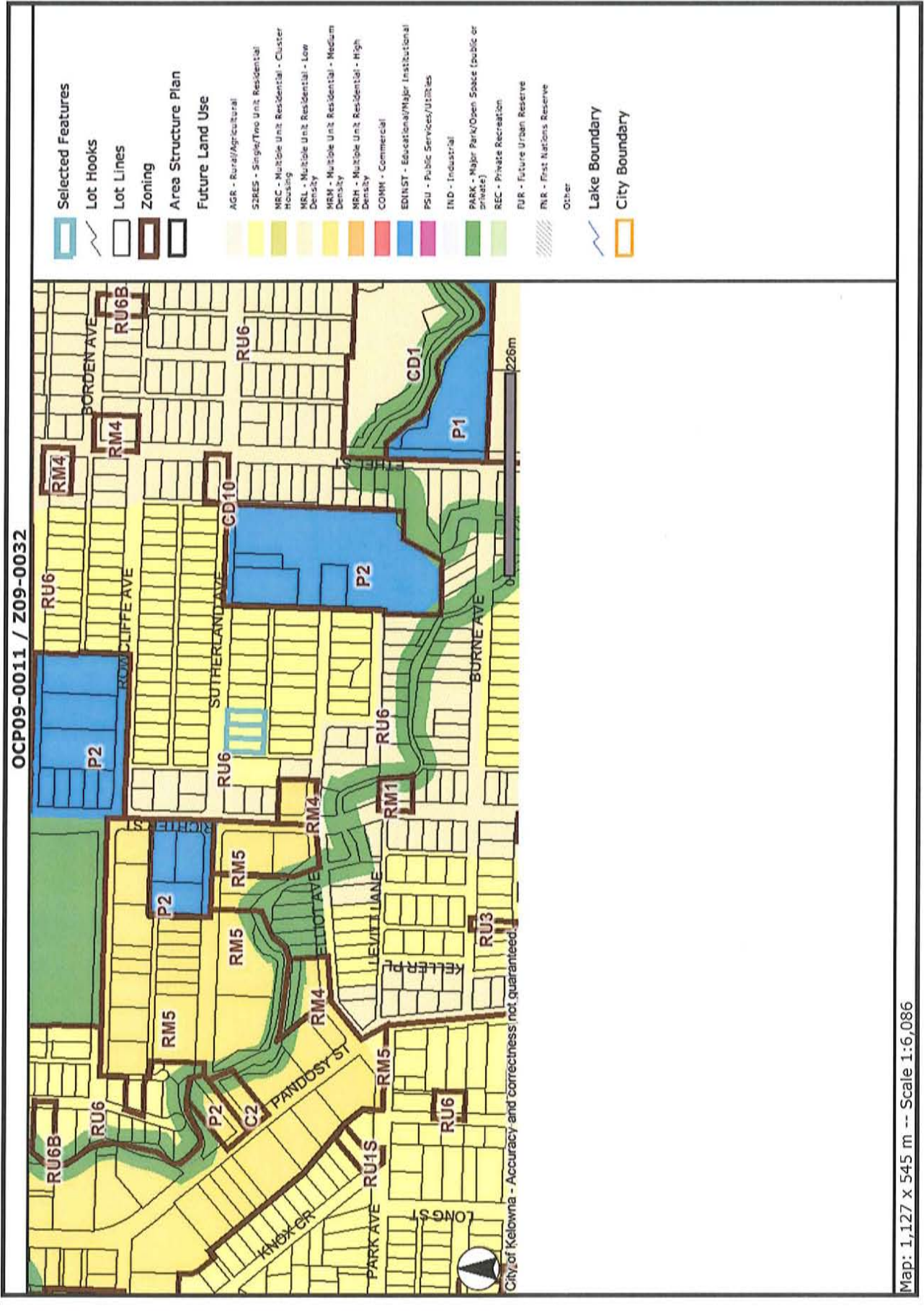
Certain layers such as lots, zoning and dp areas are updated bi-weekly. This map is for general information only.  
 The City of Kelowna does not guarantee its accuracy. All information should be verified.





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File: Z09-0032

Application

File: Z09-0032

Type: REZONING

File Circulation

Seq	Out	In	By	Comment
				B.C. Assessment Authority (info only) 2009-05-29 2009-05-29
			RREADY	5 storey building requirements to be met. Elevation of parkade is in high water table. Exit door from storage lockers impeded by parking stall. Dead end exit corridors on main, second and third floors, BCBC 3.3.1.9 (7). Landscape berm to property line with no retention. See "Documents" Tab.
				Development Engineering Branch 2009-05-29 2009-07-06
				Fire Department 2009-05-29
				FortisBC 2009-05-29
			TBARTON	No comment
				Parks Planning Manager 2009-05-29 2009-06-10
				Policy & Planning 2009-05-29 2009-07-10
				Public Health Inspector 2009-05-29
				RCMP 2009-05-29 2009-06-03
			SALEXANC	RE&BS Comments for Inclusion in Council Report: Please contact the Land Agent for road dedications over 20 metres in width, land dedications and land transfers to or from the City of Kelowna, road closures and road reserves. Depending on the type of land transaction being contemplated, the processing time can vary from 3 weeks to 3 months. The Real Estate & Building Services Department requires a full-sized copy, together with an 8 1/2 x 11 copy, of any survey plans.
				School District No. 23 2009-05-29
				Shaw Cable 2009-05-29 2009-06-05
				Telus 2009-05-29 2009-06-15
				Terasen Utility Services 2009-05-29

## Paul McVey

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**From:** Gary Stephen  
**Sent:** July 10, 2009 3:54 PM  
**To:** Paul McVey  
**Subject:** FW: OCP09-0011 Z09-0032 DVP09-0066 Sutherland Ave

Paul

Policy and Planning comments were too extensive to post in the file tracking system. The file tracking system has been updated to refer to this email to be kept on the file.

Gary Stephen, Planner Specialist  
Policy & Planning

TEL 250 469-8609  
FAX 250 862-3320

City of Kelowna 1435 Water Street, Kelowna, BC V1Y 1J4 [kelowna.ca](http://kelowna.ca)

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**From:** Gary Stephen  
**Sent:** July 10, 2009 3:47 PM  
**To:** Signe Bagh  
**Subject:** OCP09-0011 Z09-0032 DVP09-0066 Sutherland Ave

Signe

I have posted the following comments to file tracking system.

The subject property is designated as Single / Two Unit Residential in the OCP as is much of the surrounding neighbourhood. Based on that designation this application for 4 storey apartment building does not conform to the OCP and could not be supported without an OCP amendment to Multiple Unit Residential – medium density.

The OCP does provide the potential for increased density where the project includes units available for affordable, special needs or rental housing, guaranteed through a housing agreement, as long as the other conditions of OCP Policy 8.1.31 can be met. There would need to be an assessment to determine if the supporting infrastructure, including parks, is in place or the applicant is prepared to upgrade the necessary infrastructure. The density could not exceed the density provided in the OCP by more than one increment (this proposal exceeds the current designation by two increments). The project should be sensitively integrated into the neighbourhood and should not destabilize the surrounding neighbourhood. A four storey apartment building intruding into this existing neighbourhood will likely destabilize the area and would very likely represent an insensitive transition from existing single detached homes in the area. Given that the proposal is unlikely to meet all the conditions of Policy 8.1.31 it is recommended that this application not be supported.

The OCP also provides the potential for increased density by two increments where 75% of the units in the project meet the definition of affordable housing and /or core needs housing as defined in the OCP. These units would also need to be guaranteed through a housing agreement, and the other conditions of the OCP Policy 8.1.32 would need to be met with respect to supporting infrastructure, neighbourhood stability and sensitive integration as noted above. A four storey apartment building intruding into this existing neighbourhood will likely destabilize the area and would very likely




represent an insensitive transition from existing single detached homes in the area. Given that the proposal is unlikely to meet all the conditions of Policy 8.1.32 it is recommended that this application not be supported.

Gary Stephen, Planner Specialist  
Policy & Planning

TEL 250 469-8609  
FAX 250 862-3320

City of Kelowna 1435 Water Street, Kelowna, BC V1Y 1J4 [kelowna.ca](http://kelowna.ca)



## Paul McVey

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**From:** Ryan Jennejohn  
**Sent:** July 6, 2009 10:13 AM  
**To:** Paul McVey  
**Cc:** Pat McCormick; Jason Ough  
**Subject:** RE: 739-753 Sutherland

Paul,

The 150mm san service that is required will need to tie into the existing manhole fronting their development site (the 200mm sewer main is too small for directly connecting a 150mm service).

Note that this portion of Sutherland is due for a sanitary sewer utility upgrade and has been listed as a potential project for the 2010 capital program. If this timing works for the developer, and the City goes ahead with this work, the developer could pay for City crews to upgrade their water & sewer services as required, and could choose the location for their sewer service manhole. Preferably, they will not be doing any service upgrades after the street is repaved.

Thanks,  
Ryan

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**From:** Jason Ough  
**Sent:** July 6, 2009 9:29 AM  
**To:** Paul McVey  
**Cc:** Pat McCormick; Ryan Jennejohn  
**Subject:** RE: 739-753 Sutherland

Hi Paul,

Additional comments for Utilities:

All 13mm water services must be decommissioned and replaced with 19mm copper minimum. If lots are consolidated, please follow one water service to one property policy and remaining services must be disconnected at the main. As well, SAN service to be upgraded to 150mm and other existing 100mm services to be disconnected at the main.

150L/s minimum fire flow for MF is available through existing City of Kelowna infrastructure. Any FUS requirement exceeding minimum fire flow by Zone will require review and availability confirmation.

Regards,

Jason Ough  
Infrastructure Planning  
City of Kelowna  
250 469 8721

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**From:** Pat McCormick  
**Sent:** Monday, July 06, 2009 8:52 AM  
**To:** Jason Ough  
**Subject:** FW: 753 Sutherland

Paul,



Here's IP's comments. Mine attached. Jerry's below.

Pat

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**From:** Jerry Behl  
**Sent:** July 2, 2009 2:29 PM  
**To:** Pat McCormick  
**Subject:** 753 Sutherland

Pat


We have some concerns over the number of vehicles using the lane to enter exit the underground parking area . We would need to see adequate turning radii & visibility.

Also the number of parking stall accessed directly off the lane is of concern, particularly the small car parking spaces.

Jerry Behl, Traffic & Transportation Engineer  
**Infrastructure Planning**

TEL 250 469-8692  
FAX 250 862-3363

City of Kelowna 1435 Water Street, Kelowna, BC V1Y 1J4 [kelowna.ca](http://kelowna.ca)



IP Comments for DP09-0032, etc.

As a revision to the OCP, there is no expectation that the adjoining properties will ever be re-designated to achieve a similar density. Therefore, assuming the adjoining properties will remain one- and two-unit dwellings, it is incumbent upon the proposed project to provide a high-level of design to fit into its low-density context.

Unfortunately, it fails to do this. Of principal note is the symmetry of the structure. The perceived bulk of the building is accentuated by the symmetry which also adds a formality to the front elevation that is out of context with the character of the street.

The ground-level units facing the street have sidewalks that connect them to the public sidewalk. Generally, this is a positive consideration. However, the ideal is *ground-oriented* units that convey all the characteristics of housing that is connected to the street. Despite the sidewalk connections, the units lack definition one from the other. Additionally, the faces of the ground-level units convey more of the quality of being the back of a unit than the front.

Moreover, the patios are too meagre in depth to be of any use as a social space for the inhabitants of the units, and therefore the increased likelihood that they'll be used as storage space.

Given that the principal entrances to the units will be from inside the building, the street entrance should have more emphasis as the main entrance to the building. Overall, the visual cues about how one enters the building are ambiguous and poorly defined.

More detailing and more creative use of exterior materials would help reduce the bulk of the building and add visual interest.

#### Utilities:

All 13mm water services must be decommissioned and replaced with 19mm copper minimum. If lots are consolidated, please follow one water service to one property policy and remaining services must be disconnected at the main. As well, SAN service to be upgraded to 150mm and other existing 100mm services to be disconnected at the main.

150L/s minimum fire flow for MF is available through existing City of Kelowna infrastructure. Any FUS requirement exceeding minimum fire flow by Zone will require review and availability confirmation.



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

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**Date:** June 25, 2009  
**File No.:** Z09-0032 DP09-0065 DVP09-0066 OCP09-0011  
**To:** Land Use Management Department (PMcV)  
**From:** Development Engineering Manager  
**Subject:** Proposed 39 unit RM5 739 -753 Sutherland Avenue Lots 3, 4, 5 Plan 2925

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The Works & Utilities Department have the following comments and requirements associated with this application. The road and utility upgrading requirements outlined in this report will be a requirement of this development.

The Development Engineering Technologist for this project is John Filipenko. ASCT

1. Domestic Water and Fire Protection

- (a) The existing lots are serviced with small diameter copper water services. The developer's consulting mechanical engineer will determine the domestic and fire protection requirements of this proposed development and establish hydrant requirements and service needs. Only one service will be permitted for this development.
- (b) The applicant, at his cost, will arrange for the disconnection of existing services at the main and the installation of one new larger water service. The estimated cost of this construction for bonding purposes is **\$10,000.00**
- (c) A water meter is mandatory for this development and must be installed inside the building on the water service inlet as required by the City Plumbing Regulation and Water Regulation bylaws. The developer or building contractor must purchase the meter from the City at the time of application for a building permit from the Inspection Services Department, and prepare the meter setter at his cost. Boulevard landscaping, complete with underground irrigation system, must be integrated with the on-site irrigation system.
- (d) The developer must obtain the necessary permits and have all existing utility services disconnected prior to removing or demolishing the existing structures. The City of Kelowna water meter contractor must salvage existing water meters, prior to building demolition. If water meters are not salvaged, the developer will be invoiced for the meters.

1. Sanitary Sewer

- (a) The developer's consulting mechanical engineer will determine the development requirements of this proposed development and establish the service needs. Only one service will be permitted for this development.
- (b) The applicant, at his cost, will arrange for the removal and disconnection of all existing services at the main and the installation of one new larger service. The estimated cost for construction for bonding purposes is **\$6,000.00**

2. Storm Drainage

- (a) It will be necessary for the applicant to install a storm drainage collection system in Sutherland Avenue. The cost of these works is included in the road upgrading cost estimates.
- (b) The developer must engage a consulting civil engineer to provide a storm water management plan for the site, which meets the requirements of the City Storm Water Management Policy and Design Manual. The storm water management plan must also include provision of lot grading plan, minimum basement elevation (MBE), if applicable, and recommendations for onsite drainage containment and disposal systems.
- (c) Provide a lot-grading plan.

3. Road Improvements

- (a) Sutherland Avenue must be upgraded to a (SS-R5) modified urban standard along the full frontage of this proposed development, including a separate concrete sidewalk, the construction of a piped storm drainage system including a catch basin, manholes, and fillet pavement., Service upgrades will require additional road cuts. Also required is a landscaped boulevard complete with underground irrigation system, re-location or adjustment of utility appurtenances if required to accommodate the upgrading construction.
- (b) Our preliminary road design indicates that a vertical profile adjustment will be required fronting this development. The City wishes to defer the full urbanization of Sutherland Avenue fronting this development. Therefore, cash-in-lieu of immediate construction is required. The cash-in-lieu amount is determined to be **\$ 36,275.00**
- (c) The rear and abutting lane are constructed to a paved standard but will require fillet pavement to the property line. The estimated cost for construction for bonding purposes is **\$1,000.00**

4. Road Dedication and Subdivision Requirements

By registered plan to provide the following:

- (i) 3.0m x 3.0m lane corner truncation
- (ii) Lot consolidation.
- (iii) Grant statutory rights-of-way if required for utility services.



5. Electric Power and Telecommunication Services

The electrical and telecommunication services to this building must be installed in an underground duct system, and the building must be connected by an underground service. It is the developer's responsibility to make a servicing application with the respective electric power, telephone and cable transmission companies to arrange for these services, which would be at the applicant's cost.

6. Engineering

- (a) Road and utility construction design, construction supervision, and quality control supervision of all off-site and site services including on-site ground recharge drainage collection and disposal systems, must be performed by an approved consulting civil engineer. Designs must be submitted to the City Engineering Department for review and marked "issued for construction" by the City Engineer before construction may begin.

7. Geotechnical Report

- a) Provide a comprehensive geotechnical report (3 copies), prepared by a Professional Engineer competent in the field of hydro-geotechnical engineering to address the items below: **NOTE: The City is relying on the Geotechnical Engineer's report to prevent any damage to property and/or injury to persons from occurring as a result of problems with soil slippage or soil instability related to this proposed subdivision.**

The Geotechnical reports must be submitted to the Planning and Development Services Department (Planning & Development Officer) for distribution to the Works & Utilities Department and Inspection Services Division prior to submission of Engineering drawings or application for subdivision approval.

- (i) Area ground water characteristics, including any springs and overland surface drainage courses traversing the property. Identify any monitoring required.
- (ii) Site suitability for development.
- (iii) Site soil characteristics (i.e. fill areas, sulphate content, unsuitable soils such as organic material, etc.).
- (iv) Any special requirements for construction of roads, utilities and building structures.
- (v) Suitability of on-site disposal of storm water, including effects upon adjoining lands in accordance with the Subdivision, Development and Servicing Bylaw.
- viii) Any items required in other sections of this document.
- ix) Recommendations for roof drains and perimeter drains.

8. Survey Monuments and Iron Pins

If any legal survey monuments or property iron pins are removed or disturbed during construction, the developer will be invoiced a flat sum of \$1,200.00 per incident to cover the cost of replacement and legal registration. Security bonding will not be released until restitution is made.

9. Development Permit and Site Related Issues

- (a) The development variance permit to vary the frontage yard setback from 6.00m required, to 4.93m proposed, does not compromise Our servicing requirements.
- (b) The development will be required to contain and dispose of site generated storm water on the site by installing an oil separator and ground recharge system consisting of drywells and perforated pipe bedded in drain rock.
- (c) A bike rack must be provided in accordance with current bylaws and policies.
- (d) Perimeter access must comply with the BC Building Code. Fire Truck access designs and proposed hydrant locations will be reviewed by the Fire Protection Officer.

10. Survey Monuments and Iron Pins

If any legal survey monuments or property iron pins are removed or disturbed during construction, the developer will be invoiced a flat sum of \$1,200.00 per incident to cover the cost of replacement and legal registration. Security bonding will not be released until restitution is made.

11. Bonding and Levy Summary(a) Bonding

Service upgrades	\$ 16,000.00
Lane frontage improvements	\$ 1,000.00
<b>Total Bonding</b>	<b>\$ 17,000.00</b>

NOTE: The bonding amounts shown above are comprised of estimated construction costs escalated by 140% to include engineering design and contingency protection and are provided for information purposes only. The owner should engage a consulting civil engineer to provide detailed designs and obtain actual tendered construction costs if he wishes to do so. Bonding for required off-site construction must be provided and may be in the form of cash or an irrevocable letter of credit, in an approved format.

The owner must also enter into a servicing agreement in a form provided by the City.

(a) Levies

Sutherland Avenue Road Frontage Improvements	
One-time cash payment for future road widening	<b>\$ 36,275.00</b>



12. Administration Charge

An administration charge will be assessed for processing of this application, review and approval of engineering designs and construction inspection. The administration charge is calculated as (3% of Total Off-Site Construction Cost plus GST) in the amount of **\$535.50** (\$ 510.00 + 25.50 GST)

---

Steve Muenz, P. Eng.  
Development Engineering Manager  
JF/jf

*Affordable Housing on*  
**SUTHERLAND AVENUE**



*Affordable Housing Solution for Downtown Kelowna*



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## Wise Stock Developments Ltd - Sutherland Avenue

May 14, 2009

Additional information for the Development Permit and Amendments to the Official Community Plan.

**Applicant:** Wise Stock Developments Ltd

**Contact person:** Walter Weisstock (Phone 250 878-0000 Fax 250 762-0370)

**Address:** 618 San Michelle Road Kelowna B.C. V1W 2J1

**Owners:** Walter Weisstock, 618 San Michelle Road Kelowna B.C. V1W 2J1

**Legal Description:** Lots 3, 4 and 5, Plan 2925, District lot 138 ODYD

**Street address:** 739 & 753 Sutherland Avenue, Kelowna B.C.

**Existing Zoning:** RU6

**Requested Zoning:** RM5

**Description of Proposed Development:** This is a 4 story residential buildings,  
Consisting of 39 units in total.

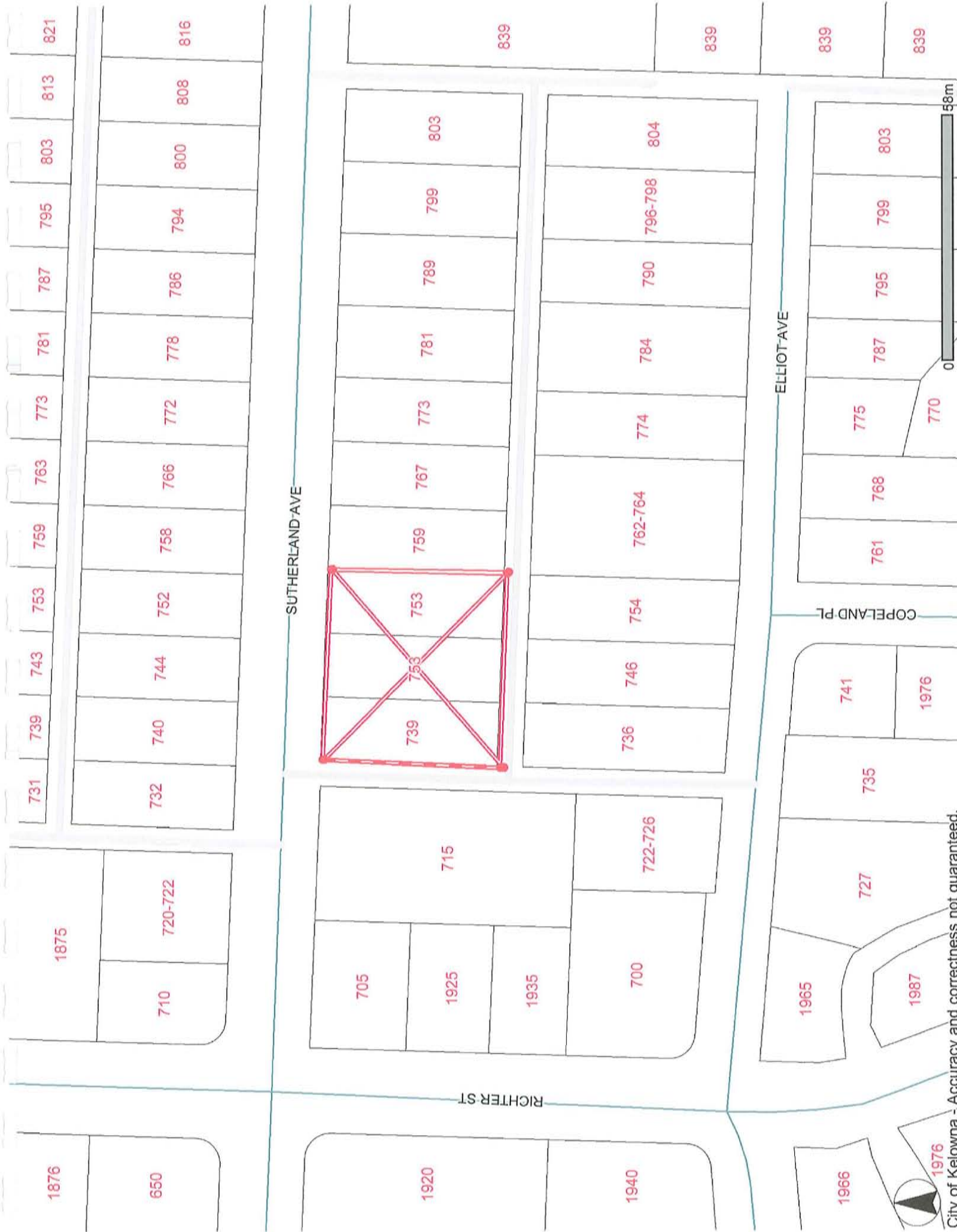
**Architect:** Lunde Architect Ltd (Wilf Lund) 3904-31<sup>st</sup> Street, Vernon, B.C. V1T 5J6  
(Phone 250 503-3000)

CRITERIA	PROPOSAL	RM5 ZONE REGULATION
Site Area (m <sup>2</sup> )	1923.97 (m <sup>2</sup> )	1400 (m) minimum
Site Width (m)	45.7 (m)	30 (m) minimum
Site Depth (m)	42.1 (m)	35 (m) minimum
Site Coverage (%)	38%	40% maximum
Site Coverage including Buildings, driveways, and Parking. (%)	59%	60 % maximum
Bicycle Parking Spaces (#)	39	39 (minimum)
Loading Spaces (#)		
Driving Aisle Width (m)	7 (m)	7 (m) minimum
Setbacks to Parking (m): -Front -Side -Side -Rear		
Total Floor Area of Building(s) (m <sup>2</sup> )	2040.6 (m <sup>2</sup> )	
Floor Area Ratio (F.A.R.)	1.1	1.3
Setbacks to Buildings (m): -Front -Side -Side -Rear (lane)	4.93 (m) 4.5 (m) 7.5 (m) 10.67 (m)	6.0 (m) minimum 4.5 (m) minimum 3 Storeys 7.5 (m) minimum 4 Storeys 7.5 (m) minimum
Height of Building(s) (m)	13.1 (m)	16.5 (m) maximum
Number of Storeys	4	4 (maximum)
Private Open Space (m <sup>2</sup> )	393 (m <sup>2</sup> )	Bachelor 7.5 (m <sup>2</sup> ) 1 bedroom 15 (m <sup>2</sup> ) per unit minimum



Phase 1	Number of Units		Area (m <sup>2</sup> )	Parking Spaces
	Bachelor	1 bedroom		
Underground Parking			711.67 (m <sup>2</sup> )	18
Exterior Parking				26
1 <sup>st</sup> Floor	6	4	544 (m <sup>2</sup> )	
2 <sup>nd</sup> Floor	6	5	543 (m <sup>2</sup> )	
3 <sup>rd</sup> Floor	6	5	543 (m <sup>2</sup> )	
4 <sup>th</sup> Floor	2	5	410 (m <sup>2</sup> )	
Total	20	19	2040 (m <sup>2</sup> )	44

Parking calculations		Parking Spaces Required
Bachelor Units	20 units X 1	20
1 Bedroom Units	19 units X 1.25	23.75
	<b>Total</b>	<b>43.75</b>
	<b>Required</b>	<b>44</b>



City of Kelowna - Accuracy and correctness not guaranteed.





SUTHERLAND AVE

753 Sutherland Ave

Sutherland - 753  
Sutherland Ave.

Landscape Plan

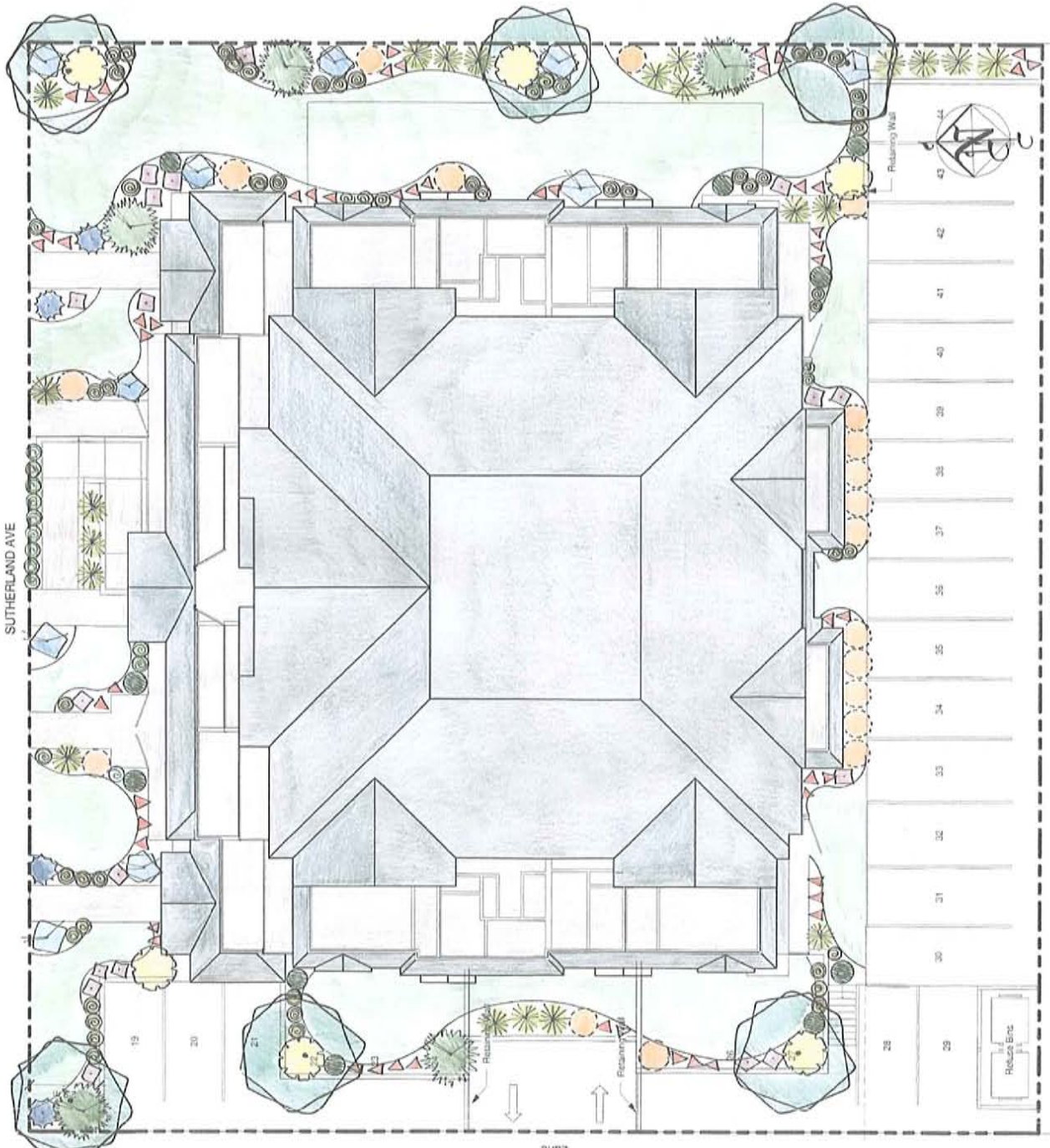
PLANTING KEY	BOTANICAL NAME	COMMON NAME	QTY	SIZE
	Arbutus	Arbutus	6	8-10'
	Prunus	Prunus	4	5-6'
	Physocarpus	Physocarpus	6	2-3'
	Corydalis	Corydalis	15	2-3'
	Penstemon	Penstemon	18	1-2'
	Comarostaphylis	Comarostaphylis	12	1-2'
	Helianthus	Helianthus	4	1-2'
	Lonicera	Lonicera	17	1-2'
	Echinacea	Echinacea	53	4"
	Hemerocallis	Hemerocallis	69	4"
	Eurythoe	Eurythoe	8	1-2'

**Art Knapp**  
LANDSCAPE DESIGN DIVISION  
1934 SPENCERFIELD ROAD  
ALEXANDRIA, S.C.  
(803) 360-0833 Fax (803) 660-772

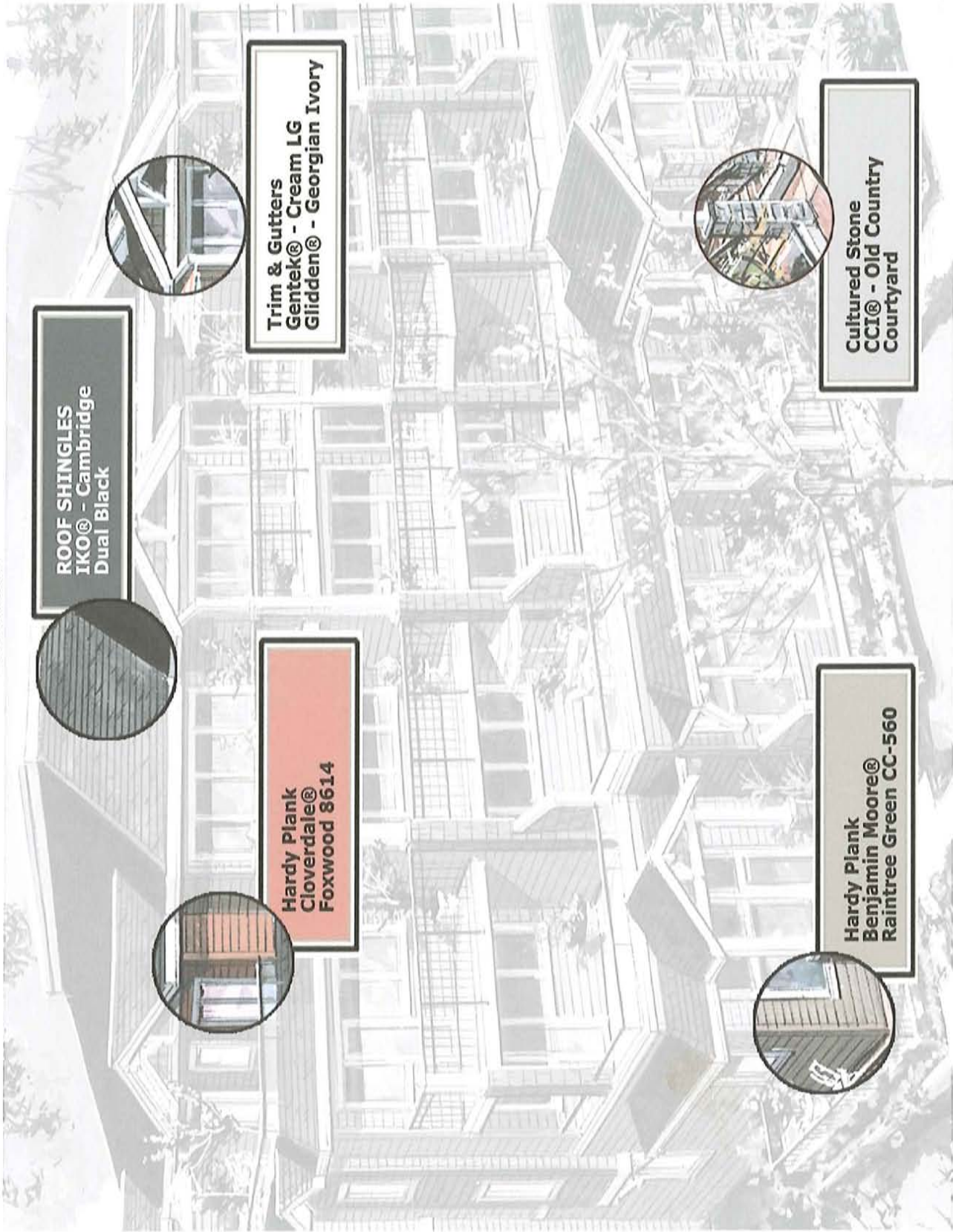
DATE: 6<sup>th</sup> April 09  
DRAWN: Richard Foote  
SCALE: 1" = 10'-0"  
PROJECT: Landscape plan 001

**Notes:**

- All beds to have a minimum of 12" depth of screened and blended topsoil, and top-dressed with Premium Fine Dark Mulch to 2" depth. The mulch will reduce water evaporation.
- All landscape areas to be irrigated with an automatic, in-line drip irrigation system.
- Plant materials and construction methods shall conform to minimum standards established in the S.C. Landscape Standards published by DONTA and SCSLA.



Sutherland Avenue Condominiums  
Color Board



**ROOF SHINGLES**  
IKO® - Cambridge  
Dual Black

**Trim & Gutters**  
Gentek® - Cream LG  
Glidden® - Georgian Ivory

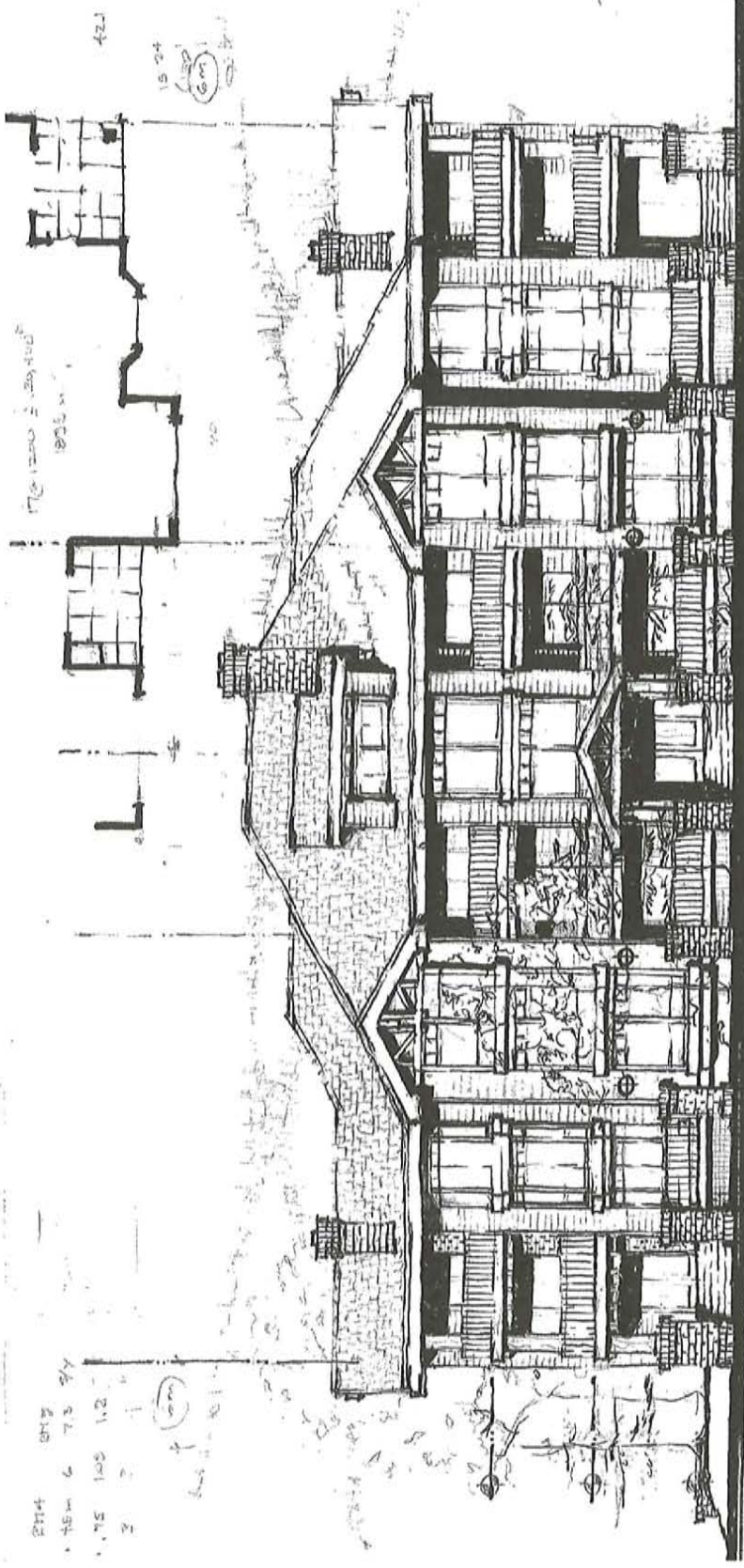
**Hardy Plank**  
Cloverdale®  
Foxwood 8614

**Hardy Plank**  
Benjamin Moore®  
Raintree Green CC-560

**Cultured Stone**  
CCI® - Old Country  
Courtyard

*\*Printed colors may vary slightly from actual swatches*





2114  
 48m 4 7.5 2/4  
 75 145 1.2  
 2 1

Lot Area = 11,000 sq. ft. (100 x 110)  
 Floor Area = 12,000 sq. ft. (FACE = 100)  
 Site Coverage = 50%

**NORTH ELEVATION**  
 Lots 31+1.5 Plan 2925.

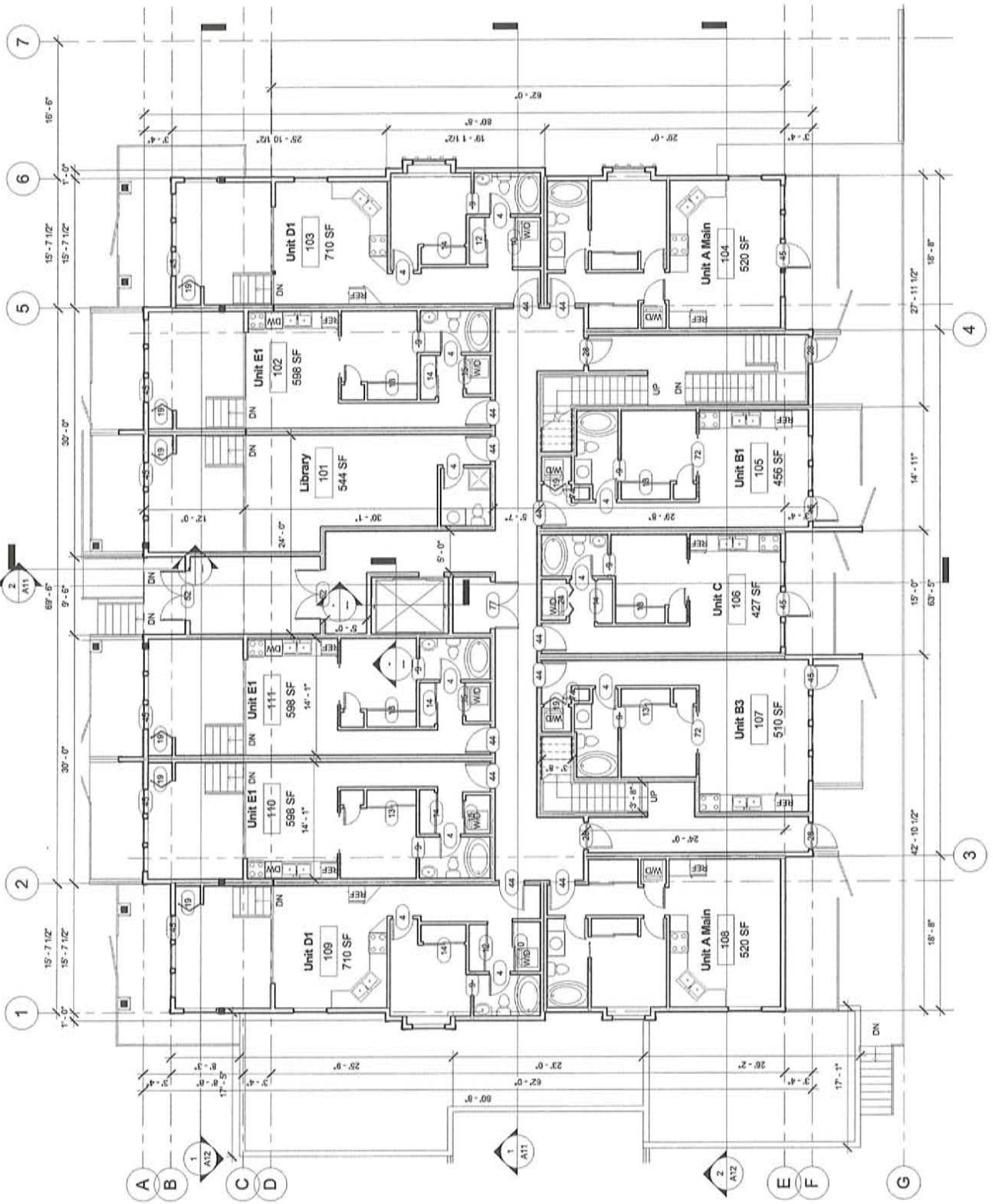
X126.2

420'

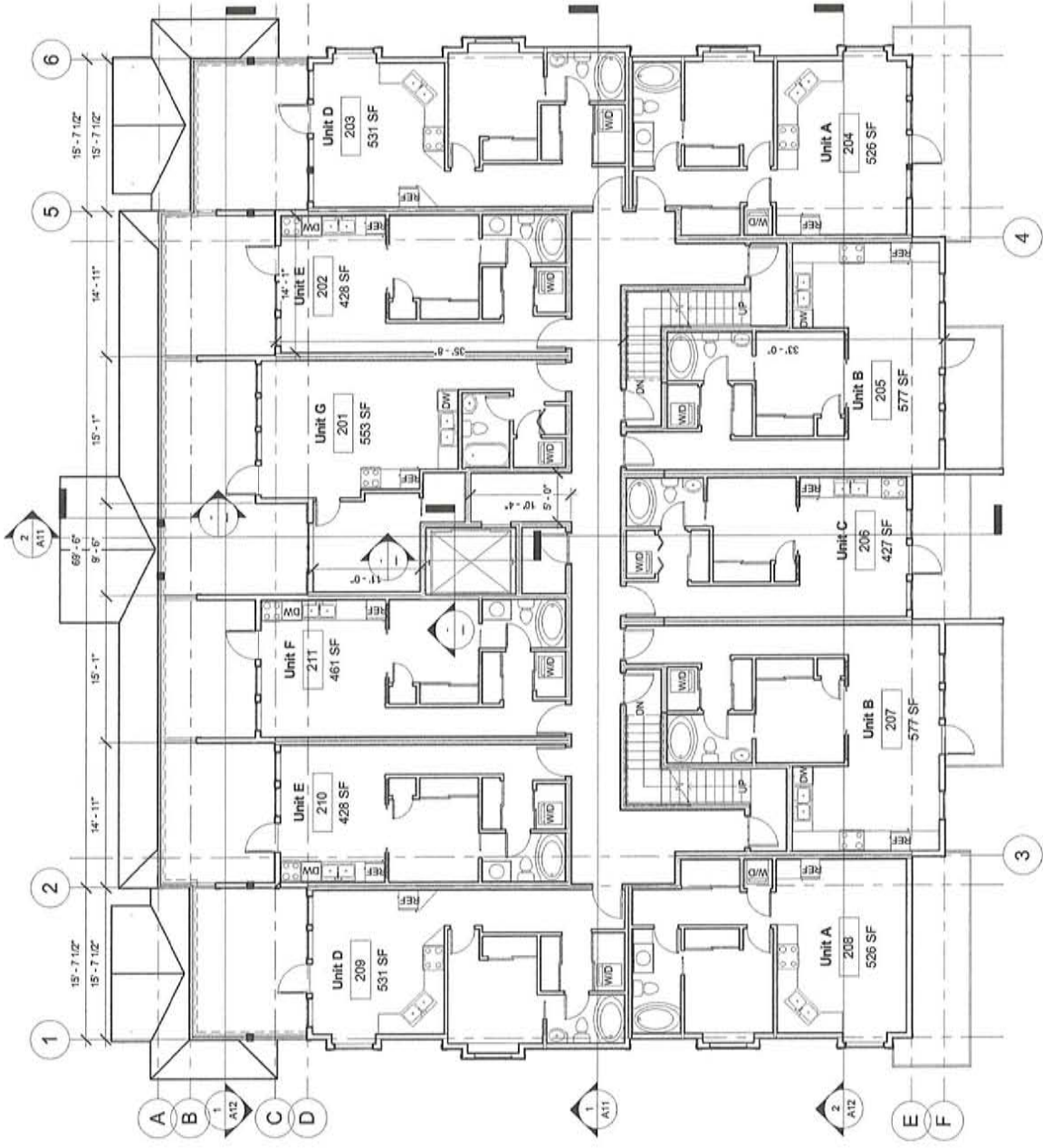












**GENERAL NOTES:**

1. These documents outline the general character and quality of the work and some of its details. Parts not detailed shall be constructed in accordance with best practices of work of this class, and shall provide the required strength and quality to complete all requirements of the work.
2. The construction shall be in accordance with the British Columbia Building Code, 2006 Edition. Every component and every change to the code are compiled with and all amendments are incorporated in the work.
3. All work shall conform to local building codes and by-laws whenever they take precedence.
4. Prior to proceeding with construction, the Contractor must verify all information, Start of construction shall be in accordance with the drawings and specifications, and adverse conditions encountered at the job site, shall be reported to the Owner Representative in consultation with the Architect.
5. All workmanship is to be of a standard equal in all respects to good building practice.
6. The Contractor shall be responsible for any errors or omissions in the contract documents, unless otherwise specified. The Contractor shall advise the Consultant if any discrepancies are observed or explanations are required.

**CONSTRUCTION NOTES:**

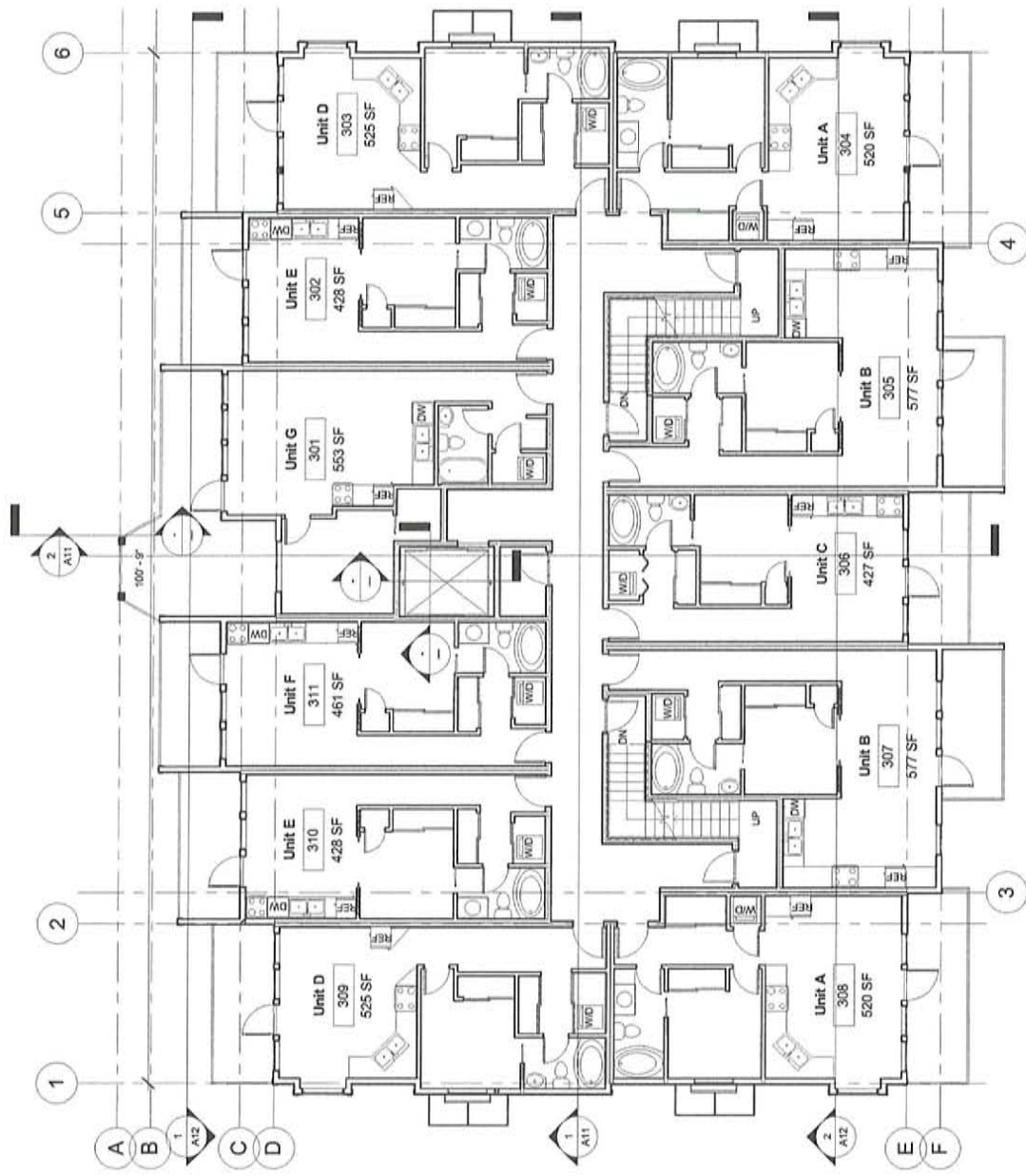
1. Exterior walls to livable areas: 2x6 studs at 16" o.c.
2. All exterior walls to be finished to outside.
3. All exterior walls to be finished to outside.
4. 5/8" fire guard gypsum board at all garage walls/corner walls common to livable areas.
5. All handrails to be of approved design.
6. All concrete to be placed on a minimum 4" compacted sub-grade.
7. Exterior wall insulation: R-20 glass fibre batt at 6" walls; attic insulation to be R-40 glass fibre; 25% of required attic vents to be at top 1/3 of roof.
8. Verify all rough opening requirements for doors, windows, equipment, and fixtures before ordering.
9. All exterior windows to have a minimum vent size of 24" x 36" for egress.

**General Foundation Notes:**

1. All work to be in accordance with Structural Drawings and Specifications.
2. Footings and foundation walls indicated on the drawings are generic. The Contractor is responsible for testing the soil and assure adequacy of the drawings are generic. The Contractor is responsible for testing the soil and assure adequacy of the drawings are generic. The Contractor is responsible for testing the soil and assure adequacy of the drawings are generic.
3. Footings to be minimum 3,000 psi (28 day) concrete to C.S.A. A23.1
4. Have 1" max. aggregate size
5. Have 3/8" max. spacing between exterior rebar - min. 35% air entrainment +/- 1%
6. Have maximum 4" slump.
7. Consolidate concrete in forms with high frequency internal vibrators - do not over vibrate so as to cause separation of the mix or use vibrators to move concrete.
8. Use of new deformed steel
9. Be of minimum grade 400 steel
10. Be placed in accordance with the latest edition of the A.C.I. detailing manual no. 315.
11. All rebar to be placed in accordance with the drawings noting the architect and center of any discrepancies in a written report to the architect.
12. Footings to bear on undisturbed native material or engineered fill at a depth below the frost line. Where an engineer's soil report is available verify requirements & comply with recommendations contained therein.
13. Notify the architect and owner in writing where soil conditions are found to be firm or potentially unstable.
14. Welded wire fabric to conform to C.S.A. G30.5 and to be lapped min. 6" or one full grid whichever is greater.
15. Un-detailed top splices to be 40 bar diameters staggered.
16. Footing to be finished with a sloped top surface.
17. Where required, step footings and foundation walls at min. 24" vertical & horizontal increments.
18. Maintain minimum 6" clear from top of foundation walls to finished Grade.
19. Exterior concrete substrates abutting concrete foundation to be doweled using 10m bar @ 2'-0" o.c.
20. All bearing columns of girder trusses and support beams are to be post-tensioned to foundation.

**General Framing Notes:**

1. Framing lumber to be S.P.F. #2 or better.
2. All framing to be finished with "Sikadur" or "Sikadur" type epoxy.
3. Roof/floor truss system design by registered structural engineer.
4. Verify/coordinate such design with these plans prior to ordering of material.
5. Truss system supplier to provide all required bracing/bracing for roof system.
6. All trusses to be braced to main structure with minimum 2x4 struts.
7. All trusses to be braced to main structure with minimum 2x4 struts.
8. All trusses to be braced to main structure with minimum 2x4 struts.
9. All trusses to be braced to main structure with minimum 2x4 struts.
10. All trusses to be braced to main structure with minimum 2x4 struts.



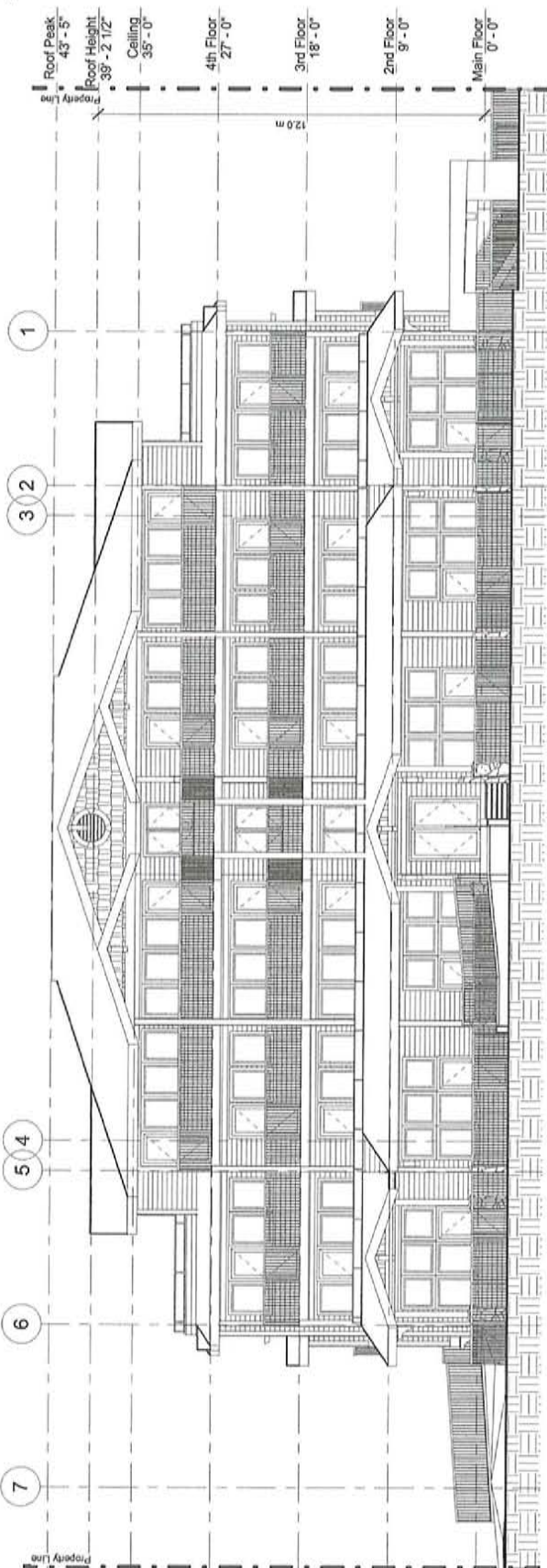
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 Sutherland Ave.

3rd Floor

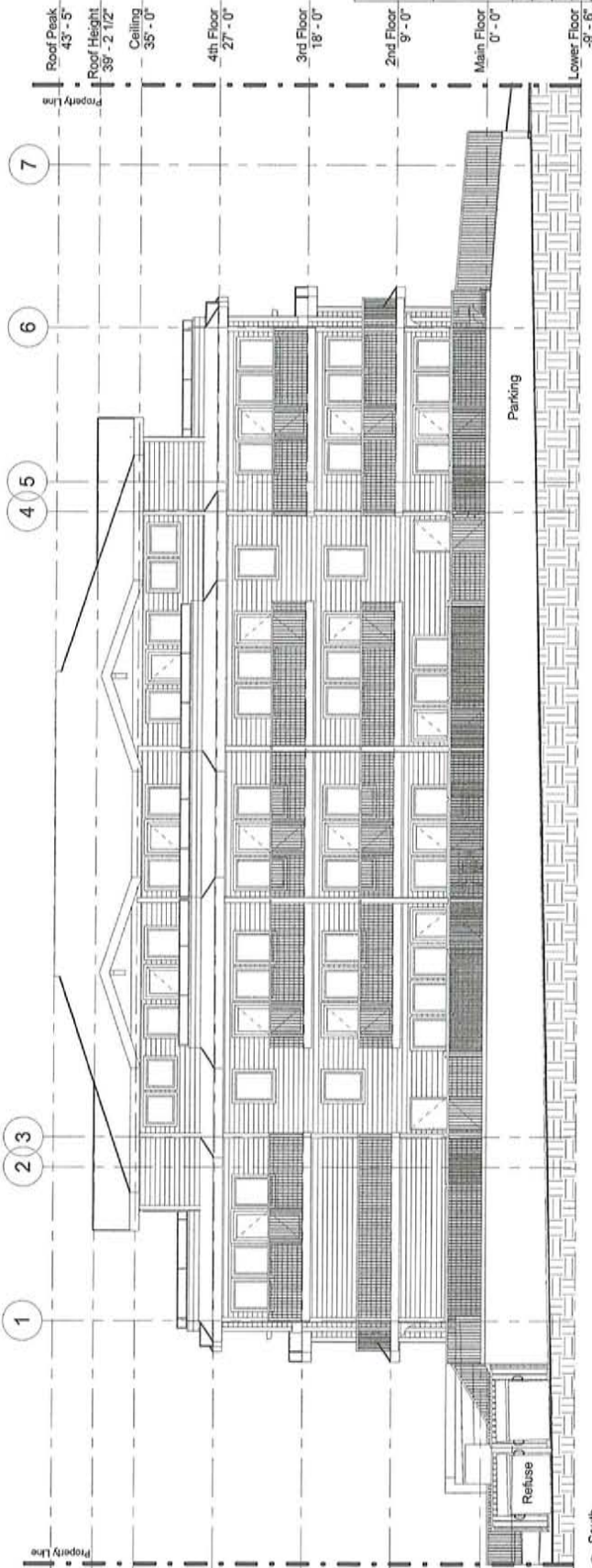
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A6





1 North  
 1/8" = 1'-0"

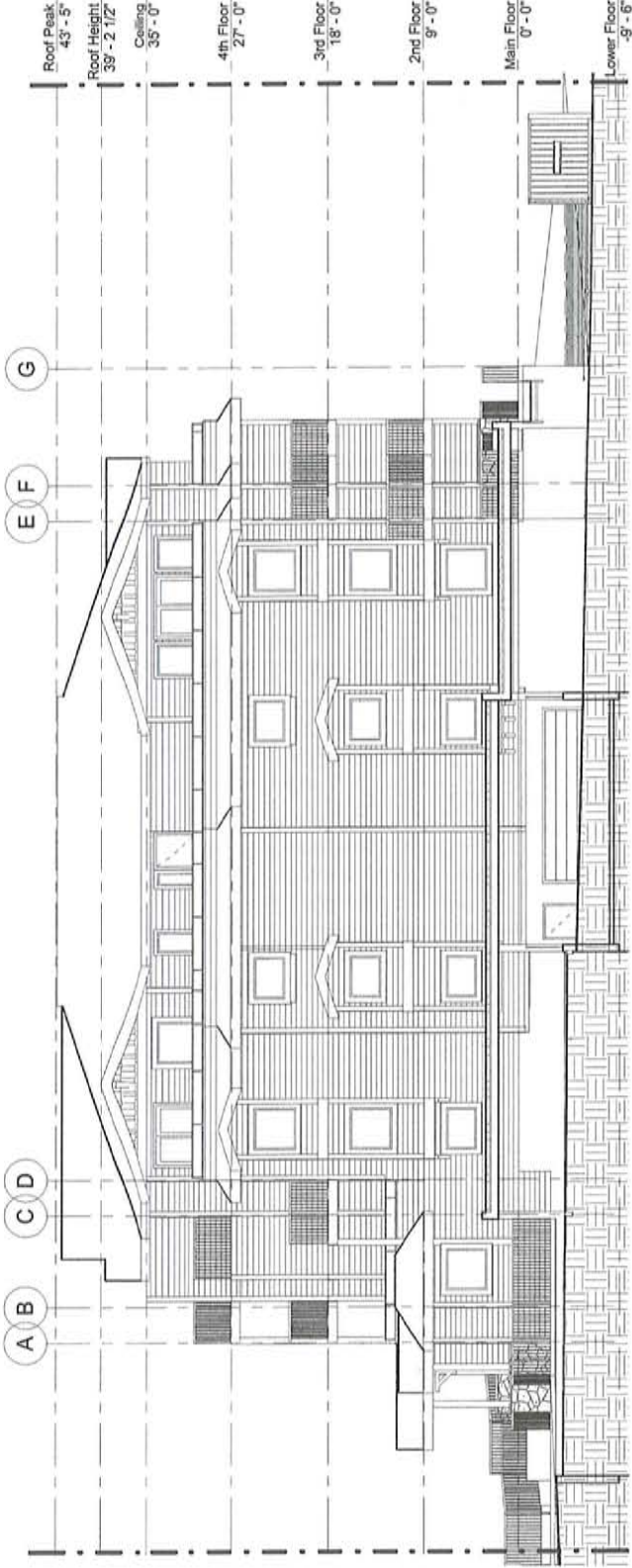


2 South  
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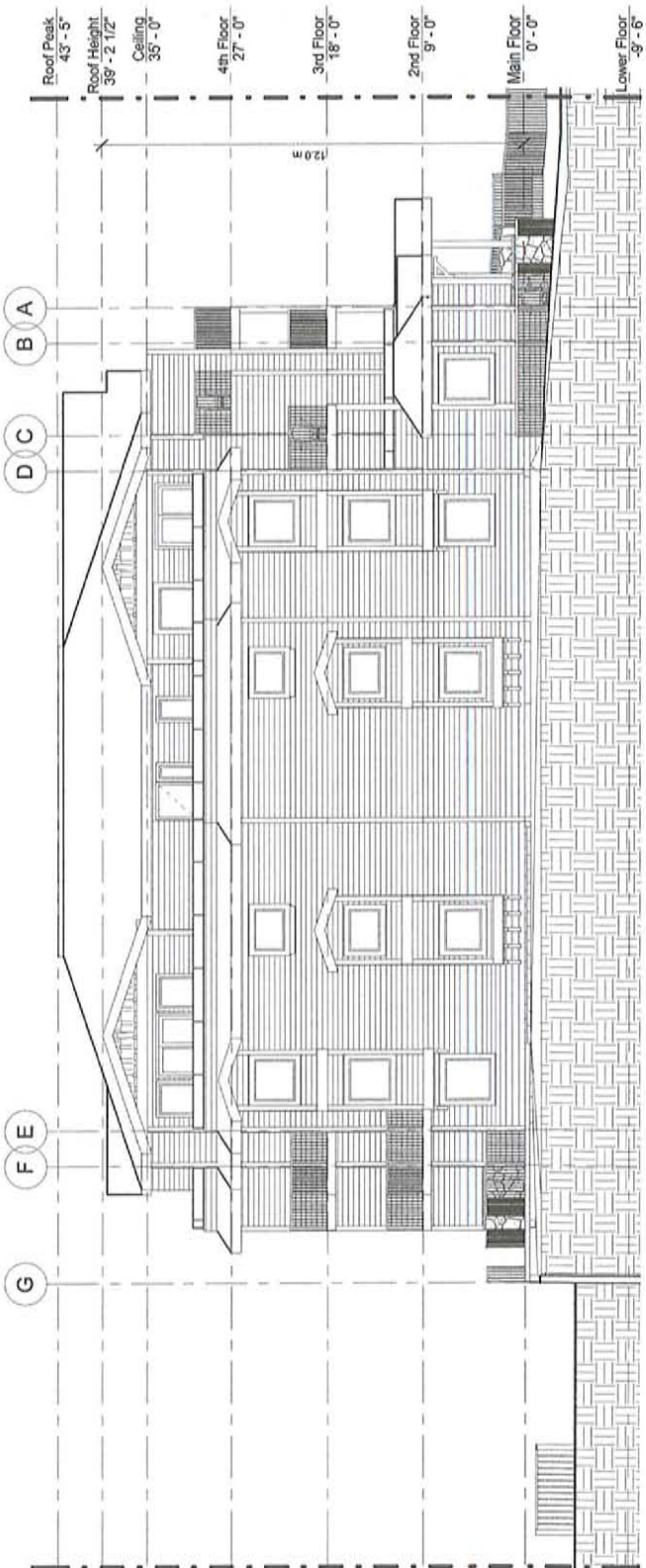
**Sutherland - 753**  
**Sutherland Ave.**

**North & South**  
**Elevations**

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Drawn by	BMY
Project No.	0021
Scale	1/8" = 1'-0"



① West  
 1/8" = 1'-0"



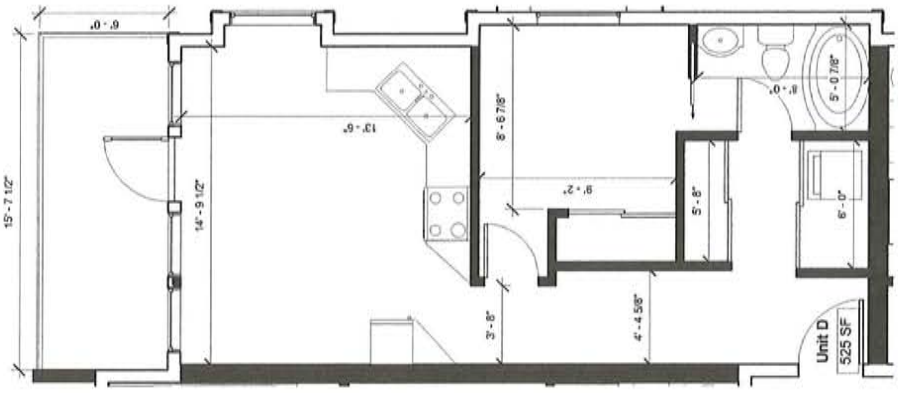
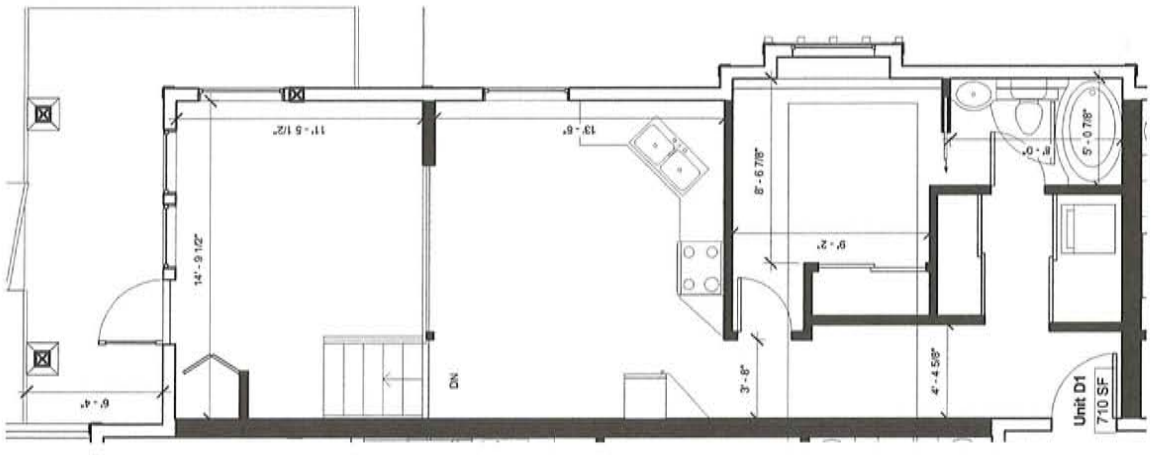
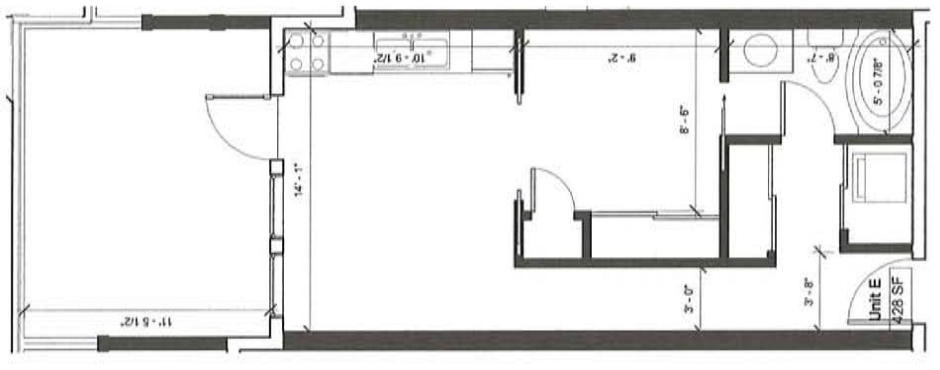
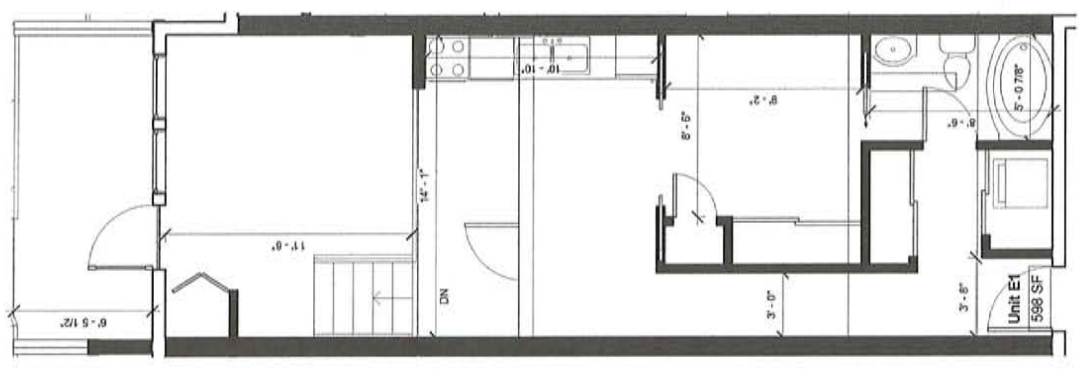
② East  
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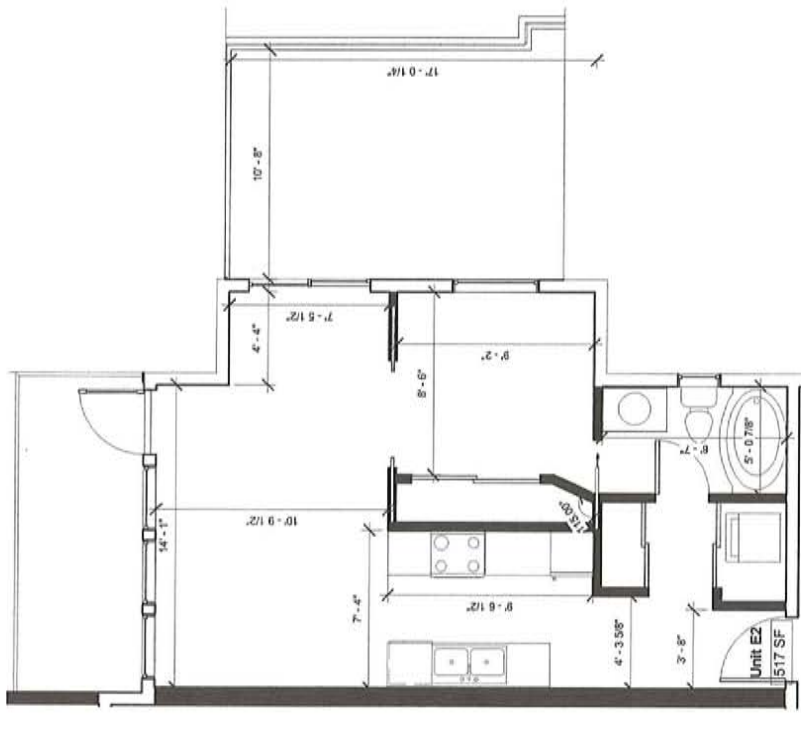
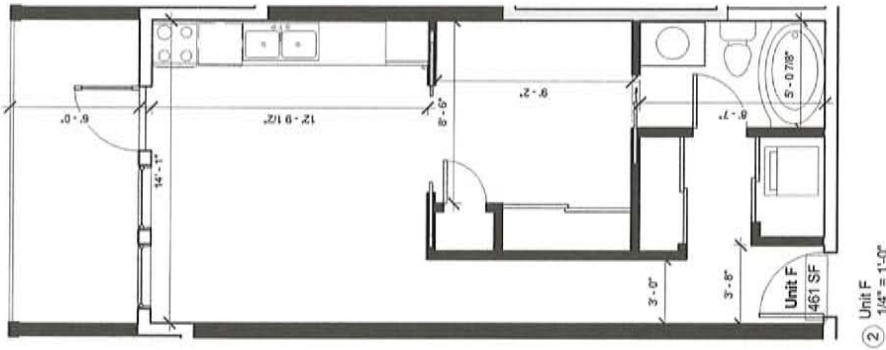
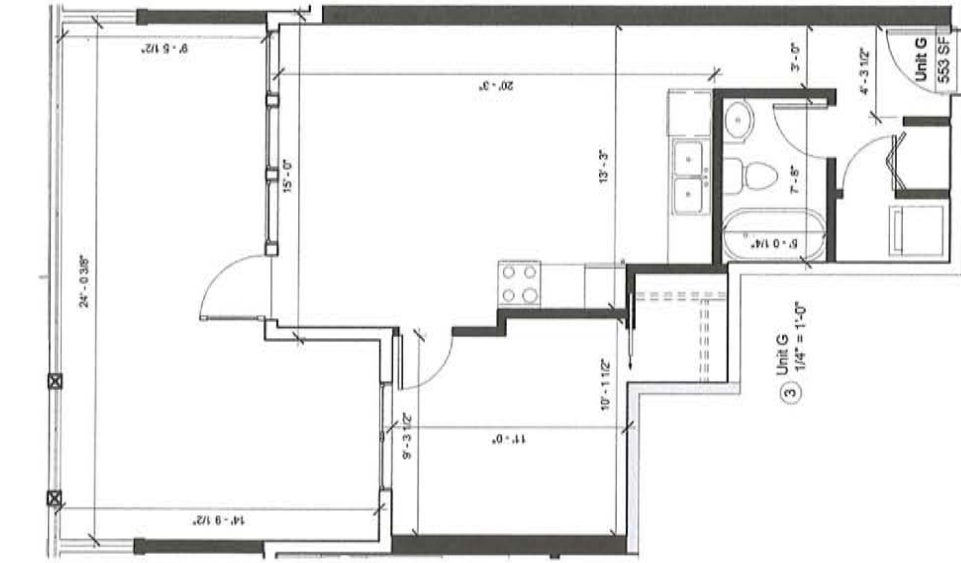
Sutherland - 753  
 Sutherland Ave.

West & East  
 Elevations

Date	March 26, 2009
Drawn by	BMJ
Project No.	0821
Scale	1/8" = 1'-0"







**Jande Architect Ltd.**  
 1 for Make-Up  
 2 Development Permit  
 2543 St. Denis St.  
 Phone: 514-353-3688 Fax: 514-353-3683  
 Email: info@jandeltd.ca www.jandeltd.ca

① Unit E2  
1/4" = 1'-0"

② Unit F  
1/4" = 1'-0"

③ Unit G  
1/4" = 1'-0"





A18

3/32" = 1'-0"

Sutherland - 753 Sutherland Ave.

Side Yard Sight Lines

No.

Description

Date

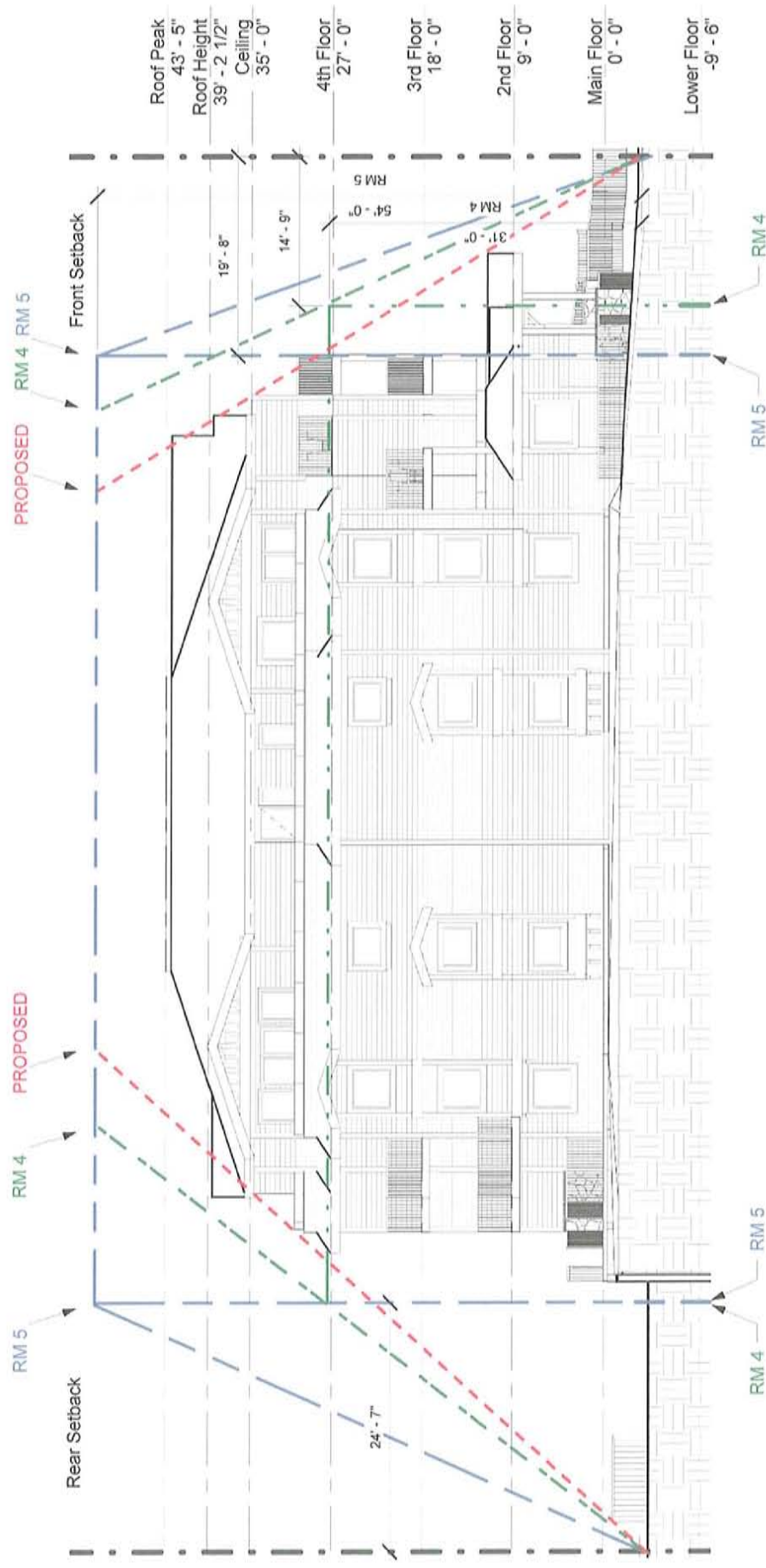
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Drawn by

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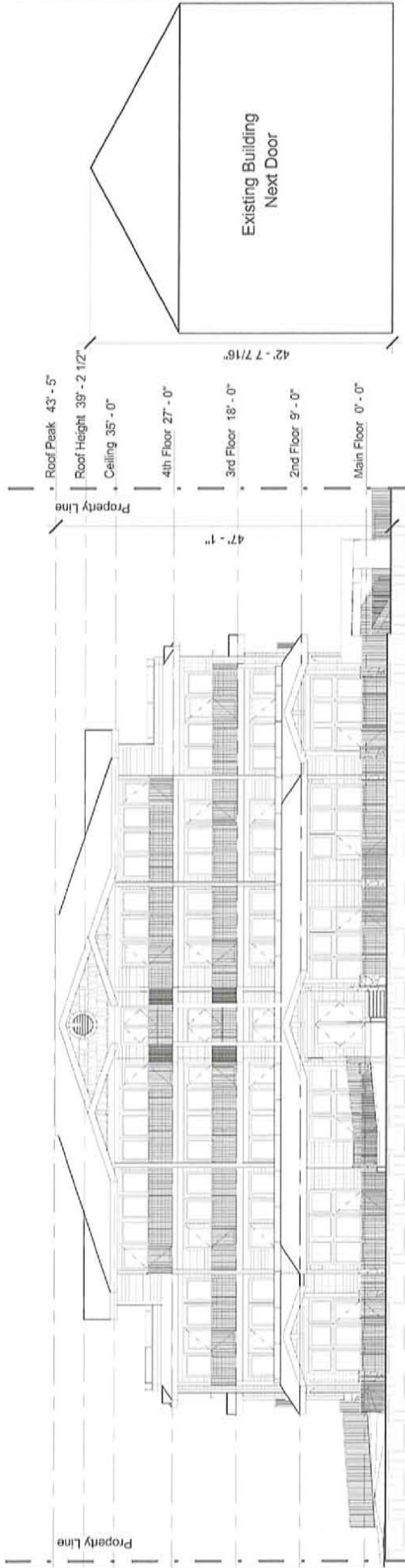
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3/32" = 1'-0"



No.	Description	Date	Sutherland - 753 Sutherland Ave.	Front & Rear Yard Sight Lines	A19
			Drawn by	Project No.	3/32" = 1'-0"
				Scale	

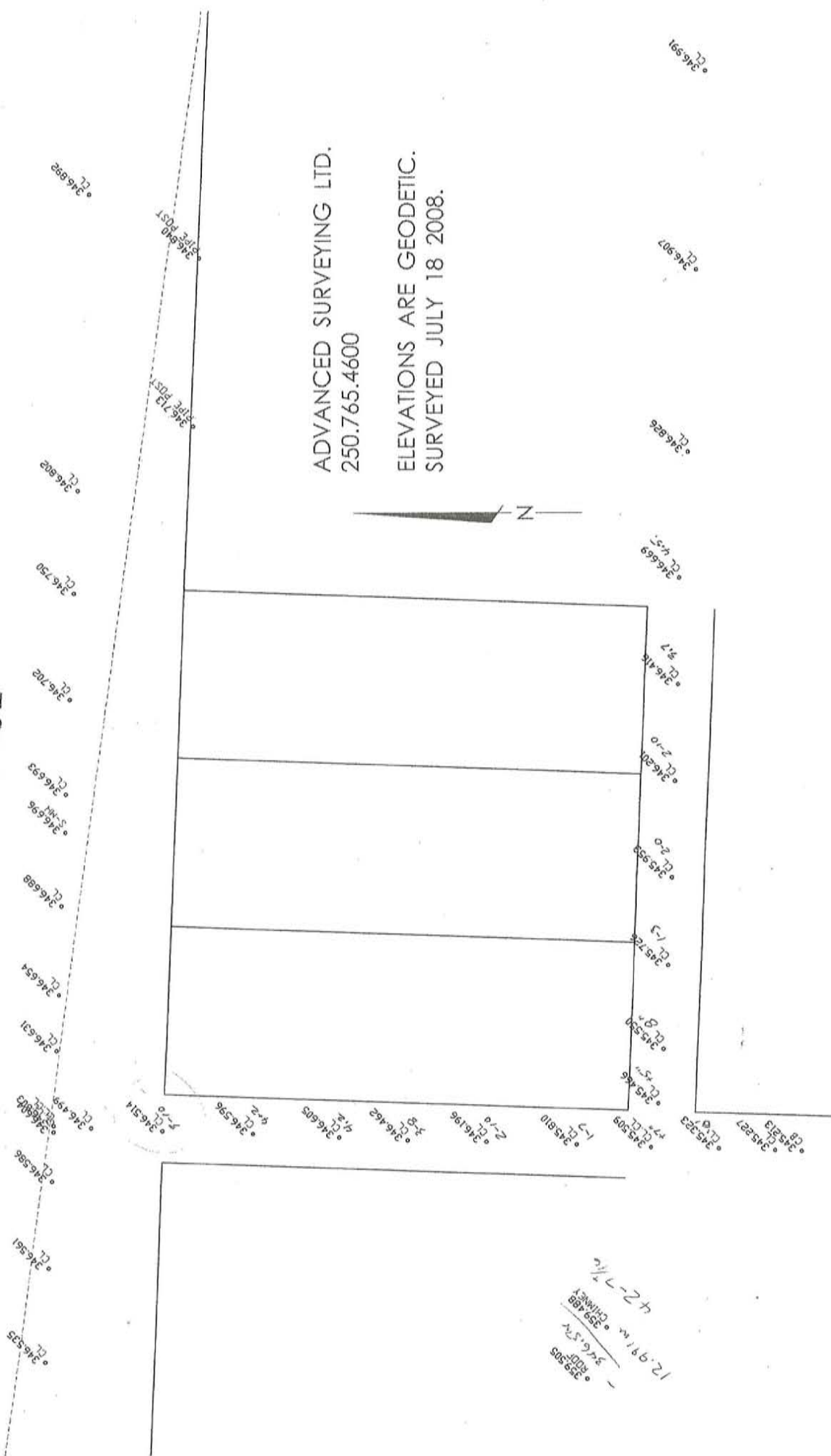




No.	Description	Date	Sutherland - 753 Sutherland Ave.	Roof Height	A20
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			Date	Scale	

SUTHERLAND AVENUE

ADVANCED SURVEYING LTD.  
250.765.4600  
ELEVATIONS ARE GEODETIC.  
SURVEYED JULY 18 2008.



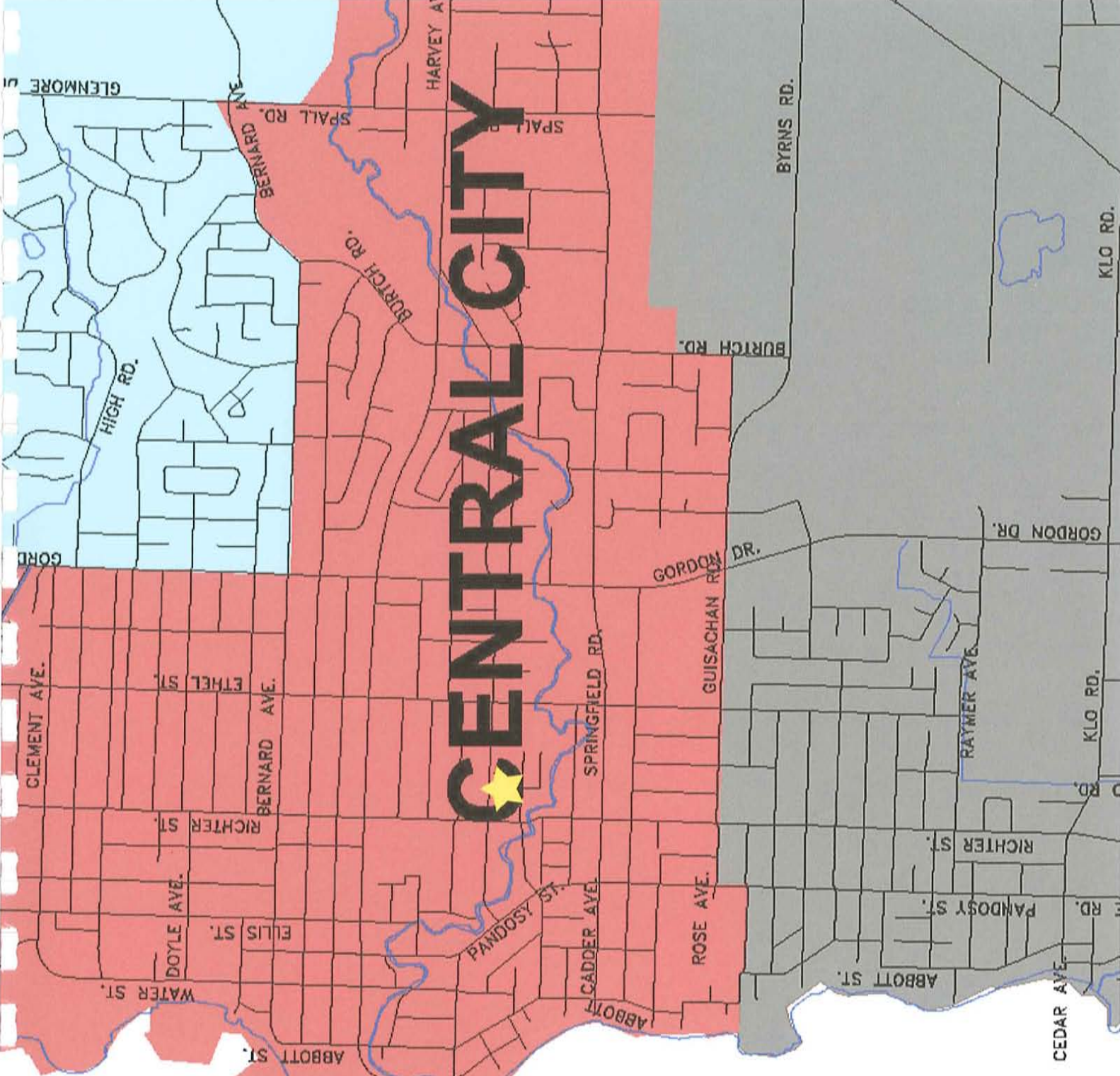
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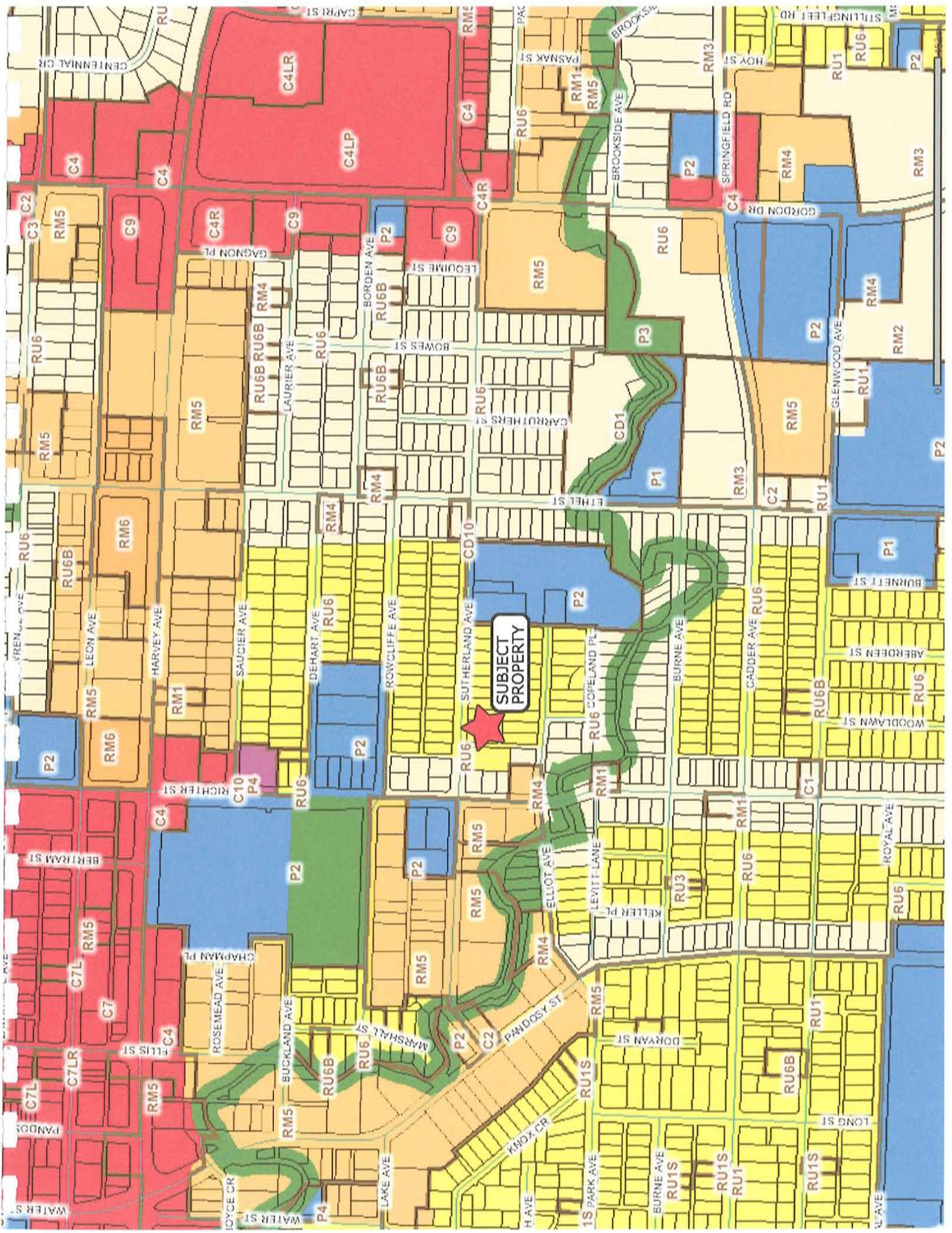
# CENTRAL CITY



FLOATING  
BRIDGE







SUBJECT PROPERTY



# CARUSO DANIELSON INC.

## Real Estate Appraisers & Consultants

102-347 LEON AVENUE  
KELOWNA, BC V1Y 8C7

Joseph R. Caruso, AACI, P.App.  
Steven M. Danielson, B.Comm, ASCT, AACI, P.App.  
Nicholas J. Mirsky, B.Comm.

Bus: 250-861-4460  
Fax: 250-861-6620  
www.cdinc.ca

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SENT VIA EMAIL: cww@telus.net

March 20, 2009

Mr. Walter Weisstock  
Suite 100 – 3195 Walnut Street  
Kelowna, BC V1W 3T6

Dear Mr. Weisstock:

### **Re: Market Information – Apartment condominium sales in the Kelowna area**

Per your request and authorization, we have completed a market survey of apartment condominium sales in the Kelowna area for units sized between 350 SF and 700 SF. The purpose of this letter is to provide market information for use by Mr. Weisstock in testing the feasibility of a proposed apartment style condominium development, with the majority of units less than 600 SF in size.

### **Historical Sales**

There are several apartment condominium complexes in Kelowna but few developments have created units less than 700 SF in size. Based on the information supplied by you and the probable target market for the end product, the following parameters were used in the MLS search summarized in the table below.

- non-waterfront developments, and
- sold after January 1, 2008, and
- constructed since 2003 or newer, and
- located within Kelowna or West Kelowna areas.

Sales statistics for the 700 to 900 SF size range were included for relative comparison only. The detailed sales information for the units less than 700 SF in size are summarized in the attachments herein. There are some developments for which the units are exclusively marketed and sold by the developer and as such would not show up in the MLS statistics below. However, the number of new developments with units less than 600 SF in size are limited primarily to Yaletown (North Glenmore), the Verve (North Glenmore), Mode (Springfield/Spall), and Aria (Westbank) and those not included below are considered a small quantity.



Size Range	Year Built (No. Units)	Bed/Bath	Size	Sale Date Range	Price Range	Price/SF Range
<500 SF	2008 - U/C (5)	Bachelor	327	Mar 08 - May 08	\$127,000 - \$145,000	\$388 - \$433
		1/1	463	Feb 08 - Apr 08	\$148,458 - \$199,900	\$321 - \$432
500 SF- 599 SF	2006 - U/C (9) <sup>(1)</sup>	Bachelor	570	Apr 08	\$151,130	\$265
		1/1	572 - 586	Apr 07 - Apr 08	\$177,500 - \$221,000	\$315 - \$377
600 SF- 699 SF	2003 - U/C (20) <sup>(1)</sup>	Bachelor	672	Mar 08	\$151,130	\$225
		1/1	602 - 689	Jan 08 - Nov 08	\$181,000 - \$302,000	\$287 - \$465
		1/1	689	Jan 09	\$208,000	\$302
		1/2	651 - 662	Jul 08 - Oct 08	\$180,000 - \$215,000	\$272 - \$325
700 SF- 799 SF	2003 - 2008 (59)	1/1	705 - 796	Jan 08 - Nov 08	\$154,900 - \$351,000	\$200 - \$448
		1/1	708 - 774	Feb 09	\$166,000 - \$175,000	\$226 - \$235
		1/1.5	788	May 08	\$237,000	\$301
		2/1	793	Mar 08	\$257,500	\$325
		2/1	770	Jan 09	\$214,000	\$278
		2/2	775	Mar 08 - Jun 08	\$242,500 - \$251,000	\$313 - \$324
800 SF- 900 SF	2005 - U/C (38)	1/1	824 - 268	Jan 08 - Aug 08	\$211,000 - \$250,000	\$256 - \$294
		1/1.5	819 - 879	Jan 08 - Oct 08	\$233,000 - \$365,000	\$275 - \$416
		2/1	800 - 897	May 08 - Aug 08	\$242,000 - \$246,000	\$272 - \$303
		2/2	802 - 895	Jan 08 - Nov 08	\$219,900 - \$370,000	\$274 - \$446
		2/2	888	Feb 09 - Mar 09	\$242,000 - \$252,500	\$273 - \$284

Notes: U/C = under construction

<sup>(1)</sup>Total includes one presale in the Merlot, a development that was never started.

In addition to the sales noted above, and using the same criteria above and a search date effective the date on this letter, there were 8 active listings on MLS for apartment style strata units sized less than 600 SF with an asking price between \$129,900 and \$189,900. There were 7 active listings for units between 600 SF and 699 SF in size with an asking price between \$175,000 and \$253,000. For units greater than 700 SF there were 544 active listings which is logical given that most developments constructed in the last five years were built with average unit sizes between 800 SF and 1,200 SF.

\* It should be noted that there will be variances in these numbers due to reporting errors on MLS by some agents who incorrectly state the year built on the development.

#### Market Condition Changes over Time

The market conditions have changed significantly since the sale of the above units. The supply of apartment and townhouse style condominium units reached a peak in 2008 that has lagged demand. Further exacerbating the problem was the stock market crash in September 2008 followed by confirmation of the economic recession that has left an over supply of condominiums in the Central Okanagan, particularly apartment style.

Multiple Listing Service statistics for the month of February indicates the number of current listings increase by 24.1% while the number of sales has decreased by 68.8%, compared with statistics for February 2008. The year-to-date median selling price ending February is down 16.0% compared with the same time frame in 2008. The February statistics are generally reflective of the prior three months and trend of slower sales as summarized as follows.

Condo/Apartment – Month of February	2008	2009
Sales	93	29
New Listings	252	189
Current Inventory	850	1055
Sell/Inventory Ratio	10.94%	2.75%
Days to Sell	63	137

The following factors are also considered:

- Units on upper floors typically will sell for more than units on lower floors, all else remaining equal.
- Interest rates are expected to remain at or near historic lows making mortgage financing and hence home ownership more affordable.
- Without verifying individual sales, vendor and purchaser motivation can produce swings in sales prices which can account for some of the wide value ranges noted above.
- Single family dwelling home prices have dropped and the MLS median sale price is \$400,000 in February 2009 down from the historical high in May 2008 price per MLS at \$497,500 indicating a 19.6% decrease. Notwithstanding, apartment style condominiums remain an attractive option for entry level purchasers and those looking to downsize.
- The current economic recession has offset some of the above factors as many prospective purchasers may not be willing to buy either because the lack the down payment required or are worried about the threat of unemployment as many companies have downsized.

### **Discussion & Conclusion**

Based on the information collected, review of market information and MLS statistics above, there are very few apartment style units constructed since 2003 that are less than 700 SF in size. Current market conditions have likely contributed to the low numbers, but even after considering this factor, it is evident that few strata titled units of this size simply do not exist.

Estimating future value changes in the current market conditions is highly subjective. Based on the above information, it is reasonable to conclude that current market sales would be lower than the levels seen in 2008 as evidenced by market statistics and recent sales in 2009. The current economic conditions and forecasts for 2009 are for the recession to carry on until at least the end of the year and as such supply will likely outpace demand for strata apartments. The market value of finished apartment



condominium units are down on average between 15% and 20% from their highs in 2008. If the recession continues through 2009 it isn't unreasonable to conclude that prices may come down further with weakening demand until such time the supply reaches equilibrium.

I trust this is the information you require. If you have any questions please do not hesitate to contact me directly at 250-861-4460, extension 201.

Respectfully,

  
Steven M. Danielson, B.Comm, AScT, AACI, P.App.

Attachments: (2 pages)

Units Less than 500 SF in size

Listing #	DOM	Sold Date	Sold Price	Unit #	Street #	Street	St. Ext.	Sub-Area	Complex	Year Built	Bed	Bath	FFA	\$/SF
9184721	74	4/13/2008	\$199,900.00	418	1550	Dickson Avenue	Avenue	SS - Springfield/Spall	Mode	2009	1	1	463	\$431.75
9186074	17	3/11/2008	\$151,130.00	218	1550	Dickson Avenue	Avenue	SS - Springfield/Spall	Mode	2009	1	1	463	\$326.41
9183913	14	2/14/2008	\$148,458.00	215	Lot 215	Dickson Avenue	Avenue	SS - Springfield/Spall	Mode	2009	1	1	463	\$320.64
9184496	62	3/31/2008	\$127,000.00	101	539	Yates Road	Road	NG - North Glenmore	VERVE	2008	0	1	327	\$388.38
9190930	26	5/20/2008	\$145,000.00	100	539	Yates Road	Road	NG - North Glenmore	Verve 7	2008	0	1	327	\$443.43

1910.61 ÷ 5

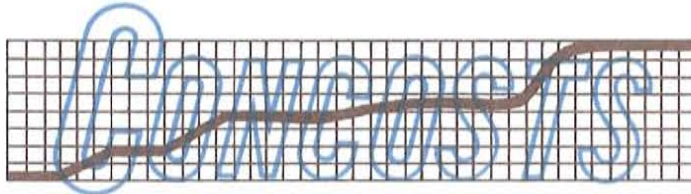
Units 500 SF to 599 SF in size

Listing #	DOM	Sold Date	Sold Price	Unit #	Street #	Street	St. Ext.	Sub-Area	Complex	Year Built	Bed	Bath	FFA	\$/SF
9183402	14	1/23/2008	\$180,000.00	302	3533	Carrington Road	Road	WE - Westbank	Aria	2007	1	1	572	\$314.69
9178620	142	2/11/2008	\$195,000.00	209	3533	Carrington Road	Road	WE - Westbank	Aria	2007	1	1	572	\$340.91
9178390	141	2/8/2008	\$197,000.00	409	3533	Carrington Road	Road	WE - Westbank	Aria	2007	1	1	572	\$344.41
9185720	43	4/9/2008	\$215,500.00	202	538	McKay Avenue	Avenue	KS - Kelowna South	Pandosa Place	2006	1	1	586	\$367.75
9185736	50	4/16/2008	\$221,000.00	302	538	McKay Avenue	Avenue	LM - Lower Mission	Pandosa Place	2006	1	1	586	\$377.13
9185057	14	2/20/2008	\$217,000.00	316	533	Yates Road	Road	NG - North Glenmore	The Verve	2007	1	1	586	\$370.31
9179536	110	1/28/2008	\$202,000.00	#316	539	Yates Road	Road	NG - North Glenmore	The Verve	2008	1	1	586	\$344.71
9186632	50	4/20/2008	\$220,000.00	416	539	Yates Road	Road	NG - North Glenmore	The Verve	2008	1	1	586	\$375.43
9187021	35	4/11/2008	\$151,130.00	204	1094	Lawson Avenue	Avenue	KN - Kelowna North	The Merlot*	2088	0	1	570	\$265.14

3100.48 ÷ 9

\* Presale, construction did not commence on this project





**CONCOST CONSULTANTS INC.**

7554 BURRIS STREET, BURNABY, BC V5E 1Y9

Burnaby Offices: (604) 522-9977 • Fax (604) 522-3370

Kelowna Offices: (250) 868-5683 • Fax (250) 868-5680

Web: [www.concosts.com](http://www.concosts.com) • Email: [pqs@concosts.com](mailto:pqs@concosts.com)

**WISE STOCK DEVELOPMENTS LTD.**

100 – 3195 Walnut Road

Kelowna, BC V1W 3T6

Tel: 250.878.0000

April 6, 2009

Job #4071

DELIVERED

BY HAND

ATTENTION: Mr. Walter Weisstock  
Developer

[cww@telus.net](mailto:cww@telus.net)

Dear Mr. Weisstock,

RE: **SUTHERLAND AVENUE PROJECT**  
739 & 753 Sutherlands Avenue, Kelowna, BC  
(Weisstock Developments Ltd.)

Further to our initial phone conversation on Wednesday April 1/09 and follow up email on Friday April 3/09, we have briefly reviewed the architectural development plans and artist's rendering of the proposed multi family development provided by the Developer, Wise Stock Developments Ltd. This type of construction has been very common in the Kelowna and surrounding interior areas in the last 2 – 3 years.

It is our opinion that as of the date of this letter, the construction (hard) costs to construct a project of this type have decreased by between 10.0% – 12.0% since one year ago this time. Contributing factors to this decrease include obvious economic conditions and more competitive trade contractor pricing.

We trust the above is satisfactory, please contact the writer should you have any queries.

Yours truly,  
CONCOST CONSULTANTS INC.

REVIEWED BY PRINCIPAL:  
[CONCOST CONSULTANTS INC.]

Per:

Russ Grodzuik, ASCT  
Associate Quantity Surveyor

Per:

Dmitri N. Gulak, PQS  
Professional Quantity Surveyor



RBC Royal Bank®

## What would it cost to own at Sutherland Development?

Based on 5-year rate of 4.1%. 35-year amortization.

UNIT	SIZE IN FT2	PURCHASE PRICE	Net GST	Purchase Price incl GST	5% DOWN	MORTGAGE	INSURANCE	TOTAL MORTGAGE	MONTHLY PAYMENTS
B2	871	\$229,944	\$7,358	\$237,302	\$11,865	\$225,437	\$7,101	\$232,538	\$1,039
D1	728	\$192,192	\$6,150	\$198,342	\$9,917	\$188,425	\$5,935	\$194,360	\$868
E1	624	\$164,736	\$5,272	\$170,008	\$8,500	\$161,507	\$5,087	\$166,595	\$744
B	591	\$156,024	\$4,993	\$161,017	\$8,051	\$152,966	\$4,818	\$157,784	\$705
F	573	\$151,272	\$4,841	\$156,113	\$7,806	\$148,307	\$4,672	\$152,979	\$683
G	566	\$149,424	\$4,782	\$154,206	\$7,710	\$146,495	\$4,615	\$151,110	\$675
A	539	\$142,296	\$4,553	\$146,849	\$7,342	\$139,507	\$4,394	\$143,901	\$643
D	539	\$142,296	\$4,553	\$146,849	\$7,342	\$139,507	\$4,394	\$143,901	\$643
Am	534	\$140,976	\$4,511	\$145,487	\$7,274	\$138,213	\$4,354	\$142,567	\$637
E2	528	\$139,392	\$4,461	\$143,853	\$7,193	\$136,660	\$4,305	\$140,965	\$630
B3	520	\$137,280	\$4,393	\$141,673	\$7,084	\$134,589	\$4,240	\$138,829	\$620
C	477	\$125,928	\$4,030	\$129,958	\$6,498	\$123,460	\$3,889	\$127,349	\$569
B1	466	\$123,024	\$3,937	\$126,961	\$6,348	\$120,613	\$3,799	\$124,412	\$556
E	446	\$117,744	\$3,768	\$121,512	\$6,076	\$115,436	\$3,636	\$119,072	\$532

-2026  
\$264/F2

UNIT	SIZE IN FT2	NO. OF UNITS	MONTHLY TAXES	CONDO FEES @50%	HEATING COSTS	TOTAL PAYMENT	INCOME REQUIRED	WAGE PER HOUR X-1	WAGE PER HOUR X-2
B2	871	2	\$84	\$99	\$85	\$1,306	\$48,977	\$25.51	\$12.75
D1	728	2	\$70	\$82	\$85	\$1,106	\$41,459	\$21.59	\$10.80
E1	624	3	\$60	\$71	\$85	\$960	\$35,992	\$18.75	\$9.37
B	591	4	\$57	\$67	\$85	\$914	\$34,257	\$17.84	\$8.92
F	573	3	\$55	\$65	\$85	\$888	\$33,311	\$17.35	\$8.67
G	566	3	\$54	\$64	\$85	\$878	\$32,943	\$17.16	\$8.58
A	539	4	\$52	\$61	\$85	\$841	\$31,523	\$16.42	\$8.21
D	539	4	\$52	\$61	\$85	\$841	\$31,523	\$16.42	\$8.21
Am	534	2	\$51	\$61	\$85	\$834	\$31,260	\$16.28	\$8.14
E2	528	2	\$51	\$60	\$85	\$825	\$30,945	\$16.12	\$8.06
B3	520	1	\$50	\$59	\$85	\$814	\$30,524	\$15.90	\$7.95
C	477	4	\$46	\$54	\$85	\$754	\$28,264	\$14.72	\$7.36
B1	466	1	\$45	\$53	\$85	\$738	\$27,686	\$14.42	\$7.21
E	446	4	\$43	\$51	\$85	\$710	\$26,634	\$13.87	\$6.94

Prepared by: Diane Bold, Mortgage Specialist | RBC Royal Bank | 250-317-4343 | email: [diane.bold@rbc.com](mailto:diane.bold@rbc.com)

Data contained herein is subject to change and is presented for information purposes and should not be construed as an offer to finance





RBC Royal Bank®

**What would it cost to own at Sutherland Development?**

Based on 5-year rate of 4.1%. 35-year amortization.

-15%  
281/FT<sup>2</sup>

UNIT	SIZE IN FT <sup>2</sup>	PURCHASE PRICE	Net GST	Purchase Price incl GST	5% DOWN	MORTGAGE	INSURANCE	TOTAL MORTGAGE	MONTHLY PAYMENTS
B2	871	\$244,751	\$7,832	\$252,583	\$12,629	\$239,954	\$7,559	\$247,512	\$1,106
D1	728	\$204,568	\$6,546	\$211,114	\$10,556	\$200,558	\$6,318	\$206,876	\$924
E1	624	\$175,344	\$5,611	\$180,955	\$9,048	\$171,907	\$5,415	\$177,322	\$792
B	591	\$166,071	\$5,314	\$171,385	\$8,569	\$162,816	\$5,129	\$167,945	\$750
F	573	\$161,013	\$5,152	\$166,165	\$8,308	\$157,857	\$4,973	\$162,830	\$727
G	566	\$159,046	\$5,089	\$164,135	\$8,207	\$155,929	\$4,912	\$160,840	\$718
A	539	\$151,459	\$4,847	\$156,306	\$7,815	\$148,490	\$4,677	\$153,168	\$684
D	539	\$151,459	\$4,847	\$156,306	\$7,815	\$148,490	\$4,677	\$153,168	\$684
Am	534	\$150,054	\$4,802	\$154,856	\$7,743	\$147,113	\$4,634	\$151,747	\$678
E2	528	\$148,368	\$4,748	\$153,116	\$7,656	\$145,460	\$4,582	\$150,042	\$670
B3	520	\$146,120	\$4,676	\$150,796	\$7,540	\$143,256	\$4,513	\$147,769	\$660
C	477	\$134,037	\$4,289	\$138,326	\$6,916	\$131,410	\$4,139	\$135,549	\$605
B1	466	\$130,946	\$4,190	\$135,136	\$6,757	\$128,379	\$4,044	\$132,423	\$592
E	446	\$125,326	\$4,010	\$129,336	\$6,467	\$122,870	\$3,870	\$126,740	\$566

UNIT	SIZE IN FT <sup>2</sup>	NO. OF UNITS	MONTHLY TAXES	CONDO FEES @50%	HEATING COSTS	TOTAL PAYMENT	INCOME REQUIRED	WAGE PER HOUR X-1	WAGE PER HOUR X-2
B2	871	2	\$89	\$99	\$85	\$1,378	\$51,687	\$26.92	\$13.46
D1	728	2	\$74	\$82	\$85	\$1,166	\$43,724	\$22.77	\$11.39
E1	624	3	\$64	\$71	\$85	\$1,012	\$37,933	\$19.76	\$9.88
B	591	4	\$60	\$67	\$85	\$963	\$36,096	\$18.80	\$9.40
F	573	3	\$59	\$65	\$85	\$936	\$35,094	\$18.28	\$9.14
G	566	3	\$58	\$64	\$85	\$925	\$34,704	\$18.07	\$9.04
A	539	4	\$55	\$61	\$85	\$885	\$33,200	\$17.29	\$8.65
D	539	4	\$55	\$61	\$85	\$885	\$33,200	\$17.29	\$8.65
Am	534	2	\$54	\$60	\$85	\$878	\$32,922	\$17.15	\$8.57
E2	528	2	\$54	\$60	\$85	\$869	\$32,588	\$16.97	\$8.49
B3	520	1	\$53	\$59	\$85	\$857	\$32,142	\$16.74	\$8.37
C	477	4	\$49	\$54	\$85	\$793	\$29,748	\$15.49	\$7.75
B1	466	1	\$48	\$53	\$85	\$777	\$29,136	\$15.17	\$7.59
E	446	4	\$46	\$51	\$85	\$747	\$28,022	\$14.59	\$7.30

Prepared by: Diane Bold, Mortgage Specialist | RBC Royal Bank | 250-317-4343 | email: diane.bold@rbc.com

Data contained herein is subject to change and is presented for information purposes and should not be construed as an offer to finance



## **HOUSING RESOURCES HANDBOOK**

### **Benchmarks and Resources for Affordable, Special Needs and Rental Housing**



**Community Development and Real Estate, January 2009**



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## Introduction and Context of this Document:

The City of Kelowna revised its housing policy direction, based on the findings and recommendations from the 1999/2000 Housing Study. The Study was prepared based on extensive research, consultation with the Community Housing Needs Committee and a comprehensive workshop with housing stakeholders<sup>1</sup>. Policy changes to the Official Community Plan were subject to the usual public hearing process with City Council. Housing policies were again revised as part of the OCP review in 2001, based on the results of public consultation, a housing-specific focus group, agency and staff review. At this time staff and the City's Social Planning & Housing Committee are in the process of looking at further changes in City direction to become more proactive in increasing the supply of low income and affordable housing. Policy changes were approved as a result of this process in 2005. The City continues to move forward and investigate its direction for housing policy. The policies from Chapter 8 of the OCP that are relevant to the information provided in this publication are quoted below:

**.12 Information Package.** Prepare an information package concerning the City's development approval process<sup>2</sup>, as well as information on Provincial and Federal Government Housing Programs, such as the Residential Rehabilitation Assistance Program (RRAP), Homegrown Solutions, and BC Housing or Homes BC programs, to assist nonprofit housing groups in preparing successful proposals.

**.16 Affordability Benchmarks.** Affordability benchmarks will be published annually in information bulletins, using accepted methodologies and data from Statistics Canada, BC Statistics and Canada Mortgage and Housing Corporation. They are based on the following criteria:

**Rental:** Affordable rents will be the average rents for Kelowna from the annual Canada Mortgage and Housing Corporation (CMHC) Rental Market Report;

**Owner:** Ownership affordability is based on the income level at which a household would be capable of entering the ownership market. This is equivalent to the "starter home" price and is derived based on the purchase ability at the median income level for all two or more person households from the most recent Census, assuming 30 % of gross household income expenditure for shelter. The starter home price will be updated annually between Census years using the B.C. Consumer Price Index (CPI), be published annually by the City and be given for a non-strata-titled home, a strata-titled home and a mobile / manufactured home; .

**.17 Core Need:** Consider, based on data from Statistics Canada or Canada Mortgage and Housing Corporation (CMHC) or British Columbia Housing Management Corporation (BCMHC), households to be at core need for housing when they meet the following criteria:

- Qualify as at or below core need income threshold (CNIT) developed by CMHC and used by the British Columbia Housing Management Commission for Kelowna, and/or;
- Household income falls at or below Low Income Cut-Off level defined by Statistics Canada for urban areas greater than 100,000 people, based on household size, and/or;

<sup>1</sup> Workshop participants were from the health, non-profit housing, development, government and general public.

<sup>2</sup> This is provided in a separate publication: See Community Resources Handbook the City web site: [www.kelowna.ca](http://www.kelowna.ca) under Residents / Community Development & Real Estate / Community Planning



- Household is receiving BC income assistance for Welfare to Work or Disability Benefits or qualifies for Targetted Rent Subsidy Programs (TRSP) operated by BC Housing, or dwelling is built with senior government funding to be affordable;

The City will publish the above information by available means, and it will be current;

**.24 Housing Affordability Indicators.** Assemble data, as housing affordability indicators, from the following sources:

- B.C. Assessment Authority database on sales activity;
- Core needs data from Statistics Canada, CMHC, BCMHC and B.C. Housing;
- City of Kelowna development activity reports.

This information will be distributed through the City web page, Social Planning and Housing Committee and/or Planning and Development Services brochures;

**.25 Affordable and Special Needs Housing Deficiency.** Compare the Statistics Canada data on incidence of low-income households [based on low-income cut-offs (LICO)] against non- profit housing supplies to estimate housing deficiencies and publish this information on a regular basis;

**.26 Vacancy Rates.** Regard the vacancy rates, calculated annually for rental housing by the Canada Mortgage and Housing Corporation, as an indicator of demand for rental housing, and publish this information;

## Most Recent Affordability Benchmarks:

### Starter Home Price: 2008

These numbers are based on the 2006 Census information, current mortgage, & mortgage insurance rates and adjusted utility, strata & property tax costs. They are updated yearly, using the BC Consumer Price Index. See the definitions of affordable housing in the OCP housing policies.

\$212,223 (non-strata titled, single ownership dwelling)

\$200,150 (strata titled dwelling)

\$191,029 (manufactured home with pad rental, additional)

### Median Income 2008 :

**Kelowna Economic Family<sup>3</sup> = \$63,737**

Updated using the BC Annual Average Consumer Price Index

<http://www.bcstats.gov.bc.ca/data/dd/handout/CPIAN.pdf>

### Average Rents 2008 - All Private Apartments<sup>4</sup>, From Canada Mortgage and Housing Corporation Market Rental Survey- City of Kelowna

	Bachelor	One Bedroom	Two Bedroom	Three Bedroom +
Average Rent	\$624	\$800	\$961	\$1,069
Annual Income – Before Tax to afford at 30% income on shelter	\$24,960	\$32,000	\$38,440	\$42,760

<sup>3</sup> The 2006 Census did not collect income information for 2 or more person households. The closest household grouping to match 2 or more person households is an economic family.

<sup>4</sup> CMHC includes only buildings with 3 or more units in its rental survey.



**Median Home Prices – 2007 Total Sales of Individual Dwellings – City of Kelowna**

Single Detached	Single- Detached with Secondary Suite	Stratified Unit	Duplex/Single Unit Ownership	Manufactured Home in Park
\$441,250	\$404,000	\$259,000	\$345,000	\$96,794
2,236 sales	76 sales	1767 sales	293 sales	219 sales

**Low Income Cut-Offs**

**LOW-INCOME CUT-OFFS (LICO) BEFORE TAX , 2007<sup>5</sup> FOR URBAN AREAS OF POPULATION 100,000 to 499,999** Source: Statistics Canada & BCSTATS

HHLD SIZE	2008 LICO ANNUAL \$	2008\$/month for Shelter <sup>6</sup> (30% income)
1 person	18,672	467
2 persons	23,341	584
3 persons	29,030	726
4 persons	35,139	878
5 persons	39,281	982
6 persons	43,422	1,086
7 or more persons	47,563	1,189

**Core Need Income Thresholds - City Of Kelowna**

**2006 CORE NEED INCOME THRESHOLDS (BC HOUSING & CMHC)**

UNIT SIZE	YEARLY HOUSEHOLD INCOME THRESHOLD	MONTHLY RENT <sup>7</sup> BASED ON 30% OF INCOME
<b>BACHELOR</b>	<b>\$22,000</b>	550
<b>1 BEDROOM</b>	<b>\$25,500</b>	638
<b>2 BEDROOM</b>	<b>\$33,000</b>	825
<b>3 BEDROOM</b>	<b>\$36,000</b>	900
<b>4+ BEDROOM</b>	<b>\$37,500</b>	938

BC Housing Occupancy Standards

1. There shall be no more than 2 or less than 1 person per bedroom.
2. Spouses and couples share a bedroom.
3. Parents do not share a bedroom with children.
4. Dependants aged 18 or more do not share a bedroom.
5. Dependants aged 5 ore more of opposite sex do not share a bedroom.

<sup>5</sup> Updated from 2003, using the annual Canadian Consumer Price Index

<sup>6</sup> Includes Eligible Utilities

<sup>7</sup> Includes Eligible Utilities

BL8600 (March 5, 2002) replaced Chapter 8 – Social Environment with Chapter 8 – Housing as follows (See Chapter 17 for Social Environment):

# 8

# HOUSING

## 8.1 Housing Policies

### Considerations for Future Civic Action

The City of Kelowna will:

.....

#### Liaison/Co-operation/Public Relations

**.8 Community Acceptance.** Seek to educate, raise awareness and increase community acceptance of low-income / special needs housing, including provision to address NIMBYism in planning reports that review proposals for affordable, special needs or rental housing;

#### Further Studies/Reviews

**.13 Sector Plans.** Identify suitable locations for residential development in preparing future Sector Plans;

**.14 Low Income Housing.** Review policies, procedures, and implementation of such policies and procedures for re-development to derive a procedure whereby low-income housing is not removed unless alternate housing is provided for the residents that are displaced. A specific example is a policy for demolition of motels that provide longer-term accommodation used by lower income people. A similar policy is in place to deal with the removal of mobile homes;

**.15 Zoning Bylaw.** Continue to monitor the effectiveness of regulations, processes and fees in the Zoning Bylaw that affect housing and update the Zoning Bylaw to improve effectiveness whenever the need arises.

*Kelowna 2020 – Official Community Plan*  
This chapter last updated September 30, 2008

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### Implementation

**.16 Affordability Benchmarks.** Affordability benchmarks will be published annually in information bulletins, using accepted methodologies and data from Statistics Canada, BC Statistics and Canada Mortgage and Housing Corporation. They are based on the following criteria:



- the project be sensitively integrated into the surrounding neighbourhood, with no more than a one-storey height gain between the proposed development and the height permitted within land use designations assigned to adjacent parcels (Where the property being proposed for redevelopment is large, consideration may be given to providing greater heights at the centre of the property provided that the new building is sensitively integrated with the surrounding neighbourhood); and
- approval of the project not destabilize the surrounding neighbourhood or threaten viability of existing neighbourhood facilities (e.g. schools, commercial operations etc.).

**BL9648 (Mar. 06/07) added the following policy:**

**.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 uses 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 the 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.

**BL9096 (Jan. 19/04) deleted the existing policy 8.1.36 and replaced it with the following:**

**.37 Apartments and Townhouses.** Encourage development to contribute to the City's goal of, over the 2000 - 2020 timeframe, having 53% of new residential units be in the form of apartments, townhouses (and cluster housing), or other multiple unit buildings;

**.38 Ground-Oriented Housing.** Encourage the development of ground-oriented multiple unit housing as an affordable housing choice for the rental or ownership markets, including families with children, in those areas where Map 19.1 indicates necessary densities as being appropriate. Ground oriented housing is defined as housing where each dwelling unit has direct access to the unit and private open space at grade level;



**.41 Affordable and Special Needs Housing.** Encourage the private sector to provide housing that is innovative and affordable and that is targeted to groups identified in the Housing Study, a Housing Reserve Fund Bylaw, or in a list published by the City;

*Kelowna 2020* – Official Community Plan  
This chapter last updated September 30, 2008

8-6

.....  
**BL9580 added a new policy 8.1.49 as follows:**

**.50 Housing in the Urban Corridor:** A more varied housing supply and means of increasing affordability should be actively sought for the neighbourhoods surrounding and including the **Urban Town Centres** and the Highway 97 corridor extending to the north boundary of the City, north, south and east of Highway 97 as it changes to a northerly direction.

*Kelowna 2020* – Official Community Plan  
This chapter last updated September 30, 2008

8-7

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**8.2 Development Permit Guidelines for Form and Character of Multiple Unit Development**

**Purpose**

All multiple unit projects (RM, Commercial, Major Institutional, and Comprehensive Development Zones of Zoning Bylaw 8000) are subject to “Multiple Unit” Development Permit guidelines to help ensure that the form and character of new development is consistent with principles of good urban design, as well as other goals and policies outlined in this OCP.

*Kelowna 2020* – Official Community Plan  
This chapter last updated September 30, 2008

8-12

.....  
**Objectives for Multiple Unit Residential Development**

- All development should be an appropriate response to its physical context, or anticipated future context where an area is designated for increased density or land use transition in the OCP.
- All development within Urban Centres and Village Centres should contribute to the creation of pedestrian-oriented streets and public spaces (connections, social interaction).
- All development should contribute to a sense of community identity and sense of place (integration of development within larger community, belonging, community cohesiveness).
- All development should facilitate access by, and minimize conflicts among pedestrian, bicycle, and vehicular modes of transportation (access, mobility).
- All development should promote safety and security of persons and property within the urban environment (CPTED).



# Guidelines for Multiple Unit Development

In issuing conditions relating to a development permit the City will specify how development permit objectives can be satisfied. This should include consideration of the following guidelines, as examples of how to meet the objectives:

## Landscaping

Landscaping should:

- enhance public views
- provide noise buffering
- complement building's architectural features
- enhance the edges of buildings
- screen parking areas from view (with vegetation, berms, low walls, fences etc.)
- provide visual buffers of new buildings
- provide colour
- create shade
- create design interest
- retain required sight distances (from roadways)
- contribute to a sense of personal safety and security
- facilitate access, enjoyment and social activities for all authorized users
- provide equal access for mobility-challenged individuals
- incorporate existing vegetation with special character, historical or cultural significance
- incorporate native plants where practical
- incorporate xeri-scape vegetation and principles
- preclude species that are hosts to the codling moth - genus MALUS (apples or crabapples, including all ornamental or flowering crabapples), PYRUS (pears, including asian and ornamental pears), CYDONIA (quince), CHAENOMELES (flowering quince or japonica), ULMNUS PUMILA (Siberian Elm) or ULMNUS PARVIFOLIA (Chinese Elm).

*Kelowna 2020 – Official Community Plan*  
This chapter last updated September 30, 2008

8-13/14

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## Relationship to the Street

- First storey units should ideally provide ground-level access and outdoor amenity space
- The principle front entranceway should be clearly identified and in scale with the development.
- Porches are encouraged where they are part of the established neighbourhood character.

## Building Massing

- Developments with multiple, separate buildings should be designed in such a manner that individual buildings contain different, but compatible shapes, masses, and/or exterior finishes.
- Developments should be sensitive to and compatible with the massing and rhythm of the established streetscape.
- There should be no more than a one storey height gain between adjacent uses within 5.0 m of the side property line where the adjacent land has not be designated on the Future Land Use Map for equal or higher density redevelopment in the OCP. Where the adjacent land has been designated for equal or higher density redevelopment the height gain or stepping back guidelines are not applicable.
- Sub-roofs, dormers, balconies, and bay windows should be encouraged.

- Variation between architectural bays within each façade is encouraged.

### **Walls**

- End walls visible from a public street or residential lot should be finished to provide an attractive appearance. Blank or solid walls (without glazing) should not be longer than 5 m. Walls longer than 5 m should incorporate wall detailing that will provide visual interest.

### **Views**

- View corridors should, wherever possible, be preserved.
- All buildings and structures on lots along the Okanagan Lake foreshore should be sited so as to minimize any obstruction of lake views from established abutting development.
- Buildings along the lakefront should not be taller than those permitted further inland such that lakefront views are not obscured. Special circumstances may suggest relaxation of this policy to allow for a landmark development that is in the public's interest.

### **Ancillary Services/Utilities**

- Loading, garbage and other ancillary services should be located at the rear of buildings.
- Utility service connections should be screened from view or be located so as to minimize visual intrusion.

### **Amenities**

- Appropriate high quality public spaces, which provide links to surrounding areas and open space relief within the development should be encouraged.

### **Access**

- Vehicle access and on-site circulation shall minimize interference with pedestrian movement.
- Vehicle access from arterial or collector roads is discouraged. Where possible, such access should be achieved from a lane.

### **Parking**

- Underground parking is encouraged.



**From:** Paul McVey [pmcvey@kelowna.ca]  
**Sent:** Monday, June 08, 2009 10:02 AM  
**To:** cww@telus.net  
**Cc:** Shelley Gambacort; Danielle Noble  
**Subject:** RE: 739 & 753 Sutherland Avenue Redevelopment  
Walter;

Sorry for the delay in getting back to you.

Your applications numbers are; OCP09 - 0011  
Z09- 0032  
DP09- 0065  
DVP09 □ 0066

Your application was received and set up on May 29, 2009, and circulated the same day. The various utilities and affected organizations have 5 weeks to respond with information on how this application may impact their utility. Your application will not be proceeding to Council until this information is addressed.

In the meantime, your application is proceeding to the Advisory Planning Commission for the June 23 meeting date.

I am working on your report, and as soon as I have the report finalized, you will get a copy before the APC date.

Your application is proceeding in a timely fashion.

Paul McVey  
Planner II  
Land Use Management Department  
Community Sustainability Division  
City of Kelowna

Phone (250)469-8582  
Fax (250)862-3320

---

**From:** walter [mailto:a6a61708@telus.net]  
**Sent:** June 8, 2009 9:26 AM  
**To:** Paul McVey  
**Cc:** tsmithwick@porterramsay.com  
**Subject:** FW: 739 & 753 Sutherland Avenue Redevelopment

Hi Paul

Just a follow up to the email that I sent you on May 25<sup>th</sup> 2009  
It's been two weeks now and I haven't received a response.

Also I made the application for this development and I don't want these discussions to stall or delay this application

Thanks,  
Walter Weisstock

---

**From:** walter [mailto:a6a61708@telus.net]  
**Sent:** Monday, May 25, 2009 3:38 PM  
**To:** 'Paul McVey'; 'tsmithwick@porterramsay.com'  
**Subject:** RE: 739 & 753 Sutherland Avenue Redevelopment

In October 2007 I approached the city with a proposal for the development of 3 city lots at the addresses of 739 & 753 Sutherland Ave.

Those present at the meeting were Theresa Eichler, Shelly Gambacort, Gary Stephen, Paul McVey, Doug Lane from Water Street Architecture and myself. Doug Lane presented a sketch of a 17 unit, 4 story building with 3 units deemed to be affordable. We discussed the proposed development with those present.

The city staff said that they could not recommend our proposal. They said it was not because of the height of the building but because it lacked the affordability component that they would want with a 2 increment increase in land use designation.

Gary Stephen walked out the meeting before it was over and as he left, he said that he couldn't support the application because it was non-conforming to the current Kelowna OCP.

During the rest of the meeting the city said that if we were to have a RM5 development on this property, the City would require 80% of the units to be affordable in order to meet their guidelines.

At that time, Doug Lane turned to me and suggested we make them all affordable.

I would also like to mention that during the meeting there was no discussion about destabilizing the neighborhood, sensitivity of height profiles, affordable housing policy registered in perpetuity nor was there any discussion about waiting for the future OCP to be adopted by Council.

Again, it was our understanding that the reason for rejection of the proposed development was the lack affordable units.

In the days following the meeting, Doug Lane and I discussed how we could meet the City's affordability recommendations. In addition, I attended a Council Meeting which discussed the same topic, in general encouraging developers to build units at 600 SF (or less) in size with the incentive of dropping the DCC's from \$14,000 to \$8,000 per unit to make it more feasible for developers.

After considering the lower cost of DCC's and the feasibility of building smaller units on my property, I started sketching 600 SF units on a standard covered parkade. As a result I came to the conclusion that this would work perfectly on the subject property and I could exceed the City's recommendations I would make them ALL affordable.

After many hours of designing suite layouts I came up with a very attractive and efficient compact unit. In July 2008 I commissioned an architect and had meetings with commercial bankers, chartered accountants, real estate appraisers, quantity surveyors and residential contractors. With lower DCC's for this type of development, today's low interest rates, lower housing prices and low construction costs - the timing is perfect! Everyone I consulted with was excited and in agreement that the units would be attractive, extremely affordable and that the proposed development was something the City of Kelowna needed.

On April 28<sup>th</sup> 2009, I met with the city staff for a second time to present these revised plans that followed their recommendations from the first meeting. At that meeting, Theresa Eichler, Denise Davies, Paul McVey Tom Smithwick and myself were present.



We discussed the new, modified proposal and all sentiments were very positive. The city staff made comments like "this is a great project" and "this is exactly what the city needs" - etc. We left the meeting feeling positive.

May 7<sup>th</sup> 2009, I was surprised to receive an email rejecting the revised proposal. The email stated that the reasons for rejecting this proposal were: the proposed development would destabilize the neighborhood, it was not sensitive to height profiles and it lacked a housing policy registered in perpetuity. I was also advised that I should wait for the future OCP to be adopted by Council.

If we are to wait until the 2030 OCP is adopted as the City recommends and then resubmit the application to the APC and Council, can the City guarantee that interest rates, housing prices and construction costs will stay as they are?

An increase in any these scenarios will drastically affect the affordability of these homes.

After spending considerable time, effort and money on the revised proposal "I would like to know, how did it get derailed?"

I am sure you can understand my confusion and frustration.

We all know that the availability and development of affordable housing is a priority for the City of Kelowna. I have proposed an innovative solution that will provide housing for those who may otherwise not be able to purchase. However this economic climate provides the perfect opportunity and timing is everything.

I would like you to reconsider your decision and look forward a positive response to our proposal

Best regards,  
Walter

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**From:** Paul McVey [mailto:pmcvey@kelowna.ca]  
**Sent:** Friday, May 08, 2009 4:05 PM  
**To:** cww@telus.net  
**Cc:** Danielle Noble  
**Subject:** FW: 739 & 753 Sutherland Avenue Redevelopment

Walter;

Information for you regarding your proposal for Sutherland Avenue.

Please review, and get back to me if you have any questions.

Regards,

Paul McVey  
Planner II  
Land Use Management Department  
Community Sustainability Division  
City of Kelowna

Phone (250)469-8582  
Fax (250)862-3320

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**From:** Danielle Noble  
**Sent:** May 7, 2009 10:30 AM  
**To:** Paul McVey  
**Subject:** 739 & 753 Sutherland Avenue Redevelopment

Hi Paul:

I don't have Walter's email, so could you please forward this email to him upon your return and log it into the DSI? Thanks!!

Hello Walter:

The City acknowledges the merits of your proposal with respect to the affordable housing component. It is your intent to develop a residential complex that primarily serves the entry level/first time homeowners, and very specifically targets those that would not otherwise qualify to be a homeowner. This is a very commendable project with respect to the intent of the demographics that you are trying to accommodate.

However, affordable housing projects must be evaluated within the policies of sound urban planning, compatible land uses, and transitioning density height profiles. Affordable housing is one criteria of many when entertaining the idea of a significant jump in density, and in this case, a 2 increment jump in land use designations. Therefore, given the current OCP review that is underway, your application is considered pre-mature. Alternative land-use scenarios are being evaluated under the current OCP analysis, and select areas within the City are under consideration for increasing densities, where various public amenities support a sustainable increase in density.

At this time, your proposal would be evaluated against many other OCP policies that would need to be positively assessed with respect to:

- Not destabilizing the existing neighborhood;
- Sensitivity of height profiles of adjacent housing forms on all of the property boundaries;
- Existing servicing/infrastructure capacity for the immediate area;
- Affordable housing agreement, registered in perpetuity.

Therefore, it is strongly recommended to hold your application pending the outcome of the OCP review. This will equip staff to have a strong degree of certainty as to what areas of the City are slated for increasing the density profiles. At this time, staff could not support a 2 increment jump in the future land use designation for the sole reason of an affordable housing project, given the above noted concerns. It should also be considered with respect to all the in-stream projects that are currently under application or under construction, which aim to be occupied in the very near future. A number of these multi-family projects incorporate both rental and ownership occupancy, and will have to adjust to the current economic conditions that will necessitate significant price reductions.

There are several upcoming OCP open houses that are scheduled for May and June, and it would be beneficial for you to participate and offer your comments.

Thanks,

**Danielle Noble**  
**Urban Land Use Manager**



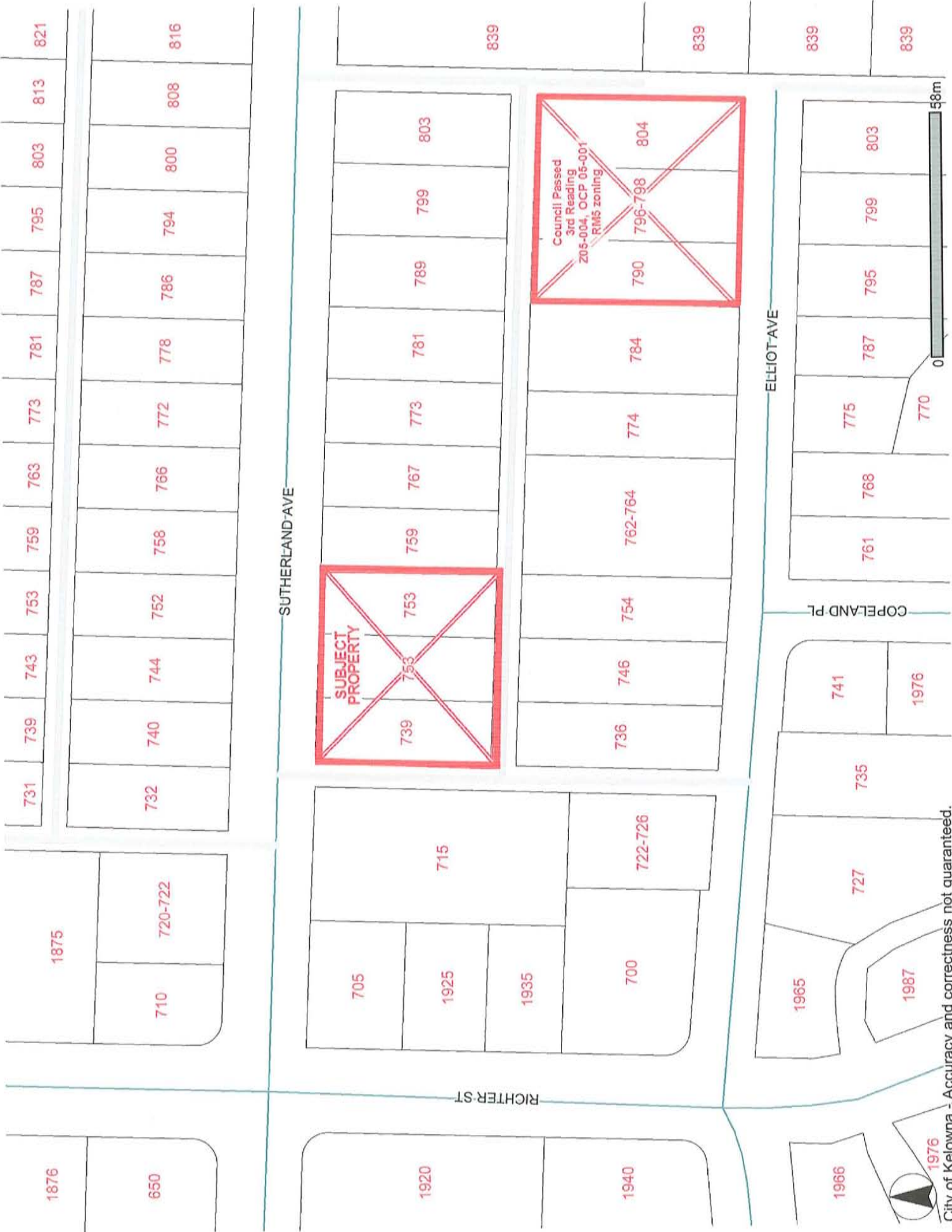
Land Use Management Department | City of Kelowna Community Sustainability Division  
Ph: 250.469.8477 | Fax: 250.469.8626 | [dnoble@kelowna.ca](mailto:dnoble@kelowna.ca)

**Sustainable: meeting the needs of the present generation without compromising the ability of future generations to meet their needs.**

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## EXECUTIVE SUMMARY

### **AFFORDABILITY OVERVIEW**

- Affordable housing development initiatives are encouraged in the private sector.
- Access to affordable housing is essential for the health of our communities and future development of affordable housing is one of the priorities for the City of Kelowna's residential growth.
- The city of Kelowna is encouraging the development of homes smaller than 600 square feet and is dropping the DCC's from \$14,000 to \$8,000 per unit as an incentive for developers.

### **AFFORDABILITY OF PROPOSED DEVELOPMENT**

- Innovative and efficient storage and living space designs in the proposed development make these affordable homes suitable for one or two people.
- Low interest rates, low construction costs, small home sizes and lower DCCs make the proposed development economically realistic for both the builder and low-income purchasers.
- Future resale value of the homes will always remain affordable due to the SF size.
  - The owners can upgrade their homes and/or make renovations and try to recover the cost in the future upon resale of their homes. (As opposed to the restrictions of a housing agreement that would not provide them with a way to recover their investments).
- The developer and the strata council, can control how many homes are available as rentals units (if the owner does not reside in the unit, the owner must put the unit up for sale on MLS. If the unit is not sold in six months then the unit must vacated) - keeping the proposed development primarily owner occupied and available as affordable home resale in the future, regardless of the market.
- The city passed a policy that will be implemented after the 2030 OCP is finalized. This policy states that 75% of the difference between the existing zone land and the applied zone land has to go back to the city for affordable housing, based on appraised values.
  - 2009 B.C. assessment appraises the property and existing buildings at \$904,000, the equivalent of \$43.67/ SF.
  - Steve Danielson from Caruso Danielson Inc. advised the developer that the value of RM5 property (on the high end) is \$42.00/SF, the equivalent of \$875,000.
  - The difference in values is -\$29,000
  - **Conclusion: the current property is valued higher than RM5 land.**
- The housing market has dropped 15-20% from 2008 and construction costs are down 10- 12% from the 2008 high.
  - Developer has the potential to lose \$308,608- \$717,216 due to the current market conditions.

- Purchasers of these affordable homes benefit from the savings.
- Based on a 15% decrease in house prices over the last year:
  - 82%, or 32 out of 39 of the homes are priced between \$125,320 and \$166,071 - the average price being \$147,627.

#### Who Qualifies?

- A home valued at \$125,320 in the proposed development requires a mortgage payment of **\$747/month** including taxes, strata fees and estimated utilities which translates to:
  - A single purchaser requires a household income of **\$28,022 /year** or **\$14.59/hour** wage earnings.
  - Two people making as little as **\$7.30/hour each** will qualify for a mortgage in the proposed development.

*Refer to RBC Owner Financing Tab 5 of this report.*

- Based on a 20% decrease in house prices over the last year:
  - 82% or 32 out of 39 of the homes are priced between \$117,744 and \$156,024 - the average price being \$138,696

#### Who Qualifies?

- A home valued at \$117,744 in the proposed development requires a mortgage payment of **\$710/month** including taxes, strata fees and estimated utilities which translates to:
  - A single purchaser requires a household income of **\$26,634 per year** or **\$13.87/hour** wage earnings.
  - Two people making as little as **\$6.94/hour each** will qualify for a mortgage in the proposed development.

*Refer to RBC Owner Financing Tab 5 of this report.*

#### City of Kelowna Most Recent Affordability Benchmarks (2009)

Starter Home Prices: 2008  
\$200,150 (strata titled dwelling)

#### Median Income 2008:

Kelowna Economic Family = \$63,737

#### Average Rents 2008

One bedroom \$800  
Income required (30%) to rent this one bedroom \$32,000

#### Core Need Income Threshold 2006:

One bedroom \$638  
Income required (30%) to rent this one bedroom \$25,500

2006 Core Values (not affordable benchmark prices) adjusted to 2008 could be close to or at the selling prices of many of the smaller homes in the proposed development.



## **SITE LINES OF PROPOSED DEVELOPMENT**

- The proposed development's side yard, rear yard and front yard set backs are greater than the RM4 or RM5 zonings require.
- With the existing zoning and setback there is potential for a Row-house type building 2 stories or (44 feet 4 inch) high and 5 ft from the property line. This RU6 zoning would have 24% less green space than the proposed development.
- The only variance requested is for the one story covered section over the main entrance which is required for esthetic appeal only and could be eliminated if advised.

## **PROPERTY HISTORY AND FUTURE**

Developer started buying houses in the area in 1988 and purchasing the houses in the proposed development between the years of 1993 and 1996. June 1995 the OCP was adopted.

The houses currently on the proposed development property have a very low life expectancy and little to no heritage value and will be re-developed.

The property is located in the Central City district and surrounded by RM5 zones.  
*Refer to City of Kelowna zoning map. Tab 3, page 2 of this report.*

The property is located on Sutherland Avenue and adjacent to Richter Street which both major arterial roads with direct access to public transport.

The property is located in the Downtown Central Core walking distance to the city, beaches, and Capri Shopping Mall.

In 2005 the Kelowna City Council passed 3<sup>rd</sup> reading for the development of a RM5 40 unit building at the end of Elliot Avenue.  
*Refer to Elliot Avenue Map*

With all the pressure on ALR land and discussion about increasing the density of the Downtown Urban Core that, in the year 2030 can the city afford not to have the multi-family designation on this property?

## **ECONOMIC BENEFITS**

- Putting an estimated \$6,000,000 into the city's economy.
- Giving the City of Kelowna an estimated \$110,000 in DCC's.
- Creating many jobs for the residential construction and commerce industries.
- These industries and jobs do not get the same spinoffs from government funded projects; they rely on the private sector and are in desperate need of economic stimulation.

## **ENVIRONMENTAL BENEFITS**

- Proposed development is located in the City of Kelowna's downtown core on a major bus route as well as walking distance from downtown, shopping malls and community's parks and beaches.
- This downtown location is notably greener and is less carbon taxing than other developments located longer traveling times away from the downtown core.
- The site coverage of the proposed development will be 38%  
The site coverage of the existing zone will allow for 50%
- The city's infrastructure surrounding the proposed development is in place, making it less taxing on both the City, and the citizens of Kelowna.

Developer is currently reviewing the Built Green BC Program with the ambition of receiving a Built Green BC designation.

After filling out a preliminary multi checklist the proposed development received a score of 83 points. The bronze designation requires 81 points.

If the proposed development is unable to qualify due to cost restraints, the building will be green inspired by implementing as many of the Built Green BC policies as possible such as:

- Drought resistant landscaping
- Energy Star Windows
- Energy Star Appliances
- Low emission paint
- Environment friendly carpet
- Hard wood and ceramic flooring
- Compact fluorescent light fixtures
- Solar power supplemented Hot Water Tanks
- Automatic light timers
- "Night Sky" exterior lighting standards

## **CONCLUSION**

We have heard that the OCP is a fluid document and it's just a guideline for the future. The lines change to reflect the needs of the city at the time.

The testament to this is the amount of times it has been amended and re-drafted over the years.

The city recognizes and allows these changes to occur in the policies it adopts. One of these policies allows an increase in density if the developer either gifts money to the city or includes an affordable component in its development.

Gone are the attitudes of "not in my backyard" or "I bought here because of the Official Community Plan".

The burden of ending homelessness and making the city more affordable to people who otherwise can't afford it, depends on the willing to accept change from the whole community, developers and citizens alike.

If we work together, be more innovative in our approaches and change the way we think, we can make Kelowna affordable to everyone.