

City of West Kelowna CMHC Housing Accelerator Fund Application

Application Summary

The Application outlines an action plan to increase housing supply with a minimum of 7 proposed initiatives that will be considered by Council as part of future planning exercises should the funding application be approved. To meet the application requirements, the initiatives must address housing need with targets connected to the City's Housing Needs and Assessment and commit to a housing growth target that has the potential to increase average annual rate of growth by at least 10%.

Initiative #1: Accessory Dwelling Unit Strategy – Gentle Density Infill

Describe your initiative, including its goals and objectives and the role of HAF:

HAF funding will be used to review and implement a potential four-phased coordinated program of expanded allowances to increase opportunities for Accessory Dwelling Units (ADUs) in low- density residential neighbourhoods within West Kelowna that includes the consideration of the following approaches:

- Expand support for both secondary suites and carriage houses or detached ADUs in the majority of low-density residential zone where lots are less than the current 1100 square metres requirement;
- Permit modular construction in the predominant low-density residential zones;
- Permit carriage houses in the Compact Single Detached Residential RC3 Zone; and
- Review ADU parking requirements and consider reductions to current requirements.

To incent ADU construction, an ADU incentive package will be considered which includes evaluating which fees should be waived to be most effective (e.g., Building Permit Fees, Development Cost Charges, Registration Fees, Utility Fees, etc). The City will also evaluate opportunities for a forgivable loan to incent ADU legalization, as well as an amnesty period to bring existing ADUs in the City into conformance with City policy.

The initiative will be guided by an ADU Strategy with analysis to determine where additional density may be appropriate in currently low-density neighbourhoods, including considerations of infrastructure servicing capacity, appropriate forms of density, and development guidelines. The ADU Strategy will be paired with public consultation in phases two and three of the ADU initiative and a communications plan to increase awareness amongst homeowners. Implementation of the strategy should consider generation of a simplified package of available supports and incentives, create opportunities to engage with homeowners on of their property's potential, and develop a roadmap to developing gentle density.

Approximately 80% of the estimated costs will be used to support updates to applicable bylaws, the establishment of new policies, and funding for the incentives package. The remaining funding will be used to undertake public consultation. Initiative 1 will be coordinated with Initiative 2, which focuses on integrating plex-style developments in existing neighbourhoods, and Initiative 5 which involves developing an incentives package for priority housing.

Explain how the initiative supports the Priority Objective(s) selected:

Single family housing is increasingly unaffordable and comes with trade-offs, including higher infrastructure costs, reduced walkability, and reduced opportunities for creating complete communities. ADUs offer a means of providing greater housing options while still maintaining the community feel and vibrancy of low-density neighbourhoods. The addition of ADUs in existing low-density residential zones has the potential to encourage gentle density within areas of the city that already include a wide variety of amenities and services. Gentle density makes use of existing infrastructure and produces less CO2 emissions than a traditional single-detached home. Further, increased flexibility for modular construction will allow the City to grow the supply of missing middle dwelling units.

Existing Conditions: The City currently allows secondary suites in most single detached zones and a carriage house or detached ADUs in the majority of low-density residential zone, where lots are greater than 1100 square metres in size. Existing regulations do not permit modular construction in the predominant low-density residential zones. There are numerous modular ADUs that conform with the BC Building Code and can be purchased and placed on site in a 10 to 12-week period, which if permitted through zoning regulations could speed up the delivery of a variety of housing types.

Barriers: The current required parcel size significantly limits the provision of both a secondary suite and carriage home as accessory uses in most areas, where parcel size reductions could permit the potential for 3 units on one lot. The Compact Single Detached Residential RC3 Zone currently does not permit a carriage home, where if permitted could enable detached ADUs on an additional 430 parcels. In addition, ADU parking requirements may also be a limiting factor to the construction of ADUs, where a review of the parking requirements and consideration of reductions to current requirements may reduce this barrier.

Initiative #2: Missing Middle - Plex-Readiness

Describe your initiative, including its goals and objectives and the role of HAF:

HAF funding will be used to review and implement potential zoning amendments to pre-zone to increase allowable density in several neighbourhoods, effectively creating a town centre plex zone. The upzoning of neighbourhoods will be supported by public and developer engagement and promotion. Pre-zoning would create opportunities for a variety of actors including homeowners, small scale developers and builders, and larger scale developers to introduce gentle density and plex-development into existing low to medium density zones.

The City has preliminarily identified several neighbourhoods that would be suitable for multi-plex development including the areas surrounding Westbank Urban Centre and Boucherie Urban Centre, as well as transition outside of centres including along Harmon Road, Peters Road, and on vacant lands located at the intersection of Wetton Road and Witt Road, in proximity to Carate Park. The neighbourhood north of Westbank Urban Centre currently consists of older and depreciated homes which exemplifies redevelopment viability and is in proximity to the Westbank Urban Centre. The high redevelopment potential as well as proximity to amenities and services to support its growth as a complete community. Neighbourhood Centres as well as other neighbourhoods surrounding the Urban Centres in proximity to amenities will be considered for multi-plex development.

Policy and zoning bylaw updates will be required to consider extending the allowance of gentle density housing forms across all suitable lots including duplexes, triplexes, and fourplexes. The initiative will be coordinated with the ADU Strategy as described in Initiative 1 to explore other opportunities for missing middle development within the city, which includes public engagement as part of the critical review process.

Explain how the initiative supports the Priority Objective(s) selected

The initiative has the potential to support the development of housing at an accelerated pace through increases in allowable density on residential sites. The greatest number of new housing units that the City of West Kelowna is projected to require to meet demand is in the multi-family housing form, largely the apartment (low-rise) and duplex typology. This initiative would fill the gap in demand for ground-oriented missing middle housing options, which in conjunction with Initiative 5, can address needed demand from priority populations (e.g., single-parent households, seniors on fixed incomes, and youth and young adults).

Existing Conditions: In advance of the Province of BC announcement, the City has developed policy to support increased potential for infill plex development during the OCP review. This initiative proposes further adaptations to existing low-density neighbourhoods—with high redevelopment potential and proximity to services—to allow multi-plex development.

Barriers: In advance of the Provincial Government's proposed plex regulation being ratified, this initiative is intended to analyze and develop a plex zone for West Kelowna core neighbourhoods that could potentially be expanded to other areas in the City.

Initiative #3: Rental Use Zoning Policy

Describe your initiative, including its goals and objectives and the role of HAF:

HAF funding would support a review of actions to protect and incentivize market and non-market rental units to build a diverse mix of housing units that meet underserved housing needs. This initiative will consider introducing a rental use zoning policy for developments with purpose-built rental buildings within Westbank and Boucherie Urban Centres that integrates the rental protection policy provisions and density bonusing for market and non-market rental. This initiative will be coordinated with Initiative 5 which is intended to provide financial incentives for the construction of priority housing types.

Explain how the initiative supports the Priority Objective(s) selected:

The rental use zoning policy integrates elements of inclusionary zoning, density bonusing, and rental protection policies including the review of the City's existing Strata Conversion Policy that have the potential to both create greater housing supply and create conditions for lots with existing purpose-built rental to ensure that those lots remain rental over the long term.

Existing Conditions: Despite hundreds of units being constructed since 2017, West Kelowna has a limited supply of purpose-built rental housing and does not have provisions in place to protect the perpetuity of rental tenures.

Barriers: While the City identified the need to protect housing stock in the housing strategy, the City does not have the funds or resources to prioritize this initiative forward without HAF funding. Rental housing through the secondary market is also impacted by demand for short-term rental accommodation, impacting the overall supply of long-term rental. The City's Housing Needs Assessment identifies rental housing as a key housing type. Rental use specific zoning policy would secure long-term rental stock for West Kelowna residents.

Initiative #4: Structured Density Bonusing Program

Describe your initiative, including its goals and objectives and the role of HAF:

HAF funding will aid in the drafting of new zones to allow for additional density and heights in a Zoning Bylaw update, consistent with the OCP. The review and creation of a Structured Density Bonusing program will also include infrastructure capacity planning, necessary to support increased densities and will create requirements that benefit availability of priority housing types.

Explain how the initiative supports the Priority Objective(s) selected:

The introduction of new zones for increased density coupled with a density bonusing program has the potential to support the equitable provision of housing across the entire housing spectrum by considering incenting both higher density development and the provision of public amenities. Density bonusing provisions will also encourage compact communities in West Kelowna and subsequently help achieve increased densities that can support transit and commercial centres.

Existing Conditions: The City's current practice is to negotiate community amenities as part of a zoning amendment application process.

Barriers: The City is in need of a structured density bonusing program in Urban Centres to encourage priority housing types including affordable non-market rentals, market rentals, accessible housing, and housing for seniors, with reduced application times. The intent of this initiative is to support increased densities (current 6 storey to up to 19 storeys) in high-growth and underutilized areas in exchange for meeting priority housing needs.

Initiative #5: Incentives for Non-market Affordable Housing and Priority Housing

Describe your initiative, including its goals and objectives and the role of HAF:

Led by the City's Housing Needs Assessment, the Housing Strategy has identified priority housing types (including purpose-built and non-market rental housing, smaller units, attainable home ownership opportunities, as well as emergency shelter and complex care housing) which are required to meet the demographic demands of the community in the coming years. HAF funding will be used to develop options for consideration and to implement an incentives program (including consideration of potential DCC reductions, fast-tracked development approvals, grants and/or forgivable loans) to decrease barriers for the development of non-market affordable housing and priority housing types across the City. The intent of this initiative is to improve the feasibility of price-sensitive non-market housing projects. Additionally, to support uptake, the initiative will include a communications campaign geared at non-profit community housing developers and

market developers to build an understanding of available resources and incentives. This incentives program builds on work completed through the City's Housing Needs and Assessment and Housing Strategy which involved identifying housing demand and gaps within the city across the full continuum of housing, including emergency, transitional, supportive, subsidized rental, and ownership housing.

Explain how the initiative supports the Priority Objective(s) selected:

This initiative has the potential to support the development of housing at an accelerated pace and enhance certainty in the approvals and building process by providing a series of financial incentives to assist in housing development and reduce ongoing costs of affordable housing development.

Existing Conditions: The construction of non-market affordable housing in the City of West Kelowna is met with several chronic challenges associated with land availability, topography, and servicing deficiencies.

Barriers: Balancing the economic and fiscal realities of non-market affordable housing construction demands partnerships, incentives, and alternate sources of funding from other levels of government.

Initiative #6: Parking Regulation Revision

Describe your initiative, including its goals and objectives and the role of HAF:

HAF funding will be used to undertake a review and revision of parking requirements in Westbank Urban Centre and Boucherie Urban Centre, Neighbourhood Centres, and the City's core growth areas. In parallel with Initiative 1, the parking requirements for ADUs will also be reviewed. Based on the analysis, the City may consider opportunities to reduce parking requirements where appropriate, and to confirm parking requirements for new mixed use zones. The initiative will focus on increasing the viability of needed housing types in proximity to transit hubs and to consider areas adjacent to "high streets". Reductions may be considered in a phased approach to allow for complementary improvements such as in the public transit system. Parking reductions will incentivize increased density and provision of priority housing types within the City's centres.

Explain how the initiative supports the Priority Objective(s) selected:

Reviewing parking requirements for new developments may lead to reductions which can free-up land for housing development while simultaneously promoting walkability and other forms of active transportation. Establishing reduced parking requirements can create more certainty in the approvals and building process and act as a significant financial incentive for new affordable housing

developments. Reducing parking requirements has the potential to support the development of a low-carbon and climate-resilient community as more individuals travelling throughout the city might consider alternative forms of transportation over automobiles. This initiative is highly dependent on a number of factors which influence parking such as parking management, availability of on-street or shared parking, transit investment.

Existing Conditions: Amendments to the Zoning Bylaw to vary parking requirements are often requested or identified as impacting market viability, therefore slowing down the development approvals process and the supply of housing.

Barriers: Parking requirements are a considerable barrier to streamlining development approvals. Existing transit network limitations, and timing for the phased implementation of parking requirements tied to the availability of transit options are potential factors in this review.

Initiative #7: Development Approvals Procedures Streamlining

Describe your initiative, including its goals and objectives and the role of HAF:

HAF funding will provide the financial means at an accelerated pace to support these actions which are necessary to support the administration and implementation of the initiatives within this action plan.

This initiative will aim to reduce the timelines for processing and approval of new developments to create more housing supply at an accelerated pace. The City is a leader in process efficiency and implementing streamlining initiatives. The City has prioritized process improvements for over 15 years. Recent improvement include removing the default requirement for public hearings and increasing delegated authority to staff. The City has also upgraded development application communications materials to guide applicants through the approval process.

Improving communications materials to support the ADU strategy and plex implementation would also reduce inquiries, reduce demand on staff time, improve application quality, and streamline the process.

Explain how the initiative supports the Priority Objective(s) selected:

This initiative will address application complexity and outdated regulatory requirements, as well as improve development application processing procedures, thereby fast-tracking approvals for missing middle housing, development along corridors, and affordable housing.

Existing Conditions: The City has the desire to undertake a number of development approvals procedures streamlining actions including updating file management procedures, reducing internal reporting requirements and fast-tracking minor development applications and development variance permits, amending public notice requirements, preparing template materials to reduce staff workloads, and re-distributing tasks to address Development Services workloads.

Barriers: The City's 5-year capital plan includes partial funding for the purchase of software upgrades to accommodate e-permitting, online payments and evaluate the ability to utilize artificial intelligence to improve processing timelines; however, improvements to development approval software are underfunded and would benefit from a comprehensive strategy to ensure that the software improvements are implemented effectively.