

Attachment 4 - Proposed As-of-Right Zoning for Non-Market Housing in Urban Centres

1. Intent

The intent of this framework is to remove barriers and provide certainty for non-profit housing providers. Under the current land use framework, most non-market housing proposals require rezonings or variances—processes that add months of delay, increase costs, and jeopardize time-sensitive funding applications.

The proposed framework addresses these challenges by establishing clear, predictable development rights for qualifying non-market projects. Where projects meet defined parameters, they will be able to proceed as-of-right, without rezoning or variances, cutting red tape and accelerating delivery.

2. Applicability

- Applies only to projects that meet the definition of “Non-Market Housing” (see Council Report).
- Applies only within the Westbank Urban Centre and Boucherie Urban Centre, consistent with the Official Community Plan (OCP).
- Implemented through a new section in the Zoning Bylaw under General Regulations, ensuring a consistent and transparent framework for Urban Centre sites.

3. As-of-Right Permissions within Urban Centre boundaries

The following permissions would be explicitly granted to projects where 100% of the residential floorspace is non-market housing within the OCP designated Westbank and Boucherie Urban Centres.

3.1 As-of-Right Non-Market Housing Use:

Proposed Change:

All properties within the Westbank and Boucherie Urban Centre OCP designations that already permit residential use would explicitly allow non-market Housing projects as-of-right, without the need for rezoning. A non-market housing development could proceed directly to the Development Permit (DP) stage, provided it complies with applicable design guidelines. DP review will continue to ensure projects meet standards for form and character, landscaping, access, and safety.

Rationale:

This removes the rezoning step, significant carrying costs, and funding uncertainty for non-profit applicants. Similar “rapid deployment” or “fast track” programs in Victoria, Saanich, and New Westminster have demonstrated that pre-zoning is one of the most effective ways to accelerate delivery of affordable housing.

3.2 Maximum Building Height - Up to 6 Storeys:

Proposed Change:

Non-market housing projects will be permitted to build up to six (6) storeys as-of-right in the Westbank and Boucherie Urban Centres.

Rationale:

- **Alignment with OCP Vision and Best Practices:** The OCP designates the Westbank and Boucherie Urban Centres as the primary locations for compact, high-density growth—envisioning up to 12–19 storeys in Westbank Urban Centre and up to 12 storeys in Boucherie Urban Centre — and anticipates that approximately 40% of West Kelowna’s future housing will be located in these areas. Allowing non-market housing up to six storeys as-of-right directly implements this growth strategy while respecting current fire suppression limits. This approach is consistent with best practices across BC and responds to provincial legislation (Bill 44, Bill 47), which call on municipalities to align zoning with OCP policy to streamline approvals and accelerate the delivery of affordable housing.
- **Current Fire Suppression Limitations:** Despite the OCP vision for taller buildings, West Kelowna’s firefighting capacity currently restricts new construction to six storeys. Enabling higher forms as-of-right at this stage would create confusion and regulatory risk, as projects could not proceed without major upgrades to fire suppression equipment and resources.
- **Predictability with a Phased Approach:** The six-storey cap provides clarity and predictability for non-market housing providers today, while ensuring compliance with life-safety standards. Once fire suppression constraints are addressed, staff will evaluate options and bring forward recommendations to Council to extend as-of-right permissions to the full OCP-enabled heights.

3.3 Additional Rationale for As-of-Right Use and Building Height Permissions:

New Legislative Tools - Bill 16

Bill 16 provides new authority for the City to secure off-site works and services—such as roads, water, sewer, drainage, and sidewalks—at the building permit stage rather than only through rezoning or subdivision. The legislation also allows the City, at the building permit stage, to require land for sustainable design features and transportation infrastructure that supports walking, cycling, public transit, and other alternative modes of travel.

Together, these powers mean the rezoning step can be safely bypassed for non-market housing projects, while still ensuring all servicing and infrastructure obligations are secured through works and services agreement with the City.

Development Permit Approvals Still Required

All non-market housing projects will continue to be subject to the City’s Development Permit process, including requirements for siting, massing, landscaping, energy efficiency, and overall form and character. The proposed framework does not relax design or safety standards. Instead, by permitting non-market housing as-of-right up to six storeys, projects can bypass rezoning while still undergoing rigorous DP and building permit review. This ensures that Council’s land use, density, and design objectives remain fully protected—even without a formal rezoning process.

3.4 Zoning Exemptions For Non-Market Housing Development

To further streamline the process and reduce barriers, several targeted zoning exemptions are proposed for projects where 100% of the residential floorspace is non-market housing within the OCP designated Westbank and Boucherie Urban Centres. These exemptions are limited to these two urban centres.

3.4.1. Podium Stepbacks

Proposed Change:

Exempt non-market housing projects up to six (6) storeys from the podium stepback requirements currently applied in Urban Centre zones. Standard stepback requirements would continue to apply to buildings taller than six storeys.

Current Zoning Regulations Proposed to Be Exempted for Non-Market Housing

Zoning Section	Zone	Regulation
12.1.5.v	Westbank Urban Centre – Mixed Use Corridor (WUC1)	Podium stepback for buildings 5 storeys or greater: A 3.0 m (9.8 ft) stepback is required for any portion of the building above 3 storeys or 12.0 m (39.4 ft), whichever is less, and the stepback may occur above the second or third storey.
12.2.5.v	Westbank Urban Centre – Commercial Core (WUC2)	Same as above.
12.3.5.v	Westbank Urban Centre – Residential Shoulder (WUC3)	Same as above.
12.4.5.v	Boucherie Urban Centre (BUC1)	Same as above.

Rationale:

- Mid-rise 5–6 storey wood-frame rental apartments are the most financially viable form of non-market housing in BC today. These buildings are typically designed with flat façades rather than stepbacks.
- Stepback requirements reduce usable floor area, complicate wood-frame construction, and increase energy and wall system costs. Removing them for non-market projects improves unit yield, construction efficiency, and cost control.
- At six storeys or less, buildings can achieve strong streetscape outcomes without stepbacks through design guidelines (e.g. building materials, landscaping, building separation distance, road right-of-way). The urban design benefits of stepbacks become more important at taller scales, which is why exemptions are not proposed above six storeys.
- Other municipalities, including Saanich, Victoria, and Squamish, have removed or relaxed stepback requirements to expedite non-market housing.
- Non-profits and funders require certainty to move projects forward. Exempting stepbacks eliminates a recurring variance request, cutting months from approval timelines and providing clearer development rights.

3.4.2. Mandatory Commercial/Institutional Mixed Use and Frontages

Proposed Change:

Exempt non-market housing projects from the requirement to include mixed residential/commercial or institutional uses and continuous ground-floor commercial or institutional frontages.

Current Zoning Regulations Proposed to Be Exempted for Non-Market Housing

Zoning Section	Zone	Regulation
12.1.6	Westbank Urban Centre – Mixed Use Corridor (WUC1)	<p>(a) All developments must contain a mix of residential and commercial or institutional uses listed as Principal Uses in this zone</p> <p>(b) Commercial or institutional uses are required along the entire frontage of the ground floor level (except lanes) for properties in the Mixed-Use Corridor fronting Brown Road as an identified high street, including the flanking side street on a corner lot, and residential uses or hotel uses are only permitted above the first storey. Hotel lobbies may be located at grade in combination with ground floor commercial or institutional building street frontage.</p>
12.2.6.	Westbank Urban Centre – Commercial Core (WUC2)	<p>(a) Commercial or institutional uses are required along the entire frontage of the ground floor level (except lanes), including the flanking side street on a corner lot, and residential or hotel uses are only permitted above the ground floor. Hotel lobbies may be located at grade in combination with ground floor commercial or institutional building street frontage.</p>
12.4.6.	Boucherie Urban Centre (BUC1)	<p>(a) Commercial or institutional uses are required along the entire frontage of the ground floor level (except lanes), including the flanking side street on a corner lot, on the following high streets as identified in the City's Official Community Plan:</p> <ol style="list-style-type: none"> i. Ross Road ii. Cameron Road (South of Ross Road) iii. Westgate Road

Rationale:

- Requiring ground-floor commercial adds cost and risk for non-profits.
- Revenue from commercial uses can conflict with federal *Income Tax Act* provisions for registered charities and non-profits.
- Allowing residential at grade supports housing delivery while still placing residents in walkable, service-rich urban centres.
- This mirrors recent amendments in Squamish and New Westminster, which exempt affordable housing from commercial frontage obligations.

3.4.3. Floor Area Ratio (FAR)

Proposed Change:

Expand the existing FAR exemption for non-market housing projects to apply across the entire geographic areas of the two OCP-designated Urban Centres. This would align zoning with OCP-supported height-based density by removing FAR limits as a regulatory control, ensuring that all non-market housing projects in Urban Centres can proceed as-of-right to the full height supported by the OCP.

Current Floor Space Ratio (FSR) Exemption for Eligible Housing Development

No.	Section	Regulation
3.29.5	Density Bonus	<p><i>Despite Section 3.29.1 and 3.29.2, for housing initiatives provided by BC Housing, and/or other non-profit, Provincially or Federally led housing facilities in the WUC1, WUC2, WUC3, and BUC1 zones, where a proposed building does not exceed the maximum building height established in the applicable zone and the building design meets all required Development Permit guidelines, the floor space of the building that is occupied by the following residential uses shall not be included as part of the gross floor area (GFA) for the calculation of density:</i></p> <ul style="list-style-type: none"> <i>(a) Affordable non-market, rent geared-to-income or rent-controlled housing;</i> <i>(b) Affordable non-market rental housing;</i> <i>(c) Affordable diverse housing needs specific to seniors, at risk youth, or victims of violence;</i> <i>(d) Affordable accessible housing; or</i> <i>(e) Housing for people at risk of or experiencing homelessness.</i>

Rationale:

- The City's Zoning Bylaw already exempts the use of FAR for non-market housing in Urban Centre zones (WUC1–3, BUC1), effectively removing FAR as a limiting factor for density.
- However, this exemption currently applies only to zoned Urban Centre parcels, not to all OCP-designated Urban Centre lands.
- Expanding the exemption across the entire OCP-designated Urban Centres would ensure consistent implementation of the proposed as-of-right framework and eliminate the need for site-specific rezonings where proposed development complies with height and design parameters.

3.4.4. Parking Requirements

Parking is one of the largest barriers to non-market housing. Building structured parking can cost \$30,000–\$60,000 per stall, consuming valuable land and adding significant project costs that could otherwise be directed into housing.

Proposed Change:

For non-market housing projects in urban centres, staff present two options for Council's consideration:

Option 1 – Removal of Minimum Residential Parking Requirements (Staff Recommendation)

Exempt non-market housing projects from Section 4.4 – Standard Parking Spaces from the Zoning Bylaw. **Accessible, visitor, loading, and bicycle parking standards would remain.** The residential parking proposal would be determined on a case-by-case basis, informed by the anticipated need as determined by the operator, and the transportation impact assessment (if required) at the development permit or building permit stage.

Current Parking Regulation to Be Exempted for Non-Market Housing in Urban Centres:

Zoning Section	Note	Regulation
4.4	<i>SPECIFIC REQUIREMENTS FOR URBAN AND NEIGHBOURHOOD CENTRE PLAN AREA ONLY (as defined in the Official Community Plan)</i>	<i>Studio/Micro: 1.0 per dwelling unit One bedroom: 1.0 per dwelling unit Two bedrooms: 1.25 per dwelling unit Three + bedrooms: 1.5 per dwelling unit</i>

Rationale:

West Kelowna is a car-dependent community, and vehicle access remains important. In our engagement with market developers and non-profit housing providers, both groups clearly acknowledged this context and emphasized the need to provide appropriate parking for residents. This exemption does not mean non-market housing projects will provide no parking or less parking by default. Instead, it allows parking supply to be tailored to the actual needs of residents and the nature of each non-market housing project. Removing prescriptive parking minimums provides certainty for staff and applicants, avoids unnecessary variances, and ensures resources are directed into housing. Parking management will also be supported by the City's Parking Demand Study implementation plan, which includes on-street strategies to balance local needs within the urban centres.

Option 2 – Reduced Parking Requirements Based on the City's Parking Management Study

Apply reduced minimum parking requirements from the City's Parking Management Study for non-market housing projects in the Westbank and Boucherie Urban Centres.

The City of West Kelowna's 2024 Parking Management Study found that:

- Current zoning requirements (1.0–1.5 stalls per unit) are higher than actual parking demand for many urban centre housing projects.
- A phased reduction is appropriate, with long-term OCP vision rates as low as 0.5 stalls per studio unit in urban centres.
- Removing or reducing minimums should be paired with on-street parking management, active transportation, and transit improvements to avoid spillover effects.

Council could direct staff to adopt either:

- **Transitional Period Rates** (short- to medium-term approach)
- **Fully Realized OCP Vision Rates** (long-term approach consistent with full build-out of Urban Centres)

Suggested Parking Standards (Table 12 – Parking Management Study):

Unit Type	Current Requirement	Transitional Period	Fully Realized OCP Vision
Studio/Micro	1.0 per unit	0.8 per unit	0.5 per unit
1 Bedroom	1.0 per unit	0.9 per unit	0.7 per unit
2 Bedroom	1.25 per unit	1.2 per unit	1.1 per unit
3+ Bedrooms	1.5 per unit	1.3 per unit	1.2 per unit

Rationale:

- Provides a step-down from current zoning standards while maintaining some level of prescribed parking supply.
- Introduces a more cautious approach that reflects local reliance on cars, while still lowering costs and barriers for non-market housing.
- Consistent with phased implementation recommended in the Parking Management Study.

Staff Recommendation

Staff recommend Option 1 – Removing minimum residential parking requirements for non-market housing projects in the Westbank and Boucherie Urban Centres.

This option provides the greatest flexibility, predictability, and alignment with housing delivery objectives, while still ensuring resident needs are addressed through project-specific review and, where applicable, transportation impact assessments.

If Council prefers a more incremental approach, staff could be directed to implement Option 2 – Reduced Parking Requirements, with further direction on whether to apply the Transitional Period rates or the Fully Realized OCP Vision rates identified in the City's Parking Management Study.

Regardless of the option selected, successful outcomes will require the City to allocate resources toward the Parking Management Study's priority actions—including on-street parking management, transportation demand management, and active transportation improvements—to maintain long-term parking balance and accessibility in Urban Centres.

3.5 Other Development Regulations and Siting Regulations

Proposed Change:

For all other development regulations (e.g., maximum parcel coverage, building setbacks, and related siting standards), non-market housing projects will be required to follow the regulations of the applicable Urban Centre zone (WUC1–3 or BUC1), even if the property's existing base zoning is not an urban centre zone.

For example: if a site has an OCP land use designation of Westbank Urban Centre – Mixed-Use Corridor (Area A), but its base zoning is not WUC1 (Westbank Urban Centre – Mixed-Use Zone), then the non-market housing project will be subject to the WUC1 development and siting regulations. The only exceptions would be where exemptions are specifically provided through the proposed targeted zoning exemptions outlined in the preceding sections.

Rationale:

The intent of this change is to ensure that non-market housing projects are regulated consistently with the City's Urban Centre zoning framework, rather than the legacy zoning of the site. Urban Centre zones were developed to align with the OCP and the City's urban centre revitalization plans, ensuring form, scale, and siting parameters that reflect the intended urban character of these areas. This approach ensures that non-market housing developments are held to the same urban design and siting standards as other Urban Centre developments, supporting high-quality, pedestrian-friendly environments.