



COUNCIL REPORT

To: Mayor and Council

Date: March 26, 2024

From: Ron Mattiussi, CAO

Subject: **Resource Request – Provincial Housing Initiatives**

Report Prepared by: Brent Magnan, Director of Development Approvals

RECOMMENDATION to Consider and Resolve:

THAT Council direct staff to amend the 2024 Financial Plan to incorporate the necessary staffing resources to address the provincial housing initiatives.

STRATEGIC AREA(S) OF FOCUS

Invest in Infrastructure – We will invest in building, improving and maintaining infrastructure to meet the needs of, and to provide a high quality of life for, current and future generations.

Pursue Economic Growth and Prosperity – We will work with stakeholders throughout the region to advocate for and support efforts aimed at helping West Kelowna businesses prosper. With a focus on the future, we will advance opportunities to expand our economy, increase employment, and develop the community in ways that contribute towards prosperity for all.

BACKGROUND

In the summer of 2023, the City applied for funding under the CMHC Housing Accelerator Fund (HAF) with a plan to complete 7 initiatives with the intent of increasing housing supply over the next 3 years. The City was recently notified, however, that the application was not approved. The draft 2024 budget currently includes three related planning positions to support housing initiatives that were contingent upon approval of the City's HAF application. These positions will subsequently be removed from the 2024 budget as they were specifically designed to ensure successful implementation of the City's HAF application.

Recent provincial legislation changes (Bill 44 and 46) have resulted in amendments to the *Local Government Act* which change the local government land use planning framework to enable local governments to provide more housing, and in a faster time

frame. This legislation creates expectations to engage in a more pro-active approach to planning that will impact multiple departments. As more information has become available, it is evident that additional staff resources will still be required to meet housing objectives. At this point, minimum staffing requirements have been identified in three areas: Planning, Engineering, and Information Services (GIS) departments.

DISCUSSION

2024 Financial Plan

In accordance with Council direction to limit staffing additions to a 0.91% tax increase, the second and third reading of the budget included four FTE positions to support current service levels. It's important to note that these positions do not address capacity demands associated with new planning legislation, including support for long term community planning and growth. The following summarizes the additional implications on staff resource requirements resulting from provincial legislation changes and should be considered a minimum until all the implications are fully understood.

Planning Department

The City is undertaking a significant amount of policy work intended to meet numerous provincial and municipal objectives which are focused on providing opportunities for growth and development within the City. As a result, the long range planning department is experiencing unprecedented pressures related to meeting the changing landscape of housing policy, funding opportunities, pro-active planning and community expectations. This results in the need for more significant oversight and direction in both long range planning and subsequent infrastructure planning / evaluation activities.

The 2024 long range planning departmental workplan currently includes items such as:

- Provincial Housing Initiatives (Bill 44) – Small Scale Multi Unit Housing - underway
- Provincial Housing Initiatives (Bill 44) – Procedures Bylaw update - underway
- Short Term Rental Update - underway
- Post OCP Zoning Bylaw Update - underway
- Density Bonusing Program (budgeted 2023) - underway
- Parking Strategy (budgeted 2023) - underway
- Complete Communities/Infill strategy (UBCM Grant) - underway

Items placed on hold pending completion of previous:

- Provincial Housing Initiatives (Bill 46) – Finance Tools – DCC Review (Hold)
- Provincial Housing Initiatives (Bill 46) – Finance Tools – ACC Review (Hold)
- Provincial Housing Initiatives (Bill 44) - Works and Services Bylaw update (Hold)
- Westbank Centre Revitalization Plan update (budgeted 2024 - Hold)
- Industrial Lands Study (budgeted 2024 - Hold)
- Neighbourhood Planning (Raymer) – (budgeted 2024 - Hold)
- Housing Needs Assessment Update (Bill 44) – LGHCFI funding (TBD)

- Tenant Displacement Policy (Hold)

Ongoing long range planning activities include:

- Transit Planning - ongoing
- Housing Strategy Implementation (TBD)
- Growth monitoring and evaluation (TBD)
- Provincial housing initiatives
 - OCP Implementation (TBD)
 - Zoning Bylaw Updates (TBD)
- Climate Action Plan Implementation - ongoing
- Regional planning initiatives - ongoing

These tasks are currently led by the Long Range Planning team, which includes 2 FTE's. Staff resources are currently being reallocated from current planning (development) applications to ensure that the City meets the legislated deadlines for the Provincial housing initiatives, and much of the planning department's anticipated workplan is being put on hold to support the provincial initiatives.

In order to ensure development application timelines are not impacted, additional resources are required to guide and facilitate the department's workplan and will ensure long term sustainability of master planning activities, which are coordinated with other departmental goals. This will ensure the City can meet provincial requirements, as well as Council's strategic priorities which focus on investment in infrastructure, as well as economic growth and prosperity.

Long Range Planning Manager

Currently, the long range planning team receives day to day direction from the Director of Development Approvals, which has proven inefficient and challenging given the scale of policy work currently underway and anticipated moving forward. A *Long Range Planning manager* position is required to provide oversight and direction to the department in ensuring legislated deadlines are being met, in addition to ensuring ongoing monitoring of housing targets, evaluating workplans, and meeting departmental objectives that are aligned with Council's strategic priorities.

Engineering Department

The Engineering Department is primarily responsible for the ten-year capital plan including delivery of capital infrastructure projects. The capital plan for 2024 exceeds \$30M. As West Kelowna is a young City and developed from rural standards, the majority of projects involve upgrading or adding new infrastructure to an urban standard. In order to continue delivering these projects while also delivering new projects required to support the legislation will require additional resources. Projects required to support the legislation would not have been prioritized into the ten-year capital plan otherwise.

Although the impacts of the new legislation is not fully apparent, minimum staffing requirements include an infrastructure engineer, who would be responsible for project planning and delivery for projects now required to support the legislation. This position

would also be responsible for assessing current infrastructure capacity and assist in determining where growth is best accommodated. This position would also assist in updating and/or developing bylaws to assist with implementing the legislation changes and ensuring cost recovery where possible. Examples include the Works and Services Bylaw and a new Amenity Cost Charge bylaw.

Information Services

In order to support Planning and Engineering workplans, additional GIS resources are a necessity. Currently there is a contingent of three on the GIS team with a sizeable backlog of work as well as further City requirements on the horizon with the Asset Management Plan and the associated software. Just this alone will require years of work and with the addition of further data management due to the housing initiatives there isn't enough capacity going forward. Ultimately long-term evaluation and monitoring of growth and additional infrastructure would require dedicated resources to ensure the city meets its objectives.

FINANCIAL IMPLICATIONS

The minimum three positions required to support the housing initiatives are anticipated at an approximate cost of \$377,145. This equates to a 0.907% tax increase and is requested to be over and above Council's first reading approval of the 0.91% tax increase for staffing in the 2024 Financial Plan. As of second and third reading of the Financial Plan, the Long-Range Planning Manager remained as an original request but was contingent upon HAF funding, the GIS Analyst was also an original supplemental request but went unfunded when the staffing budget was reduced to 0.91% and the Infrastructure Engineer appears as a new request as of this writing. Ultimately what this would mean a recommended overall tax increase of 7.76% to mitigate the impacts of not receiving the HAF grant and the additional work required to implement the orderly adoption of the new Provincial requirements.

Resources to Support Provincial Housing Initiatives		
Position	FTE	Cost
Long Range Planning Manager	1	162,388
GIS Analyst	1	103,957
Infrastructure Engineer	1	110,800
	3	377,145
Tax implication		0.907%

REVIEWED BY

Allen Fillion, Director of Engineering & Operations

Brent Magnan, Director of Development Approvals

Trevor Seibel, Deputy CAO

APPROVED FOR THE AGENDA BY

Ron Mattiussi, Interim CAO

Powerpoint: Yes No