



CITY OF WEST KELOWNA COMMITTEE OF THE WHOLE AGENDA

Tuesday, September 28, 2021, 3:00 P.M.

COUNCIL CHAMBERS

2760 CAMERON ROAD, WEST KELOWNA, BC

Pages

1. CALL THE COMMITTEE OF THE WHOLE TO ORDER

It is acknowledged that this meeting is being held on the traditional territory of the Syilx/Okanagan Peoples.

This meeting is open to the public. In accordance with COVID-19 protocols, Interior Health Restrictions, and the City's COVID-19 Safety Plan regarding indoor seated gatherings and events, limited seating (twelve seats) will be provided on a first come, first serve basis. All representations to Council form part of the public record. This meeting is being webcast live and will be archived on the City's website.

2. INTRODUCTION OF LATE ITEMS

3. ADOPTION OF AGENDA

4. ADOPTION OF MINUTES

4.1. Minutes of the Committee of the Whole Meeting held Tuesday, May 18, 2021 in the City of West Kelowna Council Chambers

5. MAYOR AND COUNCILLOR'S REPORTS

6. DELEGATIONS

7. UNFINISHED BUSINESS

8. DIVISION REPORTS

8.1. CHIEF ADMINISTRATIVE OFFICER

8.2. DEVELOPMENT SERVICES

8.2.1. DCC Bylaw Update

8.3. ENGINEERING / PUBLIC WORKS / PARKS

8.4. FIRE RESCUE SERVICES

8.5. CORPORATE INITIATIVES

8.6. FINANCIAL SERVICES / RECREATION AND CULTURE

8.6.1. 2021 Grant in Aid Policy Review

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Recommendation:

THAT Council amend the Grant in Aid Policy to incorporate deliberation on decision points; and

THAT Council extend the deadline for 2022 applications to November 30th, 2021; and

THAT Applications be reviewed by Council in January 2022.

9. CORRESPONDENCE AND INFORMATION ITEMS

10. NOTICE OF MOTION

11. ADJOURNMENT OF THE COMMITTEE OF THE WHOLE

The next Committee of the Whole meeting is scheduled for Tuesday, October 19, 2021.



INFORMATION ONLY COUNCIL REPORT

To: Paul Gipps, CAO

Date: September 28, 2021

From: Bob Dargatz, Development Engineering Manager File No: RFP 2021-03-P500

Subject: **DCC Bylaw Update**

BACKGROUND

The Development Cost Charges (DCC) Bylaw update is a Council priority and key component with other initiatives the City is undertaking, as the DCC Bylaw and funds collected will be fundamental in ensuring that the City can accommodate capital projects related to community growth. With the DCC bylaw update, the City will be able to continue to advance capital projects that will benefit existing and future residents in West Kelowna.

Urban Systems will provide a presentation to Council regarding the ongoing DCC update and specific items for discussion with Council. In some cases, we would like to receive Council direction and we have provided recommendations. The direction is based on our background work and discussions with City staff. The specific topics to be covered are as follows:

PRESENTATION BY URBAN SYSTEMS – JOEL SHORT

- Work done to date
- Capital Cost Increases
- Assist Factors
- Commercial and Industrial paying Parks DCCs
- Exemption below \$75,000 construction value
- DCC sectors
- DCC Waivers for Affordable housing
- Communications and Engagement
- Next steps

REVIEWED BY

Bob Dargatz, Development Engineering Manager

Mark Koch, Director of Development Services

Shelley Schnitzler, Legislative Services Manager/Corporate Officer

APPROVED FOR THE AGENDA BY

Paul Gipps, CAO

Powerpoint: Yes ☒ No ☐

Attachments:

- 2021-09-16-DCC Council Update memo
- 2021-09-17 POWERPOINT

DATE: September 16, 2021
TO: Bob Dargatz, City of West Kelowna
FROM: Joel Short, Urban Systems
FILE: 2849.0070.01
SUBJECT: DCC update to Council

1.0 INTRODUCTION

This memo sets out information regarding the ongoing DCC update and specific items for discussion with Council. In some cases, we would like to receive Council direction and we have provided recommendations. The direction is based on our background work and discussions with City staff. The specific topics to be covered are as follows:

- Work done to date
- Capital Cost Increases
- Assist Factors
- Commercial and Industrial paying Parks DCCs
- Exemption below \$75,000 construction value
- DCC sectors
- DCC Waivers for Affordable housing
- Communications and Engagement
- Next steps

2.0 WORK CONDUCTED TO DATE

In summary, the work conducted to date is as follows:

- Reviewed current DCC project list – projects constructed, changed, or deleted, and projects still required.
- Reviewed infrastructure master plans and other plans to build infrastructure to serve growth
- Reviewed recent actual construction costs, material costs and tender prices
- Reviewed construction cost indices
- Prepared updated construction costs for DCC projects
- Meetings with working group to discuss projects and revised costs
- Reviewed OCP growth projections
- Prepared communications and engagement plan

3.0 COST INCREASES

We have reviewed recent actual construction costs, material costs and tender prices, and reviewed construction cost indices. We went through a fairly extensive exercise of applying those updated costs to the components in previous cost estimates to arrive at updated cost estimates. Overall, the resulting cost increases are as follows:

- Roads Costs – about a 50% increase
- Sewer Costs – about a 145% increase
- Storm Drainage Costs – greater than 50% increase
- Water Costs – about a 62% increase
- Parks Costs – not yet determined, but land costs have increased significantly

These costs may not translate directly into the same DCC increases, but will have a significant impact.

The sources of cost increases are as follows:

- Material costs - all areas, but particularly pipe and concrete
- Labour costs
- Changes in project scope once project is clarified
- Land costs

4.0 ASSIST FACTOR

One method that Council has available to address significant cost increases and the consequent increases in DCCs is to consider an Assist Factor. The City must provide assistance to pay costs of off-site infrastructure required by development. The extent of the assist factor is at Council's discretion. The Assist Factor can vary by service (i.e., roads different than water), but it cannot vary by area of community, or land use.

An example of how shifting the Assist amount impacts a Roads DCC is set out in the table below:

	1% Assist	25% Assist	50% Assist
Project Cost	\$2,000,000	\$2,000,000	\$2,000,000
Percentage required for Growth	100%	100%	100%
Assist amount, paid by City (Taxpayers)	\$20,000	\$500,000	\$1,000,000
Paid By DCCs	\$1,980,000	\$1,500,000	\$1,000,000
Development Units	800	800	800
DCCs per unit	\$2475	\$1875	\$1250

A comparison of Assist factors in the Okanagan Valley is set out below

	Roads	Sewage	Drainage	Water	Parks
West Kelowna	1%	1%	1%	1%	25%
Kelowna	15%	1%	n/a	1%	8%
Peachland	1%	1%	1%	1%	1%
Penticton	5%	15%	3%	15%	5%
Lake Country	1%	1%	1%	1%	1%
Vernon	1%	1%	1%	1%	1%

With an Assist factor it is important to remember that even though the project (or part of the project) benefits new development, the City and its existing taxpayers pay for the assist amount.

The assist factor could be used as a tool to reduce or phase in the increases due to higher construction costs. For example:

- 30% assist in year 1
- 15% assist in year 2
- 1% assist in year 3

The result is that the City would subsidize development costs for a couple of years to allow a more gradual introduction of the higher DCCs.

5.0 PARKS DCCS FOR COMMERCIAL AND INDUSTRIAL

Currently the City of West Kelowna does not charge Parks DCCs for Commercial, Industrial or Institutional uses. Many communities are shifting towards charging Parks DCCs for Commercial and Industrial uses. For example: the City of Kelowna charges these uses a parks improvement DCC and is considering charging them a parks acquisition DCC. The District of Lake Country charges both a parks improvement and acquisition DCC to Commercial and Industrial uses.

Commercial and Industrial uses can place demands on parks as employees, tourists, and business visitors use parks. Parks also provide a benefit by providing a more attractive community to do business.

Our recommendation is for West Kelowna to consider charging Parks DCCs for Commercial and Industrial uses.

6.0 EXEMPTION BELOW \$75,000 CONSTRUCTION VALUE

The Local Government Act exempts DCCs for construction values below \$50,000, and the Act allows municipalities to set a higher exemption value. Currently the City DCC bylaw provides an exemption for any construction value below \$75,000. With recent increases in construction costs, the City could consider increasing this amount. While the Council can use its discretion to increase it to any amount, a 33% increase, which is somewhat reflective of the increases in construction costs, would result in the exemption increasing to \$100,000. We suggest considering increasing the exemption amount to \$100,000.

7.0 DCC AREA SECTORS

7.1 PROS AND CONS OF DCC AREA SECTORS

The pros and cons of DCC area sectors are set out below

7.1.1 Pros

- **Allows cost to be allocated to the areas that are causing the impacts on infrastructure.** Can help ensure that outer areas or sprawl forms of development pay for the often higher costs associated with this form of development.
- **May result in lower costs for core or infill forms of development** – this can support broader goals of encouraging compact development and infill. However, the costs in the core might not be lower since the capital costs in the core can be high, e.g. if many of the roads upgrades are in the core and those costs are allocated to the core, then the DCC might even be higher in the core.

7.1.2 Cons

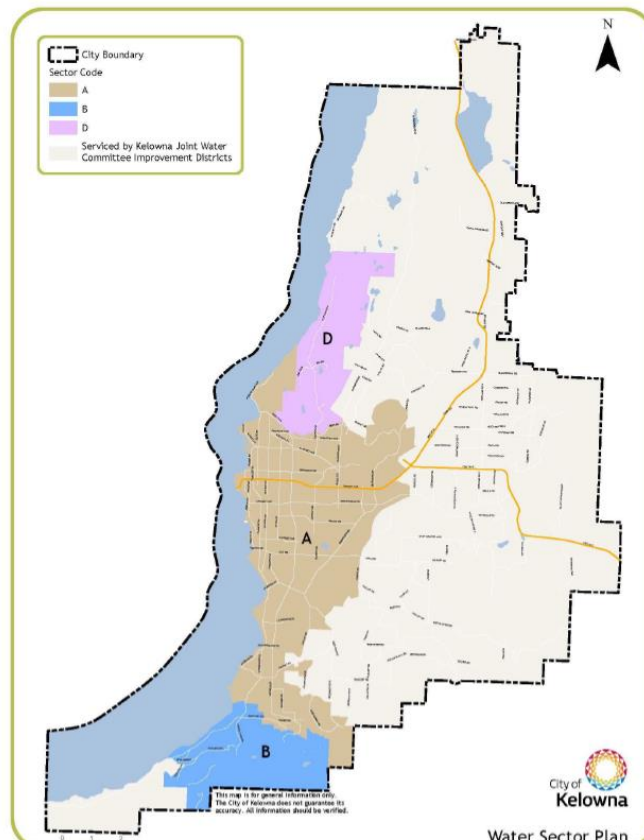
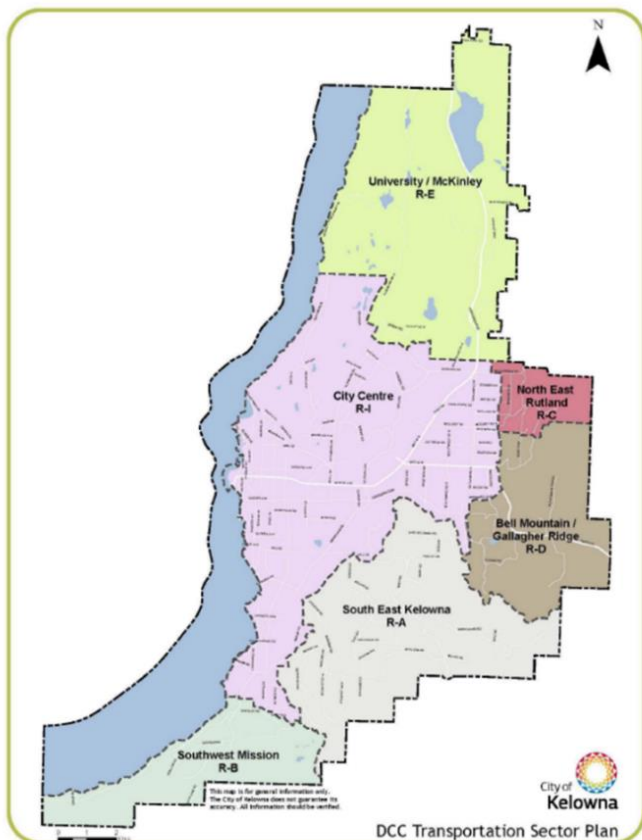
- **Requires separate reserve funds for the sectors.** For example if there were 'city wide' and 'outer' sectors, then the money collected for the city wide stays in the 'city wide' fund and can only be spent on city wide projects and the money in the 'outer' fund can only be collected and spent on the outer projects.
- This means **more little pots of money rather than one big pot of money**. It also means more restrictions on where those small pots of money can be spent. An issue is that the small pots never get enough money in them to actually build a project. Having just one city wide sector ensures that enough money is collected to build projects each year.
- **Requires more detailed accounting.** The reserve funds for each sector need to be accounted for separately. This means that the location of each development needs to be tracked to ensure that the money collected from a specific area of the city is deposited in the correct DCC reserve fund for that area.
- **Challenges with transition to sector approach.** The new sector funds would have no money to start with for the sector even though the projects have been on the list since 2016. The sector fund would start from zero.
- **Can be a challenge to define sector boundaries.** Particularly in West Kelowna where it may be difficult to clearly define sprawl areas.
- This **gets a bit more complicated if there are overlapping sectors**. E.g. if roads has two sectors, a city wide sector and an outer sector then when DCCs are collected, they need to be placed in the right fund, some in the outer sector fund and some in the city wide sector fund.
- **Can be a challenge to allocate costs to sectors.** It can be a challenge to establish rationale to allocate a percentage of a project to a specific sector.
- **Often sector boundaries differ for different services.** E.g. water or roads boundaries may differ, this means the payments for various sectors differ by service and usually results in more sectors for the overlapping areas.

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- o E.g. the City of Kelowna has 6 roads sectors and 4 water sectors, which results in 10 different charges and even more combinations of charges depending on the location of the development. This also gets a bit more complicated if developments cross sector boundaries



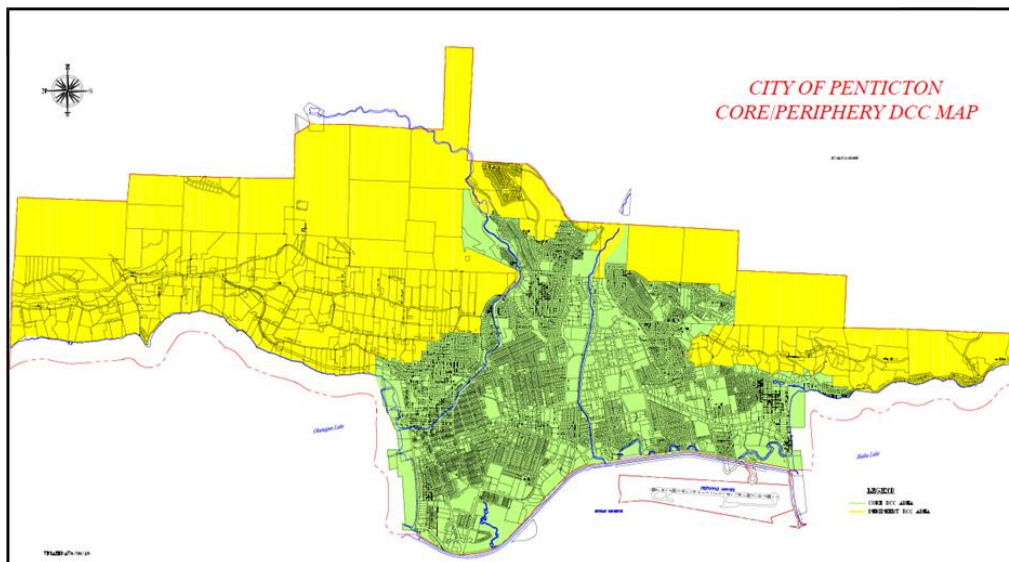
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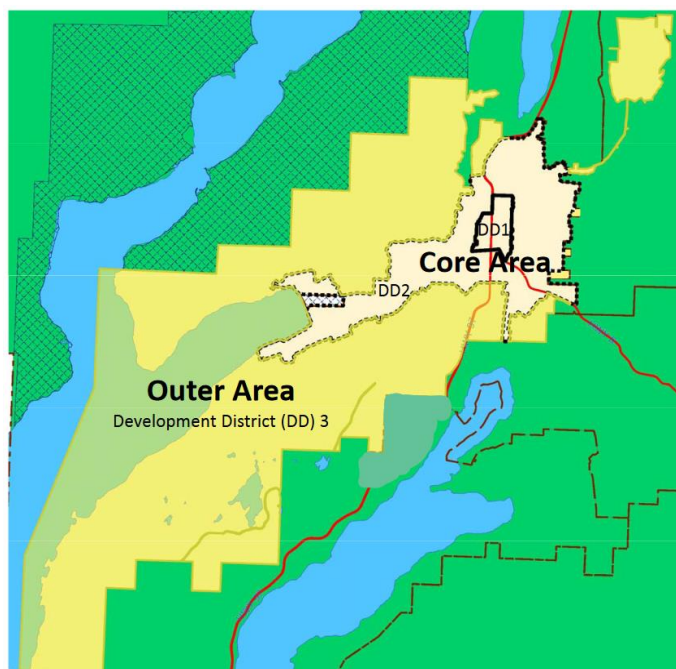
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- We could address this by aiming to have just two sectors that have the same boundaries for each service. Similar to Penticton and Vernon:

Penticton DCC Sectors

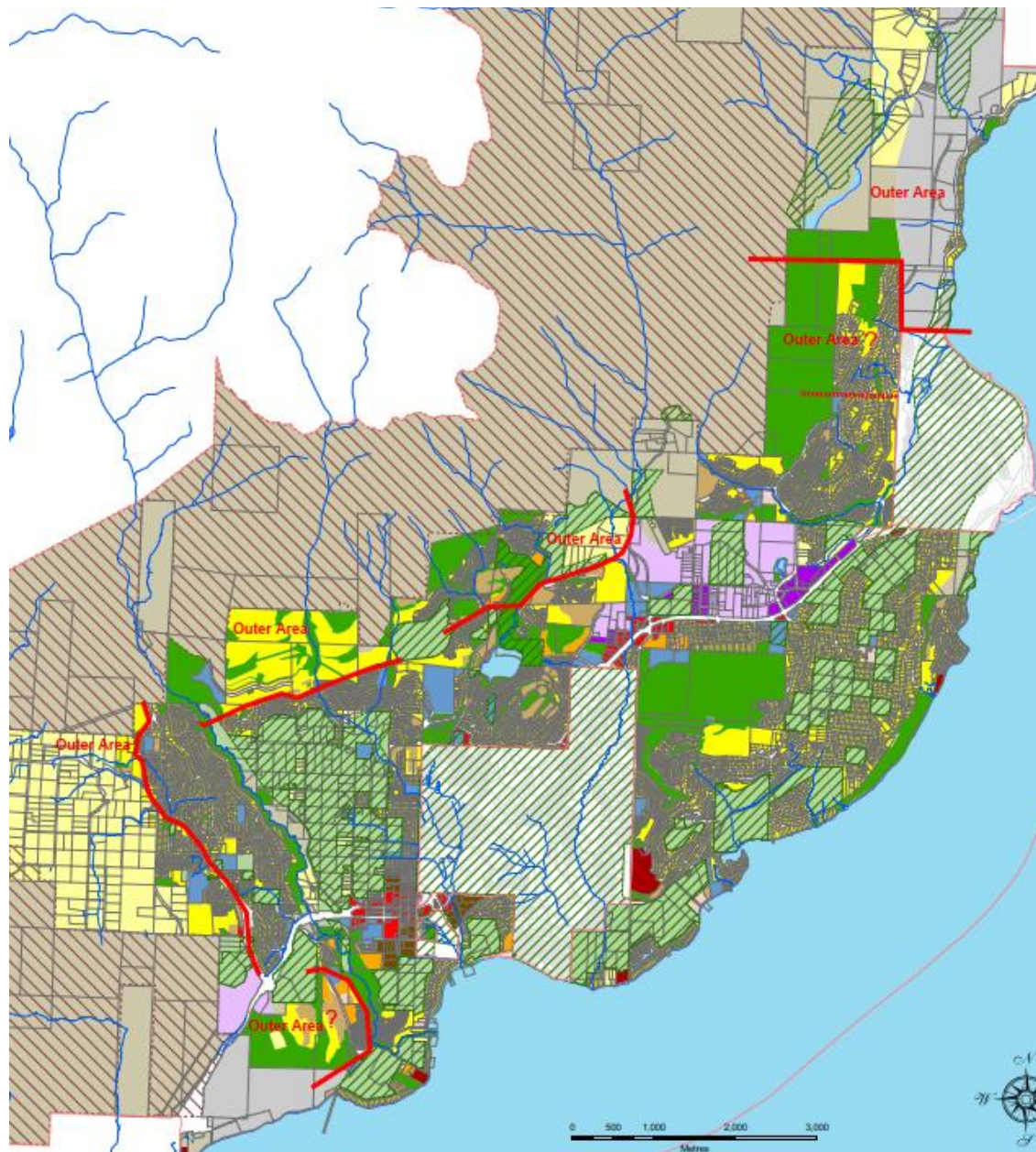


Vernon DCC Sectors



7.2 WHAT SECTOR AREAS IN WEST KELOWNA?

While this topic would obviously take more discussion, a cursory attempt at a map showing areas that could be considered as outer / sprawl areas for DCC sector purposes is set out below.



7.3 THOUGHTS ON SECTORS FOR EACH SERVICE

7.3.1 Water

- Aiming for integrated system
- Most improvements are more heavily weighted towards addressing existing issues, rather than sprawl growth
- Water is somewhat divided into Lakeview (Rose Valley) and Westbank (Powers Creek) sides and we want to avoid emphasizing division between these two parts of the community
- Probably not a good candidate for sectors
- Could the WK Estates transmission main a sprawl type of project?
- Harold Road Water pump station could be seen as supporting sprawl
- Could we combine WK Estates transmission main and Harold road water pump station as sprawl projects?
- What about projects to serve Goats Peak area. Would that be outer / Sprawl? Although it is quite close to the core / downtown

7.3.2 Roads

- Some roads are located in areas that serve sprawl / greenfield forms of development, but most roads serve a combination of established areas, infill, and newer areas
- Possible Sprawl oriented roads projects:
 - 3d Gellatly Rd South from 4035 to Glen Canyon
 - 3f Gellatly Rd South from Glen Canyon to Hwy 97
 - 4b Glenrosa Rd from Webber to Glen Abbey.
 - 4c Glenrosa Rd from Glen Abbey to McGinnis.
 - 5d Elliott from Reece to Smith Creek
 - 6a Smith Creek from Elliott to Wild Horse
 - 17 Glenrosa Access: - Second Access Route Study
- And possibly even:
 - 8b Shannon Lake Road from Asquith to 2835
 - 8f Shannon Lake Road from 1850 to Bartley
 - 12 Tallus Ridge Rd / Shannon Lake Rd Intersection Improvements
- However, it is difficult to allocate 100% of the cost of these roads to sprawl areas. They also serve core residents who want or need to access these areas for recreation, visiting, travel through the area, providing services.

7.3.3 Drainage

- Possible Drainage sprawl types of projects
 - 5.3 Stream Stabilization – Smith Creek

- Project not yet numbered - piping the drainage beyond edge of development from Gorman to Webber Road. The piped storm routing option would connect the Gorman Road system down to Webber Road and into the existing City storm pipe just south of Scotstown Road intersection
- Possible Drainage projects – in ‘question mark’ areas:
 - 9.4 Erosion Protection – Bear Creek Rd from Vancouver Road to I.R. boundary
 - 9.5 Erosion Protection/ Drainage Easement – Parkinson Road to Bear Creek Road
- Not in sprawl area on map, but could be seen as draining sprawl area above
 - 5.4 Obtain Drainage Easement – Bridlehill Road to Rubicon Road
 - 5.5 Storm Pipe Installation – Copper Ridge Drive to Wild Horse Drive

7.3.4 Sewer

- Sewer may be difficult since the projects seem to serve both upstream infill and upstream greenfield / Sprawl types of growth.
- There are only 5 projects and none of the projects seems to be sprawl related, although upon deeper sewer system modelling analysis some portion of each project could be related to sprawl and some to infill.

7.3.5 Parks

- The parks program focusses on waterfront parks, Athletic parks, and community parks which serve the entire community and could not readily be divided into the parks serving the core and sprawl.
- Furthermore, the parks DCC program does not identify the specific location for parks.

7.4 RECOMMENDATION

Based on a review, the cons of having sectors outweigh the pros. Our recommendation is to not implement a sector based approach and to retain the existing City-Wide approach. The City can reconsider the direction in future updates if more outer / sprawl types of projects are identified. The City also has other tools available to ensure outer / sprawl development pays their costs of growth. Future development in outer areas will have to pay for the required upgrades through rezoning and development agreements; latecomers; local service areas and other methods.

8.0 DCC WAIVERS FOR AFFORDABLE RENTAL HOUSING

8.1 LOCAL GOVERNMENT ACT

A local government may waive or reduce a development cost charge for an eligible development including:

- a) not-for-profit rental housing, including supportive living housing
- (b) for-profit affordable rental housing

8.2 COMPARISON OF LOCAL COMMUNITIES

The following table summarizes the DCC reductions or waivers provided by community as set out in their DCC bylaw.

Community	DCC Reduction or Waiver
North Okanagan Regional District	Waive DCCs for "Not-for-Profit Rental Housing" for Regional Water DCC, and Trails and Natural Space DCC.
Spallumcheen	No reduction
Vernon	Waive DCCs for "Low Income Housing" rental units with Housing Agreement and Restrictive covenant.
Coldstream	No reduction
Central Okanagan Regional District	No reduction
Lake Country	Reductions considered on a case by case basis. Adopted a DCC reduction bylaw for one proposed affordable housing project. No reduction in main bylaw.
Westbank First Nation	No reduction
West Kelowna	No reduction
Peachland	Waived DCCs for Peachland Seniors Support Society housing. No reduction in main bylaw.
Summerland	No reduction
Penticton	Waive DCCs for affordable rental housing including supportive housing with housing agreement for persons at risk of homelessness and support service providers.
Oliver	No reduction
Osoyoos	Waive DCCs for "Not-for-Profit Rental housing" on a case by case basis.

8.3 OTHER FORMS OF ASSISTANCE

Communities provide a range of other forms of assistance for affordable rental housing. While not an exhaustive list, some examples that we know about in the Okanagan Valley include the following:

- Vernon provides a Rental Housing Incentive Grant equal to DCCs or \$4,000 per unit whichever is less.
- The District of Peachland donated land for Peachland Seniors Support Society affordable seniors housing project, waived development fees (zoning, subdivision and permit) and building permit fees, and funded the Regional District DCCs that applied to the project.
- The Town of Oliver provides some level of tax exemptions for apartment buildings within certain locations, this applies to any form of apartment and would apply to affordable rental housing.
- Penticton has density bonusing where developers pay for additional Floor Area Ratio, and the funds paid are placed in the City's affordable housing reserve fund.
- Osoyoos has policies in the Official Community Plan that support density bonuses for affordable housing projects
- We have seen that some communities provide reductions in parking requirements for affordable or rental housing.

8.4 CASE BY CASE EXEMPTIONS

- For the communities that state "No reduction" in the summary table above it is important to note that the opportunity still exists for a community to provide a DCC reduction on a case by case basis.
- While DCC reductions can be set out in the main DCC bylaw in advance, they can also be considered on a case by case basis.
- Recently there has been a trend to consider each on a case by case basis due to many different situations that may arise. It can be challenging to write a bylaw that covers every situation appropriately. For example, the legislation allows exemptions to "for-profit affordable rental housing", however, the community may see a development that meets the definition, but they don't want to exempt it from DCCs.
- Some Councils would rather consider each case to provide an exemption, rather than have a development inadvertently qualify for an exemption without their input.
- The Ministry of Municipal Affairs has also recently expressed a preference for seeing a DCC reduction bylaw being set out in a separate bylaw, rather than being woven into the main bylaw. This allows a municipality to make changes or adopt a DCC reduction without Ministry approval.

8.5 REPLACING THE SHORTFALL

- Bear in mind that if DCCs are waived for some forms of housing, the shortfall needs to be addressed from other sources, since there is an impact on infrastructure, but no DCC revenue to pay for that impact.
- Note that on page 1.4 the DCC Best Practices Guide states "Also, the intent of the legislation is that in cases where the DCC is waived or reduced, the amount waived is to be entirely supported by the existing

development.” The Ministry interprets the phrase “entirely supported by the existing development” to mean existing taxpayers.

- DCC amounts waived for not-for-profit rental housing should be replenished by taxes. This means that taxpayers are footing the bill for the DCC shortfall, and it is not simply an amount that is foregone by the City.
- A more transparent approach might be to provide an outright grant (paid by taxpayers) to the housing entity that they can give to the City to pay DCCs. That is essentially what happens when the DCC reserve fund is replenished by taxpayer funds to make up for the DCCs waived.
- This perspective can help housing organizations understand that by asking for a DCC exemption, they are not just asking for the City to forgo the money, they are asking for taxpayers to directly pay for the DCC shortfall. Taxpayers need to pay for the impact on infrastructure if the housing organization doesn't pay.
- For Council, the question changes from “Are you willing to give up this DCC money?” to “Are you willing to ask taxpayers to pay this DCC money?”. The answer to the second question may well be “yes”, but it is useful for Council to be thinking about the right question.

8.6 RECOMMENDATION

Based on the review our recommendation is to consider waiving DCCs for affordable or non-profit rental housing on a case by case basis.

9.0 NEXT STEPS AND ENGAGEMENT

We have prepared a detailed communications and engagement strategy, and the key points are summarized in this section.

The key audiences for the external engagement are as follows:

- The development community – UDI, Home builders, others
- West Kelowna Residents – thoughts on paying for growth
- The Ministry – DCC bylaw required their approval
- Adjacent jurisdictions – to keep them informed

The engagement on the DCC update will also need to be coordinated with the Official Community Plan and Transportation Master Plan engagement.

Our planned engagement with the Development community is as follows:

- Review with UDI Liaison Committee
- Virtual Stakeholder Workshop with Development Community – UDI, Home Builders - October / November
- Ongoing dialogue

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Our plans for engagement with West Kelowna residents, as well as the stakeholders such as the development community, are as follows:

- City of West Kelowna Website Content - September
- Public Service Announcement (DCC Engagement Begins)
- Update issued to e-News subscribers – October
- Cross promotion opportunities during OCP and Transportation Master Plan engagement
- Prepare questionnaire - focus on asking about paying for growth
- Supporting social media posts (get involved, complete the questionnaire)
- e-News DCC update to subscribers to review the Draft DCCs
- Social Media Post (Review the Draft DCCs)

Our reviews with the Ministry and adjacent jurisdictions are as follows:

- 1st Draft to Ministry for initial Review,
- Send Drafts to RDCO, WFN and Peachland for information
- Send final bylaw to RDCO, WFN and Peachland for information
- Send final Bylaw to Ministry for Approval

We will be engaging directly with Council at a number of points and the key points during the engagement process are as follows:

- Review First draft of DCC rates in October, before going to Development Community and Residents
- After engagement on the first draft will come back to Council with the input - November
- Identify changes and then move on to final DCC bylaw

Once we have completed the engagement process we enter the bylaw approval process which include the following steps:

- DCC projects need to be set out in the City's Financial Plan
- DCC bylaw requires approval of Inspector of Municipalities
- Ministry of Municipal Affairs staff review bylaw prior to forwarding to inspector.
- Typical process:
 - Three readings by Council

URBAN SYSTEMS MEMORANDUM

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- Referral to Ministry / Inspector
- Approval by Inspector
- Fourth reading / Adoption by Council

After adoption by Council, the new DCC rates come into effect, although Council can set a grace period before the bylaw takes effect, which can be considered closer to the adoption process.

10.0 CLOSING

We look forward to presenting this information to Committee of the Whole on September 28th, and would be happy to answer any questions or make revisions before then.

Sincerely,

URBAN SYSTEMS LTD.



Joel Short, MCIP, RPP
Senior Planner / Principal

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CITY OF WEST KELOWNA DCC PROJECT - UPDATE

September 28, 2021

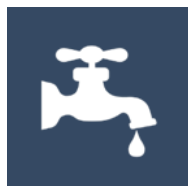


OVERVIEW

- Brief refresher on DCCs
- Work done to date
- Capital and Land Cost Increases
- Assist Factors
- Commercial and Industrial paying Parks DCCs
- Exemption below \$75,000 construction value
- DCC sectors
- DCC Waivers for Affordable housing
- Communications and Engagement
- Next steps

WHO PAYS DCCs?

- Applicants for **subdivision approval** to create single family development sites
- Applicants for **building permits** to construct multi-family, commercial, industrial, and institutional development



WHAT CAN DCCs PAY FOR?

- Infrastructure
 - Transportation
 - Water
 - Sanitary sewer
 - Storm drainage
 - Parkland and limited park development

But...these **must** be related to development!



BASIC DCC CALCULATION



Work conducted to date

- Reviewed current DCC project list – projects constructed, changed, or deleted, and projects still required.
- Reviewed infrastructure master plans and other plans to build infrastructure to serve growth
- Reviewed recent actual construction costs, material costs and tender prices
- Reviewed construction cost indices
- Prepared updated construction costs for DCC projects
- Meetings with working group to discuss projects and revised costs
- Reviewed OCP growth projections
- Prepared communications and engagement plan

COST INCREASES

- Roads Costs – about a 50% increase
- Sewer Costs – about a 145% increase
- Storm Drainage Costs – greater than 50% increase
- Water Costs – about a 62% increase
- Parks Costs – not yet determined, but land costs have increased significantly
- These costs may not translate directly into the same DCC increases, but will have a significant impact



COST INCREASES

- Sources of cost increases
 - Material costs - all areas, but particularly pipe and concrete
 - Labour costs
 - Changes in project scope once project is clarified
 - Land costs
- Information from recently constructed projects and recent tender prices, as well as construction cost indices



ASSIST FACTOR

- City must provide assistance to pay costs of off-site infrastructure required by development
- Extent of assist factor at Council's discretion
- Can vary by service (i.e., roads different than water)
- Cannot vary by area of community, or land use



EXAMPLE – Changing Assist Amounts

- Road upgrade project

	1% Assist	25% Assist	50% Assist
Project Cost	\$2,000,000	\$2,000,000	\$2,000,000
Percentage required for Growth	100%	100%	100%
Assist amount, paid by City (Taxpayers)	\$20,000	\$500,000	\$1,000,000
Paid By DCCs	\$1,980,000	\$1,500,000	\$1,000,000
Development Units	800	800	800
DCCs per unit	\$2475	\$1875	\$1250



ASSIST FACTORS

Comparisons of Assist factors

	Roads	Sewage	Drainage	Water	Parks
West Kelowna	1%	1%	1%	1%	25%
Kelowna	15%	1%	n/a	1%	8%
Peachland	1%	1%	1%	1%	1%
Penticton	5%	15%	3%	15%	5%
Lake Country	1%	1%	1%	1%	1%
Vernon	1%	1%	1%	1%	1%



ASSIST FACTORS

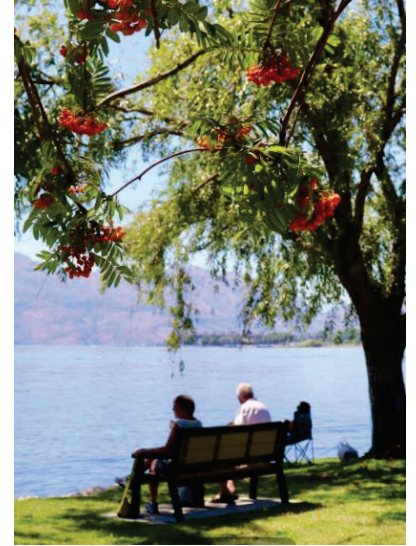
▪ Assist Factor

- Council decision - Provides an assist to new development
- Even though the project (or part of the project) benefits **new** development, the City and its **existing** taxpayers pay for it.
- Could be used to reduce or phase in the increases due to higher construction costs. For example:
 - 30% assist in year 1
 - 15% assist in year 2
 - 1% assist in year 3
- Council decision once we have draft DCC rates



Parks DCCs for Commercial and Industrial

- Many communities are charging Parks DCCs for Commercial and Industrial uses
- For example: City of Kelowna and Lake Country
- Commercial and Industrial uses can place demands on parks as employees, tourists, and business visitors use parks. Parks also provide a benefit by providing a more attractive community to do business
- **Recommendation:** Charge Parks DCCs for Commercial and Industrial uses



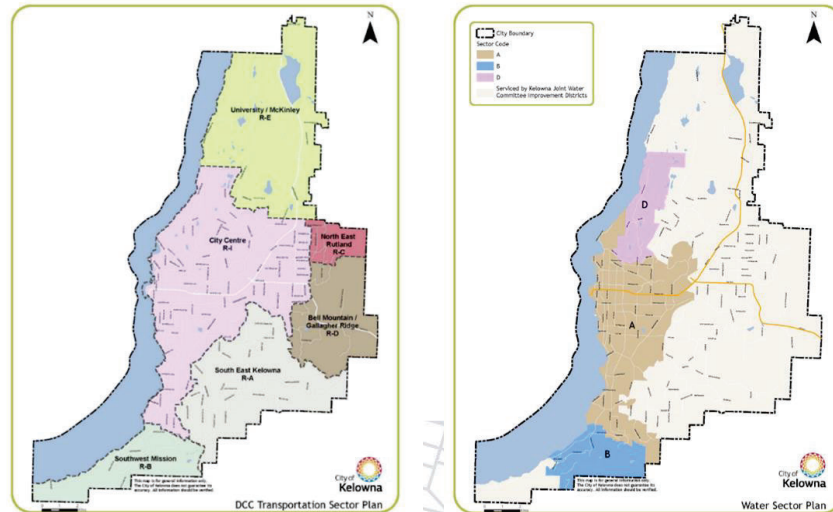
Exemption below \$75,000 construction value

- Currently the DCC bylaw provides an exemption for any construction value below \$75,000.
- With recent increases in construction costs, could consider increasing this amount to \$100,000



DCC Sectors

- DCCs calculated based on different areas
- Some communities have sectors, other communities have the same charge across entire Municipality
- Kelowna example



DCC Sectors

- Pros
 - Allows cost to be allocated to the areas that are causing the impacts on infrastructure
 - May result in lower costs for core or infill forms of development

DCC Sectors

Cons

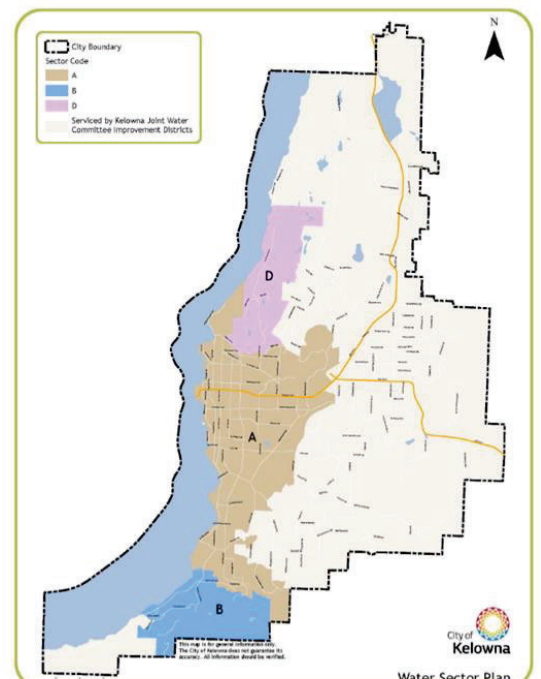
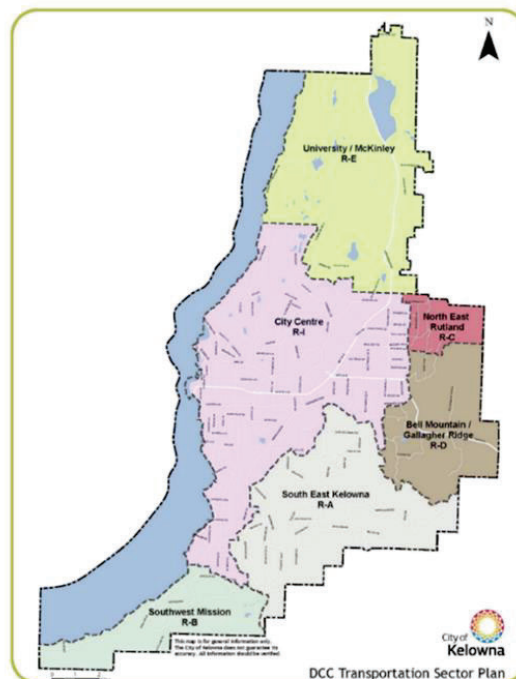
- Requires separate reserve funds for the sectors
- more little pots of money rather than one big pot of money
- Requires more detailed accounting
- Challenges with transition to sector approach
- Can be a challenge to define sector boundaries
- Can be a challenge to allocate costs to sectors



DCC Sectors

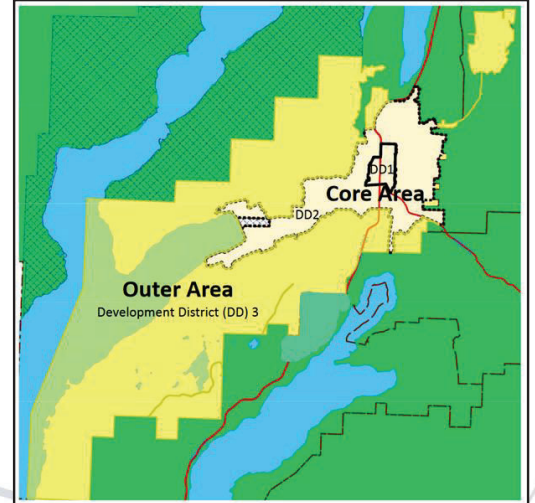
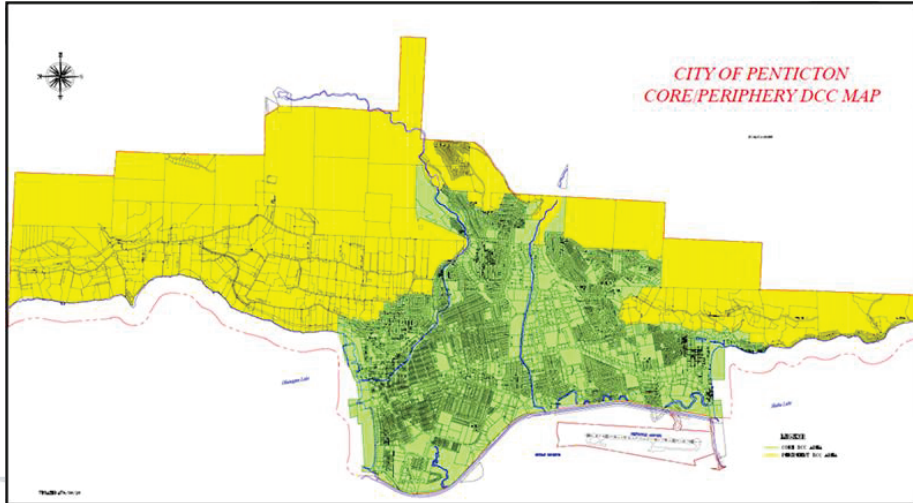
Cons

- Often sector boundaries differ for different services



DCC Sectors

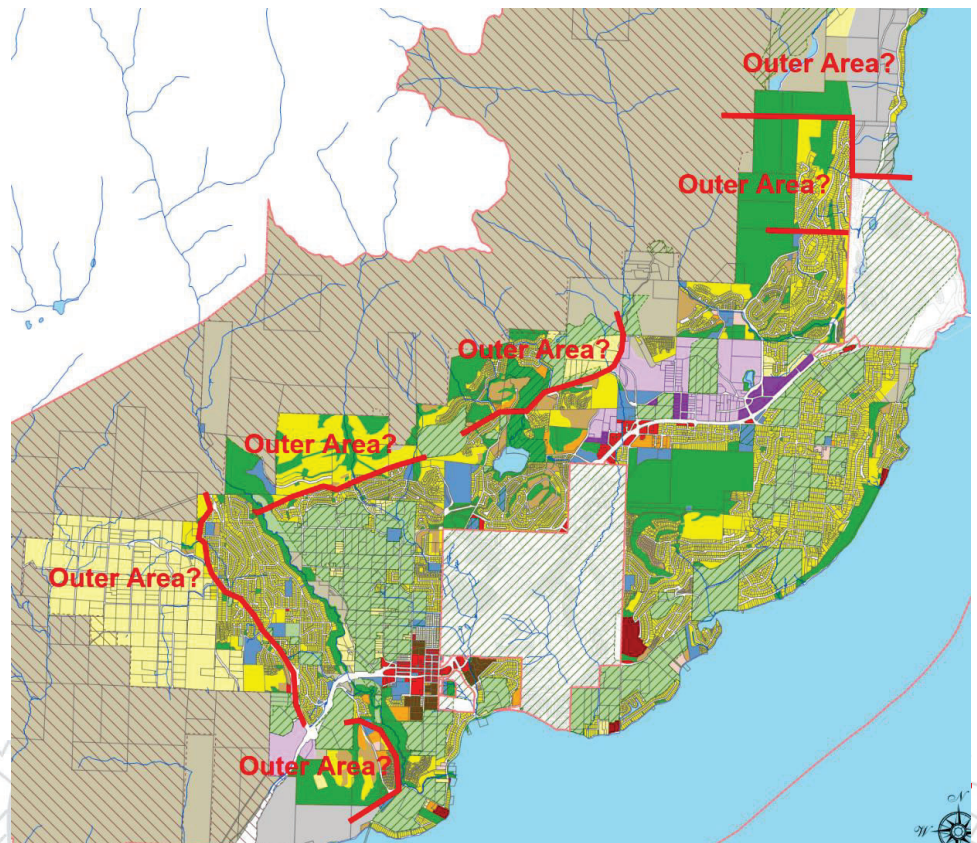
- Could address by having Core and outer areas like Penticton or Vernon



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DCC Sectors

- How to define core and outer in West Kelowna?



DCC Sectors - Project types

- Looked for projects that only serve outer areas
- Water – only a couple of projects
- Roads – parts of several projects
- Drainage – a few potential projects
- Sewer – none
- Parks – none



DCC Sectors – Recommendation

- Cons of having sectors outweigh the pros
- Do not implement a sector based approach
- Retain the existing City-Wide approach
- Reconsider in future updates if more outer / sprawl types of projects are identified
- Other tools available to ensure outer / sprawl development pays their costs of growth



DCC Waivers for Affordable Rental Housing

Local Government Act

- a local government may waive or reduce a development cost charge for an eligible development.
 - (a) not-for-profit rental housing, including supportive living housing
 - (b) for-profit affordable rental housing



DCC Waivers for Affordable Rental Housing

A range of approaches used in the Valley

- No reduction
- DCC waived for specific types that meet definition
- Considered on a case by case basis



DCC Waivers for Affordable Rental Housing

Replacing the Shortfall

- Bear in mind that if DCCs are waived, **the shortfall needs to be addressed**
- DCC amounts waived for affordable or not-for-profit rental housing should be **replenished by taxes or other sources**.
- This likely means that taxpayers are footing the bill for the DCC shortfall, and **it is not simply an amount that is forgone by the City**.
- A more transparent approach might be to **provide an outright grant** (likely paid by taxpayers) to the housing group that they can give to the City **to pay DCCs**.
- That is essentially what happens when the DCC reserve fund is replenished by taxpayer funds to make up for shortfall from the DCCs waived.

The logo for Urban Systems, featuring the word "URBAN" in a bold, red, sans-serif font above the word "SYSTEMS" in a smaller, red, sans-serif font. The background of the slide features a faint, light blue map of a city grid.

DCC Waivers for Affordable or Rental Housing

- Recently there has been a trend to consider each on **a case by case basis** due to many different situations that may arise.
- Writing definitions and exemptions permanently into the bylaw can create issues – some developments qualifying where Council might not want to see DCCs Waived
- Even if no reduction in bylaw , can still consider on a case by case basis

The logo for Urban Systems, featuring the word "URBAN" in a bold, red, sans-serif font above the word "SYSTEMS" in a smaller, red, sans-serif font. The background of the slide features a faint, light blue map of a city grid.

DCC Waivers for Affordable or Rental Housing

Recommendation:

- Consider waiving DCCs for affordable or nonprofit rental housing on **a case by case basis**



Next Steps and Engagement

Key focus areas for external engagement:

- The **development community** – UDI, Home builders, others
- West Kelowna **Residents** – thoughts on paying for growth
- The **Ministry** – DCC bylaw required their approval
- **Adjacent jurisdictions** – to keep them informed
- Coordination with OCP and Transportation Master Plan engagement



Next Steps and Engagement

Development community

- Review with UDI Liaison Committee
- Virtual Stakeholder Workshop with Development Community – UDI, Home Builders - October / November
- Ongoing dialogue



Next Steps and Engagement

West Kelowna Residents

- West Kelowna Website Content - September
- Public Service Announcement (DCC Engagement Begins)
- Update issued to e-News subscribers – October
- Cross promotion opportunities during OCP and Transportation Master Plan engagement



Next Steps and Engagement

West Kelowna Residents

- Prepare questionnaire - focus on asking about paying for growth
- Supporting social media posts (get involved, complete the questionnaire)
- e-News DCC update to subscribers to review the Draft DCCs
- Social Media Post (Review the Draft DCCs)



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Next Steps and Engagement

The Ministry and Adjacent Jurisdictions

- 1st Draft to Ministry for initial Review,
- Send Drafts to RDCO, WFN and Peachland for information
- Send final bylaw to RDCO, WFN and Peachland for information
- Send final Bylaw to Ministry for Approval



Ministry of
Municipal Affairs

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Next Steps and Engagement

Council

- Review First draft of DCC rates in October, before going to Development Community and Residents
- After engagement on the first draft will come back to Council with the input - November
- Identify changes and then move on to final DCC bylaw



BYLAW APPROVAL PROCESS

- DCC projects need to be set out in the City's Financial Plan
- DCC bylaw requires approval of Inspector of Municipalities
- Ministry of Municipal Affairs staff review bylaw prior to forwarding to inspector.
- Typical process:
 - Three readings by Council
 - Referral to Ministry/ Inspector
 - Approval by Inspector
 - Fourth reading/ Adoption by Council





THANK YOU



COMMITTEE OF THE WHOLE REPORT

To: Paul Gipps, CAO
From: Lisa Siavashi, Financial Services Manager
Subject: **2021 Grant in Aid Policy Review**

Date: September 28, 2021

RECOMMENDATION

THAT Council amend the Grant in Aid Policy to incorporate deliberation on decision points; and

THAT Council extend the deadline for 2022 applications to November 30th, 2021; and

THAT Applications be reviewed by Council in January 2022.

STRATEGIC AREA(S) OF FOCUS

Economic, Growth and Prosperity

Strengthen Our Community

BACKGROUND

The Grant in Aid (GIA) process has been in place since the City incorporated in 2008. Many recipient organizations have been receiving grants annually since that time. Others have received a one-time grant, and some have discontinued their applications altogether. In general the application and processing has become more complex over time.

With changes in procedures, policies and ownership of facilities, staff have identified anomalies where the process either strayed from policy or was not covered by it. This has led to difficulties categorizing and presenting requests to Council. With that in mind, staff took the opportunity to review the policy, adjust the application form and find ways to make it more concise. Council's review of the proposed changes will ensure that the intent is being followed.

Types of Grants currently include:

- Community Project and Special Events which are both basically one-time or short term requests (Staff recommend to combine these into one type);

- Corporate grants which are defined as operating funding assistance with the general operating expenses of the group (on-going);
- Community Events which include recurring events that Council deem as providing significant benefit to the broad community; and
- In-kind contributions which provide use of a City property/facility to the applicant.

Decision Points:

1. Does Council want to continue to offer multi-year, ongoing GIAs or would Council consider moving to one-time grant policy? There are a number of cities who only offer one-time grants. This is the least complex form of grant policy and eliminates the continued reliance on grants.
2. Does Council want to add funding restrictions on operating expenses? Council has commented in the past during grant deliberations that requests should not be made to fund ongoing operating expenses (e.g. wages, overhead, etc.).
3. Currently applications may include a combination of a cash and in-kind funding in the grant request, which can work well procedurally for the City with certain types of special event grants. Does Council want to strengthen wording to allow or disallow this?

Youth Organizations - At the council meeting Sept 20, 2016, council directed staff to craft a report detailing the financial subsidy provided to youth organizations through reduced facility and field rental fees as part of any "Recreation Facility and Park Rates/Fees" review. The subsidy for the youth organizations has been incorporated into the Grant in Aid process since that time, but is planned for removal in 2022. It clearly belongs within the rates and fees structure and is planned to be brought forward with the Recreation Facility and Parks Rate/Fee review due in the summer of 2023.

Resident's Associations – In the past we have had the various associations request either "in-kind" grants for meeting room rentals or cash grants for liability insurance. More recently there have been associations requesting both types, which is not addressed by the GIA Policy but is addressed in the Residents Association Policy. The later states that the City will provide, wherever possible, meeting space for the associations, which negates the need to apply through the GIA process for this benefit. The Residents Association Policy also states that the associations can apply for financial support through the GIA process.

Decision Point:

4. Does Council want to allow resident associations to continue to apply through the GIA process for a corporate grant, as well providing them meeting room rentals through the Residents Association Policy?

FINANCIAL IMPLICATIONS

The Grants in Aid program that Council provides is a significant benefit to the community of West Kelowna at approximately \$135,000 year (not including the amounts previously listed for youth sports group). This equates to nearly 0.4% of yearly taxes and must be considered very carefully to ensure the benefit is awarded fairly. The rules, categories and information must also be clear and concise for Council to make the best decisions possible.

COUNCIL REPORT / RESOLUTION HISTORY

Date	Report Topic / Resolution	Resolution No.
Sept 20, 2016	It was moved and seconded THAT staff be directed to ensure that all applications (both cash and in-kind) for Grants in Aid brought forward for Council consideration be supported by the required application and accompanying documentation; and, THAT staff be directed to provide a report detailing the financial subsidy provided to youth organizations through reduced facility and field rental fees as part of any "Recreation Facility and Park Rates/Fees" review; and, THAT Council's Grant In Aid policy be adopted as presented. CARRIED UNANIMOUSLY	C326/16

CONCLUSION

The City of West Kelowna Grant in Aid policy was created to provide support for community organizations who in turn provide services for the residents of West Kelowna. Grant in Aid policies evolved over time to incorporate guidelines that Council required for

application eligibility. In the meantime changes in community needs and facility additions within the City necessitated a review of the policy to ensure fairness and make it a better fit for today and the future.

Alternate Motion:

THAT Council postpone consideration of amendments to the Grant in Aid policy; and

THAT Council extend the deadline for 2022 applications to November 30th, 2021; and

THAT Applications be reviewed by Council in January 2022.

REVIEWED BY

Warren Everton, Director of Finance, CFO

Shelley Schnitzler, Legislative Services Manager/Corporate Officer

APPROVED FOR THE AGENDA BY

Paul Gipps, CAO

PowerPoint: Yes ☒ No ☐

Attachments:

1. Grants-in-Aid Policy to be amended
2. Residents Association Policy 2011



CITY OF WEST KELOWNA

COUNCIL POLICY MANUAL

Pages: 1 of 4
Approval Date:

DEPARTMENT:	Finance
SUBJECT:	GRANTS IN AID

Purpose Statement:

The City of West Kelowna recognizes that valued contributions are being provided through the volunteer efforts of community organizations and agencies on behalf of the citizens. Grant funding demonstrates Council's commitment to working with groups which provide these beneficial programs, services or projects to the community while at the same time recognizing the financial constraints impacting the City's ability to provide funding to these groups.

POLICY

This policy establishes eligibility requirements; identifies the types of funding available; and outlines application and monitoring requirements.

Program Intent

Every year the municipality receives more grant requests than it can fund. The objective of this policy is to treat all organizations fairly and consistently. The aim of the Municipal Grants Program is to share available resources throughout the municipality. Grants are intended to provide modest levels of support and assistance to community non-profit organizations.

Each year, as part of its annual budget process, Council will determine the amount of funding to be provided for all municipal Grants in Aid including: Community Project grants, Corporate grants, In-Kind Contribution grants, Special Events grants and Community Events grants.

Council will through its annual budget process, determine the amount of funding to be allocated to the grant program. Council will retain the right to make the final decision on both the overall grant allocation and the individual grant.

Types of Grants

The different types of grants awarded under the Grant Program are as identified:

“Community Project” grants are defined as one-time assistance either as seed funding for the start up of an organization/project, or funds for a short-term undertaking with a start-up and completion date.

“Special Events” are defined as any one-time or first-time event that is of cultural, social or recreational significance to the community and may involve the participation of more than one organization.

“Corporate” grants are defined as operating funding to assist with the general operating expenses of the group, including administrative costs and program-related expenses.

“Community Events” is defined as a recurring event that Council has determined provides some significant benefit to the broad community, and is open to all members of the public.

“In-Kind Contributions” grants are based on the provision of municipal property/facilities, material or resources to an applicant, and do not include the provision of cash funds to, or on behalf of, the applicant. While cash funds are not provided in relation to “In-Kind” grants, it is recognized that such grants will involve either an expense or foregone revenue for the municipality. Each application for In-Kind grants will include the estimated value of the application under consideration.

Funding Eligibility

An applicant organization must meet the following general criteria in order to be considered for a City of West Kelowna grant:

1. Grants are awarded by the type of project, not the type of organization/agency.
2. There can only be one application per organization/project.
3. Grant applications should be able to demonstrate active fundraising efforts to support the continuation of a program, project or service. The City of West Kelowna grant should not be considered as the primary source of funding for the organization.
4. Funding request can be defined as events/projects/programs that support sustain, promote, inform, educate, celebrate, preserve, and/or provide access to the arts, culture, and environment, heritage, recreation and/or health activities.
5. Request for financial assistance for events which are of municipal significance which would be expected to bring economic and/or public relations benefit to the City.
6. Each application must demonstrate there is a need for financial assistance and that adequate funding for other sources is not available.
7. To qualify for funding, the group must demonstrate its commitment to all of the following principles:
 - a. Accessibility;
 - b. Effectiveness; and
 - c. Accountability through sound management and financial practices
8. The applicant organization, within the current fiscal year, must spend grant funding on the sole purpose for which it was awarded.
9. Individuals are not eligible.

Programs/Activities/Events MUST NOT:

1. offer direct financial assistance to individuals or families;
2. duplicate services that fall within the mandate of either a senior government agency or a local agency, except where there is an established need.
3. be for any other form or section of a taxing or local government authority, such as School Districts, Regional Districts, Hospital Districts, etc.

Application:

All grant applications shall be directed to the Financial Services Manager on or before October 31st of each year to ensure they are incorporated in the annual budget.

Only **one grant request** per organization per year will be considered.

All applications shall be submitted on the Grant Application form together with the following information and documentation:

1. the service the organization provides to the community;
2. the amount of the financial assistance required;
3. the benefits in the community to result from the grant;
4. a detailed proposed budget for the current year, detailing expenditures, and revenues, including a list of all other grants and or donations;
5. the financial statements from the immediately preceding fiscal year.

Application Review Process

Late or incomplete applications for any grants will not be forwarded for consideration.

Complete applications for “Community Project” grants, “Corporate” grants, and “Community Event” grants (as defined by this policy) which are received by the October 31st application deadline will be forwarded to the Council during budget deliberation meetings for review and consideration.

In considering grant applications, Council will evaluate applications in terms of the general and financial criteria and principles outlined in the Grants in Aid Policy and interview any group during the yearly budget deliberations with final recommendations based on the total grant allocation and approval on individual grants.

Granting of assistance in any one year or over several years is not to be interpreted as a commitment to future year's funding.

Recognizing that unique and beneficial special events may arise from time to time outside the time lines noted in the City of West Kelowna's Grants in Aid Policy, applications for “Special Events” grants received after the grant deadline will be dealt with under Council's “Requests for Financial Support” policy.

Grant applications determined to be ineligible for funding shall be notified, in writing, of Council's decision.

Applicants are advised that the In-Kind non-financial grants may not be continued from year to year as renewals are not automatic.

The grant application deadline shall be advertised in the local newspapers and on the City's website.

Payment

The term of a grant shall be for one year only.
Applicants are advised that grants may not be continued from year to year.
Renewals are not automatic nor are any increases in funds.

Grant recipients will be notified in writing of the grant amount approved following Council approval of the municipality's annual budget.

Grants may be awarded with certain terms and conditions. The letter of award will state, if any, particular restrictions apply to the grant.

Unsuccessful grant applicants will also be advised in writing of Council's decision.

Included in Council's budget deliberations are requests from various City of West Kelowna organizations that request financial assistance. These groups vary in interests and provide a valuable service to the City of West Kelowna. With Council's approval Grants in Aid are given to these groups on an annual basis. A policy exists for these Grants in Aid requests.

In addition to the annual requests considered by Council as part of the annual budget process other requests are made by various other groups throughout the year. These requests vary depending on the group requesting assistance and the amount also varies. Many of these requests are also of benefit to the community.

Previous Revisions: Grants-In-Aid Policy Adopted 2016-SEP-16

Grants-In-Aid Policy Adopted 2008-FEB-19

Grants-In-Aid Policy Adopted 2009-

Grants-In-Aid Policy Adopted 2011-MAY-10



DISTRICT OF WEST KELOWNA

COUNCIL POLICY MANUAL

Pages: 1 of 3
Approval Date: 2011-FEB-15

SECTION: ADMINISTRATION SUBJECT: RESIDENTS' ASSOCIATIONS

Policy Statement:

The District of West Kelowna (DWK) acknowledges the significant value of residents' (neighborhood, community, etc.) associations to the well-being of the community and seeks to encourage a relationship of cooperation and regular communication with these groups. Essential to this goal is the development and maintenance of a partnership between the associations and the DWK based on trust and mutual respect and one that values the roles that each party plays in the quality of life for all of the residents of the District of West Kelowna.

Purpose:

The Residents' Associations (RA's) Policy is intended to support the role played by residents' associations as advocates for their neighborhoods and champions of local causes as well as valuable partners of the District in enhancing communications, fostering co-operation, and establishing two-way dialogue between the DWK and the various community groups that represent neighborhood views.

The Role of the District:

1. Meeting Space – Upon request, and wherever possible, the DWK will assist associations with the provision of meeting space (for both regular and annual general meetings) in District facilities at nominal or no cost.
2. Information Flow – The DWK will promote the flow of open communication and provide information to the RA'S subject to any restrictions of privacy/confidentiality legislation.
3. Consultation – The DWK will strive to involve the associations in consultation for major issues relevant to their neighborhoods or to the community at large. The DWK will focus on doing so early on in the decision-making process particularly on issues that directly impacts a specific neighborhood.
4. Notification – The DWK will provide all associations with a schedule of regular Council meetings and access to agendas. The DWK will advise all associations in a timely fashion of upcoming open meetings concerning neighborhood issues. The District will also notify all associations whenever possible of major operational activities, which will have neighborhood impacts.

5. Access to DWK Staff – Without restricting the current access RA's have to DWK staff, the DWK will make staff available whenever possible and requested to attend association meetings as well as to assist in the provision of relevant information in support of an association's initiatives. Requests for DWK staff support are to be directed to the Corporate Services Department.
6. Access to Council – The DWK will provide opportunities for representatives of Residents' Associations to meet directly with Council, at least annually, to provide updates on association activities and to discuss issues of mutual interest or concern. As well, associations may appear on other occasions as a delegation to Council through the established "Delegation Request" procedure available to all citizens' and groups.
7. Financial Support – The DWK will consider financial support of associations as part of the annual "grant-in-aid" budget deliberations. Associations seeking financial support must qualify under the DWK "Grant-in-Aid Policy" and must submit an application in the manner provided for in that policy.
8. Acknowledgement – The DWK will take advantage of opportunities to provide official public recognition for the contribution of the members of a Residents' Association to their community.

The Role of the Residents' Associations:

In order to have a consistent structure; the DWK encourages Residents' Associations to work within the following guidelines:

1. Mandate – To work towards improving the quality of life in their neighborhood and the community as a whole by enhancing communication between the DWK and its residents and maintaining an advocacy role for its members.
2. Membership – Open to any person residing in or owning residential property within the boundaries of the association and representative of the diverse segments of its neighborhood's populace and subject to the association's bylaws.
3. Boundaries – Establish clearly delineated boundaries, which may overlap with the boundaries of other associations.
4. Bylaws – A Residents' Association is to be registered under the Society Act and guided by a written mandate and bylaws. It is recommended they address the following items:-
 - A membership registration process
 - A general meeting process and notification
 - An election process for Directors and Officers
 - A requirement of majority vote by quorum
 - A requirement to keep records
5. Directors and Officers – Elect Directors and Officers at an Annual General Meeting.
6. Location of Meetings – Hold Annual General Meetings in a public place.
7. Notify DWK of General Meetings – Notify the DWK of time, date and place of **all** general meetings, and agenda if possible.
8. Liaison with DWK – RA'S will provide the Corporate Services Department of the DWK with the current contact information for designated contacts and officers of the association. Unless otherwise notified, the President of the RA will be the representative/contact of the RA.

9. Communication with Council – Make submissions to Council via a liaison person designated by the RA, invite members of Council to association meetings and forward copies of association newsletters, bulletins, etc. to Council.