

Memo



Date: August 3, 2011
File: 1200-40
To: City Manager
From: Theresa Eichler, Community Planning Manager
Subject: City of Kelowna, Housing Strategy

Recommendation:

THAT Council receive the draft recommendations provided in the August 3, 2011 report from the Community Planning Manager on the Housing Strategy;

AND FURTHER THAT Council direct staff to hold a public workshop in early Fall 2011 to receive input on the findings and recommendations of the draft Housing Strategy.

Purpose:

On June 13, 2011 Council received an update on progress towards a Housing Strategy for Kelowna. In response, Council expressed interest in receiving additional information related to the draft recommendations coming from the Strategy prior to further public consultation. Council specifically expressed interest in more detailed information on the nature of Kelowna households that are experiencing hardship in terms of housing affordability. This report is intended to provide the information requested by Council.

Background:

Work towards a new Housing Strategy for the City has been underway since 2009. The purpose of the Strategy is to determine Kelowna's housing needs and to identify policies and actions to help address those needs. There is a track record of work towards achieving a balanced housing supply for Kelowna that extends over many years through many consultation processes and based on comprehensive research. During the 2009-2011 timeframe there have been dramatic shifts in the housing market which have affected the approach to the draft Strategy.

Below is the 2010 Council resolution directing staff to work on a Housing Strategy:

Moved by Councillor Craig/Seconded by Councillor James

R424/10/05/10 THAT Council endorse the Housing Strategy work plan and consultation plan as summarized in the report of the Community Planning Manager dated May 4, 2010.

Carried

A research document describing the findings of the Housing Strategy and providing recommendations is in draft form and under review. City staff from several departments have been consulted as part of this work and editing continues based on feedback received. For ease of reference, draft recommendations are outlined in tabular form, attached to this report.

From the beginning, a key focus of the Housing Strategy has been rental housing. Given the changes in the rental market, particularly the higher vacancy rate, Council asked staff to further justify the recommended continued focus on rental housing. Council also asked specifically for information on the need for non-market housing as compared to the types of households that are experiencing difficulty with housing affordability. The need to target future government partnerships to specific Kelowna housing deficiencies was flagged by Council.

Kelowna is currently experiencing an oversupply of strata condominiums, most of which are owned by investors and are rented while waiting for market conditions to change. This temporary, high end rental housing supply is the main reason for the current rental vacancy rate of 6.6%. The current vacancy rate has eased the pressure somewhat, but it does not solve the long term affordable rental housing shortfall.

One issue continues to be affordability. A 2011 snapshot of classified ads on July 28, 2011 showed over 1,000 listings in the Kelowna regional area, which includes some of Lake Country, West Kelowna and other areas depending on the source. Many of the rentals for two or more bedroom dwellings had median rent levels of \$1,000 or more, which is more than most tenant households can afford to pay.

Kelowna's rental households sit at 28% of the total households in Kelowna. A resilient community from an economic standpoint has a mix of 45%¹ rental households, according to Richard Florida. Rental housing is seen as key to attracting a productive and more mobile workforce to live and stay in the City.

Two thirds of Kelowna's 12,220 rental units are found in houses, carriage homes, suites, duplexes and temporary rentals, not the "purpose-built" three or more dwelling rental buildings included in the 4,280 units that form part of the CMHC Annual Rental Survey for the Kelowna CMA (Census Metropolitan Area). The secondary market rentals are generally more expensive than comparable dwellings in the purpose built supply.

Based on OCP demographic forecasts, assuming that 30% of all new dwellings would be rented, between 250 to 300 additional rental units will be needed each year until 2030, strictly to accommodate new growth, including those for new low income households.

The recommendations are presented as information for Council. Staff is also recommending a public consultation event be held in early Fall before asking Council to take action based on these draft recommendations.

Internal Circulation:

General Manager, Community Sustainability
Director, Land Use Management
Director, Financial Services
Director, Development Services
Director, Real Estate and Building Services
Director, Communications
City Clerk

Legal/Statutory Authority:

Local Government Act S. 877
Community Charter Part 6 Division 4

Existing Policy:

Housing policies are found in Chapters 5 and 10 of OCP 2030. There are also Council Policies in place, as follows:

- Affordable Housing and Amenities or Cash-in-Lieu of Thereof - Interim Policy for Zoning Bylaw Bonuses for Affordable Housing - Pol - 344

¹ R. Florida: p. 5; "Renting the Dream", May 2010

- Financial Assistance for Non-Profit and Affordable Rental Housing-Pol-335
- Mobile Home Park Redevelopment - Pol-229
- Motel and Hotel Redevelopment - Pol-270
- Strata Conversion of Existing Occupied Buildings - Pol-148

Financial/Budgetary Considerations:

The recommendations include an increase in the annual budget allocation to the Housing Opportunities Reserve Fund from \$200,000 to \$500,000, in the form of incremental increases. This could either be brought back as a late budget item for 2012, or re-introduced in subsequent years.

External Agency/Public Comments:

Council's Housing Committee has provided considerable input into the recommendations in this report.

A stakeholder event on October 6th, 2010, and numerous meetings with individual housing stakeholders also helped to formulate the findings and recommendations of the report. Public input was gathered with both on line (197 responses) and statistically accurate phone surveys (388 responses) in May 2011. Survey responses have informed the Housing Strategy recommendations.

Considerations not applicable to this report:

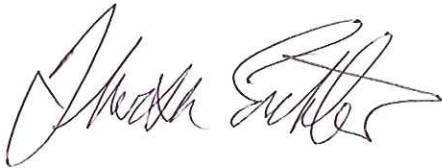
Legal/Statutory Procedural Requirements:

Personnel Implications:

Community & Media Relations Comments

Alternate Recommendation:

Submitted by:



T. Eichler, Community Planning Manager

Approved for inclusion:



Signe Bagh, MCIP, Director, Policy and Planning

Attachments:

Summary of Draft Housing Strategy Recommendations

Power Point Presentation

SUMMARY OF DRAFT HOUSING STRATEGY RECOMMENDATIONS		Time Frame				Targeted Need (\$ indicates outside funding would be needed)							Support:							
POLICY	Initiative	Rationale	Action	Immediate (Summer 2011)	Short Term (1-3 yrs)	Medium Term (3-5 yrs)	Long Term (>5 years)	Housing in Urban Core	Owner – Occupied Housing	Increasing Rental Supply	Promoting Market Affordability	Low Income \$	Families	Disabilities	Seniors	Singles	Students			

1. Conduct additional research to further define low income housing	<ul style="list-style-type: none"> In order to target efforts to augment low income housing, additional data is needed; This data has not been available to the City. 	<ul style="list-style-type: none"> Conduct research in Summer of 2011. Determine better ways to access data. 	✓	✓	✓	✓					✓										C, S, HC
2. Carefully consider the impacts on land values when assessing the merits of supporting requests for amendments to the Official Community Plan Future Land Use Map	<p>Historical approval of OCP Future Land Use amendments has influenced the market values of land such that they are determined on the basis of OCP designations, rather than zoning. This has increased land values early on in the development process and now makes it difficult to obtain affordable housing through rezoning or through Zoning Bylaw bonuses.</p> <p>The work of a consultant in 2008 confirmed that Kelowna is unique in this characteristic and therefore is not in a state of readiness for the increased use of density bonuses that would help to achieve some affordable housing and/or community amenities.</p>	<ul style="list-style-type: none"> This position should be consistently upheld. If a proposal is to go forward for Council consideration, an Area Structure Plan or Area Redevelopment Plan must be undertaken to properly determine impacts and servicing demands. Report on an annual basis on the extent of OCP Future Land Use Map amendments and their anticipated impacts. 																			C
3. Continue to advocate to other government levels to address the housing needs of lower income households.	<ul style="list-style-type: none"> It is not within the City's legislated mandate to fund housing for lower income households and resources are limited. Funding by other levels of government is critical. The City has continually worked with the help of FCM & UBCM to achieve funding and policy change at the provincial and federal levels. See here for an example of positive 	<p>Adopt Council policy to the effect that: The City will work with other municipalities, the Federation of Canadian Municipalities (FCM), the Union of BC Municipalities (UBCM) and other levels of government to achieve policy and funding targeted to the housing needs of low income households.</p>		✓								✓	✓	✓	✓	✓					HC, C, S, P

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			<p>applicable legislation.</p> <p><i>Housing Indicators: Work with other levels of government to maintain the most current and accurate statistics to describe housing needs within the city. This information will continue to be updated annually and published by the City.</i></p> <p><i>-Housing Forums. With the involvement of Council Committees and housing agencies, hold periodic public housing forums to increase understanding and provide information about housing.</i></p>																		
	6. Promote adaptable housing design. Adaptable housing does not mean handicapped accessible. It means housing designed so that it can later be adapted to meet specific needs by incorporating some features that average about \$1,000	<ul style="list-style-type: none"> • Kelowna has one of the highest proportions of seniors in Canada; • People dealing with disabilities comprise a minimum of 10% of the population and this will increase with the aging demographics; • Adaptable design allows housing to be altered at a later date to accommodate disabilities at a much lower cost without changing the appearance of housing; • It enables people to stay in their homes, when facing disabilities, and makes homes more accessible to visitors with disabilities; It is hoped that with staff prompting 	<p>Direct developers and applicants to the District of Saanich website on adaptable design, and encourage them to incorporate these design features: See link: http://www.saanich.ca/business/adaptable/index.html</p>		✓										✓	✓	✓	✓			HC, C,S

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		that is well supported by the current zoning in Kelowna. It is done by allowing a wide variety of housing forms, reducing parking requirements and allowing support services in all residential and some commercial zones;	complete and healthy communities. Add a component supporting this policy to the sustainability checklist.																	
	9. Monitor the industrial transition areas and the I6 zone for demand and effectiveness to help determine whether such areas should be expanded.	<ul style="list-style-type: none"> Live-work housing is of particular interest; Where appropriate, industrial areas may serve a particular housing interest that could provide a more affordable housing choice (e.g. students, singles, live-work lifestyles); Demand may not be sufficient in the short-term. 	<p>Longer term: policy and zoning amendments would be required to expand mixed industrial/residential areas.</p> <p>Measure how much residential development (# & type of dwellings) occurs in the new industrial transition areas.</p> <p>Introduce the following policy to the OCP:</p> <p>Policy 5.23.3 Family Housing: Encourage multi-unit housing that is functional for families and people seeking features traditionally associated with single-detached housing. Such features may include: an area to garden, play or enjoy the outdoors; direct access to grade; workshop space; larger units; and safe design. Safe</p>				✓													HC, S
	10. Provide a policy that describes the needs of families when single detached housing is not a viable option.	<ul style="list-style-type: none"> Although the OCP encourages ground oriented housing as a family housing choice under policy 5.23.1, it does not specify the features that specifically acknowledge the needs of families. Young families need the assurance of knowing children are safe and that housing in their neighbourhood meets their needs. Design that works for children is also safe for all other populations; Town houses were the second choice behind single-detached homes in the May 2011 housing survey. 	<p>Policy 5.23.3 Family Housing: Encourage multi-unit housing that is functional for families and people seeking features traditionally associated with single-detached housing. Such features may include: an area to garden, play or enjoy the outdoors; direct access to grade; workshop space; larger units; and safe design. Safe</p>																	HC, C, S, P

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11. Partner with other agencies to create affordable rental housing on City-owned land.	Partnerships have been encouraged in City policy within OCP 2020; Kelowna is currently experiencing an oversupply of strata condominiums, most of which are owned by investors and are rented while waiting for market conditions to change. This is an estimated supply of 450 units rented at relatively high rents. It would form the bulk of the estimated 600 rentals that are in high end strata condominium buildings. It is recognized as temporary, high end rental housing supply and as the main reason for the current rental vacancy rate of 6.6%.	<ul style="list-style-type: none"> Kelowna's rental households sit at 28% of the total households in Kelowna. A healthy mix of rental housing is viewed by Richard Florida as 45%¹ of all households. Rental housing is further seen as key to attracting 	<p>areas incorporate CPTED (Crime Prevention Through Environmental Design) principles and provide pedestrian routes separate from vehicular traffic, as examples.</p> <p>Amend Policy 10.3.2 of the OCP as follows:</p> <p>Policy .2 City-Owned Land. Continue to consider the potential to lease City-owned land to non-profit housing societies, and the private sector to assist in the delivery of affordable housing.</p> <p>Add a new policy as 10.3.6 to OCP 2030:</p> <p>Partnerships for Affordable Housing. Facilitate the development of partnerships with business, development, non-profit and all government</p>	✓					✓	✓			✓	✓	✓	HC, C, S

¹ R. Florida: p. 5; "Renting the Dream", May 2010

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	<p>a productive and more mobile workforce to live in the City. Those in need of rental housing are largely unable to afford the rents of newer apartments at \$1,200 and up;</p> <ul style="list-style-type: none"> Based on OCP demographic forecasts, assuming that 30% of all new households would be tenant households, between 250 and 300 additional rental units per year will be needed to 2030, including those for additional low income households. In addition to this, there is an estimate shortfall of over 4,000 dwellings that meet the needs of low income tenant households today (more than 5,000 low income households are in core housing need according the BC Housing). Given these numbers, the current high vacancy/rates caused by the oversupply condominiums rented at high rents, will not answer long term affordable rental housing needs; There is an estimated window of opportunity to partner with developers to build rental housing that is expected to be most favourable for not much more than two years. 	sectors to address affordable, rental, subsidized and special needs housing needs in the city.																

ZONING BYLAW CHANGES	Initiative	Rationale	Action	Time Frame				Targeted Need (\$ indicates outside funding would be needed)							Support:								
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																							Housing Committee (HC) City Staff (C) Stakeholders (S) Public Survey (P)

12. Facilitate fee simple townhouses.	<p>More choice for family housing Provides for access to outdoor living space in a multi-unit housing form Barriers to building fee simple housing include: -The need to build 2 party walls & meet earthquake standards: -The Land Title Act (LTA) does not provide clearly defined independence of fee simple ownership as is possible in Ontario. -Zoning regulations have not been available to allow this.</p>	Zoning amendment to provide regulations for fee simple townhouses.	<p>Access easement agreements can facilitate maintenance of fee simple town-house lots and buildings.</p>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	HC, C, S, P
13. Add “Accessory Rental Apartments” as a new use. (small rental units within strata-titled dwellings in apartment buildings or townhouses that can be rented out individually)	<ul style="list-style-type: none"> Provides for source of income to help secure mortgages and serve parallel needs to secondary suites, but primarily suited to singles. Should not require a parking space. Could be created at relatively low cost (because there would be no additional parking requirements and DCCs would not be charged if the units were less than 29m2 (312 sq. ft.)) 	Zoning amendment		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	HC, C, S
14. Enable building of “Courtyard Housing”	<ul style="list-style-type: none"> This type of housing can be built using less land than conventional single unit housing. (10 units could be built on a lot) Based on a minimum lot size of 900 m², almost 1,000 lots have the low density multiple unit OCP designation in place to allow for this type of housing. 	Zoning amendment to add a new zone; suggested within Urban Core.		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	H,C,C
15. Review minimum residential parking	<ul style="list-style-type: none"> Parking is expensive to provide, particularly for multi-unit residential buildings. One 	As part of the comprehensive Zoning By-law review re-		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	S, C, HC

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requirements.																					
16. Continue to grant Zoning By-Law density bonuses in return for affordable housing.		space within a parking structure (e.g. under building) has an estimated construction cost of \$30,000; • The Urban Core is an area where lower parking requirements may be an incentive to appropriate housing development, as well as supporting transit and active forms of transportation.	evaluate and reduce, wherever feasible, the minimum residential parking requirements, with a focus on the Urban Core defined by Map 5.1 of the OCP.																		
A density bonus is a defined increase in density allowed on a property in return for a specified contribution from the developer towards affordable housing and/or other defined needs in the neighbourhood.		• This initiative has been an effective 'carrot' -- developers can choose whether to pursue increased density in return for providing affordable housing. • Small bonuses have generated some affordable rental and owner housing;	No new action																		S,CHC

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<p>17. Review the need to expand density bonuses in return for affordable housing.</p>	<p>This is based on a consultant's report that was received by Council in 2008 which recommended that increased opportunities to define density increases in return for affordable housing and/or amenities could be defined within the City's Zoning By-law and would be more likely to act as incentives to developers to return additional affordable housings or contributions to the Housing Opportunities Reserve Fund (HORF).</p> <p>See also under Rec. 2 that Kelowna's land has been selling at values based on densities at or beyond OCP land use designations, therefore leaving no room to negotiate the additional benefit to a developer arising from rezoning to a higher density. It will take time and new development consistent with the OCP to readjust the land market.</p>	<p>Medium term: include as part of the comprehensive review of the Zoning By-law.</p> <p>Longer Term: Re-examine ways of obtaining contributions to affordable housing in return for rezonings that would increase density, but would conform to the OCP.</p>	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	HC, C, S
<p>18. Increase housing options on church properties.</p>	<ul style="list-style-type: none"> Where churches own land that is excess to their needs for church buildings/parking, there may be an opportunity to build housing at less cost than for projects that must first acquire land 	<p>As part of the comprehensive review of the Zoning By-law, add apartments or townhouses as secondary uses to religious assembly within the institutional zones. Preference would be given to locations within the Urban Core.</p>	✓													HC

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19. Preclude tandem parking from being used to satisfy residential parking requirements.	<ul style="list-style-type: none"> Allowing for tandem parking ends up creating more demand for street parking which has led to neighbourhood resistance to additional suites. By precluding tandem parking, it is thought that future resistance to suites may be reduced. Required off-street parking must be provided and would need to feature independent access. 	Zoning By-law text amendment to discontinue allowing tandem parking for secondary suite minimum parking spaces The Housing Committee also recommends changing on-street parking regulations to introduce maximum parking times in residential areas.	✓															C, HC
20. Facilitate six storey wood-frame residential buildings.	<ul style="list-style-type: none"> The BC Building Code now allows this form of residential construction and the Province has been promoting it; Due to the lower construction costs of this building form, it may be particularly suited for increasing the rental housing supply. 	Zoning amendment as part of the comprehensive review of the Zoning By-law.		✓														S, C, HC
21. Review and refine secondary suite zone regulations.	<ul style="list-style-type: none"> Regulations for "carriage home" style suites are examples of zoning regulations that require a review by the City to determine if neighbourhood fit for these dwellings could be improved. Council has specifically requested this work. 	Text amendments to the Zoning By-law.	✓															C
22. That Council authorize the preparation of a Zoning By-law amendment to allow secondary suites within the main	<ul style="list-style-type: none"> There was more than 70 % support for secondary suites within "your own neighbourhood" in the City's 2011 Housing Survey results. Consistent public support and the results of refinements to the secondary suite zone regulations will likely be needed before 	Zoning amendment.			✓													S, HC, P

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dwelling in the Single-Two Unit Residential designation within the Urban Core Area.	Council is prepared to consider this step.																	Housing Committee (HC) City Staff (C) Stakeholders (S) Public Survey (P)

FINANCE AND BUDGET	Initiative	Rationale	Action	Time Frame				Targeted Need (\$ indicates outside funding would be needed)							Support:			
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<p>23. Expand the application of property tax exemptions to affordable rental housing.</p>	<ul style="list-style-type: none"> • More long term rental housing would help solve the long term housing needs of many residents; • Rental housing is also expanding as a choice for many people in the labour force today and is needed to support the local economy; • Consultation and research have shown that rental housing does not return a profit for the first ten years. A tax exemption would extend no more than 10 years, but would help increase the likelihood that the permanent rental housing supply would increase. • This is a way to help achieve long-term, affordable rental housing without a direct increased tax burden. Indirect costs of administering the application of the tax exemptions & housing agreements, plus redirecting the costs of services for new dwellings should be acknowledged. 	<p>Amend the Revitalization Tax Exemption By-law to allow a 100% exemption of City property taxes for rental housing that is subject to a housing agreement with the City and conforms to the OCP.</p>	✓					✓	✓		✓	✓	✓	HC, C, S
<p>24. Work with the Canada Mortgage and Housing (CMHC) Partnership Office to achieve more affordable rental housing.</p>	<p>If the City is able to demonstrate partnership with the private and non-profit sectors to increase the long term rental housing supply, staff of the CMHC Partnership Office confirmed that assistance from this source is more likely to be provided.</p>	<p>Actively seek CMHC participation when working with developers to achieve long-term rental housing by offering financial assistance and/or City-owned land through</p>	✓					✓	✓		✓	✓	✓	HC, C, S

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25.	Increase the annual budget commitment to the HORF from \$200,000 to \$500,000 over a 3 to 4 year period. Manage the annual fund of \$120,000 for additional rental grants assistance as part of the HORF.	<ul style="list-style-type: none"> There is a very short window, estimated at two years, where the economic climate is right to encourage building of private sector rental housing. Even with the present circumstances, rental housing is extremely difficult to build due to the lack of return on investment. A 10 year period is expected before a rental building would be expected to show a profit. City partnerships would contribute to long term community benefit if the rental housing supply is increased. 	<ul style="list-style-type: none"> By-law 8593 would need to be amended as indicated. Council Policy 335 governs the rental housing grants. This would also need to be amended. A business plan outlining potential buildings eligible for rental housing grants has been requested by Council. 	✓	✓			✓		✓	✓	✓	✓	✓	✓	✓	HC, C, S
	Use this funding program to expand the rental housing grants & build funding to purchase land for affordable housing partnerships.		a long- term lease.														

EASING THE PROCESS	Initiative	Rationale	Action	Time Frame				Targeted Need (\$ indicates outside funding would be needed)							Support:				
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26.	Waive the need for the public hearing for non-profit rental housing or other rental housing that conforms to the Official Community Plan (OCP).	Stakeholder consultations confirmed that anything that shortens or improves the process is extremely valuable in delivering housing. Although waiving the public hearing won't shorten the legislated process, it would alleviate the uncertainty a public hearing can create.	Amend the Council Policy authorizing waiving of the public hearing.		√						√	√		√	√	√	√		Housing Committee (HC) City Staff (C) Stakeholders (S) Public Survey (P)
27.	Remove the requirement for referral to the Advisory Planning Commission (APC) for courtyard housing, non-profit housing or rental housing that conforms to the OCP.	This is based on stakeholder and housing committee feedback that shortening the process is one of the most powerful things the City can do to achieve the housing its community needs. The APC referral has been specifically identified as a barrier to housing proposals. If the project can meet all the City's standards, including development permit requirements, it would already satisfy principles that have been created based on significant public input.	Amend the Terms of Reference for the APC.		√						√	√		√	√	√	√		
28.	Waive the need for the public hearing for secondary suites requiring an "s" zone where the suite would be located within the main building.	Waiving the public hearing could help increase the supply of legal secondary suites. Individual homeowners are less familiar with City processes. Simplifying the process would encourage them to create a legal suite. This would be on condition the suite met all City requirements.	Amend the Council Policy authorizing waiving of the public hearing.		√						√	√		√	√	√	√		



Housing Strategy

City of
Kelowna

SLATE MAY 13, 2011

THE DEATH OF THE MCMANSION
WHEN THE HOUSING MARKET RETURNS, WE'LL WANT SMALLER HOMES BUILT CLOSER TOGETHER.

Building Wealth Through Renting

Economix May 11, 2011

Housing becoming less affordable

Globe and Mail, Sep. 27, 2010

Housing prospects 'dismal': IMF

Globe and Mail, Oct. 06, 2010

Study ranks Kelowna 38th most expensive place to live world-wide

Capital News, Jan 26, 2010

Surge in renters lowers vacancy rate:

Globe & Mail June 9, 2011

Surveys show that those born between 1980 and the early 2000s unlikely to benefit Kelowna.

Canadian Chamber Supports Rental Incentives

Kelowna Chamber, Sept 28, 2010

Mixed messages about B.C.'s real estate market

Capital News, Oct. 5

Defining the 'affordable' home

Globe and Mail, Jul. 22, 2010

Motel turned into affordable housing project

Capital News, September 22, 2010

Home ownership costs rise across Canada

Globe and Mail, May 25, 2010

Housing becoming less affordable

Globe and Mail Update, Sep. 27, 2010

THE SIGNIFICANCE OF AFFORDABLE HOUSING

- ▶ One of the top 3 issues on 2008 Citizens' Survey;
- ▶ OCP surveys 2009: affordability was top of the list of housing issues (80% of respondents);
- ▶ May 2011 housing survey: cost of housing top priority (80% of respondents);
- ▶ Key for business community & economic development.



COUNCIL DIRECTION - MAY 2010

Issue Areas

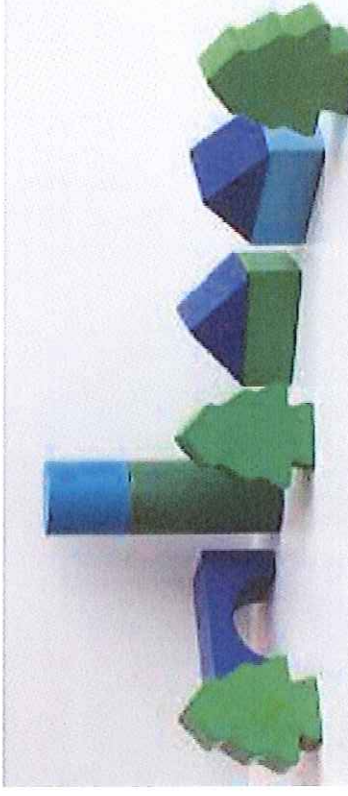
- ▶ Affordability
- ▶ Rental Housing
- ▶ City-Owned Land
- ▶ Green Housing
- ▶ Partnership Opportunities
- ▶ Housing Opportunities Reserve Fund



- ▶ Family Housing
- ▶ Mixed Use
- ▶ Density
- ▶ Density Bonusing
- ▶ Mobile Home Parks
- ▶ Secondary Suites

STAKEHOLDER CONSULTATION

PROCESS

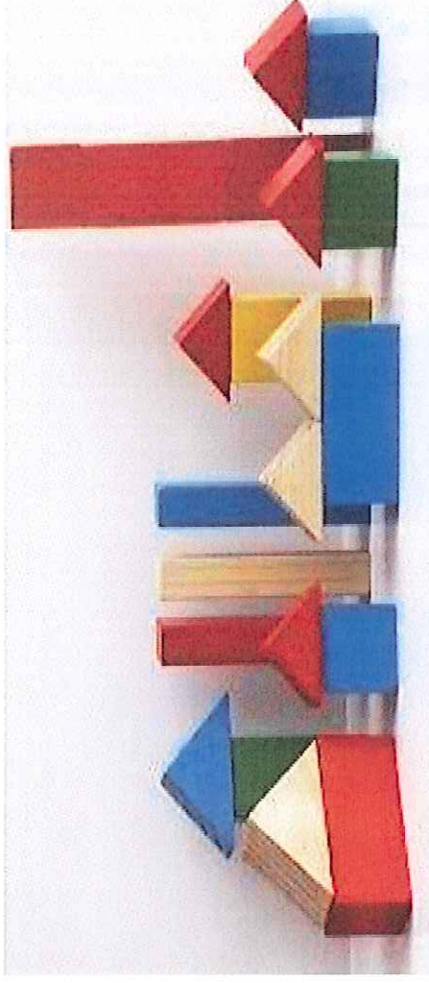


http://www.kelowna.ca/CityPage/Docs/PDFs//Community%20Planning/Housing%20Strategy/HousingStrategy_ProcessChart.pdf

- ▶ Housing Committee has worked on theme areas since 2009
- ▶ Interviews with rental housing stakeholders
 - ▶ Summer 2010 and Winter 2010/2011
 - ▶ Builders, managers, lenders, government agencies
- ▶ Stakeholder workshop October 6, 2010
- ▶ Community survey April / May 2011
- ▶ UDI Liaison meeting May 6, 2011
- ▶ Council public workshop June 13, 2011
- ▶ Draft recommendations to Council August 8, 2011
- ▶ Public open house event Fall 2011

HOUSING COMMITTEE THEMES INCORPORATED INTO STRATEGY

- ▶ Promoting rental housing
- ▶ Family, student, senior, & disabilities housing supply
- ▶ Easing the development process
- ▶ Mixed land use opportunities
- ▶ Reducing cost & time
- ▶ Mobile home parks



Market Housing

Non Market Housing

MONTHLY \$ for SHELTER	< \$250	\$250-\$499	\$500-\$749	\$750-\$999	\$1,000-\$1,749 ((\$200,001 - \$320,000 HV)	\$1,750 - \$2,499 ((\$320,001 - \$500,000 home value)	\$2,500+ ((\$500,001+ HV)
Gross Annual Income	< \$10,000	\$10,000 - \$19,999	\$20,000 - \$29,999	\$30,000 - \$39,999	\$40,000-\$69,999	\$70,000 - \$99,999	\$100,000+
Housing Type	Homeless Shelters, Boarding Homes, Shared Housing	Supportive & Transitional Housing	Rent Geared to Income, Subsidized Rental & Affordable	Subsidized Rental or Owner & Market Rental	Starter Home Ownership and Low End of Market Housing	Mid-Market Housing	High End Housing



Gospel Mission Men's Shelter



Alexandria - Gardiner Women's Shelter



Penny Lane Youth Shelter



Willowbridge



Cardington Apartments



Ozanam House



Apple Valley



Market Rental



Subsidized Family Rental



Verve



Dwell



Duplex



Cannery Lofts



Single detached



Duplex



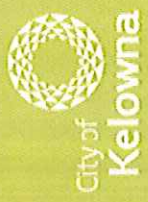
Single detached



Madison

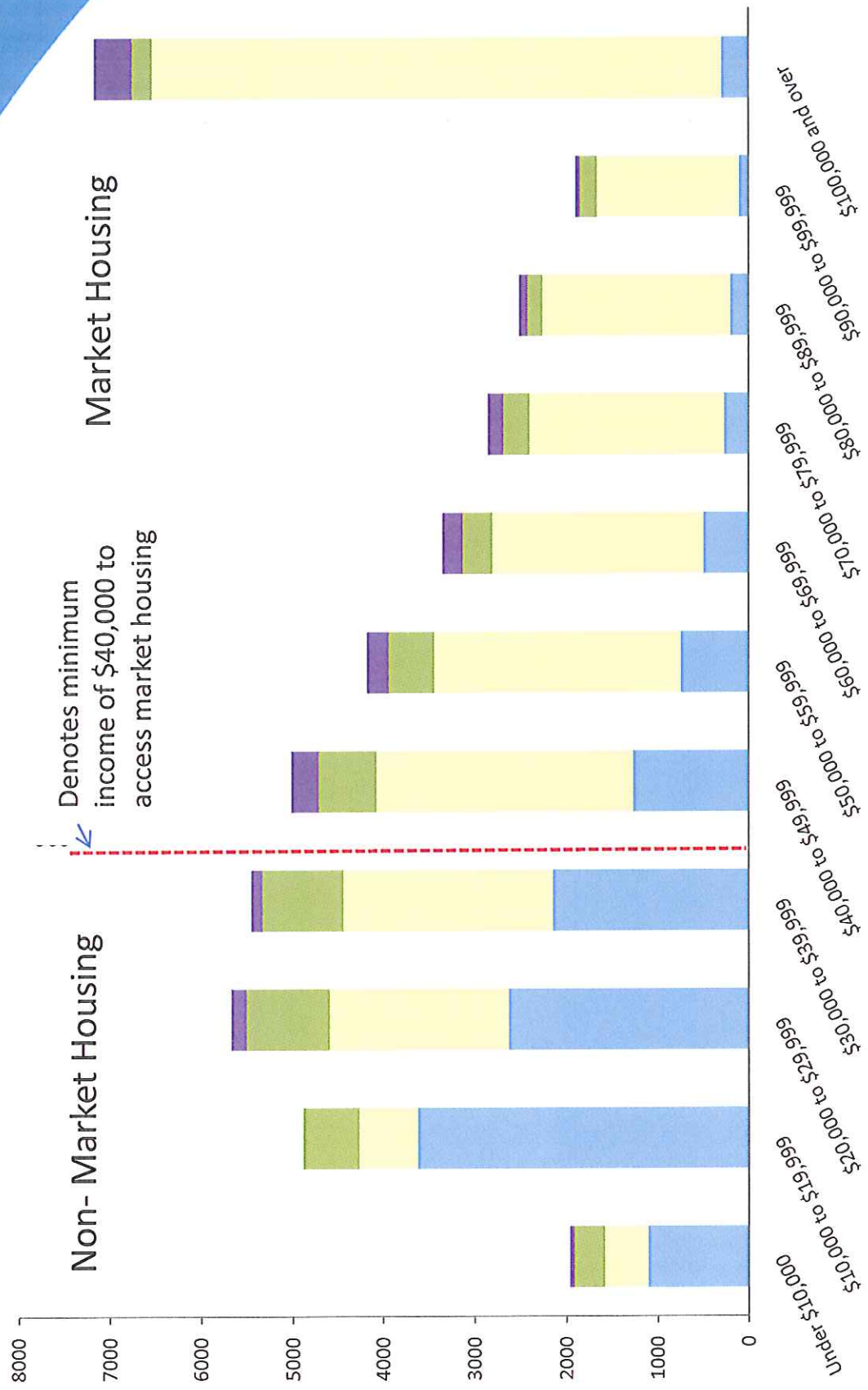


Centuria



Kelowna Households by Income and Type 2006 Census

■ 1 person households
 ■ couple families
 ■ other families
 ■ other households



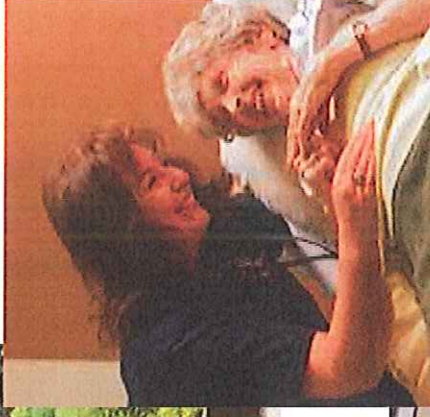
Denotes minimum income of \$40,000 to access market housing

Slide 8

- 12 I have removed the #'s from the bar chart.
lbytelaa, 8/2/2011

WHO ARE THOSE IN CORE NEED?

- ▶ People in core need of housing extend across all age groups & living arrangements;
- ▶ Most are not homeless, but either cannot afford their housing and/or live in housing that is too small or in poor condition because they are unable to afford anything else



BC HOUSING'S CORE HOUSING NEED DATA FOR KELOWNA (2006 CENSUS)

Age Grouping	# of HHDs in Core Housing Need
Under 25 years	470
25 to 44 years	1,575
45 to 54 years	925
55 to 64 years	680
65 years and over	1,500
Total	5,150

Household Type	# of HHDs in Core Housing Need
One-person HH	2,490
Lone-parent HH	1,135
Couple with children HH	660
Couple without children HH	545
Other HH	320
Total	5,150

**2005 KELOWNA HOUSEHOLDS THAT PAID
 50%+ OF GROSS INCOME ON SHELTER
 BY INCOME LEVEL – TOTAL 5,870**

Household Income	# of HHLDs
<i>Less than \$10,000</i>	1,590
<i>\$10,000 - \$19,000</i>	2,065
<i>\$20,000 - \$29,000</i>	1,220
<i>\$30,000 - \$39,000</i>	570
<i>\$40,000 - \$49,000</i>	245
<i>\$50,000 - \$59,000</i>	70
<i>\$60,000 - \$69,000</i>	80
<i>\$70,000 - \$79,000</i>	15
<i>\$80,000 - \$89,000</i>	10

Slide 11

I3

Using pie graph information I created this table. The # ofHHDs paying 50% or more of gross income on shelter by income level (5780) does not equal the same total number of HHDs in table (5865)? I am not sure if it is supposed to be like this?

Also; the numbers on the pie chart was difficult to read for the higher income levels. Could you confirm that I have put in the right # of HHDs.

lbytelaa, 8/2/2011

CORE NEED HOUSING = PARTNERSHIPS (RECENT)

BUILDING /SITE / NON -PROFIT	CITY	PROVINCE	FEDERAL
Cardington 30 units	Land: \$500,000	\$4,750,000 (+-) \$725,000	\$2,250,000
Apple Valley – Benvoulin 72 units for seniors & disabilities	Grant: \$403,111	\$2,700,000 grant Mortgage financing	\$2,673,000
2071 Gordon 11 units	Grant: \$64,522	\$2,170,000 capital \$1,640,000 mortgage financing.	??
Willowbridge 40 studio apartments	Land: \$564,500	\$4,832,025 capital \$48312 annual operating	\$2,970,000
Tutt Place 36 units	Land: \$550,000 Grant: \$298,404	\$6,210,986 capital \$292,500 annual operating	\$2,895,750
New Gate Apartments 49 studio units	Land: \$650,000	\$6,743,753 mortgage \$725,285 annual operating	\$656,247 (??)



MORE PARTNERSHIPS

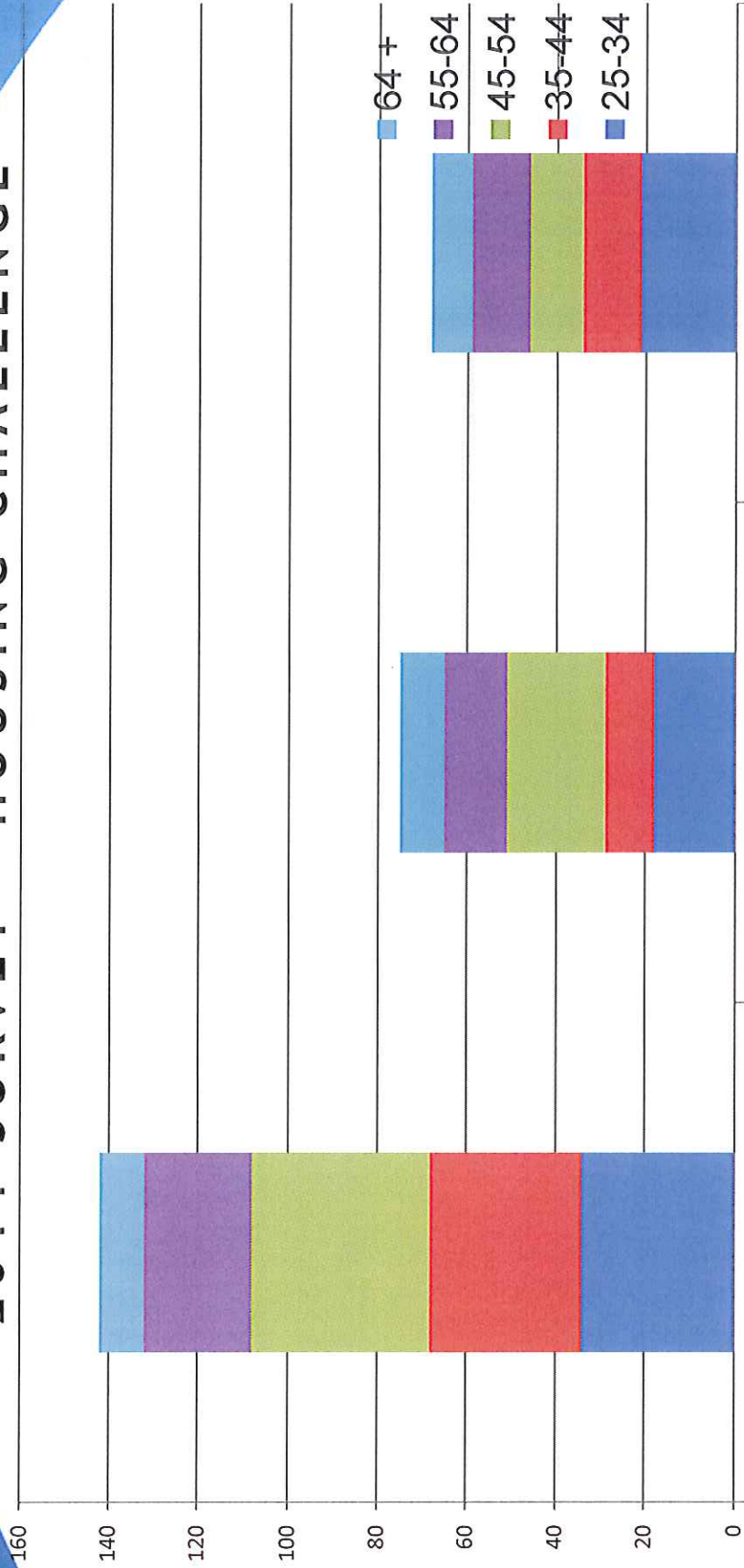
Glenn Ave. School – City Owned Building with 8 shelter beds for youth;

Central Green – land for a BC Housing Partnership 75 units for families;

Pleasantvale – land assembly for redevelopment partnership with BC Housing;

Fuller Ave.- City land used by Kelowna & District Community Living – to be redeveloped for mixed use with housing.

2011 SURVEY - HOUSING CHALLENGE



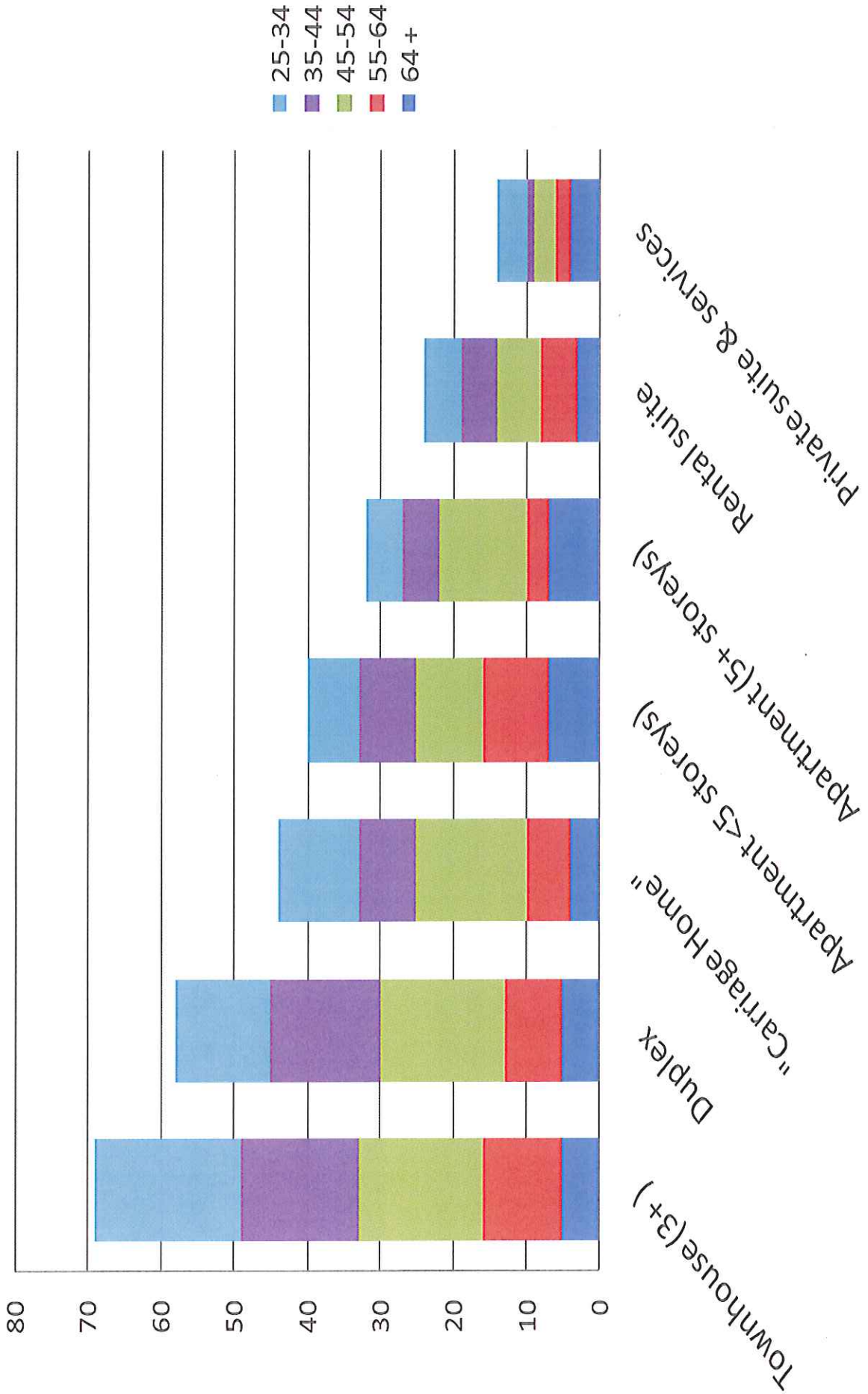
Greatest Challenge
High cost

Greatest Challenge
Not enough rental housing

Greatest Challenge
restrictions on occupancy (e.g., pets, children, age limit, strata rules)

Age vs. Alternate Housing Type Preference

(to single detached)

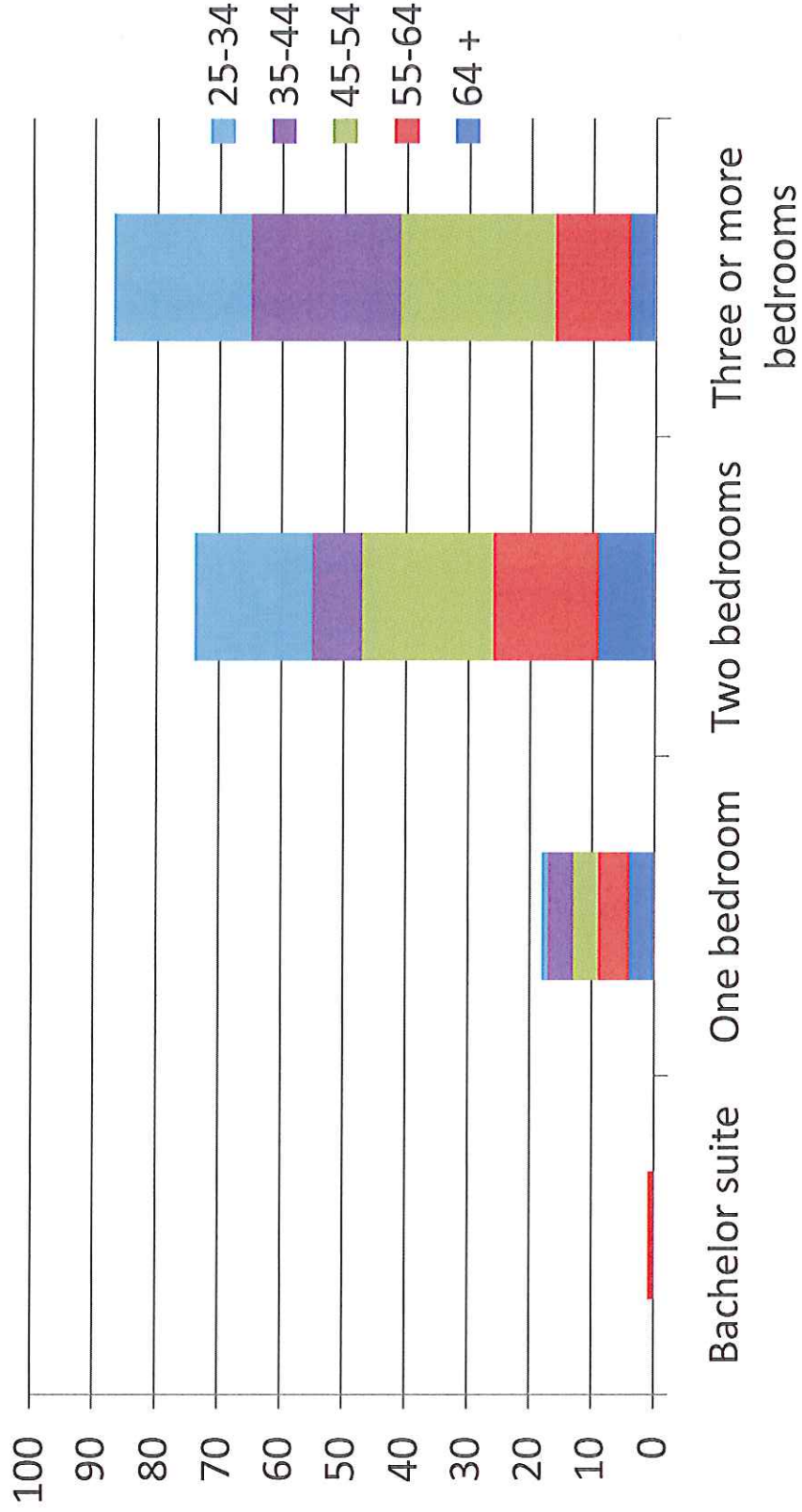


Slide 15

I4 I have arranged the results in order of preference.
libyte1aa, 8/2/2011

2011 SURVEY RESULTS

What size home best suits your needs?



THE CASE FOR RENTAL HOUSING

- ▶ 28% (12,200) of Kelowna households rent;
- ▶ Richard Florida says 45% rental housing supply provides for a resilient economy;
- ▶ Need 300 additional rentals / yr to 2030 for new growth;
- ▶ Shortage of long term rental supply;
- ▶ 2/3rds of Kelowna's rental supply is in houses, suites, conversions or temporary rental stock

2010 CMHC RENTAL MARKET SURVEY

Kelowna CMA	2010 Total	Change 2009-2010
apartments & row housing	4324	44
Secondary Rentals		
single detached	3806	-211
semi-row & duplex	2481	-238
accessory suites	1346	24
TOTAL CMHC Rentals	11957	-381

12,200 tenant hhlds in 2005 - Census

2010 CMHC RENTAL MARKET SURVEY

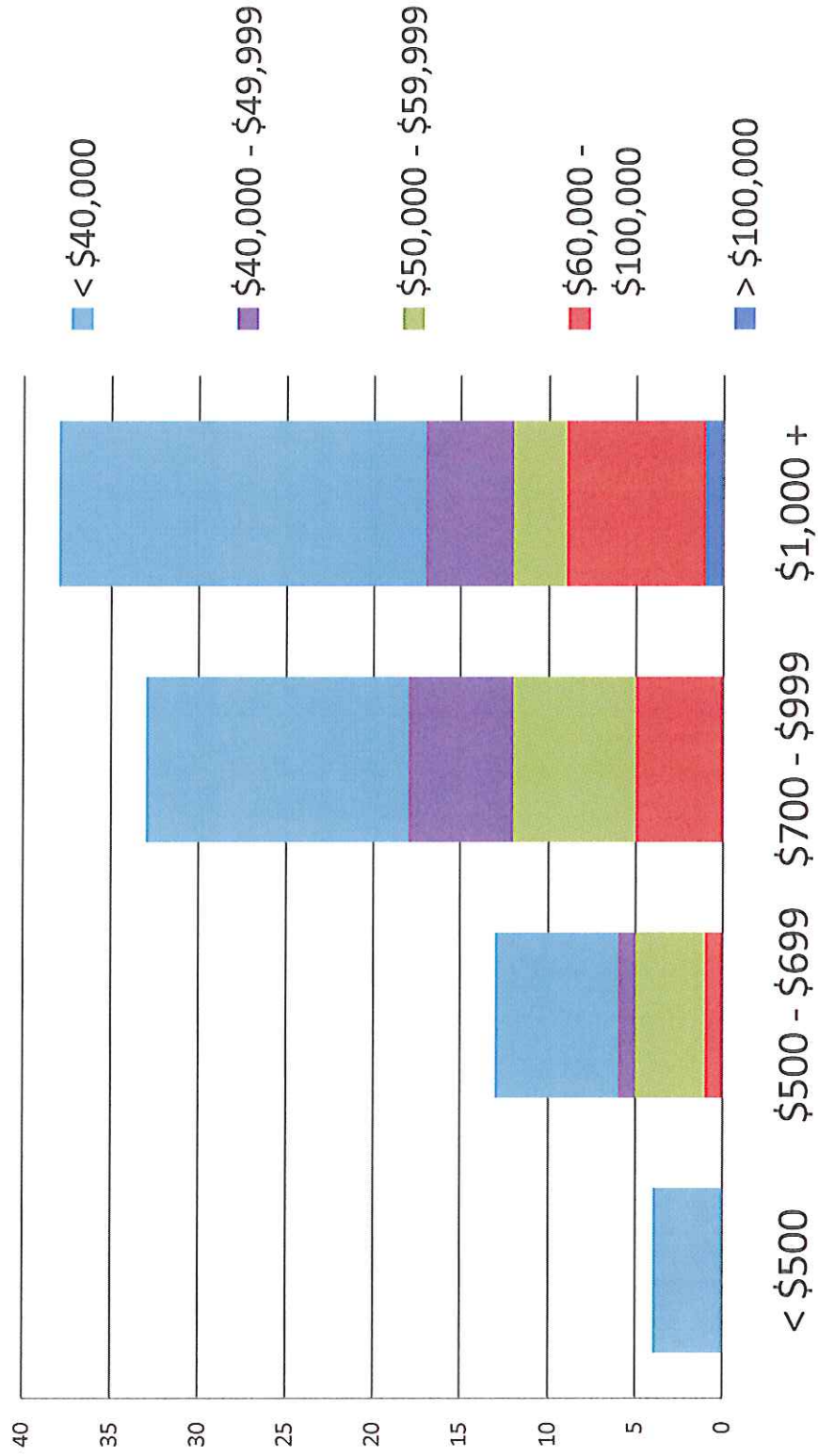
Average Rents	Bachelor	1 Bed	2 Bed	3 Bed
apts & row housing	\$ 587	\$ 739	\$ 893	\$ 1,038
Secondary				
single detached		\$ 734	\$ 1,021	\$ 1,430
semi-row & duplex		\$ 711	\$ 1,017	\$ 1,137
accessory suites		\$ 575	\$ 948	n/a

2011 RENTAL MARKET SNAPSHOT

Castanet July 28, 2011	# Listed	Median Rent
Apartment/Condo	301	\$1,100
Carriage House	13	\$750
Duplex & Fourplex	51	\$1,000
Townhouse (Multi-storey apartment)	42	\$1,400
Single Family Home	104	\$1,500
Partial House - Basement	146	\$850
Partial House - Main/Upper Floor	69	\$1,175
Partial House - Walkout/Ground	101	\$850
Shared & Roommates	291	+-\$500
Rent to Own Housing	21	\$1,200
Total Listed	1150	



2011 SURVEY RESULTS RENT VS. INCOME



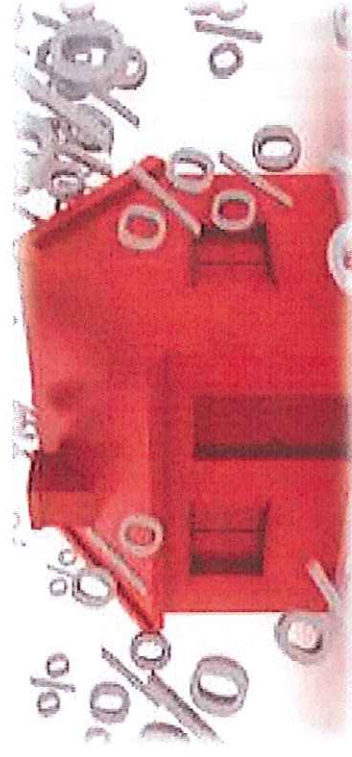
ANNUAL CITY SPENDING ON HOUSING

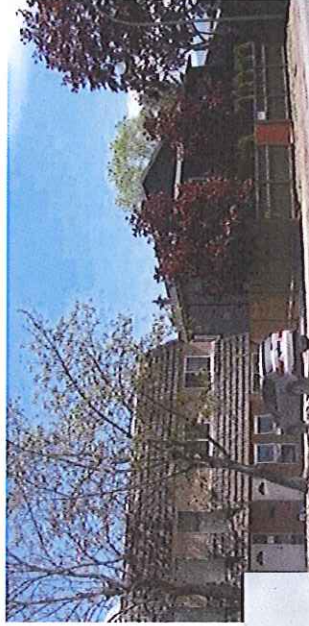
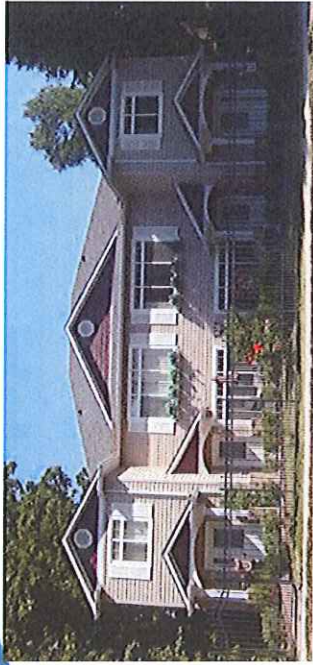
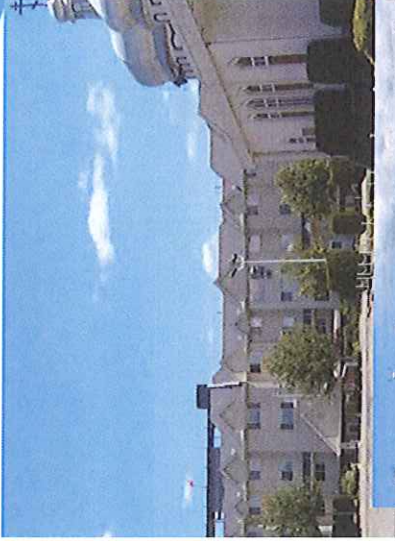
Online: 197

NRG: 388

- ▶ 76% thought it should increase
 - ▶ 53% said over \$1 million
 - ▶ 42% said between ½ to \$1 million
 - ▶ 5% said it should be <\$ half million
- ▶ 10% wanted a decrease

- ▶ 63% favoured an increase
- ▶ 6% thought it should decrease





DRAFT RECOMMENDATIONS

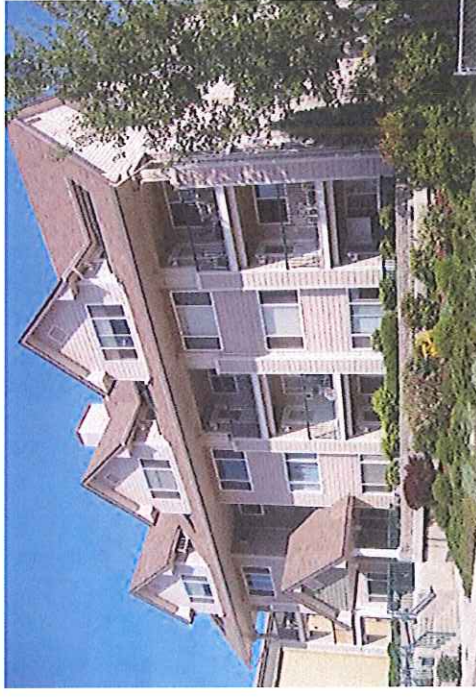
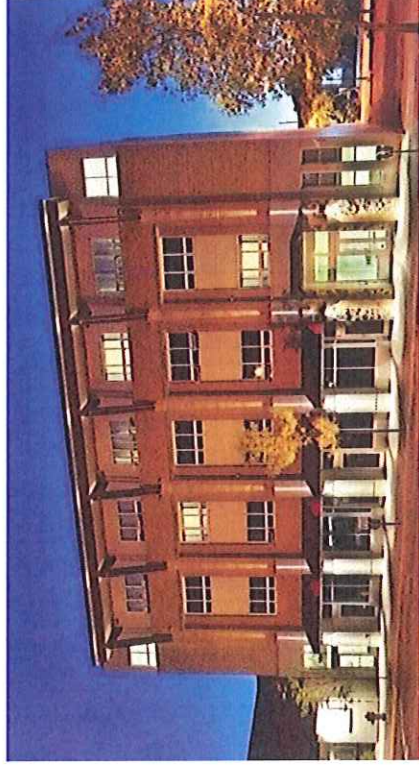
Recommendations are shown by theme



RECOMMENDATIONS: FOR CORE NEED HOUSING

- ▶ Target clearly defined housing needs:
- ▶ keep communicating Kelowna's needs
to federal & provincial governments.

<http://www.cmhc-schl.gc.ca/en/corp/nero/nere/2011/2011-07-04-0930.cfm>



LOW INCOME / CORE NEED HOUSING CONT'D

- ▶ Partnerships:
 - ▶ Continue to secure government partnerships based on targeted need;
 - ▶ Also partner with non-profit, business and development sectors;
- ▶ Allow more housing options on church properties

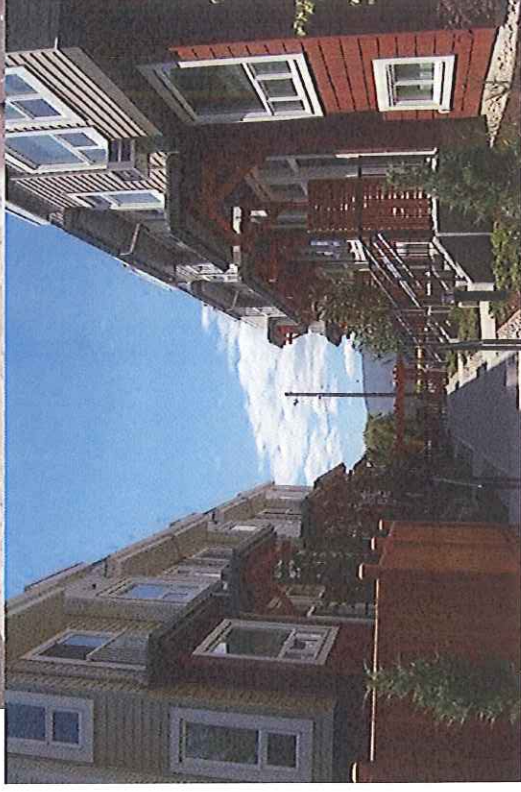
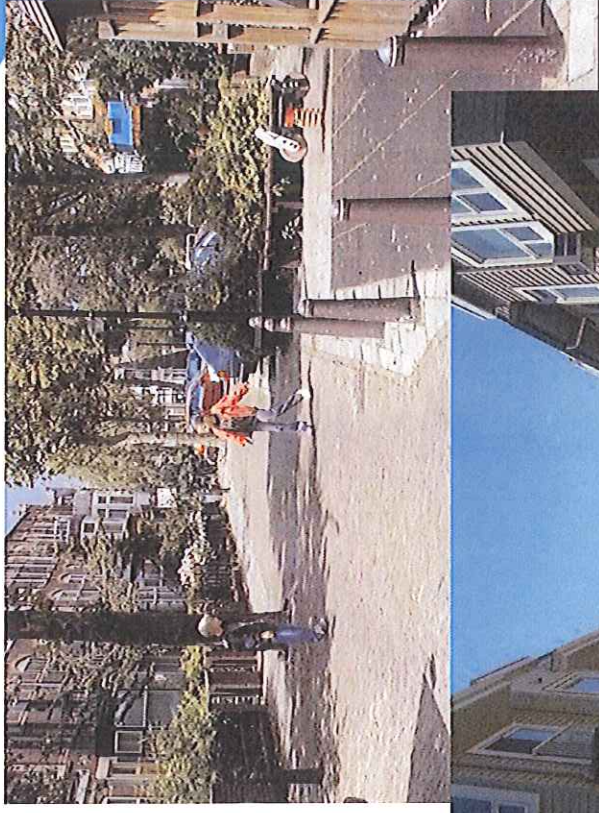


LOW INCOME / CORE NEED HOUSING CONT'D

- ▶ Increase funding to Housing Opportunities Reserve Fund in order to:
 - ▶ Expand rental housing grants;
 - ▶ Buy more land for housing partnerships;
 - ▶ Over a 3 to 4 year period from \$200,000 to \$500,000 annually;
 - ▶ Manage \$120,000 annual budget for non-profit housing grants to as part of the Fund.
- ▶ Provide information, & forums on housing to:
 - ▶ Continually increase housing options;
 - ▶ Continually provide current & accurate housing information;
 - ▶ Increase understanding of complete communities & address “Not in My Back Yard (NIMBY)” syndrome & occupancy restrictions;

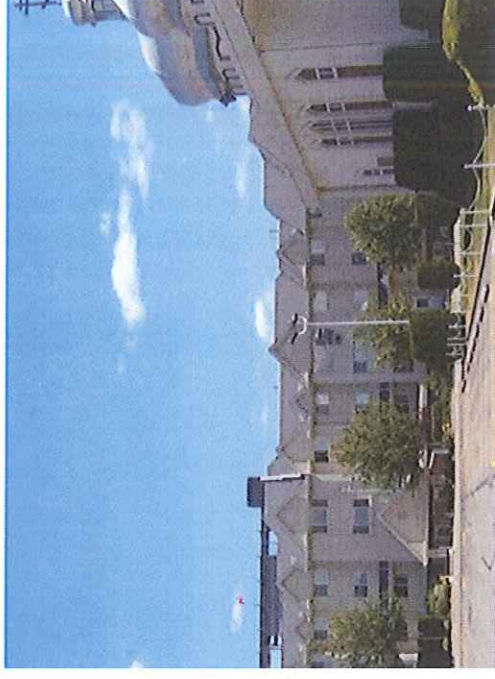
AFFORDABLE MARKET HOUSING (ZONING)

- ▶ Density increases for affordable housing;
- ▶ Fee simple townhouses & courtyard housing;
- ▶ 6 storey wood frame buildings
- ▶ Reduce minimum parking requirements in the Urban Core.



AFFORDABLE HOUSING

- ▶ Adhere to OCP land use and densities;
- ▶ Increase budget for Housing Reserve Fund;
- ▶ Seek more partnerships;
- ▶ Increase housing choices on church properties.



MORE HOUSING FOR FAMILIES

- ▶ Policy for alternatives for families; besides single detached housing;
- ▶ Fee simple townhouses / zoning;
- ▶ Courtyard housing / zoning.



SENIORS, SINGLES & PEOPLE WITH DISABILITIES

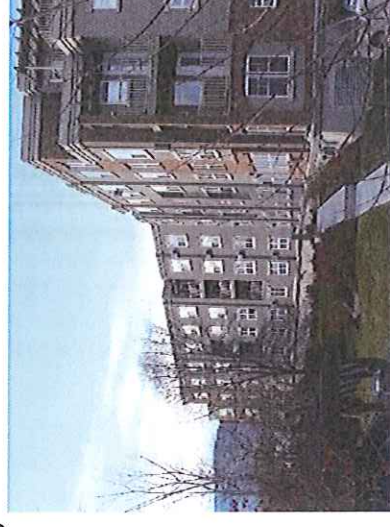
- ▶ Promote adaptable design;
- ▶ Look for a greater mix of sizes, forms, and tenures of housing in new multi-unit & mixed use developments;
- ▶ Allow accessory apartments & legal secondary suites:
- ▶ Monitor Industrial transition areas.





RENTAL HOUSING

- ▶ Provide 10 year tax holidays for rental housing;
- ▶ Seek more partnerships for rental housing;
- ▶ Expand rental housing grants;
- ▶ Waive public hearing for rental housing that conforms to the OCP;
- ▶ Remove the need to refer to the Advisory Planning Commission if the proposal meets all City requirements .

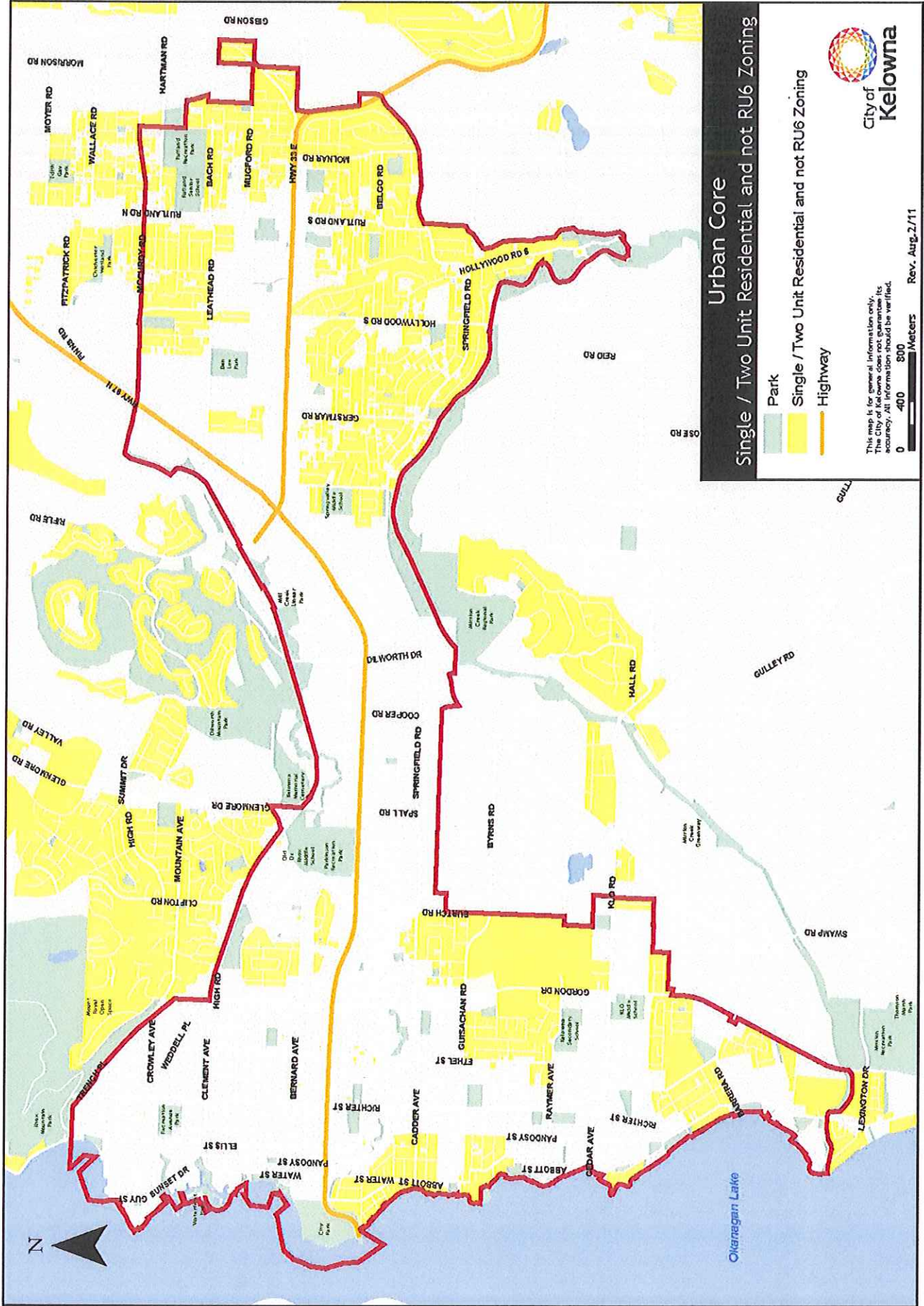


SECONDARY SUITES

- ▶ Add OCP policy to recognize the role of secondary suites & accessory apartments;
- ▶ Stop accepting tandem parking;
- ▶ Introduce time limits for residential on-street parking;
- ▶ Refine zone regulations for secondary suites;

SECONDARY SUITES - CONTINUED

- ▶ Waive public hearing for suites within the principal (main) dwelling;
- ▶ Zone for secondary suites within the main dwelling in the Urban Core and Single/Two Unit designation in the OCP (Medium Term (3-5 years)).



Urban Core

Single / Two Unit Residential and not RU6 Zoning

- Park
- Single / Two Unit Residential and not RU6 Zoning
- Highway

This map is for general information only. The City of Kelowna does not guarantee its accuracy. All information should be verified.

0 400 800 Meters Rev. Aug. 2/11

FURTHER ACTION

- ▶ Accept this report for information;
- ▶ Direct staff to conduct a public consultation event for the Housing Strategy this Fall.

