



DEVELOPMENT SERVICES COUNCIL REPORT

To: Mayor and Council

Date: October 8, 2024

From: Ron Bowles, CAO

File No: P 22-08

Subject: **P 22-08, Zoning Bylaw No. 0320 (1st and 2nd)**

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RECOMMENDATION

THAT Council give first and second reading to “City of West Kelowna Zoning Bylaw No. 0320, 2024.”

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.

Strengthen Our Community – We will provide opportunities for the residents of West Kelowna to build connections, celebrate successes, embrace the community's strengths and diversity, address shared needs, and contribute to shaping the community's future.

Foster Safety and Well-Being – We will pursue through direct action, advocacy, and collaboration with local and regional service providers, investments in community health, needs-based housing, emergency preparedness, policing, and other services that foster safety and well-being in West Kelowna.

BACKGROUND

West Kelowna’s current Zoning Bylaw No. 0265 was adopted in 2022 as part of a comprehensive review as the last major review had not been completed since 2014. Since then, the City completed a major update of the Official Community Plan (OCP) following extensive consultation with the public and development community with the adoption of the plan on September 12, 2023. The OCP established a Growth Concept including objectives for the City’s vibrant urban centres and complete neighbourhoods model which triggered the need for significant revisions to the Zoning Bylaw to ensure

consistency with the plan. Development of the Zoning Bylaw has also been informed by the City's Housing Strategy completed in November 2023, including consideration of the City's growing population and housing objectives, as well as reflection on the Province's more recent legislative changes in support of housing initiatives.

The most significant change includes the introduction of five new urban and neighbourhood multi-residential and mixed-use zones to meet the new vision. These changes included a comprehensive review of the Zoning Bylaw to ensure consistent application of the new zones, which created opportunities to enhance clarity in related regulations throughout the bylaw as well as opportunities to address emerging issues with the bylaw. In support of the new heights and densities established in the OCP, additional studies were completed to aid the development of revised parking regulations and density bonusing programs. As a result of this work as well as feedback from stakeholders and the development community through the referral process, Zoning Bylaw No. 0320 is proposed (*Attachment 1 and 2*) as an opportunity to enact the changes envisioned by the City's new OCP.

DISCUSSION

The intent of the proposed changes was to enact the policy and land use direction from the new Official Community Plan by introducing five new zones as an update to Zoning Bylaw No. 265. However, given the depth of changes required to address consistent application of the new zones, draft Zoning Bylaw No. 320 was prepared including the following:

- Introduction of 5 new urban and neighbourhood centre zones, with corresponding changes to related regulations throughout the bylaw;
- Creation of a density bonusing program consistent with OCP direction to support the supply of priority housing;
- Update to parking regulations to address anticipated new mixed uses, density and built form;
- Key updates to regulation and interpretation based on feedback from staff, Council and the development community regarding the existing bylaw;
- Integration of identified corrections, errors and omissions from the more recent Provincial housing amendments; and
- Map review of the Zoning Bylaw Schedule B.

The updates have been highlighted in three key categories below noted as major changes, minor changes, and mapping changes. While these have been categorized for convenience, many of the minor changes pose frequent challenges to builders, designers, and the development community and present an opportunity for applicants and staff to save time during application processing.

In addition to the general summary below, a detailed table of the proposed Zoning Bylaw highlighting the changes from the existing Bylaw has been included with this report

(Attachment 3 - Summary of Amendments Table). The summary table includes the rationale for each of the identified changes.

Major Changes

NEW ZONE - Westbank Urban Centre – Mixed Use Corridor Zone (WUC1):

- Establish principal and secondary uses consistent with OCP to promote:
 - high density, mixed use (residential, commercial, office uses);
 - Walkable, pedestrian focused areas;
 - Public uses – retail, entertainment, hospitality on ground level;
 - Private uses – residential and office on upper floors;
- Set building heights at a maximum of 19 storeys, where new urban design for high-rise buildings will be addressed through the Development Permit process; and
- Set a Base Density of 2.6 Floor Area Ratio (FAR) that permits buildings up to 6 storeys on most sites and allows up to a Maximum Density of 6.5 FAR with Density Bonus based on analysis of a realistic building form up to 19 storeys.

NEW ZONE - Westbank Urban Centre – Commercial Core Zone (WUC2):

- Establish principal and secondary uses consistent with OCP to promote:
 - Higher density commercial uses;
 - Focus on office and retail with residential opportunities;
 - Walkable, pedestrian focused areas;
- Set building heights at a maximum of 15 storeys, where new urban design for high-rise buildings and transition to outlying areas will be addressed through the Development Permit process; and,
- Set a Base Density of 2.6 FAR that permits buildings up to 6 storeys on most sites and allows up to a Maximum Density of 5.1 FAR with Density Bonus based on analysis of a realistic building form up to 15 storeys.

NEW ZONE - Westbank Urban Centre – Residential Shoulder Zone (WUC3):

- Establish principal and secondary uses consistent with OCP to promote:
 - Multi-unit residential uses and mixed uses on first 4 storeys;
 - Residential opportunities with focus on diverse housing types with various levels of affordability to support commercial uses in the Westbank Urban Centre;
 - Walkable, pedestrian focused areas with consideration for public amenities;
- Set building heights at a maximum of 12 storeys, where new urban design for high-rise buildings and transition from the Urban Centre to adjacent lower density/agricultural areas will be addressed through the Development Permit process; and
- Set a Base Density of 2.3 FAR for 100% residential, and 2.6 FAR for mixed use that permits buildings up to 6 storeys on most sites and allows up to a Maximum

Density of 4.1 FAR with Density Bonus based on analysis of a realistic building form up to 12 storeys.

NEW ZONE - Boucherie Urban Centre Zone (BUC1):

- Establish principal and secondary uses consistent with OCP to promote:
 - A second Urban Centre with housing, employment, commercial and recreational opportunities;
 - Multi-unit residential uses and mixed uses;
 - Walkable, pedestrian focused areas with consideration of the proximity to a transit hub and existing community amenities;
- Set building heights at a maximum of 12 storeys, where new urban design for high rise buildings and transition to the outlying areas will be addressed through the Development Permit process; and
- Set a Base Density of 2.3 FAR for 100% residential, and 2.6 FAR for mixed use that permits buildings up to 6 storeys on most sites and allows up to a Maximum Density of 4.1 FAR with Density Bonus based on analysis of a realistic building form up to 12 storeys.

HIGH-RISE¹ BUILDING REGULATIONS – WUC1, WUC2, WUC3, and BUC1 ZONES:

- For consistent application of regulations for high-rise buildings and street interface, all the proposed new Urban Centre zones incorporate:
 - Design requirements for high-rise buildings that include a podium and setbacks to any tower portion, as well as tower separation; and
 - Setbacks similar to existing commercial zones in the current bylaw until such time as the Westbank Centre Revitalization Plan is updated to address more specific street network design considerations.

NEW ZONE - Neighbourhood Centre Zone (NC1):

- Establish principal and secondary uses consistent with OCP to promote:
 - 4 neighbourhood centres and 1 village centre to provide local services close to residential areas in keeping with complete communities concepts;
 - Multi-unit residential uses and mixed uses with commercial development scaled to the neighbourhood level;
 - Walkable, pedestrian focused areas with consideration to enhanced access to and from the area;
- Set building heights at a maximum of 6 storeys, where new urban design for mid-rise buildings and transition to the outlying areas will be addressed through the Development Permit process;
- Set a Base Density of 2.0 FAR with surface parking, and 2.35 FAR with 80% non-surface parking;

¹ The OCP defines high-rise as buildings from 7 to 19 storeys. Consistent with the OCP, the proposed definition in the draft Zoning Bylaw defines a tower as the portion of a building above the podium for a building 7 storeys or greater.

- Includes design requirements for mid-rise buildings that include a stepback for buildings fronting a street that are taller than 4 storeys; and
- Incorporates setbacks similar to existing commercial zones in the current bylaw until such time as more specific street network designs have been considered for neighbourhood centres.

Density Bonus

A Density Bonusing Analysis² was completed to support the development of a Density Bonus program in the draft Zoning Bylaw, in consideration of priority housing identified in the Housing Strategy and policy direction outlined in the OCP. The report (*Attachment 4*) analyzed current market conditions, tested market scenarios, and made recommendations on potential density bonus options which recouped 50-75% of increases in land values. As guided by this analysis, current market conditions and feedback from the development community, rates have been revised down to an approximate 10% of increase in land value. It is recommended that this be reviewed annually or as necessary.

As revised, the proposed density bonusing program permits additional density in the Urban Centres up to a maximum height either with the construction of priority housing, or with a cash-in-lieu payment, with some exemptions for market rental housing up to 12 storeys. Other related updates were also identified to address new terminology and to ensure consistency in the bylaw, as well as consideration of the Province's Bill 16 direction in their Interim Guidance: Inclusionary Zoning and Density Bonus document. Amendments related to the proposed density bonus program include the following:

- Revise housing related definitions and regulation to provide additional clarity and address developer feedback regarding when requirements are being triggered.
- Establish density bonus rates (See Table 1 below, which is noted as Table 3.17 in the draft Zoning Bylaw).
 - Enable a density bonus program to support affordable housing initiatives through a reserve fund more focused on non-market housing, while reflecting current market and economic conditions with a more reasonable rate (10% of the increase in land value) that will not stifle free-market housing development.
 - Do not distinguish between the building type, such as wood frame or concrete construction, to allow for flexibility in form as the market conditions are anticipated to change with decreasing interest rates, etc., and density is encouraged within the Urban Centres.
 - Include significant reductions based on development feedback to the rates included in the original referred draft bylaw - Reduced rates from 50% for wood frame and 25% for concrete down to 10% for both types of construction.

² Density Bonusing Analysis, May 3, 2024, completed by Urban Systems

- Exempt market rental development up to and including 12 storeys from density bonus payments to incentivize the provision of purpose-built rentals and apply density bonus requirements for 13 storeys and above to promote priority housing goals for a portion of the taller buildings³.
- Exempt any non-market rental affordable housing projects from density bonus payments.

Table 1: Revised Density Bonus Rates (Table 3.17 in the draft Zoning Bylaw)

Apartment Building Type	REVISED Bonus Density Rate	Original Draft Bonus Density Rate
Residential only, wood frame, condominium tenures	\$71.00/m ² (\$6.60/sf)	\$355.00/m ² (\$33.00/sf)
Mixed-use (condominium residential above commercial), up to maximum height (wood frame)	\$71.00/m ² (\$6.60/sf)	\$355.00/m ² (\$33.00/sf)
Residential only, concrete, condominium tenure	\$71.00/m ² (\$6.60/sf)	\$177.60/m ² (\$16.50/sf)
Mixed-use, concrete, condominium residential above commercial	\$71.00/m ² (\$6.60/sf)	\$177.60/m ² (\$16.50/sf)
100% Market rental development (wood frame or concrete), 13 storeys and up to maximum height	\$71.00/m ² (\$6.60/sf)	Does not apply
100% Market rental development (wood frame or concrete), up to and including 12 storeys	Does not apply	Does not apply

Density Bonus Options – What do the different rates mean?

The Density Bonus Analysis notes that “a 50% - 75% range of land value⁴ capture is consistent with the range used by many other municipalities as the basis for their rate setting”. As such, the draft Zoning Bylaw had originally been referred out with a 50% rate for wood frame construction and a 25% rate for concrete construction. The concrete construction value was established at a lower rate to potentially incentivize higher density construction as it is a more expensive type of construction currently.

Feedback from the development community requested that the City consider lowering or eliminating the density bonus rate. To analyze the impact of lower density bonus rates, the attached Density Bonus Options Table (*Attachment 5*):

³ The Density Bonus Analysis notes that current market conditions are challenging for the potential construction of buildings above 6 storeys, which may limit the short-term use of the program above 6 storeys for condominiums and above 12 storeys for rental buildings. This current challenge was also reiterated in feedback from the development community. However, reductions in interest rates and other changing market conditions may also improve the likelihood of high-rise building construction in the future. Changing market scenarios are the key factor supporting the need to complete regular updates to a density bonus program, such as on an annual basis. Following the referral process, edits were also made to this table to close an unintended loophole requiring priority housing types above 12 storeys for market rental projects.

⁴ This equates to an estimated value of \$177.50 per m² and \$355.00 per m².

- Calculates the approximate the density bonus for a theoretical 4.3 ha (~10.6 acre) parcel within the Westbank Urban Centre - Residential Shoulder (WUC3) Zone using 10%, 12.5%, 25% and 50% of the increase in land values;
- Compares the base density of 2.3 FAR against additional density in increments up to a maximum density of approximately 3.8 FAR, where building heights are maxed out at 12 storeys in this theoretical example;
- Estimates the density bonus contribution required to permit the additional density above the base 2.3 FAR;
- Provides Council with some order of magnitude regarding the dollar values associated with increases in the percent of the increase in land value.

In this example with a parcel of this size in this zone:

- Each additional 1% of increase in land value is equal to approximately \$30,400 that would be contributed to a reserve fund;
- From the perspective of FAR or building size, each additional ~4,290 m² (~46,000 sf) of building area would require a payment of \$304,745 at 10%, or \$380,932 at 12.5%, or \$761,864 at 25%, or \$1.5 million at 50%; and
- The total sum due would be established by how much additional square footage is being requested above the base FAR of 2.3, and what the maximum limit on the site is based on other constraints such as maximum building height, servicing, parking, development permit design guidelines, etc.

Given the analysis above and in consideration of the prioritization of housing in general, current market conditions, as well as the development community feedback, the density bonus rate is proposed to be reduced to 10% of the increase in land value. A reduction in the rate may mean that less money is available over time for the reserve fund and identified non-market housing development from the fund. However, in the short-term, as the City works to promote market housing projects, the reduced rate may provide some incentive for the development community to build at higher densities despite the high cost of construction being somewhat challenging with high-rise development anywhere in the province.

Given that rate decreases or increases create potentially opposing results between two priority sectors of housing development, and the ideal rate is somewhat subjective based on the priority goal, an alternate motion and supporting feedback has been prepared for Council's consideration should they wish to examine the impact of different rates and direct any further changes to the rate (see Alternate Motion 2).

The impact of the different rates on the ability to deliver different housing priorities highlights the importance of updates to the Density Bonus rates on an ongoing basis, as recommended by the Density Bonus Analysis.

Multiple Residential Adaptability

Consistent with the Housing Strategy to encourage a variety of housing forms in tenure and type, a new regulation (Section 3.30) was drafted to ensure that a minimum of 20% of all new multiple residential units are built to adaptability standards to address the needs of our aging population. In Urban and Neighbourhood Centres only, this requirement is matched with a density bonus offset as an incentive to construct in the identified areas. In other areas, this requirement is not offset and is intended to act as a further incentive to develop multiple residential development within the identified centres rather than in outlying areas of the City that do not promote efficient use of City services or transit infrastructure.

Parking

A Parking Management Study⁵ was completed to provide technical support to augment staff research as part of the Zoning Bylaw review in recognition of the new zones with related mixes uses, increases in density, and taller built forms. The report included a review of comparable municipalities, estimates of current parking availability and forecasted demands based on anticipated growth patterns identified in the OCP, and concluded with an analysis of pertinent parking management practices and recommendations for the City for both on and off-street parking (see *Attachment 6*). The study also considered some specific parking challenges for the City, such as parking related to school use, restaurants, short term rentals and accessory dwelling units, live-work spaces, and strata townhouse developments. Further, the study reviewed emerging trends within parking and provided recommendations regarding regulatory standards and parking management.

The study recommended that the City consider consolidating land uses into main categories where possible, convert parking rates in some cases to a new "metric" or way of measuring the parking rate, and expand some existing lower parking rates to both new Urban Centres. Future staged reductions in parking rates are also recommended as the City experiences anticipated future growth and densification within our identified Urban and Neighbourhood Centres. The Parking Study identified potential trigger points⁶ for the City to monitor and identify when it may be appropriate to consider the next step in the recommended approaches to regulate parking and loading areas, which included both on-street and off-street recommendations. As the Zoning Bylaw draft is focused on off-street parking, it is anticipated that other on-street recommendations from the study will be incorporated in future bylaw and master plan reviews, such as updates to the Works and Services Bylaw and to the Westbank Centre Revitalization Plan.

Key changes to the Part 4 – Off-Street and Parking and Loading include the following:

⁵ Parking Management Study, March 2024, prepared by Urban Systems

⁶ Trigger points include measurable parameters such as transit service access and frequency, development pressure by number of applications, parking occupancy data, % of land with access to sidewalks or within 200 m of cycling network, etc.

- Update required parking spaces in Table 4.1 which consolidated land uses into main categories, converted parking rates to new unit of measurement, and included both Urban Centres in the existing lower parking rates. Some minor revisions to parking rates were included as part of the consolidation, but no major increase or decreases in parking rates were initiated.
- Update required bicycle parking regulations:
 - Revise Table 4.7 Bicycle Parking Requirements
 - Update regulations related to dimensions and electric outlets to reflect modernized biking trends
 - Add bicycle repair stations for 20 or more bike parking spaces
 - Delete the cash-in-lieu of bike parking provision to support installation of bike parking
- Update loading space regulations:
 - Revise Table 4.8 Loading Space Requirements to consolidate land uses into 3 main categories⁷
 - Clarify how loading spaces are calculated
 - Require car loading spaces to be signed with 15-minute maximum stay
 - Identify where loading spaces may be permitted off-site under limited circumstances
- Add Electric Vehicle Charging Requirements (Section 4.13) for new buildings to install EV charging, outline exceptions, and set differential rate for residential versus non-residential units (Table 4.12) as per Parking Study recommendations, consideration of comparable jurisdictions, and in accordance with Provincial targets for sales of EVs
- Update cash-in-lieu of parking spaces and shared parking regulation to clarify that they only apply to the new Urban Centre zones and do not apply to any remnant zones
- Expand the Cooperative/Car Share Vehicles regulation to include the Neighbourhood Centre Zone, with the Urban Centre zones, clarified the rate permitted, and add a requirement for EV charging
- Revise parking landscaping requirements for consistency with OCP DP guidelines
- Add new regulation to restrict conversion of designation parking spaces to commercial parking spaces and require property owners to maintain required parking, including signage
- Consolidate Parking Dimensions and Development Standards and updated other related regulations and drawings to reflect definitions for access, driveway and drive aisle and consistency with the proposed draft Traffic Bylaw
- Update length of small car parking spaces in dimensions and related drive aisle widths

⁷ The Parking Management Study recommended future consideration to implement time restrictions for loading and delivery, consolidate delivery locations to optimize the amount of space required, and identify specific on-street loading based available to delivery vehicles at particular times of day. These recommendations may be considered through future updates to the Works and Services Bylaw, or through the road network planning as part of the update to the Westbank Centre Revitalization Plan.

- Add vertical clearance requirements for parking spaces consistent with regional comparatives
- Add new regulation to ensure required accessible parking spaces are maintained for the life of the building or land use
- Update parking regulations to consider the new zones and how the new mixed uses are incorporated across the parking regulations, e.g. where small car spaces are permitted and how parking is calculated for mixed use scenarios in new zones
- Delete Truck and Boat Trailer Parking Spaces requirements to reduce surface space dedication to boat and trailer parking freeing up land for priority land uses.

Minor Changes

Interpretation:

- Add definitions to address new built form requirements (Live-Work Unit/ Podium/ Skyway, Stepback/ Tower/ Urban Plaza)
- Update definitions to address new housing related terminology introduced with the clarification of various types of regulated housing (Care facility, Major/ Care facility, Minor)
- Add definitions to address new housing related terminology introduced with priority housing types, the clarification of various types of regulated housing and the new density bonusing program (Affordable housing/ Child care, Major/ Child care Minor/ Congregate Housing/ Density bonus/ Emergency Shelter/ Group home/ Household/ Social Housing (Addictions, Mental Health or Corrections)/ Rent-controlled housing/ Rent-g geared-to-income (RGI) housing)
- Update definitions to address new construction methods for low density residential dwellings (Breezeway, Carriage House/ Single detached dwelling/ Mobile Home/ Modular Home)
- Add definitions to address new elective vehicle parking requirements (Level 2 Electric Charing Standard)
- Update 'amenity space' definition to address new OCP direction for where amenity space may be permissible in anticipation of new built form within the new zones
- Update 'dwelling' and 'guest room' definitions for consistency with more recent changes to accessory dwelling units (secondary suites, carriage house, etc.)
- Add definitions to address consistent use of related parking regulations and for consistency with other City bylaws (Access/ Drive aisle/ Drive through/ Driveway)
- Update 'wet bar' definition to clarify that a wet bar is not permitted within an accessory structure.
- Update 'finished ground', 'grade' and 'height' definitions and added a definition for 'cantilevered building or structure' to simplify and correct where height is measured from
- Update definitions to add references to the new zones as applicable

General Regulations:

- Update all references to new zones as applicable and deleted obsolete sections replaced by new zones
- Update all reference to new or revised definitions as noted above
- Update list of uses and structures permitted in all zones (transit charging infrastructure, emergency access, types of temporary buildings)
- Revise temporary use of a dwelling during construction to simplify and confirm permitted types of dwellings
- Update types of structures exempted from height regulations (rooftop accesses, transit charging infrastructure)
- Update siting exemptions to address projections into setbacks for high-rise buildings and transit charging infrastructure
- Add regulation to clarify what types of plumbing facilities are permitted or restricted in an accessory building to prevent unauthorized conversions to accessory dwelling units
- Revise retaining wall regulations to clarify where they are included in the measurement of height as part of a building or structure
- Update secondary suite regulations for consistency with new SSMUH regulation
- Update carriage house regulations to permit a deck, balcony or roof top patio only where located 6 m from adjacent property or adequately screened
- Add regulation to address drive through related land uses to accommodate OCP direction to only permit where site design addresses parking and access, and to establish a process for their consideration
- Add regulation requiring urban plazas within urban centres under specified conditions

Agricultural Zones:

- Update the list of permitted uses to include child care, minor to support daycare opportunities consistent with OCP policy direction

Rural Zones:

- Update the list of permitted uses to include child care, minor to support daycare opportunities consistent with OCP policy direction
- Update the list of permitted uses to include both mobile and modular homes based on the new definitions that are more regionally consistent and as per OCP policy direction
- Revise maximum height for consistency at 11 m for 3 storey buildings

Residential Zones:

- Revise purpose for revised zones adjacent to new Urban Centre Zones

- Update list of permitted uses to address new definitions for child care, minor, and child care, major to support daycare opportunities consistent with OCP policy direction
- Update list of permitted uses to address new definitions for modular home, and mobile home (only where permitted in RMP and R1M) and to replace references to manufactured home definition that was deleted to enact new definitions that are more regional consistent and as per OCP policy direction
- Revise maximum height for consistency at 16 m for 4 story buildings, 11 m for 3 storey buildings
- Update maximum FAR for the R3 and R4 zones based on creating a density hierarchy through the zones that also considers surface and non-surface parking preferences

Commercial Zones:

- Rename the C1 and C2 zones and updated purpose and permitted uses to more appropriately reflect the scale and intensity of permitted uses for areas lying outside Centres, where some uses have been removed from the C1 zone
- Revise maximum height in the C2 and C5 zone for consistency at 11 m for 3 storey buildings, and in the C1, C4 and C6 zones for consistency at 16 m for 4 storey buildings
- Update maximum FAR for the C1 zone based on creating a density hierarchy through the zones that also considers surface and non-surface parking preferences
- Add drive through regulations to the C1 and C3 zones that ensure that the 'restaurant' use no longer automatically permits drive through use consistent with the five new zones

Industrial Zones:

- Increase maximum caretaker units from 1 to 2 units as per previous Council direction during review of the OCP

Parks and Institutional Zones:

- Update the list of permitted uses to include child care, major to support daycare opportunities consistent with OCP policy direction
- Revise maximum height for consistency at 16 m for 4 storeys for an educational building

Comprehensive Development Zones:

- Revise maximum height for consistency at 11 m for 3 storey buildings in the CD-1 and CD-7 zones

- Update legal descriptions to address current status of parcels in the CD-1 and CD-2 zones
- Correct the CD3 zone for omission related to consistency with the more recent Provincial housing amendments

Mapping Changes:

As part of the Zoning Bylaw review process, the City reviewed the zoning status of City owned properties, lands owned and managed as parks, and split zoned parcels flagged during map reviews completed as part of the Small Scale Multi-Unit Housing analysis. Where consistent with the Official Community Plan, zoning amendments have been proposed to:

- Rezone City owned properties to allow for potential redevelopment by the City more in keeping with the OCP land use designation and policy direction, or in some cases to also more accurately reflect existing civic and institutional uses;
- Rezone some recent park acquisitions, to reflect actual park use and to correct boundary map errors; and
- Eliminate unnecessary split zoning where final subdivision layouts did not match original zoning completed at the neighbourhood scale creating small pockets of split zones.

The draft Schedule B map was distributed as part of the referral process. A summary of the sixteen (16) mapping changes has been provided, which includes details regarding the proposed amendment, the property location with small inset map, and the rationale for each change (*Attachment 7 – Summary of Schedule B Mapping Amendments*).

REFERRAL COMMENTS

The proposed changes have been considered through an internal and external review process, which includes relevant Provincial agencies, development community members, adjacent regional jurisdictions, and Council committees. The following is a summary of the feedback provided:

Advisory Planning Commission

The Advisory Planning Commission passed a motion recommending support for the proposed Bylaw at the October 2nd, 2024 meeting. The members of the Commission had a number of questions and comments regarding the following topics:

- Potential impact of child care – minor (in-home) as a secondary use on agricultural land;
- How current is the research data in the density bonusing and parking study, and does it reflect current trends or anticipated changes;
- Density Bonusing related items:

- How do the rates affect the future affordability of homes;
- Does the housing reserve fund affect tax payers or how is the program administered;
- Parking related items:
 - Debate regarding adequacy of parking rates throughout the City but specific to potential high density and impact to surrounding neighbourhoods;
 - How cash-in-lieu of parking rates were calculated with some concern that the rates were too low which encourages reduced parking;
 - How the City is supporting transit services to help alleviate parking impacts;
 - How the definition of guest unit affects hotel parking requirements vs parking for a resort apartment or multiple residential unit;
 - How will changing technology trends impact new electric vehicle charging requirements and how will the City respond if electric vehicle trends change over time;
 - How does the City plan to manage on street parking in the future regarding items such as residential parking passes, pay parking, etc;
- Clarification regarding the new definitions for mobile home, modular home and single detached dwelling, and where modular homes are permitted;
- How will Council address timing for fire department improvements that would ensure protection of proposed developments over 6 storeys given that the proposed zones allow up to 19 storeys;
- Does the Zoning bylaw include any amendments related to the Province's recent changes to the BC Building Code regarding single stairwell access;
- Strong support was noted for accessibility and adaptability requirements which support our aging population;

Based on the feedback received, no changes to the Zoning bylaw are recommended at this time.

Agricultural Land Commission (ALC)

The ALC noted that although many of the proposed amendments did not affect the Agricultural Land Reserve, those that did were consistent with the ALC Act and regulations. Additional comments were provided noting that Zoning Bylaw does not follow the recommended 30 m setback for residential structures against the ALR boundary from the Ministry of Agriculture's Edge Planning document but acknowledged that this was not a change from previous zoning bylaws.

Archaeology Branch, Ministry of Forests

The Archaeology Branch reviewed the draft bylaw and mapping changes and provided detailed comments primarily focused on the proposed mapping changes. They noted that there were no known archaeology sites recorded on any of the subject properties, and then identified which properties had either a high potential for previously unidentified archaeological sites, or ones that did not indicate a high potential. This information has been recorded on the property files as reference for any future development.

BC Transit

BC Transit noted that they support the intensification of land use and development in areas already served by transit and particularly in areas served by fast and frequent transit, such as route 97 Okanagan, as well supporting policies and regulations that help shift transportation mode-share away from private automobile use and towards both transit and active transportation. Recommendations to include siting and height exemptions for anticipated on-route charging infrastructure have been included in the proposed bylaw, and the use was added as a permitted use in all zones. Other recommendations to reduce parking requirements in areas served by transit, within 400 m of transit stop, or with parking demand assessments, as well as increasing the number of parking space reductions permitted with cash-in-lieu regulations or as part of parking demand assessments were not incorporated at this time. This is based on recommendations from the Parking Study completed in support of the Zoning Bylaw to defer additional parking reductions until future phases associated with higher density development having been constructed in the centres. BC Transit notes that general reductions in overall parking requirements, and even implementing parking maximums supports Transit use in areas where it is available, as the availability of parking and particularly free parking has a negative correlation to transit ridership.

Fortis BC

Fortis reviewed the draft bylaw and mapping changes and noted that they have no objections or concerns.

Interior Health

Interior Health recommended establishing minimum distances for alcohol production facilities and cannabis retail stores from schools similar to cannabis production facilities;

noted minor text edits for consistency on how waste water requirements are noted; identified small corrections such as omitted reference to middle school in one section, and recommendations for pedestrian connectivity through cul-de-sac design and consideration for enhanced tree retention regulation. The minor edits and corrections (Section 3.5 and 3.18) have been included in the draft Zoning Bylaw for consideration. As setbacks for cannabis production and retail were originally considered with the introduction of cannabis regulations and alcohol retail has never had enhanced setbacks, no additional changes have been proposed at this time to increase setbacks from schools. As an update to the Works and Services Bylaw is underway, updates to any road design standards will consider enhanced pedestrian connectivity through best practice and the comment regarding cul-de-sac design has been noted by the Engineering Department. Action items related to the development of an urban tree canopy plan and policy were already noted in the OCP, where it is anticipated that tree retention will be considered with those plans when they proceed.

Ministry of Agriculture

The Ministry of Agriculture reviewed the draft bylaw and mapping changes and had no concerns.

Ministry of Transportation and Infrastructure

The Ministry of Transportation and Infrastructure reviewed the draft bylaw and mapping changes and granted preliminary approval⁸ for the rezoning.

Regional District of Central Okanagan (RDCO)

RDCO Planning Services has no concerns with the draft bylaw and note where policies support the Regional Growth Strategy. RDCO Parks Services supports the proposed zoning amendments to the identified RDCO Parks (*Attachment 4 - Summary of Schedule B Mapping Amendments*).

Urban Development Institute (UDI)

In addition to the City's formal referral, City staff and the consulting team at Urban Systems met with the Urban Development Institute (UDI) Okanagan Chapter over two separate meetings to allow opportunity to exchange technical information and feedback regarding the proposed Zoning Bylaw. This included specific consideration of the new zones, as well as the details and background for the new density bonus program. Following these meetings, UDI provided a formal response letter dated August 19, 2024 (see *Attachment 8*) with feedback and recommendations for consideration as part of the referral process. UDI appealed to the City to consider eliminating the proposed density bonus charge, and if the density program must be implemented that they urged the City to consider enabling building heights to be increased and setting the charge at a significantly lower rate. As a result of this feedback and additional review of the economic

⁸ The Zoning Bylaw requires final approval by MOTI under the preliminary approval prior to Jun 20, 2025.

analysis completed with the Density Bonus Study⁹, as well as a review of the Province's new Interim Guidance: Inclusionary Zoning and Density Bonus document, changes have been proposed in the Density Bonus section. As detailed in the Discussion section above, this includes significant reductions in the density bonus rate (proposed Zoning Bylaw, Table 3.17), as well as clarification of related definitions and regulations based on questions that came up during the feedback process.

Public Notification

In accordance with Section 466 and 467 of the *Local Government Act* and the Public Notice Bylaw No. 0303, notice of first reading was posted in the newspaper and on the City's website. As more than 10 or more parcels, owned by 10 or more persons, are the subject of the bylaw alteration, the requirement for individual notification of the Zoning Bylaw does not apply.

Next Steps

Public Hearing and Additional Readings

As the proposed Zoning Bylaw is consistent with the OCP, a Public Hearing is not required by the *Local Government Act*. If Council wishes to hold a Public Hearing, one would be scheduled following First and Second Reading, and following the Public Hearing, the Bylaw would be scheduled for consideration of Third Reading (Alternate Motion No. 3). If Council wishes to proceed without a Public Hearing, they may consider the Bylaw for First and Second Reading (Recommended Motion), or for First, Second and Third Reading, with the latter enabling a faster processing of the Bylaw (Alternate Motion No. 1). Should Third Reading pass, the Bylaw is required to be referred to the Ministry of Transportation Infrastructure (MOTI) for sign-off prior to consideration of adoption.

Concurrent Amendments and New Related Bylaws

As part of the update to the Zoning Bylaw, a number of concurrent amendments are proposed to ensure consistency with appropriate related regulations and new regulations are required to enact regulations outside the Zoning Bylaw. Bylaws that will be amended or introduced for the future consideration of Council include:

- Development Cost Charge Bylaw No. 0190, 2015
- Development Application Procedures Bylaw No. 0260, 2018
- Fees and Charges Bylaw 2009, No. 0028
- Housing Reserve Fund (new bylaw)

⁹ Density Bonus Study was completed by Urban Systems in May 2024 in support of the drafting of the proposed Zoning Bylaw and a density bonus program based on the current market and economic conditions affecting land development. The study included interviews with the local development community, as well as intensive analysis of the land economics with current data from 2023 and 2024 to ensure that the program was relevant to current conditions.

- Traffic Bylaw No. 0092
- Works and Services Bylaw No. 0249

The proposed amendment bylaws or new bylaws will be brought forward for Council's consideration if the proposed Bylaw receives 3rd Reading.

Active Application Transition

The draft Zoning Bylaw includes provisions for 'applications in process' that outlines the transition period for the proposed Bylaw. Under this provision, completed applications for a building permit or development permit that are received prior to the effective date of the proposed Bylaw No. 0320 will be processed under Bylaw No. 0265 if the application is approved or rejected within 6 months from the effective date of Bylaw No. 0320. Applicants may request in writing to have their application for a building permit or a development permit considered under Zoning Bylaw No. 0320 during this period. All zoning amendment applications must conform to the current Zoning Bylaw at time of adoption regardless of date of application. The Zoning Bylaw is proposed to come into effect on the date of adoption as the bylaw has been greatly anticipated, and staff have been working with the development community regarding the timing of the new bylaw.

FINANCIAL IMPLICATIONS

No additional capital or operational expenditures are anticipated with the implementation of the proposed Zoning Bylaw with the exception of potential fire services demands as outlined below. Specific development related infrastructure demands within the City currently are reviewed on an application basis, where any deficiencies are typically noted at time of development and addressed by the Developer either as conditions of rezoning or as a requirement of the Works and Services Bylaw at time of building permit or subdivision. Any identified works requiring City expenditures beyond our capital plans or Development Cost Charge program are reviewed by Council prior to the approval of the development.

As required by the *Local Government Act*, a Housing Reserve Fund must be established to administer funds associated with the proposed Density Bonus Program's potential contributions to support the provision of affordable housing in the community. A future report will be prepared for Council's consideration to establish the fund and its objectives, and to address the financial implications of how this fund is administered.

Financial and Related Concerns with High-Rise Development - Fire Services

West Kelowna Fire Rescue was part of the review process and development of the OCP including consideration of the proposed building heights within the identified Urban and Neighbourhood Centres, which have been integrated in the proposed Urban and Neighbourhood Centre Zones in the draft Zoning Bylaw. Related to consideration of high-rise development, statements on public safety policies in the OCP (3.6.5.3) are strong and clear on the need to support emergency services as our community grows.

As noted with the consideration of the OCP, the ability of the fire department to protect buildings within our community is an important consideration, as required under the BC Building Code. Presently, protecting high-rise buildings (generally greater than 6 stories) would be a challenge for our fire service. Growth of our fire service will be required to ensure that high-rise buildings can be protected. The City will also have to rely on our regional partners and other agencies to provide firefighting aid. Work continues on the identification of the appropriate legislative, operational, maintenance, training, staffing and equipment requirements to protect high-rise buildings and their occupants.

The OCP is a vision for how Council wishes to see the community develop and includes policies based on Council's direction regarding maximum height. Detailed Development Permit guidelines address the issues with street interface and the form and character of the anticipated new taller mid-rise and high-rise buildings within our urban cores. This vision and policies have been incorporated in the proposed maximum heights and related regulations in the proposed Zoning Bylaw.

However, it is noted that future approvals of high-rise buildings will be contingent on the fire department's ability to protect, and the fire department plan will outline needs for Council consideration prior to any buildings being approved at time of rezoning, development permit or building permit, as applicable.

As work continues within the fire service to prepare for higher buildings, further revisions to the Fire Rescue Establishment Bylaw are also anticipated.

CONCLUSION

The proposed changes to the Zoning Bylaw are intended to enact the vision of the City's new Official Community Plan, as well as implementing elements from the Housing Strategy that enable housing opportunities across tenure, type, and form with a focus on mixed-use development within the City's Urban and Neighbourhood Centres. Proposed uses and regulation support development densities and heights that promote economic development in areas that enhance community walkability with access to transit and encourage the advancement of cultural and social opportunities.

Alternate Motions

1. **THAT** Council give First Reading to the "City of West Kelowna Zoning Bylaw 0320, 2024".

Council has the opportunity to consider giving First Reading to the Bylaw should there be changes or direction that Council would like staff to address prior to Second Reading. This direction could include items such as revised density bonus rates should Council wish to direct changes to the proposed Density Bonus, Section 3.29.

2. **THAT** Council give First, Second and Third Reading to the “City of West Kelowna Zoning Bylaw 0320, 2024”.

Council has the opportunity to consider giving First, Second and Third Reading to the Bylaw to enable faster processing of the Bylaw.

3. **THAT** Council give First and Second Reading to the “City of West Kelowna Zoning Bylaw 0320, 2024”; and

THAT Council direct staff to schedule the bylaw for Public Hearing.

A Public Hearing is not required, however, Council may consider giving First and Second Reading to the Bylaw, and to direct staff to schedule the Bylaw for Public Hearing.

4. **THAT** Council postpone consideration of First and Second Reading to the “City of West Kelowna Zoning Bylaw 0320, 2024”.

Should Council postpone consideration of First and Second Reading, it is requested that Council provide specific direction as to which changes should be made to the Bylaw prior to reconsideration.

REVIEWED BY

Brittany Nichols, Manager of Long Range Planning

Brent Magnan, Director of Development Approvals

Trevor Seibel, Deputy CAO/Deputy Corporate Officer

APPROVED FOR THE AGENDA BY

Ron Bowles, CAO

Powerpoint: Yes No

Attachments:

1. Zoning Bylaw No. 0320
2. Zoning Bylaw No. 0320 Schedule A
3. Summary of Amendments Table
4. Density Bonusing Analysis
5. Density Bonus Options Table
6. Parking Management Study
7. Summary of Schedule B Mapping Amendments
8. UDI Referral Response