

# REPORT TO COUNCIL



Date: November 2, 2011  
File: 1200-40  
To: City Manager  
From: Theresa Eichler, Community Planning Manager  
Subject: City of Kelowna, Housing Strategy

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## **Recommendation:**

THAT Council receive for information the November 2, 2011 report from the Community Planning Manager outlining the results of the September 27, 2011 Open House for the Housing Strategy and the findings and recommendations of the Housing Strategy;

AND THAT Council support recommendations one to twenty-five set out in the Appendix to the November 2, 2011 report from the Community Planning Manager.

## **Background:**

Work on the Housing Strategy has been underway for over a year. Over this time, staff have researched housing issues and undertaken extensive stakeholder consultation. Council has, on five occasions provided input and direction, and the Housing Strategy has evolved in response to that input. At the September 12<sup>th</sup>, 2011 Council meeting, Council directed staff to bring back the recommendations of the Strategy as soon as possible following a public open house on September 27<sup>th</sup>, 2011. There were also resolutions affecting the content and inclusion of certain recommendations. Those changes have been incorporated in this report.

## **Open House - September 27, 2011:**

The public open house was held at the Laurel Packing House from 3:30 to 6:30 p.m. on September 27<sup>th</sup>, 2011. Fifty-two members of the community attended and left their input via a "dot-mocracy"<sup>1</sup> exercise to determine opinion on various recommendations for new housing action, as well as through verbal and written comments (via an exit survey). At this event, the dots were used to indicate "like" or "dislike", mimicking the social media model. Open House panels were prepared focusing on key background information, and illustrative concepts. Staff also sought public input on recommendations that propose additional City-level actions to increase effectiveness of addressing community housing needs. A formal presentation was given at 5:30 p.m. for those who wanted more detailed information.

The recommendations presented at the open house received good support overall. Partnership recommendations were universally supported and there was strong support for all the recommendations.

Comments from those who attended the Open House, including verbal and the exit survey responses, showed support for the draft recommendations of the Housing Strategy; particularly for secondary suites,

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<sup>1</sup> "Dot-mocracy" means the exercise of having people "vote" for options they prefer by placing dots on display boards that outline the various options, actions or recommendations. Usually a known number of dots (25 for the Housing Strategy Open House) are given to each person and they can use them to distribute any way they like: e.g. giving more dots to actions they think are most important or not using dots at all on some options.

A handwritten signature in black ink, appearing to be a stylized 'N' or similar character.

partnerships, advocacy, and low income housing. It was evident that there is still some lack of clarity around the particular role a B.C. municipality can play in addressing community housing needs.

Since Council has directed staff to return with recommendations to be addressed as soon as possible, recommendations have been streamlined to bring forward primarily: what is new (not just carried forward); the rationale based on what problem or need is being addressed; how it will happen; and what timeline is envisioned. Housing Strategy recommendations have been organized in different ways throughout the process, but are now based on clear housing need theme areas.

With Council's earlier input now reflected in the recommendations and with the support of the Housing Committee and the positive feedback received from the public at the September Open House, staff is recommending that Council endorse the twenty-five Housing Strategy recommendations itemized in the Appendix to this report.

Implementation of some of the recommendations would be through amendments to the Zoning By-law, some of which could be initiated immediately, some with the overall Zoning By-law review. Those changes would proceed through the usual rezoning consultation and notification process. Other recommendations will be changes in process, which can be initiated immediately if Council endorses them. There are also new policies proposed for the OCP, needing an OCP text amendment, which can proceed as soon as time permits, again with the usual channels of consultation and notification.

**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 - Poll - 344
- 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

By-law 8593, governing the Housing Opportunities Reserve Fund, also applies.

**Financial/Budgetary Considerations:**

The current draft recommendations from the Housing Strategy do not propose any changes to Budget nor increased financial impact.

**External Agency/Public Comments:**

A stakeholder event on October 6<sup>th</sup>, 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. A Public Open House was held at the Laurel Packing House on September 27<sup>th</sup>, 2011 from 3:30 to 6:30 pm and the results of this event are provided in this report.

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:

Appendix - Housing Strategy - Key Recommendations:

Housing Strategy Presentation

# APPENDIX TO COUNCIL REPORT: HOUSING STRATEGY KEY RECOMMENDATIONS – OCTOBER, 2011

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## INTRODUCTION:

The following provides the recommendations arising from the Housing Strategy. They represent primarily new actions for the City to pursue. It will continue to strive to address the city's housing needs through established policies, regulations and processes. For example, it will continue advocating for low income housing needs to other levels of government, the non-profit and business sectors.

Recommendations are organized by theme areas including:

- Partnerships:
- More Housing for Families:
- More Housing Choices:
- Neighbourhoods:
- Seniors, Singles and People with Disabilities:
- Reducing Cost:
- Reducing Process: and
- Secondary Suites.

This is the way the recommendations were organized for the public open house and it was well-received.

Recommendations also have time-frames, as follows:

**Immediate / Short term:** meaning as soon as possible and within the next year;

**Medium Term:** meaning within two or three years;

**Longer Term:** meaning within five years.

A rationale providing a bit of an explanation of the reasons and meaning of each recommendation and some indication of how it would happen is also included.

## PARTNERSHIPS:

The success of recent partnerships between the City, the Province and the non-profit sector has provided the basis for general support of partnership concepts. Partnerships require all partners to come to the table and the costs (e.g. land and tax dollars), as well as the benefits, must be weighed in tandem with any partnership commitment.

***Recommendation 1 Continue to seek partnerships to achieve affordable housing using City owned land and the rental housing grants program. Expand these partnerships within the private sector.***

***Recommendation 2 Work with the Canadian Mortgage and Housing (CMHC) Partnership Office to achieve more affordable rental housing.***

**Timeframe: Immediate / short term**

## Rationale:

Both of these recommendations can be implemented as soon as opportunities present themselves. They do not conflict with current policies. Clearer procedures and policy direction to define these actions would be desirable.

The City has engaged in several land-based partnerships with other levels of government, primarily through BC Housing. Another form of partnership is the rental grants program which allows for grants to affordable rental housing to help offset the costs of the development process<sup>2</sup>. Modest in size, these grants do make a difference, especially when demonstrating to other governments that the City is a partner.

City partnerships with provincial government to date have been determined based on the mandates of the Province and the Federal government and these may not be the sole focus of municipal housing priorities. Recent supportive housing partnerships are prime examples of this. They target primarily people who are homeless or at risk of homelessness, while the City is aware of need across the broader spectrum of population groups and housing forms.

A desire for private sector partnerships has been expressed consistently by the community, business and City representatives. In order to determine the feasibility of such partnerships, in depth interviews have been held with builders, developers, lenders and other players, in addition to the stakeholder workshop held a year ago. The results of this work indicate primarily that in order for those players from the private sector to achieve rental housing in particular, significant reductions in costs and process would be necessary, in addition to assistance in the form of land, if and where possible. In return, the City would need some guarantee that the housing built continues to serve the intended need<sup>3</sup>.

The CMHC Partnership Office works to influence and assist all forms of housing partnerships across Canada that address particular housing needs within their communities. Partnership Office staff expressed specific interest in private sector partnerships in Kelowna for rental buildings with five or more dwellings.

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<sup>2</sup> Development Cost Charges in particular.

<sup>3</sup> The City's main option to accomplish this is through a housing agreement.

## MORE HOUSING FOR FAMILIES:

***Recommendation 3: Family Housing Policy:*** Add policy to the OCP to express support for housing alternatives for families when single detached housing is *too costly*. *This would include wording that describes the things that are important to families including: outdoor space, direct access to grade, workshop space, larger units, safe design, and neighbourhood characteristics (e.g.: location and amenities).*

**Timeframe:** short term

### Rationale:

There is presently no policy that identifies the preferred characteristics of family housing. The demographics of housing need show that families are one of the largest groups of low income households whose housing needs are not adequately met in Kelowna. The City will continue to advocate for funding to better address the needs of low income families, but has limited resources to affect subsidized housing supply. What it is able to do is improve policy and zoning to support the need for family housing and make it clearer and easier to support housing proposals that would be suited to families.

***Recommendation 4: Fee Simple Townhouses:*** Add zoning to allow for *fee simple townhouses that would have their own public road frontage and lots.*

**Timeframe:** short term

### Rationale:

The majority of row/town houses in the City are strata-titled, meaning strata fees are added to the cost. Not everyone is willing to live in a stratified complex. Row/town housing is a form of housing suited to families with children, since the units are generally larger and include direct access to open space, including play areas and gardens.

***Recommendation 5 Courtyard Housing:*** *Create the zoning regulations needed to allow courtyard housing.*

**Timeframe:** short term

### Rationale:

Similar to town/row housing, courtyard housing consists of row housing-style buildings on a small city block that are situated closer to the street so as to provide an enclosed courtyard in the

centre of the block where children can play safely. Another advantage to this housing form is that it does not require developers to acquire large tracts of land in urban areas. Staff has determined, through a mapping exercise, that there are over 1,000 lots in the city 900 m<sup>2</sup> (9,688 sq. ft.), or larger, designated appropriately in the OCP, which would be large enough to support this type of housing. By researching cities that are allowing this housing form (primarily in the US), staff can create the appropriate zoning regulations. An example of details that would be pursued, aside from reduced yard setbacks, would be reduced parking requirements, based on a centralized location (i.e.: the Urban Core).

## MORE HOUSING CHOICES

### RENTAL HOUSING:

Rental housing was initially the main focus of the Housing Strategy and continues to be a high priority for several reasons. One is the fact that more than half the households in Kelowna do not have sufficient income to buy housing. Some owner households may be occupied by seniors who have low retirement incomes and have owned their homes for many years (i.e.: no mortgage costs). The current rental stock in Kelowna largely consists (over 62%) of rental units in houses, suites, duplexes or other small buildings, or in investment condominiums that are rented at high rents until the owners can sell or occupy them. These forms of rental housing are much less stable and renters therefore tend to move frequently. Some of the expanded ways of mixing housing forms through zoning are thought to increase opportunities to build new rental housing. Even though newer rental housing may be more expensive to rent, rent increases are still limited by provincial legislation. Also, according to CMHC research, new rental housing stock helps to open up vacancies in the older rental housing supply, easing the affordability pressures. Other recommendations (later in this report) target the cost of the development process.

***Recommendation 6 Six Storey Buildings: Provide zoning that would accommodate six-storey, wood frame buildings.***

**Timeframe: short term**

### Rationale:

This is consistent with Provincial directions and creates another option for developers to decrease the cost of building some multi-unit (apartment style) housing. It would also be suited to rental housing.





***Recommendation 7: Provide zoning that would facilitate accessory apartments.***

**Timeframe: short term**

**Rationale:**

These apartments would be small (rental) units within the main units of stratified buildings that would act in a similar capacity to secondary suites. Especially suited to students, singles, people with disabilities, seniors and family members, they would be no more than 30 m<sup>2</sup> (323 sq. ft.) so that development cost charges would not be applied. By not requiring an extra parking space for these small apartments, the cost would be further reduced. The parking space exemption could be limited to the Urban Core.

***Recommendation 8 Reduce minimum parking requirements in the Zoning By-law for new multi unit housing in the Urban Core.***

**Timeframe: short term**

**Rationale:**

Builders and developers have advised that parking spaces cost between \$10,000 and \$20,000 / space for surface parking and over \$30,000/per space for under building parking. These costs increase the cost of delivering housing. In order to create options and reduce the cost of housing, while promoting healthier lifestyles through active transportation (e.g. walking, cycling, etc.), it is recommended that minimum required parking spaces be reduced in the city's Urban Core. This could mean one parking space per dwelling, regardless of size and also include smaller parking spaces for fuel-efficient vehicles and more bike parking.

***Recommendation 9: Create policy to explore limited expansion of housing options as secondary uses in light/transitional industrial areas.***

**Time frame: medium term**

**Rationale:**

The City's Housing Committee explored the idea of allowing for more secondary residential uses in industrial areas as a means of providing some new housing options that may be more affordable. During the Committee's review, the process to put forward a new Official Community Plan for the City was nearing completion. That work included the research confirming that there is no need to expand the areas that currently permit residential development in order to accommodate future growth. However, there have been ongoing concerns about the loss of industrial lands to residential development pressures. The exploration of ways and means of expanding housing as a secondary use in industrial areas, including the

ideas of live-work areas or expanding transitional industrial areas, would be a lower priority and a longer term means of expanding housing options. Council has also asked that the wording of this policy refer to “limited expansion” of housing options as secondary uses only in “light/transitional industrial areas”.

## NEIGHBOURHOODS

When seeking a home, it is not just a building that is being sought; it is also a suitable neighbourhood. Some security to help residents feel confident that their neighbourhoods will continue to meet their needs is also key to properly addressing housing needs. This philosophy is reinforced in many ways by the policies in the OCP and the way capital projects and recreation programs are delivered.

***Recommendation 10: Communities: Introduce a new OCP policy to foster healthy, inclusive communities and a diverse mix of housing forms, consistent with the appearance of the neighbourhood.***

***Timeframe: Short***

***Recommendation 11: Provide OCP policy to support means of increasing understanding of various housing needs and forms; and reducing Not in My Back Yard (NIMBY) syndrome.***

***Timeframe: Short***

### Rationale:

The above proposed policies have similar intent. They provide a basis for continuing the City’s approach to increase housing options by providing a range of choices that fit into the building forms and density of neighbourhoods. They also look to better inform the community regarding the various housing forms and needs that they address, as well as to mitigate concern with respect to new housing by acknowledging and responding to neighbourhood input. This includes the importance of respecting neighbourhood character, while considering housing needs.

***Recommendation 12: Introduce OCP policy that requires the City to carefully consider the impacts on land values and neighbourhoods when assessing requests for amendments to the OCP.***

***Timeframe: short term***

### Rationale:

The City invested many months and funded the work of a Land Economist to determine the ability to use density bonusing in Kelowna in order to return affordable housing and amenities from new development on the basis of the increase in land value and return to the developer from new development. Unique to Kelowna, the salient message from this work was that land values in the

city, are based on anticipated development potential based on past land use decisions relating to OCP amendments, rather than on OCP designations in place when land was purchased. OCP amendment applications have in past years been highly likely to be approved (much more so than in other communities). This has inflated land value and affected development pro-formas to the point that little or no additional land value was yielded through rezoning, even when amending the OCP. In other words, land speculation has been maximized. The ability to negotiate any community benefits from new development, including affordable housing, is therefore extremely limited until such time as the Kelowna land market re-adjusts to be more consistent with the OCP. The inflated land values are one of the prime reasons that affordable housing is so difficult to deliver in Kelowna, even with considerable government investment.

A further, critical, result of amending land use designations to increase density beyond the intended OCP designations is that it changes the allocation of growth in the OCP and the servicing basis of the City's 20-Year Servicing Plan & Financing Strategy. All of the City's policy direction and budgeting are connected. For example if development is approved in an area that was not defined for the number of dwellings proposed, then it will take away from the City's ability to service or approve other development that conforms to the OCP land use designations. Also, there could be requirements for new roads, road improvements, sewer and water infrastructure upgrades and many other services that the City has not included in its financial planning, meaning the costs of conducting the servicing upgrades would detract from work that has been defined in the 20 Year Servicing Plan.

Aside from this, one of the key functions of an OCP is to give some security to residents and help them understand what changes might occur in their neighbourhoods over a 20 year timeframe. Amending the OCP land use designations to significantly increase densities de-stabilizes neighbourhoods, causing long term residents to leave and bringing in shorter term residents. This is because increases in density above the intent of the OCP change the character of the neighbourhood. When long term residents are replaced by absentee owners and shorter term residents<sup>4</sup>, the result can be declines in property maintenance and a deterioration of the character of the neighbourhood. Finally, these changes bring more pressure for redevelopment of further-reaching surrounding areas (like a ripple effect) to densities not forecast in the OCP, or in the Servicing and Financial Plan.

## SENIORS, SINGLES & PEOPLE WITH DISABILITIES

These rather different populations are grouped because their housing needs can be met in similar ways. Aging in place, for example, requires housing forms and support services that address the needs of people as they age and become less independent. Zoning in Kelowna has been rewritten to allow the building forms and services that will meet these needs. These uses and buildings are also suited to single people with disabilities, or those who have faced homelessness from the stage of needing some shelter, to temporary housing with support services, to independent living in conventional housing (progress from being dependent on services to being independent). Some people stay in one part of the housing continuum longer than others or permanently because they are physically and/or financially unable to move to more independent living. Housing like secondary suites and accessory apartments serves people with disabilities and seniors well, because it is usually accessible and offers the likelihood of some assistance from the residents of the main dwelling. Students and singles without additional needs simply require smaller, lower cost dwellings to rent. Proximity to services and transit are also factors when looking at

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<sup>4</sup> This can mean first time home buyers who will move to a different area in a short period of time as well as tenants who may not be able to reach an absentee landlord to address maintenance or other issues.

suitability of housing and neighbourhoods to these populations, again due to physical and/or financial limitations.

With the inequity of incomes in the Canadian social structure, it is likely that some households will always require some form of subsidy to afford their housing. This role normally falls to senior government levels or the business and community sectors because local government alone lacks financial capability to make a meaningful difference. As said before, partnerships between all these sectors will likely continue to be critical.

***Recommendation 13: Introduce policy to promote adaptable design;***

**Timeframe: short term**

*Rationale:*

Adaptable design has been recognized by City staff and has been promoted in a limited capacity. It involves designing new housing so that adaptations can be made at a later date, if needed, to accommodate residents who have physical disabilities. It is not handicapped accessible housing and would be invisible to most people. Wider hallways and door openings and higher electrical wall outlets are examples of adaptable design. The key advantage is that it allows people to stay in their homes should they need to adapt for disabilities at some future date. Compared to renovating a home that is not designed to be adaptable, the cost savings are in the thousands of dollars. If renovation cannot work for the home, then residents can be forced out of their home in order to secure housing that works. Initial cost of adaptable design is about \$1,000 per dwelling. Another advantage is that it makes housing more accessible to visitors with disabilities. The City cannot regulate this type of design, but it can raise awareness and promote it. The District of Saanich<sup>5</sup> has the clearest explanations well as design guidelines on this concept. Apartment housing is most suited to adaptable design.

***Recommendation 14: Provide policy that supports a greater mix of sizes, forms, and tenures of housing in new multi-unit & mixed use developments;***

**Timeframe: Short Term**

*Rationale:*

The City's approach to zoning is to maximize the choice of housing forms in keeping with the density allowed by the zone. Policy to support this approach is consistent with the success experienced by the housing forms already allowed in the Zoning By-law.

Allow accessory apartments & legal secondary suites (more on this later);

These actions are addressed by other recommendations. Accessory apartments and secondary suites provide housing suited to seniors, people with disabilities, singles and students.

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<sup>5</sup> <http://www.saanich.ca/business/adaptable/adaptablefaq.html>

***Recommendation 15: Provide policy to monitor Industrial transition areas and apply the results to future approaches to residential uses in industrial areas.***

**Timeframe: Long Term**

*Rationale:*

As noted earlier, the Housing Committee’s work towards a Housing Strategy for the City included significant interest towards increasing residential uses in light industrial areas. This was based on examples from other municipalities as a means of providing a housing choice that may be suited to particular needs of groups such as students; work well as a secondary use (e.g. above one-storey industrial buildings); and provide some additional crime prevention by having “eyes on the street” during non-working hours. Live-work housing was also 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, and live-work lifestyles).

Demand may not exist in the short-term as more than sufficient land is available to accommodate new growth in the city without changes to land use. There is also a need to ensure that industrial land, which is limited, is not lost to residential development pressures. Staff is therefore not in a position to recommend changes to the OCP Industrial land use designation until future needs are known. By studying industrial areas that allow some residential uses now (industrial transition areas), over time, the success of mixing these uses will be better understood.

**REDUCING COST:**

In all the stakeholder interviews and in the stakeholder workshop a year ago (also supported in research), a consistent message to the City was that the cost of development is an impediment to new affordable housing supply.

***Recommendation 16: Expand the application of 10 year property tax exemptions to affordable rental housing;***

**Timeframe: Immediate/Short Term**

*Rationale:*

The City has the legal ability to exempt new construction from the municipal portion of property taxes as a way to provide incentives to certain areas of the city and/or types of development that are viewed as means of revitalizing the community. The City cannot extend the exemption beyond 10 years. Based on consultation with the development community, as well as feedback from housing stakeholders and residents, much is needed to encourage and provide more affordable rental housing in the city (300 new/additional rental dwellings/year are needed just

for new growth). Rental housing is cost-prohibitive to build because it takes at least ten years to realize any return from the investment. Federal programs need to be changed to address this, and the City has been actively advocating for these changes (through the Federation of Canadian Municipalities (FCM)), in partnership with many other Canadian municipalities. It will also continue to work with the Province to get the right kind of subsidized housing or other housing subsidies (e.g. rent supplements) to better meet the needs of its residents. In the meantime, it is hoped that the City can help realize some new rental housing supply by offering the property tax exemption to new rental housing that meets City requirements and qualifies as affordable rental housing.

***Recommendation 17: Determine funding for the Housing Opportunities Reserve Fund annually based on budget considerations and a business plan.***

**Time Frame: Annual /On-going**

### Rationale:

Earlier on in the Housing Strategy process, recommendations included allocating increased tax payer contributions to the Housing Opportunities Reserve Fund to allow for more housing partnerships involving land and to provide for more affordable rental housing grants. However, with current economic conditions placing greater than usual pressure on local residents and businesses, it is not the time to recommend increasing taxpayer loads. It is recommended that the situation be reassessed annually, with staff monitoring the success of the existing funding and reporting to Council on the opportunities for the City to assist with land or rental housing grant funding and identifying associated costs.

## **REDUCING PROCESS:**

“Time is money” definitely applies when new housing is to be delivered. Cost of materials, equipment, consulting, financing and labour costs can increase dramatically when a development takes a long time to achieve. Delays, from the City’s perspective, may be necessary for developments that do not meet policy directions or have un-answered issues around servicing, environmental or community impact. However, all avenues have been explored to reduce process, wherever possible.

One option is to cut steps out of the development process for certain kinds of development. For example, re-zonings for secondary suites are not referred to the Advisory Planning Commission (APC). The City is required by law to follow certain processes for new development, but there are legal provisions for reducing process as well. One is to waive public hearings for proposals that conform to the OCP, but need a rezoning. This can be a difficult step for municipal councils because the opportunity for the public to be “heard” is always a priority. However, even if a public hearing is waived, a rezoning still requires notification to the surrounding neighbourhood and people can submit written or verbal input to the City along the same timelines as any other rezoning. This can be done by contacting staff and/or writing (including email) to the Clerk’s department prior to Council considering any approval of a rezoning.

***Recommendation 18: Consider waiving the public hearing for needed housing requiring a rezoning, if it conforms to the Official Community Plan (OCP), & meets all City requirements; for:***

***Fee simple town-housing;***

***Affordable rental housing.***

**Timeframe: Immediate / short term;**

### *Rationale:*

Council indicated that it would prefer to decide whether to waive a public hearing on a case by case basis. A housing agreement would be required for rental housing, since there is no other way of ensuring that it will be rental. The agreement would also provide the means and conditions for Council to support waiving a public hearing, based on a staff report.

***Recommendation 19: Remove referral to the Advisory Planning Commission (APC) for rental housing, courtyard housing or town-housing that is consistent with the OCP.***

**Timeframe: Immediate / short term;**

### *Rationale:*

Preparing staff reports for APC and providing an early opportunity for public input into housing proposals add cost and time to the process. Since APC hears from the public, as does Council, the process is sometimes confusing as it may seem that there are two public hearings. When it is possible to lend full City support to a proposal for housing that is needed, supported by policy and can be serviced, taking this step out of the process would help to realize new housing supply by reducing the time and expense associated with the APC referral. The process can be shortened by up to a month, depending on the complexity of the proposal. The fee for APC referral is \$595, representing a minor cost reduction for a rezoning. However, the cost to the applicant of preparing for an APC meeting in visual materials and time is also a factor.

## ***SECONDARY SUITES:***

Of all the forms of housing, secondary suites seem to generate the most discussion. The City has continually altered its approach to secondary suites over time in response to public feedback. There will always be those that do not want legal secondary suites in their neighbourhoods, but the community support for secondary suites appears to be growing as people become more aware of the challenges with housing affordability and availability<sup>6</sup>. The other side of the issue is the

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<sup>6</sup> A 2009 OCP survey yielded 49.4% of 788 respondents favouring allowing suites with no rezoning. The 2011 Housing Strategy Survey showed 80% of respondents to the on-line survey favoured suites in their own

fact that Kelowna, like every other community, has many illegal suites and some of these threaten the health and safety of people who live in them because they have few other choices due to income limitations. Stakeholders in the community who are trying to solve homelessness are extremely concerned about this. Improvements to the means of allowing and regulating suites will continue to be needed.

***Recommendation 20: Add OCP policy to encourage secondary suites and accessory apartments through appropriate zoning regulations, recognizing the following roles of these forms of housing:***

- *A rental housing option;*
- *Mortgage helpers;*
  - *Offer the choice of ownership to more people due to the benefit of rental income.*
- *Provide access to ground level outside areas (secondary suites primarily, but also accessory apartments in row housing);*
- *Increase density with minimal environmental impact; for example, make use of unused water and sewer capacity;*
- *Offer more inclusive neighbourhoods that make better use of existing infrastructure;*
- *Fit into the existing neighbourhood / often not noticed;*
- *Provide options for seniors and people with disabilities needing some support;*
- *Provide a way to improve neighbourhood safety by having people on the property more hours of the day and days of the year;*
  
- *Housing for:*
  - *people with disabilities*
  - *students*
  - *seniors*
  - *working singles or couples*
  - *restarts (e.g.: divorced, widowed);*
  - *young professionals*

**Timeframe: Short**

*Rationale:*

Policies to support secondary suites and accessory apartments based on the housing needs they serve are not currently provided in the OCP. As noted before, policy should recognize secondary suites for their ability to provide rental housing with access to outdoor space; their role as small rental housing for singles, seniors and people with disabilities; and their role as mortgage helpers enabling people to finance home ownership. Accessory apartments, proposed as a new use, also serve many of the same functions.

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neighbourhood. 322 out of 388 respondents to the same survey done by telephone by a consultant as statistically- valid also supported secondary suites in their own neighbourhoods.



***Recommendation 21: Ensure that the required off street parking space for a secondary suite is not provided as tandem parking.***

**Timeframe: immediate / short term.**

*Rationale:*

A secondary suite requires a minimum of one off-street parking stall additional to the two that are required for the main dwelling. Council advised that one of the key issues with secondary suites is the feedback regarding excessive on-street parking. It has been thought that tandem parking may be part of the problem because suite residents cannot contact the residents of the main home to move cars so that they can get out of the driveway and therefore they park in the street. Staff (LUM) has since advised that tandem parking is only permitted for the two minimum spaces required for the main dwelling. The suite parking must be separately accessed. Wording to this effect can be clarified in the Zoning By-law. Tandem parking off street and in excess of minimum parking spaces and locations is not limited.

***Recommendation 22: As part of a comprehensive parking plan for the city, explore expanding use of time limits for on-street parking on local, residential streets in order to reduce the neighbourhood impact of residential on-street parking.***

**Timeframe: longer term**

*Rationale:*

The Housing Committee recommended introducing time limits for on-street parking in residential areas that permit suites. This way, those that are using the street habitually for over-night parking will receive tickets. This approach works in other cities and a similar by-law is used in certain areas of the city now, such as the hospital area. However, additional by-laws restricting residential on-street parking require more enforcement and resources are not currently available to support that. A comprehensive parking plan is proposed for the city and it is recommended that this matter be further explored as part of the plan.

***Recommendation 23: Refine zone regulations for secondary suites to improve the fit of suites in the neighbourhood.***

**Timeframe: Short term**

*Rationale:*

Secondary suite regulations are currently being reviewed by the Land Use Management Department. One of the key issues is the fit of secondary suites in accessory buildings. Size,

height, inclusion of a garage, building footprint, window locations and other issues will be reviewed in terms of their impact on surrounding properties and the neighbourhood. Secondary suites should fit seamlessly into the neighbourhood so as not to change the character of the neighbourhood and should be relatively un-noticeable. Parking requirements are part of this as well. Further, building additions to permit suites may be reviewed due to the potential to appear like the lot is “over-built” and becomes imposing on neighbouring properties. Currently, a process of requiring a development permit exists to address some of these matters. However, there is also a certain level of confusion with suites in the RU6 Two Dwelling Zone, which permits:

- single detached dwellings;
- duplexes;
- semi-detached dwellings;
- two dwellings on a sufficiently large lot; and
- secondary suites, both in the main building, and within an accessory building.

A tendency exists to assume that all noticeable situations involve secondary suites.

***Recommendation 24: Consider waiving the public hearing for suites within the principal (main) dwelling within the Urban Core.***

**Timeframe: Short term**

#### Rationale:

Noted earlier, the ability to waive the need for a public hearing is one way of easing the rezoning process for a proposal that conforms to the OCP. Secondary suites conform to the Single Two Unit Residential designation in the OCP. Therefore, re-zonings for secondary suites located in this designation are eligible for waiving of the public hearing. In order to evaluate this change in process, Council has previously indicated a desire to determine, on a case by case basis, which applications should be eligible for waiving of the public hearing, based on staff recommendations. Staff is recommending that this approach be launched within the Urban Core, as defined in the OCP, and only for secondary suites located in the main dwelling, on the basis that these types of secondary suites should not change the character of the neighbourhood.

***Recommendation 25: Zone for secondary suites within the main dwelling in Single/Two Unit OCP designation within the Urban Core.***

**Timeframe: Longer term**

#### Rationale:

Once some experience has been obtained with dealing with suites in the main dwelling in the Single/Two Unit OCP Designation in the Urban Core, staff recommends that consideration be given to allowing these types of suites as permitted uses that would not require a rezoning.

# HOUSING STRATEGY

Council - November 7, 2011 Strategy Recommendations



## WHY IS THE CITY INTERESTED IN HOUSING?

- ▶ Healthy communities & neighbourhoods
- ▶ Answering the community's concern regarding affordable housing
- ▶ Achieving a healthy economic climate by ensuring housing supply is meeting needs of residents (working and living in Kelowna)
- ▶ Properly providing for future growth

## Eight Potential Local Government Roles in Housing

*City of Kelowna existing roles are:*

- ✓ *Advocacy,*
- ✓ *Research,*
- ✓ *Community Development & Education;*
- ✓ *Planning & Regulation; &*
- ✓ *Strategic Partnerships*

(from Calgary Affordable Housing Strategy)



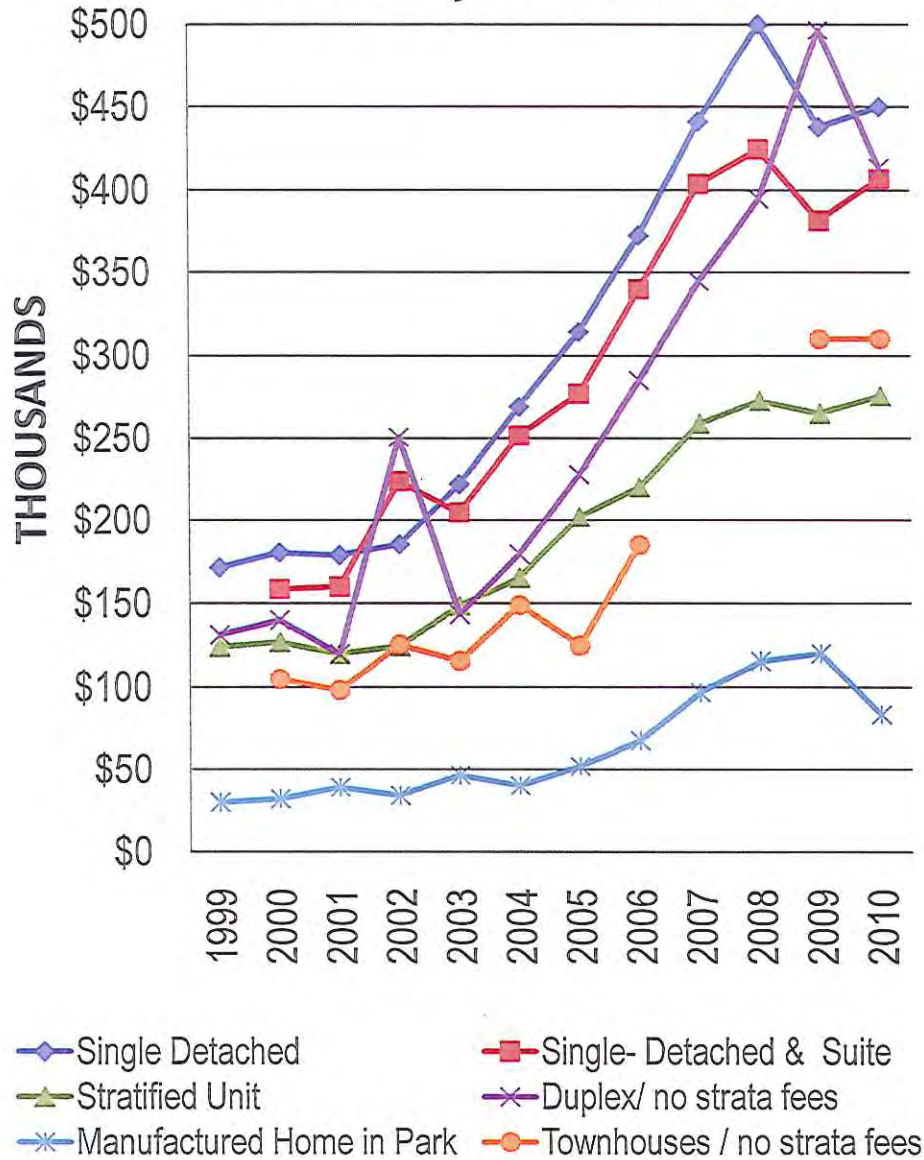
# THE PROCESS FOR A HOUSING STRATEGY



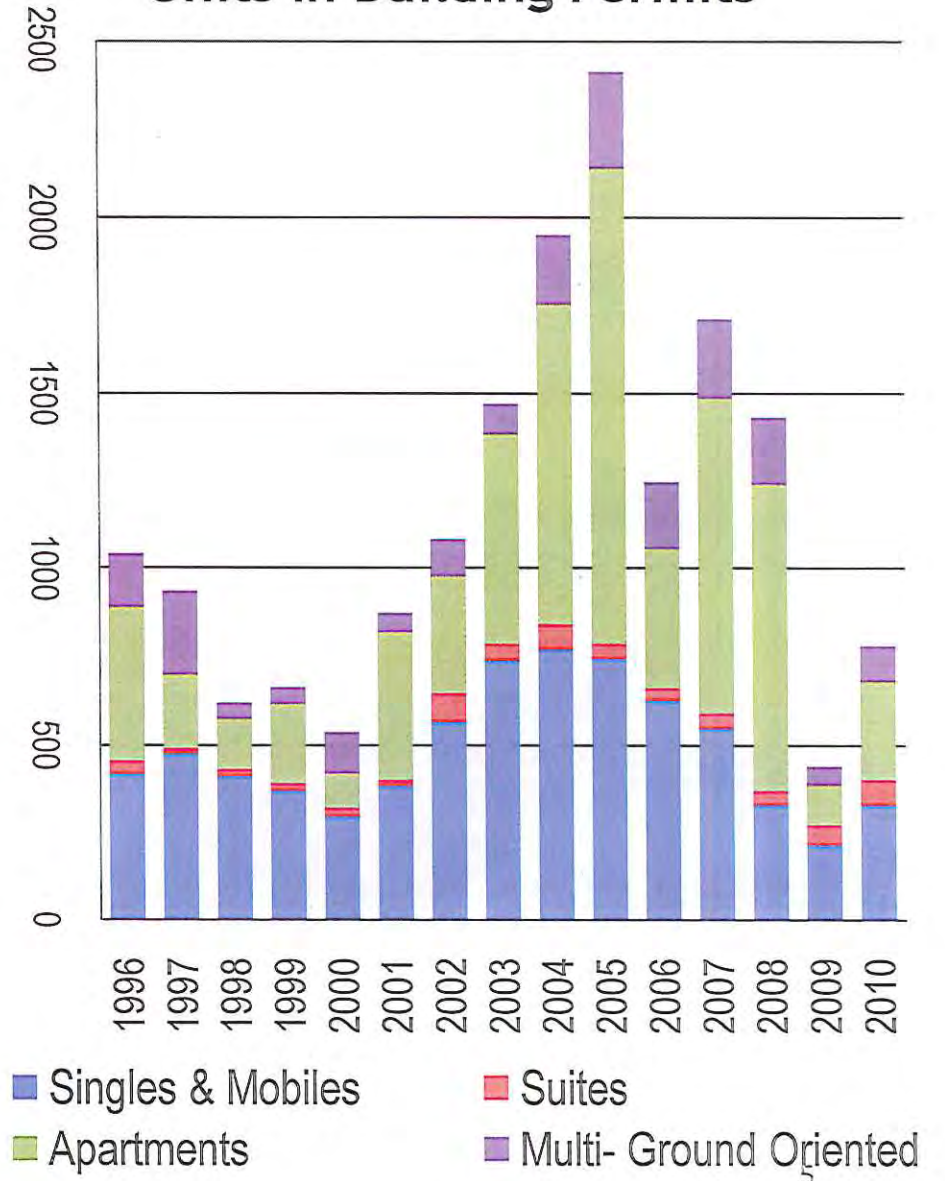
## LEGEND

- City Level Work
- Stakeholders
- Economic Sectors
- Public Input
- Progression of Strategy

### Median Sale Price of Homes in the City of Kelowna



### City of Kelowna Annual Residential Units in Building Permits



## THINGS THAT STAY THE SAME

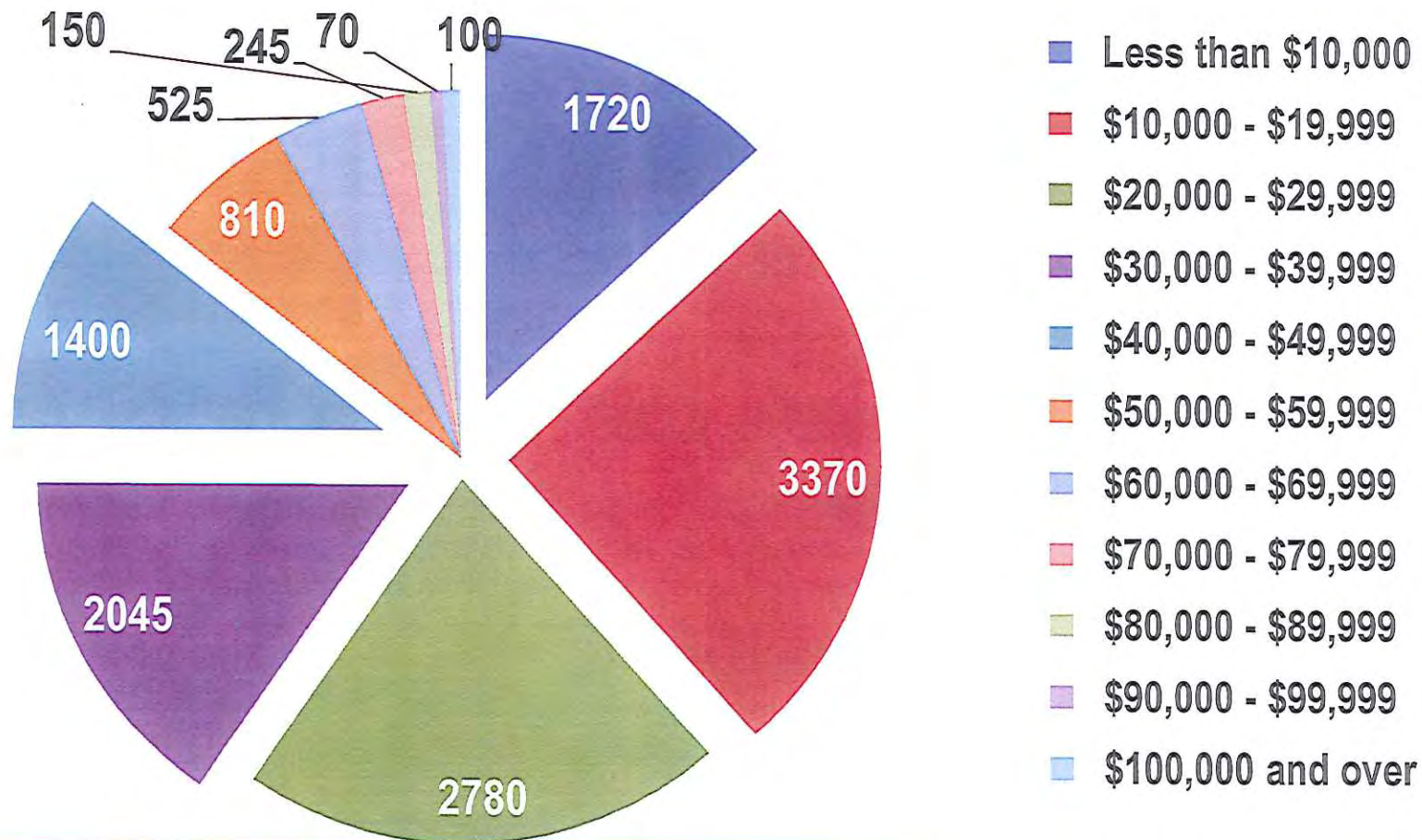
*“plus ça change, plus c'est la même chose”*

*The biggest story is still Affordability: '06 census:*

- ▶ Kelowna households making <\$50,000 → 51%
- ▶ Kelowna households making \$50,000+ → 49%
- ▶ \$50,000 in 2010 terms = \$53,450
- ▶ Need more than \$60,000 *to buy a home*
- ▶ At \$40,000, shelter cost should be \$1,000/month or less



# KELOWNA TOTAL HOUSEHOLDS PAYING 30%+ FOR SHELTER BY 2005 GROSS INCOME BEFORE TAX -



## THE SIGNIFICANCE OF *AFFORDABLE* HOUSING

- ▶ 1 of the top 3 issues on 2008 Citizens' Survey
- ▶ OCP surveys 2009: affordability 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.



# Non Market Housing

# 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



Willowbridge



Apple Valley



Verve



Cannery Lofts



Single detached



Alexandra - Gardner Women's Shelter



Cardington Apartments



Market Rental



Dwell



Single detached

Madison



Penny Lane Youth Shelter



Ozanam House



Subsidized Family Rental



Duplex

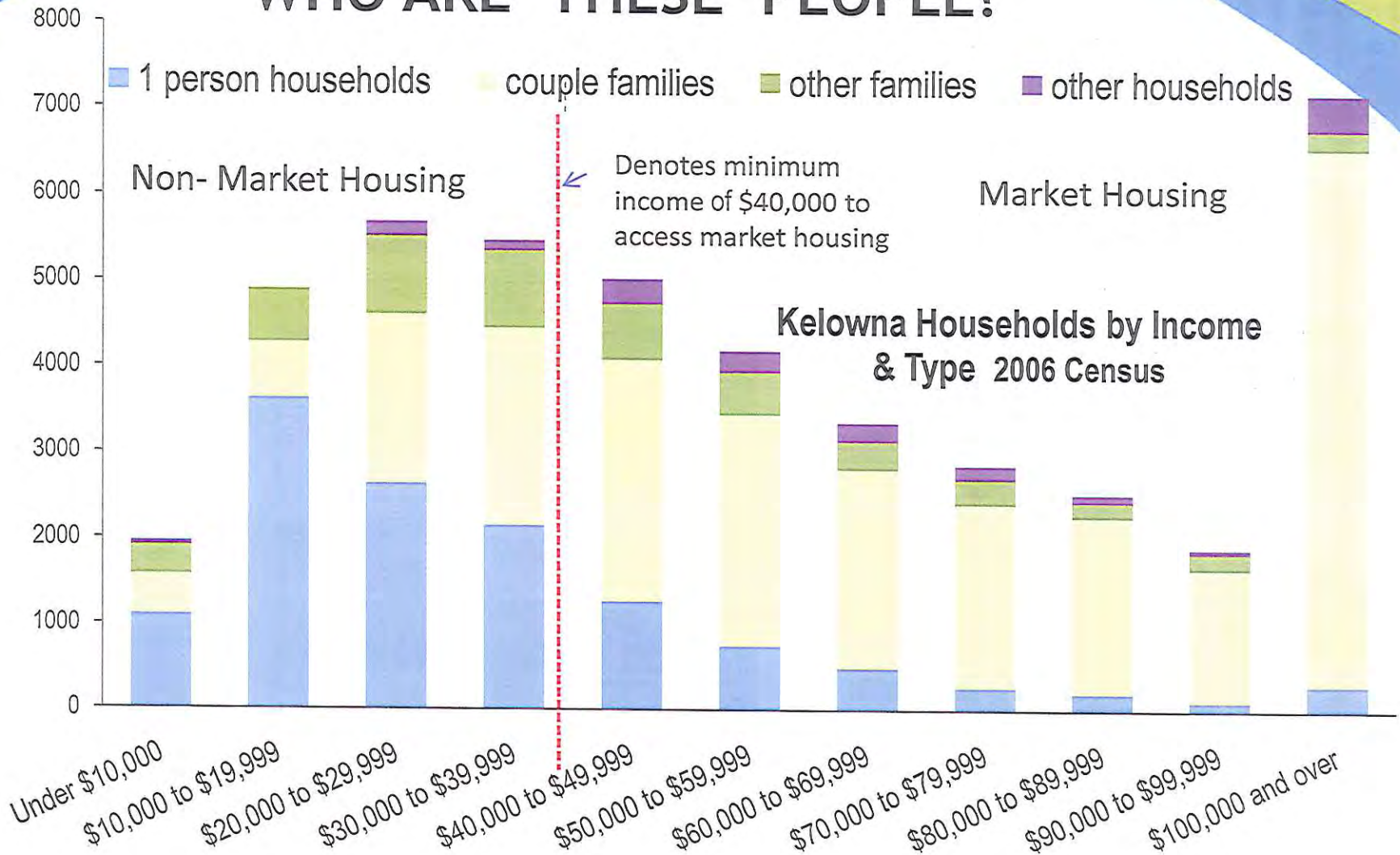


Duplex

Centuria



# WHO ARE THESE PEOPLE?





## CITY PARTNERSHIPS

- ▶ 8 City-owned land parcels for subsidized housing
- ▶ Value of land partnerships is about \$4.5 million
- ▶ Plus, the City has awarded \$968,662 in grants to 112 new affordable rental dwellings

## HOUSING RESERVE FUND 2000 - 2011

*Goal: to buy land to achieve partnerships to create needed housing for Kelowna households*

- ▶ Rental Housing grants added in 2006
- ▶ Annual budget of \$200,000
- ▶ Additional contributions...

## WHAT ELSE HAS THE CITY DONE?

- ▶ Inclusive zoning (scale, form, purpose):
- ▶ Advocacy
- ▶ Best practices



## THE CASE FOR RENTAL HOUSING

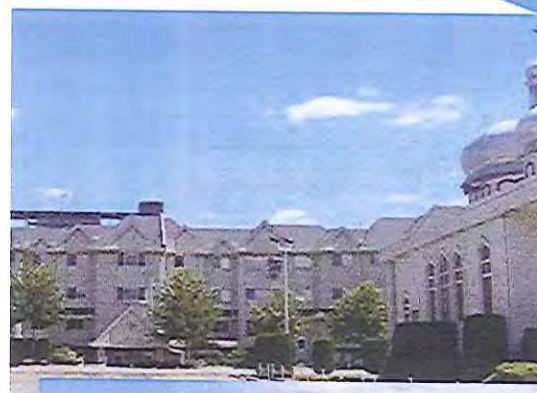
- ▶ 28% (12,200) of Kelowna households rent
- ▶ 300 additional rentals / yr to 2030 needed for new growth
- ▶ Shortage of *long term* rental supply
- ▶ 2/3<sup>rds</sup> of Kelowna's rental supply is in suites, houses, duplexes or *temporary* rental stock



## OPEN HOUSE RESULTS- SEPTEMBER 27<sup>TH</sup>

- ▶ 52 attended
- ▶ Good support for the recommendations
- ▶ Comments mostly about the need for low income housing
- ▶ Those motivated about low income housing needs gave the most feedback.





# **RECOMMENDATIONS**

*Recommendations are shown by theme*





## PARTNERSHIPS

- ▶ *Continue to seek partnerships for affordable housing by securing City-owned land. Expand private sector partnerships*
- ▶ *Work with the Canada Mortgage and Housing (CMHC) Partnership Office to achieve more affordable rental housing.*



## MORE HOUSING FOR FAMILIES

- ▶ Policy for housing alternatives for families when single detached housing is too costly
- ▶ Fee simple townhouses
- ▶ Courtyard housing

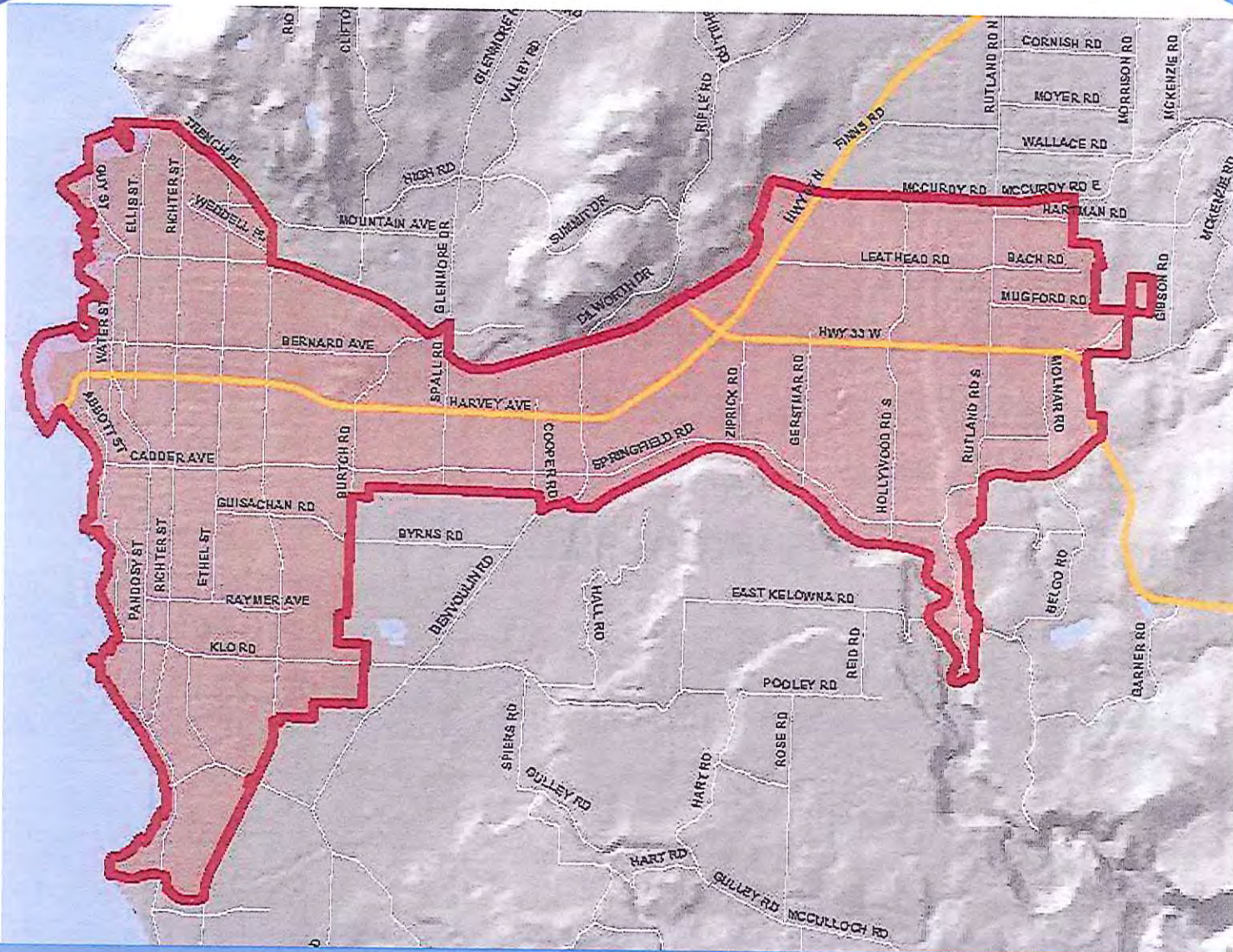


## MORE HOUSING CHOICES

- ▶ 6-storey wood frame buildings
- ▶ Accessory apartments
- ▶ Reduce minimum parking requirements in the Urban Core
- ▶ Explore housing options as secondary uses in industrial areas
- ▶ More townhouses + courtyard housing



# THE URBAN CORE



# NEIGHBOURHOODS

- ▶ New policy for healthy, inclusive communities & a diverse mix of housing forms, consistent with the appearance of the neighbourhood
- ▶ Carefully consider the impacts on land values (& neighbourhoods) when assessing requests for amendments to the OCP
- ▶ Increase understanding of various housing needs and forms
  - ▶ Better address Not in My Back Yard (NIMBY) syndrome.



## SENIORS, SINGLES & PEOPLE WITH DISABILITIES

- ▶ Promote adaptable design

<http://www.saanich.ca/business/adaptable/adaptablefaq.html>

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





## REDUCING COST

- ▶ *Expand the application of 10 year property tax exemptions to affordable rental housing*
- ▶ *Determine funding for the Housing Opportunities Reserve Fund annually based on budget considerations & a business plan.*



## REDUCING PROCESS

- ▶ *Consider waiving the public hearing for needed housing requiring a rezoning , if it conforms to the Official Community Plan (OCP), & meets all City requirements for:*
  - ▶ *Fee simple town-housing*
  - ▶ *Affordable rental housing.*
- ▶ *Remove referral to the Advisory Planning Commission (APC) for rental housing, courtyard housing or town-housing that is consistent with the OCP.*



## SECONDARY SUITES

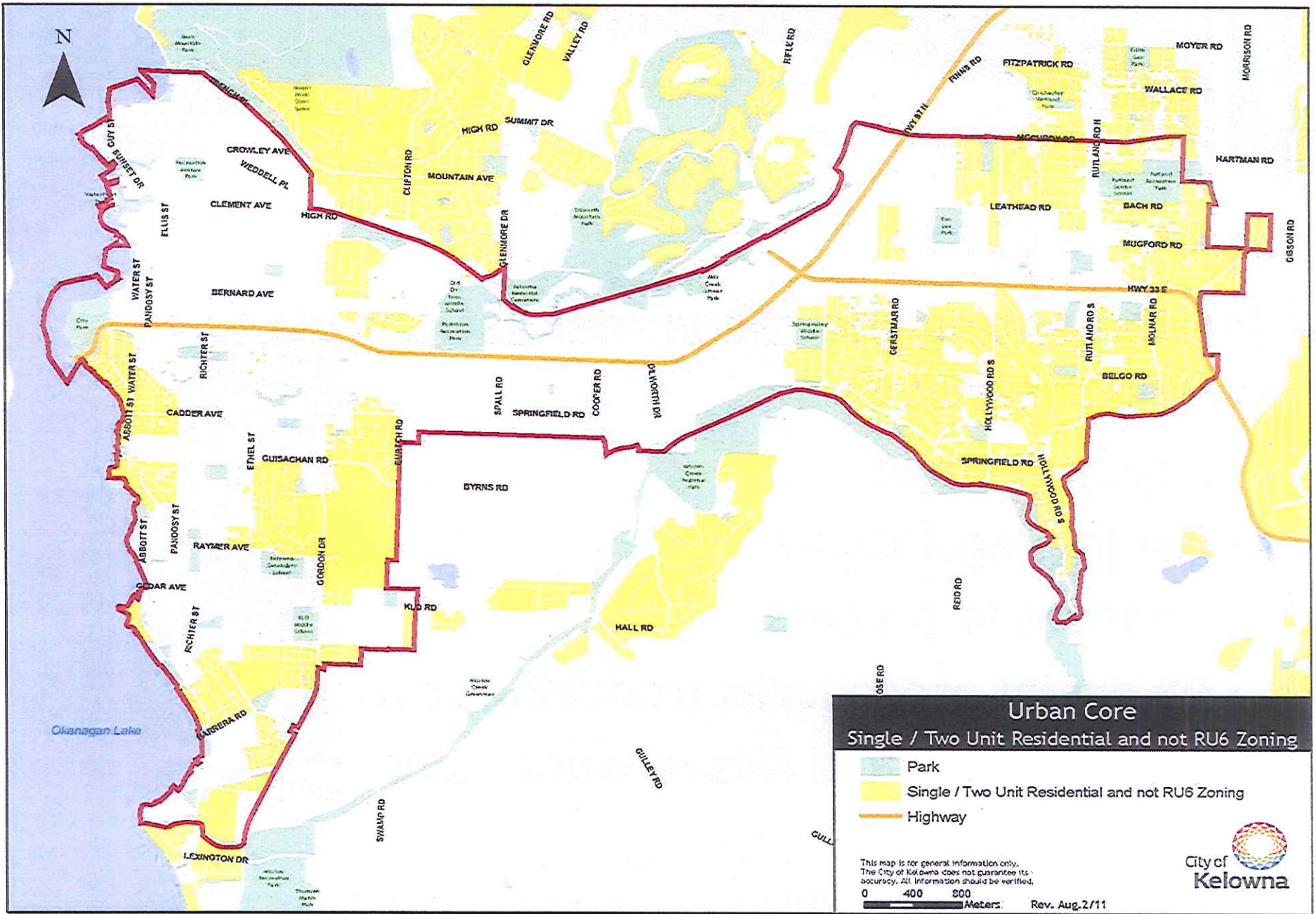
- ▶ Add OCP policy to recognize the role of secondary suites (& accessory apartments)
- ▶ Ensure that the required 3 off street parking spaces do not allow tandem parking for the suite
- ▶ Refine zone regulations for secondary suites to improve the fit of suites in the neighbourhood



## SECONDARY SUITES - CONTINUED

- ▶ Consider waiving public hearing for suites within the principal (main) dwelling in the Urban Core
- ▶ Zone for secondary suites within the main dwelling in the Urban Core & Single/Two Unit designation in the OCP. *Longer term*





## NEXT STEPS

- ▶ Implementing the recommendations by the means of:
  - ▶ Policy changes
  - ▶ Zoning regulations
  - ▶ Changes in process
  - ▶ Financial procedures (reducing cost)
  - ▶ Fit into 2012 and future work plans

