



## COUNCIL REPORT

To: Mayor and Council

Date: May 28, 2024

From: Ron Mattiussi, Interim CAO

Subject: **2024 Long Range Planning Work Plan & Additional Project Scoping**

Report Prepared by: Brent Magnan, Director of Development Approvals

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**RECOMMENDATION** to Consider and Resolve:

**THAT** Council direct staff to prioritize completion of the Rental Protection and Tenant Relocation Assistance Policies given potential impacts to residents vulnerable to redevelopment;

**AND THAT** Council direct staff to prioritize a report outlining a simplified commercial boat launch licensing program in Q3/Q4 of 2024;

**AND FURTHER THAT** Council direct staff to not consider amendments to the Short-Term Rental program (including RC3 properties) at this time as future changes to the program will be considered once the full scope of recent amendments have been implemented and a more detailed evaluation of the impacts on rental housing is completed.

### **STRATEGIC AREA(S) OF FOCUS**

**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**

The City's Long Range Planning Department has experienced a significant increase in workload due to the many housing initiatives being implemented by the Province of British Columbia, in addition to its normal workplan and additional requests from Council. At its March 26, 2024 regular Council meeting, Council approved a Long Range Planning Manager position to help address resourcing issues long term, however, staff have a number of initiatives ongoing and others will need to be actioned in the short term.

With a number of long-range planning projects currently legislated, underway, budgeted, or anticipated to begin, this report is intended to scope and prioritize 3 additional projects that Council has requested including:

1. Rental Protection and Tenant Relocation Assistance Policies
2. Commercial Boat Launch licensing program
3. Short Term Rental Review – RC3 Compact Housing

## DISCUSSION

### 2024/2025 Long Range Planning Workplan - Underway or Anticipated

The current workplan for long range planning staff is outlined in Table 1 below. It is noted that there are three new projects which have been added to the departmental workplan.

1. **Provincial Housing Target Order** – The City was recently identified on the second round of BC municipalities to receive a Housing Target Order. The scope and scale of this work is yet to be determined. Additional information will be provided to Council when available however it is anticipated to include significant review and reporting under legislated timelines.
2. **Addressing Bylaw** - As a result of Bill 44, the City’s Addressing Bylaw will need to be revised in order to accommodate up to 4 units per lot. Current addressing bylaw only contemplates 2 units per lot and revisions must be contemplated to ensure clarity in emergency response, Canada post, delivery, etc.
3. **Bill 16: Housing Statutes Amendment Act, 2024.** – This new legislation addresses tenant protection during redevelopment, similar to the proposed changes recommended to the Rental Protection and Tenant Relocation Assistance Policies. This tool provides Municipal Council’s with the authority through bylaw to require owners to provide tenants with:
  - Notices or information related to redevelopment.
  - Financial compensation for terminated tenancy agreements.
  - Assistance in finding and relocating to comparable replacement units.
 Opportunities to enter new rental agreements for comparable units in properties owned by the landlord.

Table 1: Long Range Planning Workplan 2024/2025

| #  | Project                                  | Description  | Timing  | Resources required     |
|----|--|--|---|------------------------|
| 1. | Bill 44 SSMUH Zoning Amendments          | Initial Zoning Bylaw update to comply with Provincial Bill 44.   | Underway/Being Implemented                    | In-House               |
| 2. | Zoning Bylaw Review (Post OCP)           | Work includes Zoning Bylaw update, Parking Management Study, Density Bonus Program, and Introduction of new zones. | Underway – Anticipated completion Summer 2024 | In-House / consultants |
| 3. | Complete Communities and Infill Strategy | Work ongoing with consultant and implementation required following completion.                                     | Underway – Requires completion by Aug.31/24   | In-House / consultant  |

|     |  |   |   |                       |
|-----|--|---|---|-----------------------|
| 4.  | <b>*NEW*</b> Provincial Housing Targets Order              | Housing Target Order anticipated from the Province in May 2024. Team being assembled with workload TBD.   | Anticipated Spring/Summer 2024                              | In-House              |
| 5.  | Transit Planning Workshop and Update                       | Transit Planning workshop required to effectively plan for investment in transit improvements to support growth in West Kelowna in accordance with the OCP.                                 | Underway – August 2024 completion deadline                  | In-House              |
| 6.  | <b>*NEW*</b> Addressing Bylaw Update                       | Bylaw update required to ensure addressing of new 3-4 units per parcel as a result of Bill 44.  | Anticipated Fall 2024                                       | In-House              |
| 7.  | <b>*NEW*</b> Bill 16 Housing Statutes Amendment Act, 2024. | Inclusionary Zoning / Tenant protection bylaw / Site level infrastructure   | TBD   | In-House / Consultant |
| 8.  | Westbank Centre Revitalization Plan Update                 | Update to initial plan from 2011 to reflect new OCP direction, Ministry of Transportation COITN plans for couplet reconfiguration.  | Funded to begin 2024 – pending completion of previous items | In-House / Consultant |
| 9.  | Industrial Land Study                                      | Evaluate West Kelowna’s existing industrial lands and potential opportunities within and beyond the existing industrial area.   | Funded to begin 2024 - pending completion of previous items | Consultant            |
| 10. | Interim Housing Needs Report                               | Update to 2022 Housing Needs Report. Legislated requirement under Bill 44.  | Required by January 1, 2025 Provincial deadline.            | In-House / Consultant |
| 11. | Bill 46 – Infrastructure and Amenities Financing           | Provincial Bill 46 introduced changes to collection of DCC’s and created ability for Amenity Cost Charge Program. Scoping required to determine direction forward.                          | Anticipated 2025  | In-House / Consultant |
| 12. | OCP Update (Alignment w/ Bill 44)                          | Alignment with Bill 44 and Interim Housing Needs Report.  | Deadline December 31, 2025                                  | In-House              |
| 13. | Housing Strategy Implementation                            | Implementation and monitoring of various actions outlined in the 2023 Housing Strategy. Many actions in this plan will require dedicated time to move the dial on housing in the community. | TBD   | In-House              |

## **2024 Long Range Planning Workplan – Additional Requests**

In addition, Council has expressed interest in completing the following projects:

### **1. Rental Protection and Tenant Relocation Assistance Policies**

On January 23, 2024, Council deliberated 3<sup>rd</sup> reading conditions related to the zoning of an existing mobile home park on Marshall Road (Z 23-09). Through this discussion, it was brought forward that the City’s mobile home tenant relocation policy is outdated and requires revision. In addition, this work was identified to consider a new residential displacement policy along with consideration of a rental protection policy in line with the Housing Strategy.

In April 2024, the Provincial Government introduced legislation (Bill 16) to protect and support tenants’ rights which included ability for municipalities to adopt bylaws that require

developers to provide added support for tenants facing displacement in the case of redevelopment. The proposed legislation is part of the provinces “Homes for People” plan and additional guidance is expected from the Province in fall 2024. Tenant Assistance Policies work alongside the Residential Tenancy Act which is the primary piece of legislation that protects renters in BC.

West Kelowna’s 2022 Housing Needs Assessment indicated that a total of 833 rental units are required to support a growing population by 2031. Rental Protection and Tenant Relocation Assistance policies should be considered as recommended in the Housing Strategy and Official Community Plan (OCP) to protect rental stock and require developers to provide financial and other assistance to tenants under a redevelopment scenario. Tenant relocation assistance and rental protection policies are typically applied at rezoning of sites containing existing multi-unit purpose built rental buildings.

The creation of Rental Protection and Tenant Relocation Assistance policies or bylaws would require:

- Scoping and alignment with other City policies
- Internal and external consultation
- Legislative review (Bill 16)
- Policy drafting and review

This work is anticipated to be completed in tandem with the update to the City’s manufactured home redevelopment policy.

#### *Staff Resources*

Development of policy or bylaw would be undertaken by long-range planning staff and need to fit into the existing work plan. This work will require additional scoping and Council direction / feedback.

#### *Timing Considerations*

Given the potential redevelopment of rental stock on underutilized lands in Boucherie and Westbank Urban Centre(s), it is recommended that this work be prioritized to ensure that redevelopment has limited impact on existing renters.

#### *Staff Recommendation*

It is recommended this project be prioritized in the departmental workplan given potential impacts to residents vulnerable to redevelopment.

## **2. Commercial Boat Launch Licensing Program**

At the March 12, 2024 Council meeting, Council passed a motion requesting staff bring forward a report with options pertaining to imposing a fee for dryland boat rental, boat club services, boat valet, and personal watercraft rentals that utilize city operated boat launches for commercial usage. The city currently licenses approximately 14 home based

businesses which utilize boat launch services; however, there are no licensing requirements for commercial boat launching services.

To complete the work, deliberation on the following would be required but not limited to:

- Investigate and evaluate a business case for the program including:
  - Number of potential licenses anticipated compared to the cost to administer the program;
  - Commercial only VS commercial and recreational
  - Fee per vessel VS fee per operator
  - Home based business license VS Commercial license
  - License fee (annual, seasonal, etc) VS Fees per launch
  - Boat types - Motorized (boats, jet skis, etc. ) VS. non-motorized (kayak, SUP)
  - Parking implications
- Administration of the program
  - Investigation/determination of fees – annual/one time, subsidized, pass system
  - Method of fee collection (annual licensing vs. pay per use with fee collection)
  - Digital vs manual fee collection
  - Implications on staff (licensing) resources
- Monitoring and enforcement
  - Type and frequency of enforcement
  - Ticketing and collection
  - Implications on staff (Bylaw) resources
- Bylaw Changes
  - Fees and Charges
  - Business Licensing Bylaws
  - Enforcement Regulations
  - Zoning Regulation review

### *Staff Resources*

This development of a licensing program would be undertaken by Business Licensing staff who would complete necessary research and draft the program for Council's review. As directed, licensing staff would undertake the related bylaw amendments with the assistance of the planning team. Administration of the program would be in tandem with Bylaw Enforcement to ensure compliance. Implications on staff resources are not fully understood at this time, as the program has yet to be developed; however, required staff resources will be directly related to the type and scope of program developed and expected enforcement. In consideration of staff workload a more simplified program is recommended if it is to be implemented for 2025.

### *Timing Considerations*

Licensing staff are currently focused on implementing new Short Term Rental (STR) Regulations that were on pause until new regulations took effect. In addition, the licensing department is beginning its transition to CityView, which will integrate business licensing software with all Development Services. It is anticipated that a simplified commercial licensing program may be further considered/evaluated in Q3/Q4 of 2024 with potential implementation for the 2025 boating season. It is noted that business licenses renewal notices are mailed in November for the Jan. 1, 2025 deadline. More detailed regulations will not be achievable for 2025.

### *Additional Considerations*

In discussions with municipalities which had administered similar commercial licensing programs, the following need to be considered:

- Significant staff resources are required to effectively administer and monitor the program.
- Licensing of commercial business/vehicles decreases with age of the program, unless monitoring and enforcement is enhanced.

### *Staff Recommendation*

It is recommended this project be prioritized to be reviewed later this year with the intent of considering a simplified licensing program.

### **3. Addition of RC3 to Short Term Rental (STR) Program**

At its regular meeting on March 26, 2024, Council requested staff develop a report outlining the scope required for implementation of RC3 to the Short Term Rental Policy. It is recognized that there are a number of households which utilize short term rental income to assist with mortgage affordability, especially given recent increases in cost of living and current market conditions. It is noted that the impacts of expansion of the STR program, particularly on the long term rental market should be evaluated in more detail.

The inclusion of RC3 properties requires evaluation of the following:

- **Evaluation of impacts on housing availability and existing long term rental stock.**
  - There are currently 715 RC3 zoned parcels in the City.
  - The City's Housing Strategy establishes that rental housing is affected by the demand for short-term rentals, impacting the overall supply of long-term rental housing; it further recommends evaluation of the impact of short-term accommodations on rental supply.
  - Review of the City's Housing Needs Assessment, and recently announced Housing Targets Order will help guide decisions related to housing need and impacts related to expansion of the Short Term Rental program.

- The City is required to update the Housing Needs Assessment by 2025, which will provide further guidance towards the need for long term rental housing.
- **Impacts of newly adopted Small Scale Multiple Unit Housing (SSMUH)**
  - Provincial legislation under Bill 44 has permitted 3 to 4 units on traditional single family lots (including RC3). This legislation will enable RC3 lots to contain additional units.
  - Additional evaluation of increasing the potential for additional STR's is recommended to fully understand the implications of program expansion.
- **Impacts of reduced lot size, frontage and parking requirements**
  - The RC3 Zone has a smaller frontage, minimum parcel area and reduced setbacks than other zones that permit short term rentals.
  - As part of SSMUH regulations, parking requirements for secondary suites and carriage homes have been reduced (marginally) to increase the likelihood of development and should be evaluated in greater detail in the context of the STR regulations.
  - It is recommended that these parameters be reviewed in detail to understand the implications of program expansion.
- **Internal and external consultation**
  - Stakeholder consultation is typically undertaken during bylaw development to ensure consideration of all impacts of program expansion. Stakeholders such as Canadian Home Builders Association, Urban Development Institute, as well as Interior Health would be consulted.
  - Public consultation is recommended to ensure impacts to all RC3 property owners are adequately considered.
- **Drafting of related bylaws**
  - Bylaw drafting may occur independent of other amendments or in tandem.
  - Upcoming bylaw amendments include Post OCP Zoning bylaw amendments. Coordination of amendments is the most efficient, but is likely to expand the timing.
- **Bylaw adoption process**
  - The proposed bylaws will require 4 readings and public hearing.

#### *Staff Resources*

Long-range planning staff are required to conduct background analysis, consultation and bylaw development to enact necessary changes. There are 2 planning staff in the long range department, who are focused on previously directed, funded, or legislated policy changes to support growth in the City. The Long Range Planning manager position is currently in recruitment.

#### *Timing Considerations*

Staff are currently at capacity working on legislatively required works related to recent housing related initiatives as well as previously requested/funded long range planning

projects (See Table 1 below). In order to complete this review, other projects would need to be re-prioritized/delayed.

#### *Staff Recommendation*

Due to competing interests and staff availability, it is recommended that this project not be considered at this time. Owners of RC3 properties who are interested in the short term rental program may apply for site specific zoning bylaw amendments, or temporary use permits to permit STR's on their specific properties. Alternatively, Council may reprioritize non-essential components of the workplan to complete the project.

### **FINANCIAL IMPLICATIONS**

Many of the projects noted above are anticipated to be completed by City staff, with others requiring assistance from consultants. Where projects require assistance from a consultant, the appropriate budget request has been funded or will be funded under additional sources (i.e. Local Government Capacity Building). It is noted that consultant led projects still require staff oversight and direction throughout the duration of the project.

### **CONCLUSION**

With numerous projects underway, and many anticipated to begin, prioritization of additional projects must be carefully considered to ensure key projects are being completed in a timely manner, and with existing current resources.

### **COUNCIL REPORT / RESOLUTION HISTORY**

| <b>Date</b>    | <b>Report Topic / Resolution</b>   | <b>Resolution No.</b> |
|----------------|--|-----------------------|
| March 12, 2024 | <b>THAT</b> Council direct staff to bring forward a report with options pertaining to imposing a fee for dryland boat rental, boat club services, boat valet, personal watercraft rentals that utilize city operated boat launches for commercial usage. | C085/24               |
| March 26, 2024 | <b>THAT</b> Council direct staff to develop a report outlining the scope required for implementation of RC3 to the Short Term Rental policy.   | C108/24               |



**Alternate Recommendation** to Consider and Resolve:

**THAT** Council direct staff to delay prioritization of the Rental Protection and Tenant Relocation Assistance Policies;

**AND THAT** Council direct staff to delay further scoping/implementation of a proposed commercial boat launch licensing program;

**AND FURTHER THAT** Council direct staff to prioritize amendments to the Short Term Rental program to include RC3 properties without further evaluation.

Should Council move forward with prioritizing the addition of RC3 properties, (notwithstanding legislatively required projects), this will delay commencement of the following projects in 2024:

- Rental Protection and Tenant Relocation Assistance Policies
- Transit Planning workshop and direction
- Westbank Centre Revitalization Plan
- Industrial Lands Study

Commercial boat launch licensing program

**REVIEWED BY**

Brent Magnan, Director of Development Approvals

Corinne Boback, Legislative Services Manager / Corporate Officer

Trevor Seibel, Deputy CAO

**APPROVED FOR THE AGENDA BY**

Warren Everton, Acting CAO

PowerPoint: Yes  No