

HEALTHY CITY STRATEGY

Healthy Housing Strategy



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Healthy City Strategy Steering Committee

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Interior Health
Every person matters

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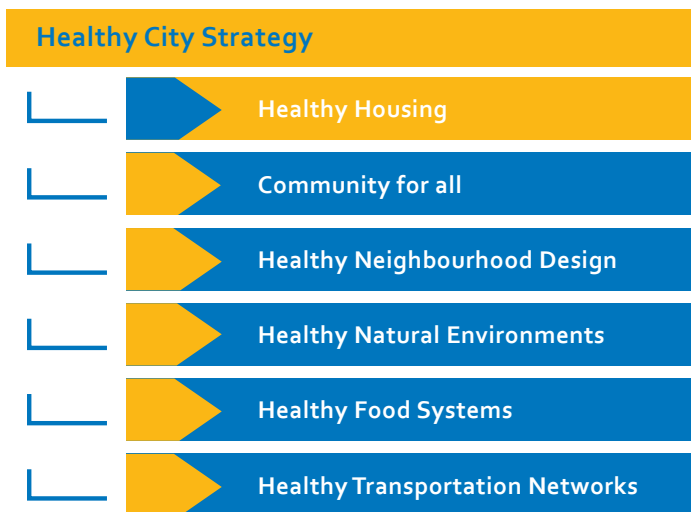
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Preface

Like many cities around the world, Kelowna is grappling with how to build a vibrant, healthy and sustainable city in the face of global and local challenges that include climate change, a growing prevalence of chronic health conditions, and an aging population. These challenges are thrusting local governments to the forefront of leadership in creative, innovative, and integrated city building.

Beginning in 2014, the City of Kelowna and the Interior Health Authority embarked on a unique partnership to develop the Healthy City Strategy (HCS). The HCS is a long-term, integrative plan that focuses on creating a healthy built environment by taking action in six vital areas:



The first theme area, *Community for All*, was completed in 2016, with the endorsement of 31 actions. The City and key stakeholders have been actively implementing the actions of this plan in 2017 and 2018. The second theme area endorsed by Council was identified as *Healthy Housing*.

These six theme areas are mutually interdependent, with each reinforcing all of the others. This is particularly true of Healthy Housing. Addressing all of the important links between health and housing will require action in many of the other theme areas.

Linking Health and Housing

On a local level, the role of a well-functioning housing system is a critical factor in creating healthy, diverse and vibrant neighborhoods. It is known that affordable housing makes a powerful, positive contribution to the economy, to a healthier community, to healthier people, and is pivotal for a sense of belonging. This translates into neighborhoods where people of a diverse spectrum of incomes live in a range of housing tenures and forms that are safe and healthy places to live. Strong and diverse communities inherently improve the quality of life for both renters and owners alike, and this in turn equates to a city's prosperity.

Additionally, when communities invest in a functioning housing system, they are also investing in health promotion, which can mean reduced health care costs. Access to safe and stable housing allows children to feel secure and be able to learn and succeed, it contributes to mental and physical health by providing security and a sense of belonging, and it promotes community cohesion when neighborhood social interactions are an important part of everyday life.

Healthy housing has four defining characteristics:

- **Affordability:** when housing costs are affordable, people have adequate financial and personal resources available to access other important determinants of health, such as early childhood education, education opportunities, safe and nutritious food, social and recreational opportunities, and medical care. While positive health outcomes are associated with affordable housing, the opposite is true for unaffordable housing, with evidence of poor physical and mental health effects.

- **Quality:** even if housing is affordable, it may not be healthy if residents are in poor quality housing. Quality housing is both adequate and suitable. 'Adequate' refers to housing that is in good physical condition and that is of an appropriate size. Typical challenges here result from indoor health and safety hazards and overcrowding. 'Suitable' refers to housing that is designed to meet the needs of occupants, particularly those with diverse abilities. Living in housing that does not allow for adequate mobility puts those residents at risk of injury or declining health.
- **Community and Location:** the location of housing and the community within which that housing is situated also have health impacts. Housing that is far removed from transit, that does not support health physical activity such as walking or cycling can have detrimental effect on health. Communities that are segregated by socio-economic status or that are deprived of access to amenities and services are also counterproductive for health. Conversely, housing that is situated in diverse, walkable neighbourhoods with strong transit connections can facilitate positive health outcomes.

Of the four links between health and housing, the Healthy Housing Strategy itself will deal primarily with Affordability and Location, with a more modest focus on *Quality* and *Community*. Other theme areas – particularly Healthy Transportation Networks, and Healthy Neighbourhood Design – will round out the City and Interior Health’s long-term efforts to create a healthy housing system.

Additionally, the City and many other community partners are engaging in major initiatives that will have an impact on health and housing, including: Journey Home Strategy, Our Kelowna as we Move: Transportation Master Plan; Our Kelowna As We Grow: Official Community Plan. Together with the Healthy City Strategy, these plans and the continued actions of many community partners will help shape a positive future for Kelowna residents.



AFFORDABILITY

- Healthy Transportation Networks
- [Healthy Housing](#)
- Healthy Neighbourhood Design
- Community for All



QUALITY

- [Healthy Housing](#)
- Community for All



LOCATION

- Healthy Transportation Networks
- [Healthy Housing](#)
- Healthy Natural Environment



COMMUNITY

- Healthy Neighbourhood Design
- [Healthy Housing](#)
- Community for All

Introduction

1.1 Healthy Housing Strategy

Kelowna residents are feeling the effects of a housing system that is not working for many, particularly for those who are most vulnerable. Singles, those on fixed-incomes, lone-parent families, and many others, are finding that affording shelter is taking up a growing share of their incomes. Meanwhile, there are seniors across the community who are grappling with social isolation as they try to remain independent in their homes. Young families are also affected, with many moving to the city's periphery for housing that meets their needs only to find themselves spending more time in their vehicles for longer commutes.

The effects of these housing issues are far-reaching and costly. For instance, high housing costs are linked to an array of negative health outcomes, and force more residents into homelessness. Looking more broadly, employers are struggling to find and to retain employees who cannot afford high housing costs. In sectors like Kelowna's burgeoning technology sector, this can be a critical limitation.¹

Complicating matters, today's housing needs will not be the same ten or twenty years from now. Household sizes will continue to decline; housing preferences will shift towards smaller, more urban housing; and inter-generational housing and sharing models will become more common. This means that new housing efforts must be flexible and responsive to changing circumstances.

Tackling Kelowna's housing challenges for the long-term will take bold action, significant resources and dedication. The underlying causes to our housing challenges are complex, and addressing them will take time, and clear, common purpose. Efforts will be needed at every level, from local government, home builders, and land developers, to senior levels of government, non-profits, the faith community, and others. The time is right for this level of collaboration, with significant recent funding announcements at the federal and provincial levels through their respective strategies.

¹ Information received through regular site visits and feedback between the business community and City officials.

Building on this momentum, the Healthy Housing Strategy (HHS) is an ambitious 5-year strategy that aims to address the community's most pressing housing issues. The vision of the HHS is as follows:

"the housing needs of all Kelowna residents are met through affordable, accessible and diverse housing options."

The HHS is not a comprehensive plan. Instead, it recognizes that the rapidly-changing housing system requires a more focused, flexible approach. The HHS takes an evidence-based approach (grounded in the work of the Housing Needs Assessment) and focuses on addressing the most vital housing issues in Kelowna. Four key directions form the framework for the strategy:

1. Promote and protect rental housing;
2. Improve housing affordability and reduce barriers for affordable housing;
3. Build the right supply; and
4. Strengthen partnerships and align investments.

Using these key directions as a framework, the HHS identifies 19 actions, primarily led by local government, with the support of a diverse range of partners. These 19 actions should be seen as part of an ever-evolving approach to housing and will be revisited on a regular basis to respond to changing needs.

These actions will not in and of themselves fix Kelowna's housing system. They are an important step forward on a much longer path towards a healthier, more resilient housing system that will benefit Kelowna residents for many years to come.

1.2 Wheelhouse


A new and innovative approach to understanding housing in our community was developed through the Housing Needs Assessment (HNA) and builds on the concepts of healthy and resilient housing. Housing categories have typically been viewed along a linear housing continuum. A linear continuum implies that the goal for all is to move along the continuum to a final destination of ownership housing.

The new Wheelhouse is circular and promotes equity and inclusion, recognizing that people may move across categories of the Wheelhouse throughout their lives and that home ownership is not the end goal for all residents. Additionally,


the Wheelhouse recognizes that our housing stock needs to reflect the diverse socioeconomic and demographic needs of Kelowna residents and should not focus exclusively on market housing. Critically, the Wheelhouse is an interdependent system in which people move among different housing forms, tenures and price points. As with any system, changes to one aspect of the system influence other parts of the system.

As a foundation for defining housing categories, the Wheelhouse is used as a key organizing element to demonstrate the diversity of housing required for a community.


EMERGENCY & TRANSITIONAL SHELTER

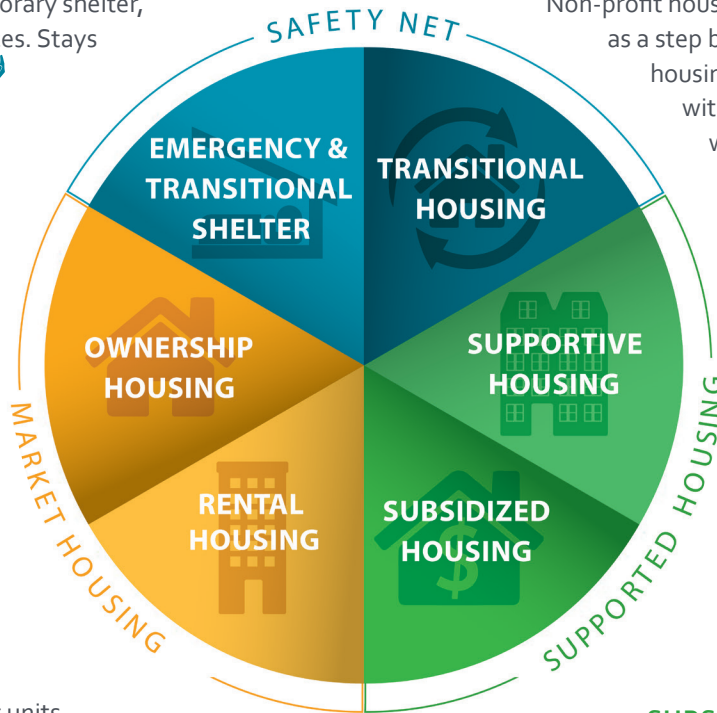
Non-profit providers offer temporary shelter, food and other supportive services. Stays are typically 60 days or less. 

TRANSITIONAL HOUSING

Non-profit housing providers offer stable housing as a step between shelters and long-term housing. Stays are typically 2-3 years, with supportive services aligned with need. 

OWNERSHIP HOUSING


Home ownership can be fee simple, strata ownership or shared equity (ie. mobile home park, cooperatives) and includes multi-unit and single detached housing. 




SUPPORTIVE HOUSING

Housing providers offer long-term housing with ongoing supports aligned with need. The level of support varies in this category from supportive (low support), to assisted living (minor support) to residential care (full support).  

RENTAL HOUSING

Primary market: 5+ purpose built units constructed for the purpose of long-term rental tenure, typically in apartments or townhomes Secondary market: private housing also contributes to the rental market and can include many forms of housing such as apartments, townhomes, secondary suites, carriage homes and single-family dwellings. 

SUBSIDIZED HOUSING

Operated by non-profit housing providers, BC Housing and cooperatives who provide supplemented rents through ongoing government subsidies for low income households. 

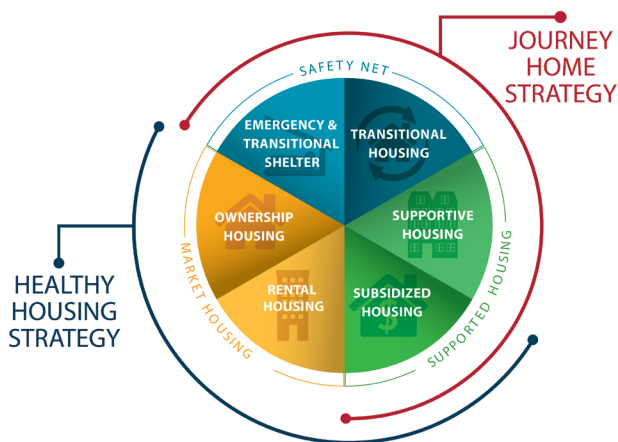
 = supportive services  = financial support

1.3 Healthy Housing and Journey Home

The Healthy Housing Strategy is being built in collaboration with the Journey Home Strategy to address Council's top priorities of *homelessness* and *housing diversity*.

Housing in our community is a complex, interconnected system in which changes in one segment impact the others in the Wheelhouse. To ensure that the diverse needs of Kelowna's residents are met, each segment of the Wheelhouse must be addressed collectively.

The Healthy Housing Strategy focusses on policy, regulatory and partnership opportunities within the Supported and Market Housing categories of the Wheelhouse. The Journey Home Strategy focusses on developing a systems planning approach to address homelessness through the coordination and delivery of housing services and programs, within the Safety Net and the Supported Housing categories of the Wheelhouse.



By design, there are numerous action items that intersect in both strategies. These include policy and zoning updates required to promote building the right supply, financial tools and partnership opportunities to increase the amount of rental housing, and advocacy and leadership steps to ensure alignment between senior and local government actions.

Both strategies will guide work and investments decisions and will be required to shift the needle significantly on housing and homelessness. The two strategies are mutually reinforcing and are being aligned, both through their development and implementation. Appendix A provides details of how the two Strategies align through the key directions (Healthy Housing Strategy) and the foundational concepts and strategic pillars (Journey Home).

1.4 Summary of Housing Needs Assessment (HNA)

A Housing Needs Assessment (HNA) was completed in 2017 in order to examine the state of Kelowna's housing system today and to identify short-term and long-term housing needs. The HNA also provided direction for how the City and various community stakeholders could contribute progressive actions to address important gaps in the housing system.

Using detailed data analysis, the HNA provided a picture of a housing system in Kelowna that was looking increasingly bleak for many citizens. Five key gaps were identified from the work of the HNA:

- 1. Bottleneck in the Wheelhouse.** Trends in market rental and ownership housing market are putting pressure on the long-term supportive and subsidized rental housing areas of the Wheelhouse. Demand for rental units is driving prices up, making rental units increasingly out of reach for low to moderate income and income-supported residents. Individuals accessing the Safety Net and Short-term Supportive Housing areas of the Wheelhouse are increasingly stuck and unable to move into long-term secure housing.
- 2. Need for greater housing diversity.** In Kelowna, 62 per cent of ownership housing is single detached housing. As the affordability of single detached homes grows farther out of reach for many residents, it is important to increase the diversity of housing forms available to include the "missing middle" housing types. Encouraging a variety of unit sizes will ensure that suitable housing is available for all ages, abilities and household types.
- 3. Limited supply and high demand for purpose-built rentals.** Supply is limited, vacancy rates are extraordinarily low at 0.2%, and market prices are high. Additionally, for over 30 years there has been very little senior government support for these areas of the Wheelhouse, contributing to a lack of supply of purpose-built rentals. As home ownership is pushed out of reach for many citizens, secure rentals will play an increasingly important role in the system.
- 4. Security of tenure & short-term rentals.** The trend towards secondary rental units in private houses is significant as there are approximately 10,000 secondary units to date. The secondary rental market is much less secure, as units are more easily transferred to the short-term rental market or taken out of the rental pool altogether.

5. **The cost of housing is increasing and income isn't keeping pace.** In rental and ownership categories, many Kelowna residents are spending over 30% of their annual income on housing costs. These housing costs cannot be understood in isolation. They must be looked at alongside other related costs including transportation and energy costs, so that we can see where there may be key linkages that offer opportunities for positive action.

1.5 Defining affordability

Housing is considered to be affordable if shelter costs account for less than 30 per cent of before-tax household income. This common approach to defining housing affordability determines the number or proportion of households which spend 30 per cent or more of their income on shelter, including rent or mortgage payments, utilities, fees, and taxes². It is important to note that there are other indirect costs relating to housing, including transportation, which affect housing affordability, however are not included in the affordability calculation.

In Kelowna, 28 per cent of households, spend greater than 30 per cent of their household income on housing costs. This number has increased substantially from just 11 per cent in 1991.

There is a disparity between “unaffordable” housing between owners and renters. A total of 6,900 owner households, or 19 per cent, spend greater than 30 per cent on housing costs while 8,000 tenant households, or 47 per cent, spend greater than 30 per cent on housing costs³. This discrepancy between the ownership market and the rental market is likely the result of the higher share of lower-income households in the rental market. These households are more vulnerable to the recent increases in average rental prices occurring due to low vacancy rates.

Deep Dive – The True Cost of Suburban Sprawl

Houses in the suburbs have been portrayed as being more affordable than infill housing due to the lower land costs outside of the urban core. However, looking at the life-cycle costs of housing tells a different story. Sprawling low-density housing into the suburbs has many hidden costs that are often excluded from analyses⁴.

New suburbs cost local governments more than denser urban developments located more centrally. There are many diverse costs of sprawl; some are counted and some are hidden. Costs include creating and maintaining roads, sewers, water, community centres, and libraries, and providing fire protection, policing, and school busing. Governments and taxpayers absorb many of the costs of development directly and with future infrastructure maintenance and replacement costs⁵. Estimates are that low-density sprawl development costs two to three times as much as compact, urban development over the long-term⁶.

Urban sprawl forces residents to become car dependent as these areas lack sufficient population density to support effective transit service and the geography is often a barrier to walking or cycling. Car dependent residents drive further and more often. As transportation is the second largest household expense, this can also significantly increase resident's household expenses in the areas built outside of the urban core⁷.

2 For clarification purposes, shelter costs do not include transportation related costs.

3 Statistics Canada, 2016 Census Community Profile – Kelowna, CSD.

4 True Affordability, Victoria Transport Policy <http://www.vtppi.org/ihasc.pdf>

5 Suburban Sprawl, Exposing Hidden Costs, Identifying Innovations, Sustainable Prosperity, 2013

6 City of Kelowna, Community Lifecycle Infrastructure Costing Tool analysis.

7 Facts in Focus, Transportation, City of Kelowna, 2018

Planning Process

The Healthy Housing Strategy used numerous inputs to ensure the development of an effective plan including:

- Best practices;
- Building on current policies, programs and services;
- Council priorities;
- Health-related research;
- Local knowledge;
- Partnerships; and
- Public engagement;

Major Milestones

Below is an outline of the major milestones for the development of the Healthy Housing Strategy:



2.1 Engagement

Housing is a complex issue that requires consultation with staff, stakeholders and the public. The Healthy Housing Strategy process offered a variety of engagement opportunities throughout the project. Appendix B outlines the diversity of industry stakeholders involved in the development of the Healthy Housing Strategy and Appendix C summarizes the public engagement. The feedback was used in conjunction with best practices and technical expertise to inform and shape to Healthy Housing Strategy actions.

Committees

Throughout the project, both the City and Interior Health had staff technical teams that were assembled to provide various technical and front-line expertise and experience.

The City also assembled a Healthy Housing Stakeholder Advisory Committee who provided guidance throughout the Healthy Housing project. The committee included representation from the following organizations:

- BC Housing
- Canadian Home Builder's Association
- Interior Health
- School District #23
- Seniors Outreach Services Society
- Society of Hope
- United Way
- Urban Development Institute, and
- Urban Matters
- UBC

Public Engagement – Phase 1

The first phase of public engagement occurred from November 2017 to January 2018 with stakeholders and the public.

On December 6, 2017, Policy and Planning staff hosted a Healthy Housing Stakeholder Workshop with a wide range of organizations that were involved in or impacted by housing in Kelowna. Over 30 organizations including, but not limited to, senior government, non-profits, developers, and community organizations attended. The workshop focused on several topics including innovative forms and tenure, missing middle housing forms, housing partnerships, affordable units in new development and universal and accessible design.

Additionally, residents were invited to share their thoughts regarding housing in Kelowna from November 20, 2017 to January 15, 2018 through an online survey at getinvolved.kelowna.ca. This survey provided insight into respondent attitudes regarding current and future housing in Kelowna. A total of 1,563 respondents completed the survey; the highest ratio of respondents being single-family home owners. A few highlights of the survey response include:

- The highest ranked value and priority was affordability for the Healthy Housing Strategy, with stability and accessibility for all ages and abilities ranking close behind;
- Residents agreed that diverse housing forms and tenure should be considered to further improve Kelowna's state of housing; and
- Majority of respondents agreed that developers and government both play a role in providing affordable housing units to residents.

The above feedback was used to develop draft actions for the Healthy Housing Strategy.

Public Engagement – Phase 2

The second phase of engagement occurred in May 2018. The objective of this phase was to share the draft actions for the Healthy Housing Strategy with stakeholders and the public. This phase of engagement included a Stakeholder Workshop, Public Open House and an online survey.

On May 8, 2018 a Healthy Housing Stakeholder Workshop occurred with 22 organizations in attendance. The key highlights from this workshop include the following:

- Stakeholders appreciated that the City has taken the initiative to lead the development of a Healthy Housing Strategy and to bring key stakeholders together to tackle Kelowna's housing challenges;
- Many stakeholders felt that numerous actions would lead us to a successful housing strategy including, but not limited to, the following: actions that protect rental, land acquisition, alignment between land use, housing and transportation, rental incentives and innovative forms and tenure.
- Through this engagement process, numerous stakeholders also showed an interest in supporting the implementation of one or more of the 19 actions. The stakeholders that have shown interest include the following: Canadian Homebuilders Association, Canadian Mental Health Association, FortisBC, Habitat for Humanity, Highstreet Ventures, Honomobo, Interior Health, Kelowna Intentional Communities, KNEW Realty, Little House Contracting, Mamas for Mamas, Okanagan College, Pathways Abilities Society, People In Motion, Seniors Outreach Society, Society of Hope, United Way, UBC and Urban Development Institute.

On May 9, 2018 staff hosted a Public Open House on the Healthy Housing Strategy. Approximately 20 people attended the Open House. From May 4 to May 14, 2018, residents were invited to share their feedback on the draft actions through an online survey at getinvolved.kelowna.ca. Feedback from the Open House and the online survey was incorporated into the Engagement Summary, as shown in Appendix C.



Healthy Housing

Key Directions and Recommended Actions

Four key directions have emerged as priorities through the development of the Healthy Housing Strategy and the associated engagement process:

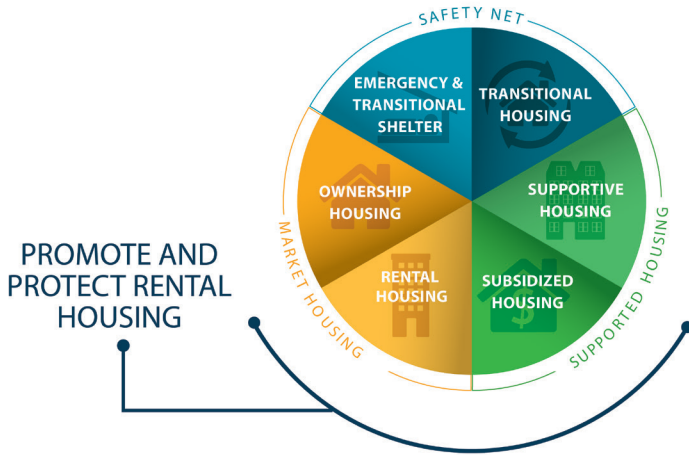
1. Promote and protect rental housing;
2. Improve housing affordability and reduce barriers for affordable housing;
3. Build the right supply; and
4. Strengthen partnerships and align investments.

Using the key directions as the framework, this strategy has identified a total of 19 actions across a broad spectrum of municipal responsibilities. Each action is assigned to one primary key direction, even though it may support multiple key directions to a lesser extent. The actions themselves range from adjustments to existing regulations or policy all the way to major new initiatives that will require bold leadership and commitment to change. It will take several years for the full effects of many of the actions to be felt. Nonetheless, each action builds on the momentum of previous ones, multiplying their individual benefits.



Key Directions and Recommended Actions

3.1 PROMOTE AND PROTECT RENTAL HOUSING



Rental housing plays a vital role in Kelowna’s housing system. For many residents, it is their long-term housing solution. For others, it is a stepping stone toward home ownership. Students rely almost exclusively on rental housing. As the ownership market becomes more difficult to enter, the rental market is expected to grow in importance. Without enough supply, growing demand can result in increased competition for rental units, driving prices up and pushing out those least able to afford the increases. This is what Kelowna has seen in recent years.

Between 2011 and 2016, 73 per cent of new households in Kelowna were renter households. This compares to 32 per cent in the previous five years⁸. This robust demand for rental is clear, with very low vacancy rates across the rental market and prices on the rise in both the rental and ownership markets⁹.

An ongoing strong demand for rental housing is predicted. Approximately 550 units of new rental housing across both primary and secondary markets are projected to be needed annually to meet the needs of new growth. Some of this is on the way, with an estimated 1,600 rental apartments under construction across the Central Okanagan¹⁰ and continued investment in secondary suites and carriage homes.

The Rental Market

Traditionally, the rental market is divided into two general categories: the primary rental market and the secondary rental market. The primary rental market is mostly composed of dedicated, long-term rental apartments. For this reason, they provide the greatest stability for renters and their families.

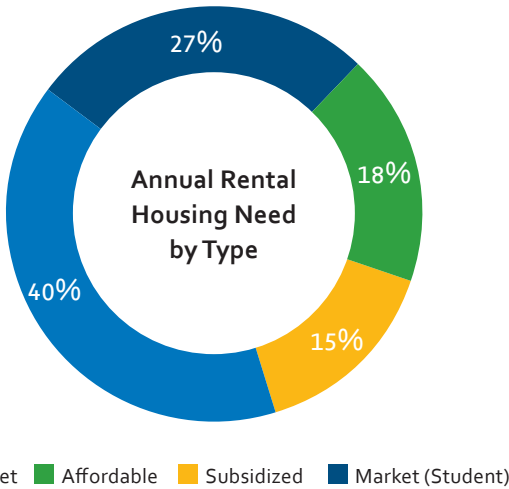
The secondary rental market is made up of individually held units that are rented out, such as secondary suites, carriage homes, and rented homes. These units are an important part of the rental market, but offer less long-term stability for tenants. Rented homes are often sold when the real estate market is active, and secondary suites may fluctuate in and out of the rental pool, depending on the priorities of the owners.

In Kelowna, the primary rental market is approximately 30 per cent of the entire rental market, with the remaining 70 per cent in the secondary rental market. In recent years, the secondary rental market has witnessed rapid growth, where the primary rental market has seen little investment. Over the past 2 years, however, the trend appears to be shifting, with major new investments in rental housing coming forward.

⁸ Statistics Canada, Kelowna (CSD) Community Profiles, 2006-2016.

⁹ CMHC fall 2017 Rental Market Survey – Kelowna.

Key Directions and Recommended Actions



Even with the new injection of rental stock, there is expected to remain a deficit of about 500-1,000 units left over from years of under-investment in Kelowna. This undersupply impacts the vulnerable in our community the most, with an estimated deficit of 500-600 units¹¹ for those residents who are transitionally homeless, as identified through the Journey Home Strategy.

Traditionally, the most affordable rental stock is the stock that exists today. The theory here is that new stock, subject to new construction and land prices, will be more expensive to rent than older, existing stock. Protecting this stock from redevelopment becomes even more important if we are going to ensure that adequate rental housing is available at a wide range of price points.

While construction in the primary rental market has, until recently, been lagging, rental market pressure has found some relief in the secondary rental market, primarily through secondary suites and carriage homes. Activity in this market is much more difficult to track reliably, as units come on and off the market depending on the circumstances of the landowners. This characteristic also makes these units vulnerable to use as Short-Term Rentals (STR).

According to recent data, Kelowna hosts approximately 1,100-1,200 units that are used as short-term rentals¹². The majority of these are operating illegally¹³ and may be encouraging speculative investment in the housing market, driving up prices and reducing affordability. Cities across the world are grappling with how best to approach dealing with these units and Kelowna is no different¹⁴.

The recommendations in this section range from actions to protect existing rental stock to actions to encourage new rental stock to be built.



¹⁰ CMHC fall 2017 Rental Market Survey – Kelowna.

¹¹ The Journey Home Strategy identified 1,500-1,700 transitionally homeless individuals in Kelowna which would equate to approximately 500-600 units required to meet their housing need.

¹² Host-compliance has provided data from online tracking of STR in Kelowna, dated November, 2017.

¹³ Records of short-term rentals show widespread uptake across the city, despite the fact that the large majority of residential zones do not permit short-term rentals today.

¹⁴ Recent changes to the Residential Tenancy Act regarding fixed-term tenancies and geographic-based rent increases may have significant repercussions. The changes aim to improve legal protection for tenants who are facing affordability and stability issues in the rental housing market. While well-intended, these changes may reduce the likelihood that landlords in the secondary rental market (suites, carriage homes, etc...) will choose to rent their units in the long-term. This may drive greater demand into the primary rental market (rental apartments), and more landlords may choose to list their units for Short-Term Rentals. A rental housing task force has been established that will be delivering a full report in the Fall of 2018.

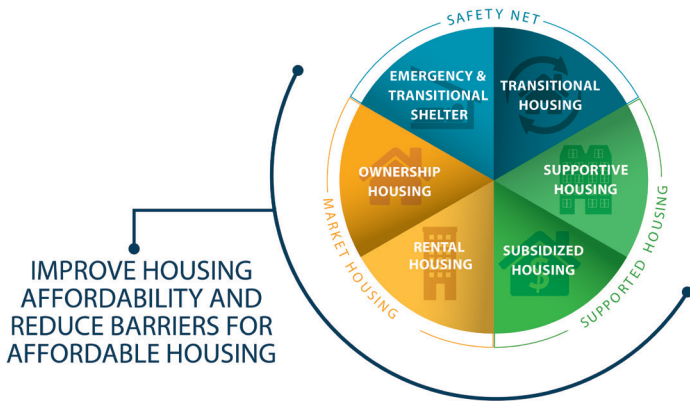
Key Directions and Recommended Actions

Below are the actions relating to promoting and protecting rental housing. For further details, please refer to Appendix D.

ACTION	DETAILS	LEVEL OF IMPACT
Align land investments with community housing objectives	<p>a) Create policies for City dispositions:</p> <ul style="list-style-type: none"> Align City's housing and density objectives with dispositions; and Maintain housing on long-term land acquisitions until re-development occurs. <p>b) Consider including principles within the Interior Health Land Management Framework that acknowledge the role of housing on health. This could include leasing of Interior Health owned residential properties until future development occurs.</p>	Moderate
Research and inventory existing purpose-built rental housing	Research and inventory the existing purpose-built rental buildings (including age, condition and opportunities), align with National and Provincial funding opportunities and investigate protection measures.	Low
Update regulations to protect the rental stock from the impacts of short-term rentals	Develop policy and regulations regarding short-term rentals in Kelowna to address the impacts to the rental market.	Moderate
Reduce the cost of developing affordable, purpose-built rental housing	<p>Increase the annual grant program to offset Development Cost Charges for non-market, purpose-built affordable rental housing.</p> <p>Combined with land for affordable housing, these two incentives will substantially increase the City's ability to create partnerships that deliver affordable housing in Kelowna.</p>	High
Revise tax incentives for purpose-built rental housing	<p>Revise the current tax incentive program by removing the 3 per cent limit, allowing purpose-built rental housing projects to apply for the tax exemption anytime.</p> <p>Revise the eligibility criteria for the tax exemption to add the following limits:</p> <ul style="list-style-type: none"> All eligible purpose-built rental housing must be located in the Urban Core Area or within the University South or Glenmore Village Centres. Eligible for-profit purpose-built rental housing must be constructed to Step 4 of the Energy Step Code. 	Moderate

Key Directions and Recommended Actions

3.2 IMPROVE HOUSING AFFORDABILITY AND REDUCE BARRIERS FOR AFFORDABLE HOUSING



Affordability has been front-and-centre throughout the development of the Healthy Housing Strategy. Without any intervention, Kelowna’s housing system is simply not delivering enough affordable housing to meet the demands of a growing city. This means that many residents are being left behind. This key direction addresses both housing affordability – actions to improve the ability of residents to afford homes, and affordable housing – homes linked to income to support residents who would otherwise struggle to afford shelter.

47 per cent of our renters and 19 per cent of owners are spending more than 30 per cent of their pre-tax income on shelter.¹⁵

Addressing affordability also demands that we look beyond just the price of units and into other key housing-related costs: transportation and energy.

Canadians pay an average of between \$8,600 (compact car) to \$13,000 (pickup truck) per year in vehicle ownership costs.¹⁶ Riding public transportation is at least 10 times less expensive.

If a home is more affordable but burdens residents with large transportation and utility bills, the objective of housing affordability is no closer to being achieved. To address housing affordability effectively, transportation and energy costs must be factored in.

Supporting the development of more affordable housing in Kelowna will require a sustained and significant effort on multiple fronts, from reducing regulatory barriers and creating incentives, to working with the development community and investing in land for the long-term.

The City of Kelowna has a long history of using a range of tools to encourage the construction of affordable housing in the community. These efforts have factored into the decisions of several non-market rental projects over the years, and have resulted in numerous successful partnerships with non-profits and other levels of government.

The recommendations in this section look to build on these successes to ensure that the City continues to improve housing affordability and to encourage the construction of more affordable housing. Actions under this key direction have the greatest potential to create meaningful change, but also require significant resources, careful planning and long-term commitment.

Parking Costs

After decades of widespread, enthusiastic adoption and implementation across North America, off-street parking requirements are now being seen in a different light. In particular, their contribution to housing affordability is more clearly understood. Off-street parking comes at a cost, both in terms of the infrastructure and the opportunity lost for other uses of the space. By setting minimum requirements, City bylaws are requiring all residents to pay for off-street parking, whether they use it or not. Doing this drives up housing costs and acts as a disincentive for sustainable modes of transportation

¹⁵ Statistics Canada, Census 2016
¹⁶ Canadian Automobile Association, 2017.

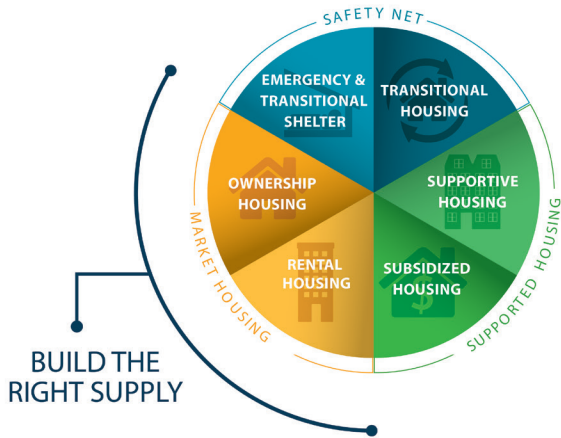
Key Directions and Recommended Actions

Below are the actions relating to improving housing affordability and reducing barriers for affordable housing. For further details, please refer to Appendix E.

ACTION	DETAILS	LEVEL OF IMPACT
Align land use, housing and transportation planning	Ensure that housing density and affordable housing is located near alternative transportation options including the Frequent Transit Network to reduce household carrying costs.	Moderate
Implement the Energy Step Code for new housing	Develop an Energy Step Code Implementation Plan to increase energy efficiency and reduce utility costs in new builds to reduce household carrying costs.	Moderate
Develop a Community Energy Retrofit Strategy	In partnership with FortisBC, develop a Community Energy Retrofit Strategy to encourage and incentivize existing buildings to become more energy efficient. This will reduce household carrying costs through a reduction in average utility bills.	Moderate
Reduce parking requirements for infill and affordable housing	As part of the comprehensive review of the Parking Section of the Zoning Bylaw, reduce or eliminate the parking requirements for infill and affordable housing forms. Investigate flexible options for parking.	Moderate
Consider the development of an Affordable Housing Land Acquisition Strategy	<p>Investigate an Affordable Housing Land Acquisition Strategy, including:</p> <ul style="list-style-type: none"> • Annual affordable housing land needs; • Estimated land costs; • Location selection criteria. <p>Investigate an Affordable Housing Funding Strategy, including:</p> <ul style="list-style-type: none"> • Recommended levels of funding from taxation and new development. 	High
Increase the supply of affordable housing through new development	Investigate options to increase the supply of affordable housing through contributions at rezoning and density bonusing.	High

Key Directions and Recommended Actions

3.3 BUILD THE RIGHT SUPPLY



Housing is a system that functions on both supply and demand. When there are major challenges to this system, interventions in both supply and demand may be needed. From a supply perspective, we have seen the total number of new units meet or exceed demand from population growth alone over the past five years; yet, our home prices have continued to increase.

Between 2011 and 2016, the city grew by 10,068 residents in 4,240 new households. In the same five-year period, occupancy permits were issued for 5,487 new housing units.

New housing production exceeded population growth by 29%.¹⁷

If enough supply is being brought on the market, the question becomes whether it is enough of the *right* supply. The right supply has multiple facets: the right type of unit, the right price, and the right location. This translates into housing forms that meet the needs of local residents and which they can afford to rent or to own. The right location refers to the importance of encouraging housing in the urban core, near employment and sustainable transportation options, to reduce household transportation costs.

¹⁷ Based on occupancy permits from January 2012 to December 2016. The net total was calculated using the occupancy permits (total 5,973) issued and the demolition permits (total 486) were subtracted.

What Residents Can Afford (ownership)
Average Kelowna Family – Maximum purchase price of \$550,000¹⁸

What New Homes Cost
Average Price of New Detached Homes – \$1,131,410¹⁹

What Homes Cost in the Resale Market
Average Single Detached – \$706,791²⁰

Looking at the information in above, there is a significant mismatch between the price of homes being delivered to the market today and the incomes of local residents. In fact, over 86 per cent of Kelowna households would not be able to afford a new detached home based on current prices²¹. The resale home market provides little relief from high home prices.

In addition, the types of homes being provided by the housing market today do not reflect the diversity of housing needs of residents. While there are many Missing Middle housing options that range between single detached homes and apartment buildings, those two forms alone continue to make up about 70 per cent of all new housing.



¹⁸ Based on Census 2016 Average total income of two-or-more-person households in 2015 (\$110,017) using the CMHC Mortgage Affordability Calculator using 10% down payment and 25-year amortization, \$200/month property taxes.

¹⁹ CMHC, Kelowna Housing Now, April 2018

²⁰ OMREB data, April, 2018

²¹ Based on the CMHC Mortgage Affordability Calculator, the monthly income to afford a home over \$1,000,000 would exceed \$15,000 (assuming a 10 per cent down payment). Using Statistics Canada household income data, only 7,430 Kelowna households have total incomes exceeding \$150,000.

Key Directions and Recommended Actions



The information above suggests that, while enough supply may make its way to the market, it may not be the *right supply* to meet the needs of local residents. In some cases, this may be the result of zoning bylaw restrictions and other regulations that have not caught up to the evolution in housing types and tenures. By working with partners to expand the available options for housing tenure and by ensuring that regulations reflect demand for a more diverse range of housing (such as small housing), new housing can more closely match the needs of residents.

Actions in this category range from changing subdivision standards to permit more infill lots to be created to expanding opportunities for innovative forms and tenure.

Zoning Bylaw

Zoning bylaws play a vital role in shaping the delivery of housing across the community. Where zoning bylaws are overly restrictive and segregate uses unnecessarily, they can act as impediments to healthy urban development. The City of Kelowna Zoning Bylaw No. 8000 is an older bylaw that was crafted during a time when housing demands were different in the community. Due to updates over time, the bylaw is reasonably flexible and relatively open; but, it has been observed that a number of changes could be made to the bylaw to make infill housing development easier.

Key Directions and Recommended Actions

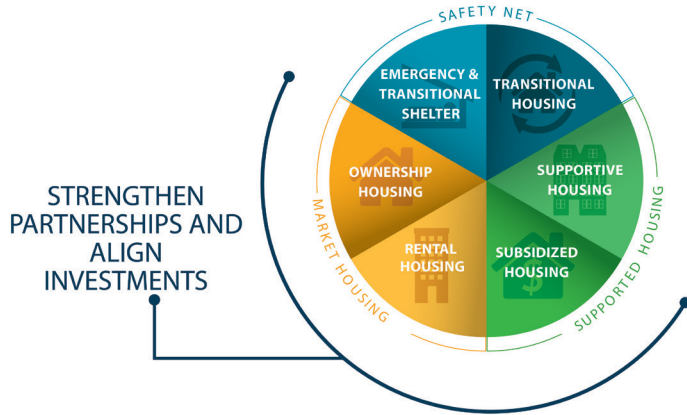
Below are the actions relating to building the right supply. For further details, please refer to Appendix F.

ACTION	DETAILS	LEVEL OF IMPACT
Encourage universal and accessible design	<p>City of Kelowna to develop policies in the OCP2040 to encourage housing units to incorporate universal and accessible design, which supports aging in place and people with diverse abilities.</p> <p>Interior Health to provide an opportunity for home health staff to share housing related needs of clients and explore opportunities to support universal and adaptable housing design.</p>	Low
Create more sensitive infill of lots in existing neighbourhoods	Complete a review of residential zones in the Zoning Bylaw to determine if regulations can be amended to encourage infill housing.	Moderate
Support a greater variety of infill housing forms	Increase permissiveness for townhouses, duplexes, carriage homes, small housing, house-plexes and tiny homes.	Moderate
Support a greater variety of housing tenures	Expand opportunities for innovative tenure including fee-simple row housing, co-housing and cooperatives.	Moderate



Key Directions and Recommended Actions

3.4 STRENGTHEN PARTNERSHIPS AND ALIGN INVESTMENTS



Housing in Kelowna is a complex system with many different influences. The City is only one of the many sectors whose actions impact the housing system. Illustrating this point, both the federal and provincial levels of government are taking major steps into addressing the housing needs of their constituents. The *National Housing Strategy* was released in 2017 and marks a significant re-investment in housing by the federal government. Similarly, the province released a new housing strategy entitled *Homes for BC: A 30-Point Action Plan for Housing Affordability in British Columbia* in 2017. Together, both strategies are an unprecedented opportunity for real change in Kelowna.

Locally, residents have been moved to action and we are witnessing a groundswell of support from all directions. New partnerships are being formed between organizations that had never worked together before. The community looks to the City to play a key role in bringing these groups together to ensure that they are maximizing opportunities and to ensure that the community's needs are being met.

There is also growing recognition that Kelowna's housing system functions within a larger, regional housing system. As the regional hub, many people who work in Kelowna live in outlying communities. To this end, housing policy changes in Kelowna will have ripple effects throughout the region.

While positive progress is being made on many housing-related fronts, there remain a number of issues that demand continued advocacy from the City to improve long-term outcomes for the community. The recommendation contained in this section recognizes the importance of ongoing engagement with the provincial and federal governments in order to ensure that cities are empowered with the tools and resources to address the significant housing needs they face.

Both locally and regionally, it is clear that the City cannot tackle housing challenges alone. From encouraging grass-roots collaboration to aligning major senior government investment, it will be by expanding existing partnerships and forming new ones that a successful housing system in Kelowna will be created. By embracing new partnerships and seeing alignment, making important progress on housing becomes a tangible possibility.

Over the next decade, the National Housing Strategy will remove 530,000 families from housing need, cut chronic homelessness by 50% and change the face of housing in Canada forever.²²

Over \$7 billion over 10 years for housing affordability.²³

²² Government of Canada. "National Housing Strategy: A Place to Call Home". <https://www.placetocallhome.ca/>.

²³ BC Housing. "BC government building 14,000 new affordable homes for renters". <https://www.bchousing.org/news?newsId=1479151291134>.

Key Directions and Recommended Actions

Below are the actions relating to strengthening partnerships and aligning investments. For further details, please refer to Appendix G

ACTION	DETAILS	LEVEL OF IMPACT
Formalize a partnership with BC Housing	The City of Kelowna has several successful partnerships with BC Housing. A formal partnership will ensure there is a consistent, ongoing and committed approach to housing in Kelowna and that aligns with Provincial funding opportunities.	Moderate
Enhance the City of Kelowna and Interior Health’s role in community collaboration and research on housing	<p>The City of Kelowna has the opportunity to act as an on-going hub for community collaborations on housing. The City of Kelowna will host an annual Housing Symposium to provide information on universal and accessible design, energy efficiency and grants and opportunities to encourage developers, builders, lenders, housing providers and social organizations to work together through housing partnerships in Kelowna.</p> <p>Interior Health will collaborate on housing in the following ways: collaborate with the City of Kelowna to improve radon awareness and mitigation in new and existing homes; collaborate with post-secondary institutions to support research related to health and housing; and increase awareness within Interior Health of the links between health and housing and build capacity to take collaborative action on housing issues in communities served by Interior Health.</p>	Moderate
Support a Regional Housing Needs Assessment	City of Kelowna and Interior Health to support the Regional District of the Central Okanagan in completing the Regional Housing Needs Assessment.	Moderate
Advocate to Senior Government for additional tools and funding	<p>Continue to advocate through Mayor and Council, and through senior staff for:</p> <ul style="list-style-type: none"> • Funding for affordable housing; • Planning tools, such as amenity contributions 	Moderate to high

Healthy Housing

Summary

The Healthy Housing Strategy has been built as a direct response to the housing challenges that Kelowna residents are facing today. This Housing Strategy starts with a general acknowledgement that municipal, provincial and federal governments are making major new investments in the housing system, with a goal of achieving access to secure and stable housing for all residents. Similarly, other key partners in the delivery housing for the Kelowna residents (including developers, non-profit organizations, cooperatives, and charitable agencies) are indicating that they are ready to take action.

This Housing Strategy is premised on a 5-year time period, but aims to be impactful for decades to come. It identifies 19 actions to be initiated within the first 3 years, as listed in the table below, founded on four key directions:

1. Promote and protect rental housing;
2. Improve housing affordability and reduce barriers for affordable housing;
3. Build the right supply; and
4. Strengthen partnerships and align investments.

YEAR	KEY DIRECTION	ACTION
2018	Rental Housing	Align land investments with community housing objectives
		Update regulations to protect the rental stock from the impacts of short-term rentals
		Revise tax incentives for purpose-built rental housing
		Reduce the cost of developing affordable, purpose-built rental housing
	Affordable Housing	Align land use, housing and transportation planning
	Partnerships	Enhance the City of Kelowna's and Interior Health's role in community collaboration and research on housing
Support a Regional Housing Needs Assessment		
2019	Rental Housing	Research and inventory existing purpose-built rental housing
	Affordable Housing	Implement the Energy Step Code for new housing
		Develop a Community Energy Retrofit Strategy
		Consider the development of an Affordable Housing Land Acquisition Strategy
		Increase the supply of affordable housing through new development
	Right Supply	Encourage universal and accessible design
		Create more sensitive infill of lots in existing neighbourhoods
		Support a greater variety of infill housing forms
		Support a greater variety of housing tenures
	Partnerships	Advocate to Senior Government for additional tools and funding
2020	Affordable Housing	Reduce parking requirements for infill and affordable housing
	Partnerships	Formalize a partnership with BC Housing

By investing in programs, policies, regulations, and partnerships, the community as a whole can create a healthy housing system – one that will benefit not just the residents of today, but future generations as well.

Through the implementation of this strategy, the City aims to be well positioned to facilitate action across the full range of recommendations. Implementation of this strategy will require resource commitments, renewal of incentives and programs, reinvestment in partnership formation, and new financial commitments from all levels of government and the development industry. This Strategy cannot be implemented by the City alone, and that it will require the full spectrum of our community to recognize their roles and to take action.

Implementation of select recommended actions set out in the Strategy will begin in 2018. Some initiatives are already underway and will need to be continued or expanded, while others will be introduced through individual implementation efforts that will require further public and stakeholder consultation, and innovative approaches that cross traditional boundaries and mandates. It will also call on our Council to be courageous and persistent to keep the vision of this strategy alive for the long-term.

The housing challenges facing Kelowna today are significant and the consequences of inaction are clear. But, the future is hopeful. The Healthy Housing Strategy sets out a bold vision and a 5-year plan that will start to move the community in the right direction. This plan requires the collective efforts of all levels of government, public and private sectors, community partners and residents to implement and embrace the 19 actions. It also requires innovation, collaboration and new approaches to housing to shift us towards a collective path where our current and future residents can access and maintain the housing they need to thrive.



Appendices

The appendices provide an opportunity to explore the Healthy Housing Strategy in greater detail than in the main body of the strategy itself. Appendix A shows the alignment between the Healthy Housing Strategy and the Journey Home Strategy. Appendix B includes the diversity of stakeholders that were involved in the development of the Healthy Housing Strategy and Appendix C provides a detailed summary of the public engagement results. Appendices D-G provide details regarding each of the actions under the four key themes of the Healthy Housing Strategy. Each of these appendices is broken into two tables. The first is entitled the **implementation table** and includes details about each proposed action, such as the department responsible and a high-level estimate of budget needs. The second table is the **action details table**, and includes more context and background around each of the proposed actions. Finally, Appendix H provides a summary of the City of Kelowna and BC Housing partnerships between 2008-2019.

Appendix A: Alignment of Healthy Housing Strategy and Journey Home Strategy

The Journey Home and Healthy Housing Strategies are closely aligned to ensure the full housing Wheelhouse is being adequately addressed. Journey Home is focused on the development of a long-term strategy to address homelessness while, the Healthy Housing Strategy is focused on ensuring a balanced housing system overall.

By design, there are numerous action items that intersect in both strategies. It is imperative to have both strategies aligned and moving forward at the same time to be able to address Kelowna's unprecedented housing challenges successfully.

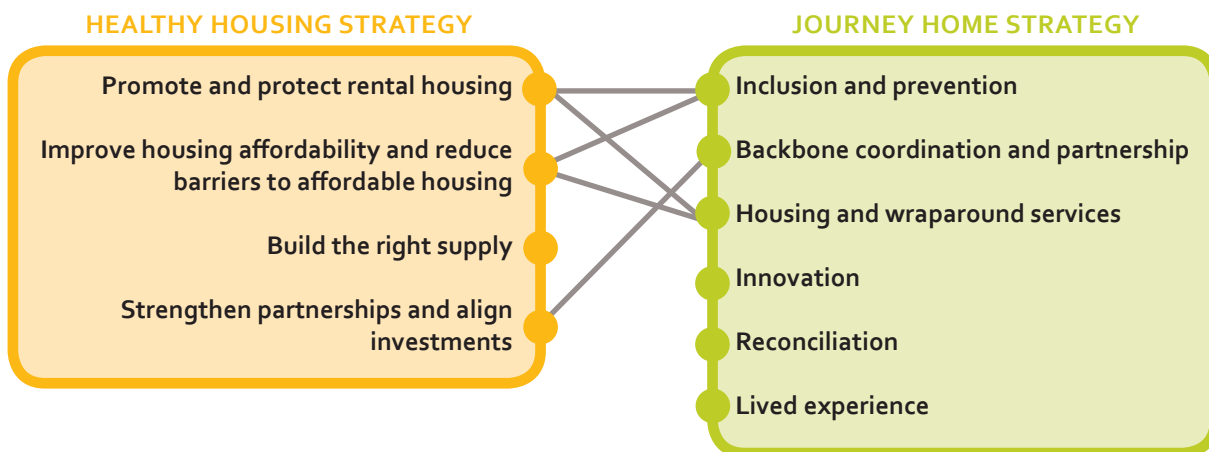
The Healthy Housing Strategy identifies four key directions while the Journey Home Strategy identifies three foundational concepts and three strategic pillars, each of which provided direction for the development of the actions within each plan. Below shows the alignment between the two strategies.

As shown below, the Healthy Housing Strategy's key directions "promote and protect rental housing" and "improve housing affordability and reduce barriers for affordable housing" align with the Journey Home Strategy's foundation pillar of "housing & wraparound supports". Promoting and protecting rental will

enhance availability of rental housing, which will help mitigate escalating rent costs for those at risk of or exiting homelessness.

Further, the Healthy Housing Strategy includes a key direction to "strengthen partnerships and align investments" and the Journey Home Strategy includes a foundational pillar for "backbone coordination and partnership". Addressing housing and homelessness in Kelowna is a complex task that includes many different influences and partnerships. The City is only one of the many partners whose actions impact the housing system. Therefore, it is critical that both the Healthy Housing and the Journey Home Strategies enhance partnerships in order to tackle the housing and homelessness challenges in Kelowna. Through these focus areas, the Strategies will work together to create a housing system that will address the housing needs of all Kelowna residents.

Both strategies include City resource requirements, including financial and staff. It is important to note that the commitment for City resources for both Strategies should be considered together to ensure that resources are being dedicated to all aspects of the Wheelhouse.



Appendix B:

Stakeholder Involvement

As housing is a complex issue that requires consultation with a large number of staff and stakeholders, engagement on the development of the Healthy Housing Strategy has occurred with several teams including:

1. *Healthy City Strategy Steering Committee* – This committee oversees the entire Healthy City Strategy and each of the theme areas and consists of senior leaders and staff from both the City and Interior Health.
2. *City and Interior Health Technical Teams* – The City of Kelowna and Interior Health have staff technical teams that are assembled with various technical and front-line skills/experience.
3. *Healthy Housing Stakeholder Advisory Committee* – This committee includes key stakeholders who has provided guidance throughout the Healthy Housing project. This committee includes representation from the following organizations:
 - BC Housing
 - Canadian Home Builder’s Association
 - Interior Health
 - School District #23
 - Seniors Outreach Services Society
 - Society of Hope
 - United Way
 - Urban Development Institute, and
 - Urban Matters
 - UBC
4. *Healthy Housing Stakeholder Workshops* – two workshops were held with a wide range of organizations that are involved in or impacted by housing in Kelowna. Over 30 organizations including, but not limited to, senior government, non-profits, developers, and community organizations attended. The organizations that attended one or both of the workshops included the following:
 - Adaptable Living
 - BC Housing
 - Canada Mortgage and Housing Corporation
 - Canadian Home Builder’s Association
 - Canadian Mental Health Association
 - Central Okanagan Early Years Partnership
 - Central Okanagan Foundation
 - Community Living BC
 - Evangel Housing Society
 - FortisBC
 - Habitat for Humanity
 - Highstreet Ventures
 - Honomobo
 - Interior Health
 - Kelowna Intentional Communities
 - KNEW Realty
 - LandlordBC
 - Little House Contracting Corporation
 - Mama’s for Mama’s
 - Okanagan Boys and Girls Club
 - Okanagan College
 - Pathways Abilities Society
 - People in Motion
 - Regional District of the Central Okanagan
 - School District #23
 - Seniors Outreach Services Society
 - Society of Hope
 - Tenant Resource and Advisory Centre
 - United Way
 - Urban Development Institute
 - Urban Matters
 - UBC
 - Vantage Living
 - Woman Homes

Healthy Housing

Appendix C: Public Engagement Details

Introduction

Kelowna, like many other cities across Canada, is facing unprecedented housing challenges including escalating housing costs, low rental vacancy and increased population growth. As part of the Healthy Housing Strategy, the City of Kelowna completed a Housing Needs Assessment (HNA) which identifies housing needs based on current and future trends and experiences from community partners and agencies.

Two phases of engagement occurred during the development of the Healthy Housing Strategy.

Respondent feedback, in addition to research and best practices helped develop the Healthy Housing Strategy to meet the housing needs of residents today and tomorrow.

Engagement Phase 1

An online survey was made available from November 20, 2017 to January 15, 2018 and was promoted through many channels, including: City of Kelowna Website, the City's Get Involved public engagement website, Facebook, Twitter and Instagram. 1,563 respondents filled out the survey with:

- 1,096 accessing the survey through Get Involved
- 362 through a Twitter link
- 67 through a Facebook link
- 38 through the City of Kelowna Website

The primary objectives of engagement phase 1 were to:

- ▶ Gather input on general attitudes towards housing in Kelowna.
- ▶ Obtain input from residents regarding what is important for the future of housing in Kelowna.

Values

Respondents were asked to rank five values from least important to most important, and an average score was determined for each value. The highest ranked value identified as a priority for the Healthy Housing Strategy in Kelowna was affordability (rent or own).

Values listed in order of preference:

- ▶ Affordability (rent or own)
- ▶ Stability of housing (i.e. long-term rental)
- ▶ Accessible housing for all ages and abilities
- ▶ Diverse housing types
- ▶ Sense of belonging (strong connections between people in our community)

A follow-up question asked respondents if there were any values missing that should be considered. The top missing value was the availability of housing in Kelowna.



Appendix C: Public Engagement Details

Top Five Themes

- ▶ Affordability
- ▶ Availability of housing
- ▶ Rental availability
- ▶ Pet-friendly rentals
- ▶ Accessibility

Survey respondents were then given an open-ended question asking: When you look 10 years or more into the future what is the most pressing issue you are concerned about regarding the housing needs for the next generation? The plurality of respondents (over 70 per cent) identified the most pressing issue regarding housing needs for the next generation will be the lack of affordable housing in Kelowna. Survey respondents are also concerned about living a comfortable lifestyle, the availability of rental units and housing as well as the ability to own a home in Kelowna.

Housing and partnerships

Respondents were given a list of actions that can be taken to create new affordable housing and asked to indicate their level of agreement with each action. The majority of survey respondents (over 82 per cent) agreed that developers have a role in providing affordable housing units to residents.

Engagement Phase 2

A survey was made available from May 4 to 14, 2018 and was promoted through many channels, including: Newspaper advertising, City of Kelowna Website, Get Involved, Facebook and Twitter. A total of 66 respondents filled out the survey with 11 respondents accessing the survey through the City's Get Involved public engagement website, 8 respondents accessed through a social media link, social media link, 18 respondents accessed through an email link sent from the Get Involved site and the remainder through the Public Open House.

The primary objectives of the engagement phase 2 were to:

- ▶ Gather input on which proposed actions will lead to a successful housing strategy.
- ▶ Obtain input from residents on why they might not support certain actions.
- ▶ Collect feedback to identify actions that may be missing from the proposed actions.

Question results

Survey respondents were asked to identify which of the 20 proposed actions they thought would lead to a successful housing strategy for Kelowna. The top five actions in their categories are as follows:

Promote and protect rental housing

- ▶ Reduce the cost of developing affordable, purpose-built rental housing
- ▶ Revise tax incentives for purpose-built rental housing

Improve housing affordability and reduce barriers for affordable housing

- ▶ Align land use, housing and transportation planning
- ▶ Increase the supply of affordable housing through new development

Build the right supply

- ▶ Support a greater variety of infill housing forms

Results from the online surveys such as this are a collection of opinions and perceptions from interested or potentially affected residents, and not a statistically significant random sample of all Kelowna residents. This report contains results from the survey, due to the opt-in and open method, results are qualitative in nature.

Appendix C: Public Engagement Details

Survey respondents were asked if there were any critical housing actions that were not listed in the proposed actions. The 30 comments were analyzed through the word cloud survey tool and the top themes were identified. The three themes are listed in order of the frequency they were mentioned.

Top Three Themes

- ▶ Need for more diverse housing
- ▶ Affordable housing options
- ▶ Developers should build new affordable housing

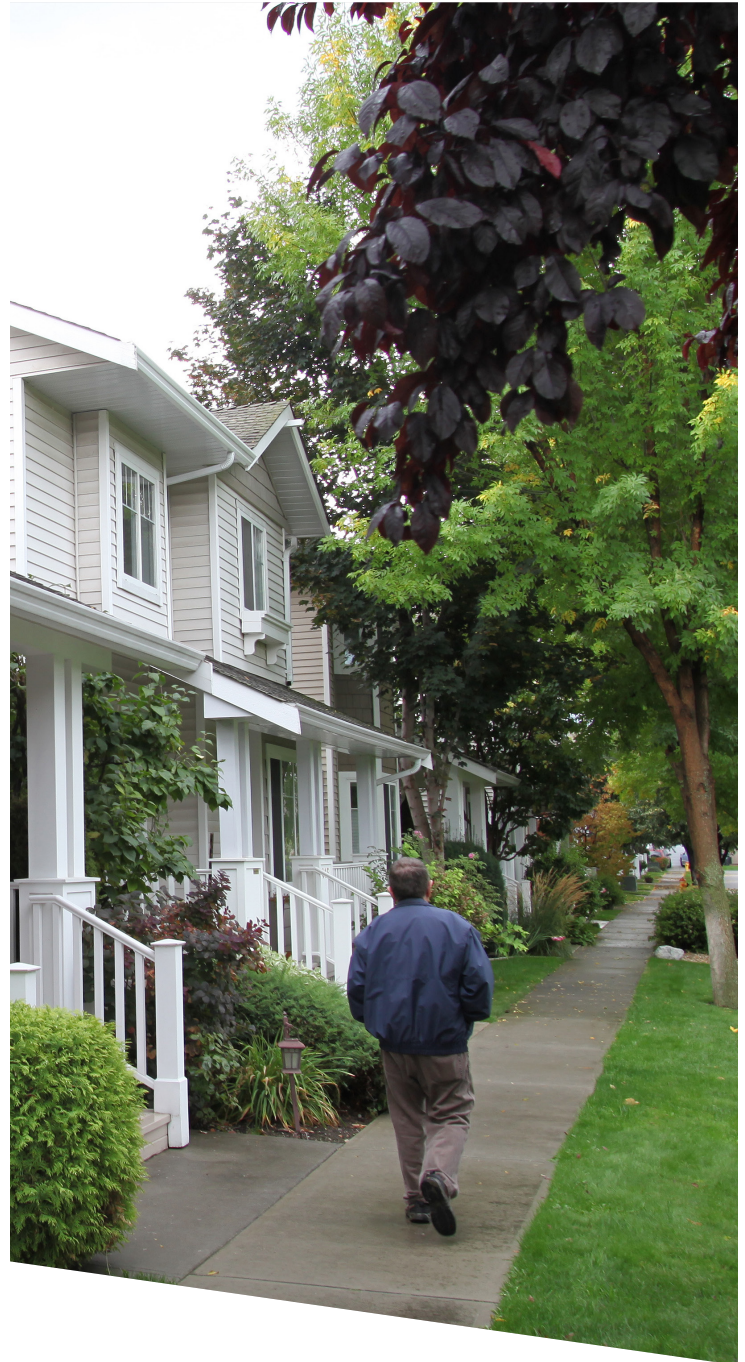
Many respondents commented on the need for more diverse housing, such as higher density housing, passive housing and multi-purpose buildings. The second theme was regarding affordable housing options for seniors and low-income families.

Survey respondents were posed the open-ended question: If you do not support one or more actions, please explain why. Common comments were determined accordingly:

Common Comments

- ▶ Ensure adequate parking
- ▶ Affordable housing options
- ▶ Zoning for short-term rentals

A majority of respondents commented on ensuring there is adequate parking for residents and making rental properties have sufficient off-street parking. The second common theme was regarding affordable housing options, and creating mixed neighbourhoods with different economic housing options. The third common theme was regarding zoning and regulations for short-term rental properties.



Appendix D: Promote and Protect Rental Housing

Implementation Table

ACTION	LEAD	PROPOSED YEAR	ESTIMATED NEW BUDGET
Align land investments with community housing objectives	City of Kelowna (Strategic Investments) and Interior Health	2018	No additional budget required
Research and inventory existing purpose-built rental housing	City of Kelowna (Policy & Planning)	2019	No additional budget required
Update regulations to protect the rental stock from the impacts of short-term rentals	City of Kelowna (Community Planning)	2018	To be determined through short-term rental project
Reduce the cost of developing affordable, purpose-built rental housing	City of Kelowna (Policy & Planning and Finance)	2018	\$180,000 ²⁴
Revise tax incentives for purpose-built rental housing	City of Kelowna (Policy & Planning)	2018	No additional budget required

²⁴ Existing annual contribution to the Rental Housing Grants program for DCC relief is \$120,000. A request for an increase of \$180,000 will be made in the 2019 budget.

Table continued ►

Appendix D: Promote and Protect Rental Housing

Actions Detail Table

RECOMMENDED ACTION DETAILS	
ALIGN LAND INVESTMENTS WITH COMMUNITY HOUSING OBJECTIVES	
CURRENT STATE	ACTION DETAILS
<p>The City regularly acquires land for multiple civic purposes. Sometimes, the land is acquired for broader strategic goals, such as spurring redevelopment in an area (e.g.: Central Green, Ella). More often, these acquisitions are to facilitate long-term parks, parking and transportation objectives, such as linear trails, road expansions and realignments.</p> <p>In many cases, these acquisitions will take many years and multiple acquisitions to complete. Currently, there is no formal policy guiding how to manage these acquisitions before they are used for their final purpose.</p> <p>In other cases, there may be land remaining after a primary purpose has been achieved. There is currently no clear policy directing staff on how to dispose of this remaining land.</p> <p>Despite a lack of clear policy on the matter, progressive actions in all these instances are taken regularly. Where possible, housing is typically maintained on lots for long-term acquisitions. And, on strategic dispositions, density objectives are often integrated.</p>	<p>a) Create a new Council Policy addressing both City land holdings and dispositions, indicating the following:</p> <ul style="list-style-type: none"> • Where housing exists on land purchased for long-term acquisitions, maintain the existing housing as rental housing for as long as practical until the land is required for its intended purpose. • Where strategic acquisitions/dispositions are made, include key housing and density objectives. <p>b) Consider including principles within the Interior Health Land Management Framework that acknowledge the role of housing on health. This could include leasing of Interior Health owned residential properties until future development occurs.</p>
RESEARCH AND INVENTORY EXISTING PURPOSE-BUILT RENTAL HOUSING	
CURRENT STATE	ACTION DETAILS
<p>Protecting our existing stock of purpose-built rental is important if rental housing is going to remain available at a variety of price points. Before clear actions can be recommended and resourced, further research needs to be conducted into this segment of the local housing system.</p> <p>Through various sources (CMHC, Statistics Canada, BC Assessment), the City is aware of the location and units of purpose-built rental housing in Kelowna. However, further details, such as building age, building condition, financial health, and rents are not known.</p>	<p>This action includes three main components:</p> <ol style="list-style-type: none"> 1. Detailed Inventory: gather a detailed inventory of the existing purpose-built rental stock including age, units by type and size, condition, financial health, rent levels, vacancy. 2. Survey: survey purpose-built rental housing providers to identify key issues, challenges and opportunities. 3. Recommendations: using the inventory and survey results, identify key recommendations to help protect the long-term viability of existing purpose-built rental housing.

Table continued ►

Appendix D: Promote and Protect Rental Housing

UPDATE REGULATIONS TO PROTECT THE RENTAL STOCK FROM THE IMPACTS OF SHORT-TERM RENTALS	
CURRENT STATE	ACTION DETAILS
<p>Across Canada and North America, many cities are struggling with the impacts of short-term rentals. These impacts range from nuisance (noise, parking, etc.) to altering neighbourhood character, driving up home prices, and removing rental stock. The benefits of short-term rentals include adding to the tourism experience, providing additional income to homeowners, and promoting student housing outside of peak summer months.</p> <p>In Kelowna, today’s regulations generally prohibit short-term rentals (less than 30-days) in residential areas. Areas where short-term rentals are allowed are predominantly located in the City Centre and other limited tourist commercial areas. Despite these limitations, recent analysis of short-term rentals available on a variety of websites indicates that there are approximately 1,100-1,200 units that are offered as short-term rental accommodation in the city. Early analysis suggests that the large majority of these units are used contrary to the City bylaws.</p> <p>In a recent survey regarding short-term rentals, residents of Kelowna expressed a variety of viewpoints on the subject, ranging from broad support to severe restrictions.</p>	<p>City staff will be bringing forward a Report to Council in 2018 outlining the recommended options to address short-term rentals in Kelowna.</p>
REDUCE THE COST OF BUILDING AFFORDABLE, PURPOSE-BUILT RENTAL HOUSING	
CURRENT STATE	ACTION DETAILS
<p>All new housing units throughout the city are required to pay Development Cost Charges (DCC). Ranging from about \$13,000-\$22,000 per unit, these costs cover the city-wide infrastructure needed to service new development. For secondary suites, Council has determined that a flat DCC rate of \$2,500 per unit (about 80% DCC subsidy) is appropriate. For affordable, purpose-built rental housing projects, however, DCC’s represent a significant cost and act as a barrier to these projects.</p> <p>According to BC Housing, it is common for local governments across BC to waive all DCC’s for affordable rental projects with BC Housing support. This has not been Kelowna’s practice. Instead, Kelowna offers a grant to offset some of the DCC costs. The annual budget allocated to offset the cost of DCC’s is \$120,000. More recently, the City has been combining funding from the Housing Opportunities Reserve Fund to bolster the DCC offset grants. Even with this strategy, these grants have covered approximately 10% of a project’s DCCs in recent years.</p> <p>Where the City is unable to provide land in a partnership, reducing DCC’s, through grants, for affordable rental housing would provide a major incentive to encourage greater investment.</p>	<p>Increase the annual grant program by \$180,000 to offset Development Cost Charges for non-market, purpose-built affordable rental housing.</p> <p>Combined with land for affordable housing, these two incentives will substantially increase the City’s ability to create partnerships that deliver affordable housing in Kelowna.</p>

Table continued ►

Appendix D: Promote and Protect Rental Housing

REVISE TAX INCENTIVES FOR PURPOSE-BUILT RENTAL HOUSING	
CURRENT STATE	ACTION DETAILS
<p>Purpose-built rental housing provides the most stable, long-term supply in the rental housing market. Where condos, secondary suites and carriage homes fluctuate in and out of the rental market, purpose-built rental provides reliable, secure rentals on an ongoing basis. For this reason, the City provides tax incentives to encourage the construction of more purpose-built rental housing, when vacancy rates are low.</p> <p>In the consultation process for this strategy, several rental housing providers expressed the importance of this tax incentive in supporting their decision to invest. More detailed financial analysis proves that the tax incentive can be an effective tool to incentivize rental housing, equivalent to a 2% change in the vacancy rate, or an \$80/month impact on rent.</p> <p>When the rental vacancy rate is below 3%, the current tax incentive structure provides the maximum incentive possible (100 per cent exemption from the municipal share of property taxes on the revitalization amount for a 10-year term) to any purpose-built rental housing project with five or more units anywhere in the city.</p> <p>There are no further requirements, such as affordable rental rates, proximity to transit, schools or other amenities, or energy efficiency.</p>	<p>Revise the current tax incentive program by removing the 3 per cent limit, allowing purpose-built rental housing projects to apply for the tax exemption anytime.</p> <p>Revise the eligibility criteria for the tax exemption to add the following limits:</p> <ul style="list-style-type: none"> • All eligible purpose-built rental housing must be located in the Urban Core Area or within the University South or Glenmore Village Centres. • Eligible market rental housing must be constructed to Step 4 of the Energy Step Code.

Appendix E: Improve Housing Affordability and Reduce Barriers for Affordable Housing

Implementation Table

ACTION	LEAD	PROPOSED YEAR	ESTIMATED NEW BUDGET
Align land use, housing and transportation planning	City of Kelowna (Policy & Planning and Integrated Transportation)	2018	No additional budget required
Implement the Energy Step Code for new housing	City of Kelowna (Policy & Planning)	2019	No additional budget required
Develop a Community Energy Retrofit Strategy	City of Kelowna (Policy & Planning)	2019	No additional budget required
Consider the development of an Affordable Housing Land Acquisition Strategy	City of Kelowna (Policy & Planning)	2019	\$20,000
Increase the supply of affordable housing through new development	City of Kelowna (Policy & Planning)	2019	\$40,000
Reduce parking requirements for infill and affordable housing	City of Kelowna (Community Planning)	2020	\$20,000

Appendix E: Improve Housing Affordability and Reduce Barriers for Affordable Housing

Actions Detail Table

RECOMMENDED ACTION DETAILS	
ALIGN LAND USE, HOUSING AND TRANSPORTATION PLANNING	
CURRENT STATE	ACTION DETAILS
<p>Transportation, land use, and housing are intrinsically linked. Where any element proceeds without the others, they are unlikely to be successful. When these activities are properly aligned, housing opportunities are plentiful near amenities, services and transportation options.</p> <p>The City’s Transportation Master Plan is far out of date, having been in place since 1995. Its corresponding road standards, while having been updated modestly, are also outdated. Similarly, the City’s Zoning Bylaw, which regulates land uses, was introduced in 2000. The City’s primary land use policy document – the Official Community Plan – was adopted in 2011, along with its servicing plan. These key planning and implementation documents are not in lock-step.</p> <p>The City has recently begun the process of renewing its Transportation Master Plan and its Official Community Plan. For the first time, both processes are being undertaken jointly.</p>	<p>Conduct the 2040 Official Community Plan update and the Transportation Master Plan update in tandem.</p> <p>Ensure that supporting implementation bylaws for each plan are updated, including but not limited to the Subdivision, Development and Servicing Bylaw and the Zoning Bylaw.</p>
IMPLEMENT THE ENERGY STEP CODE FOR NEW HOUSING	
CURRENT STATE	ACTION DETAILS
<p>The Energy Step Code is currently a voluntary compliance path within the BC Building Code that establishes a series of measurable, performance-based energy-efficiency targets (or steps) that supports market transformation from the current prescriptive energy-efficiency requirements to net-zero energy ready buildings by 2032.</p> <p>A transition period (2017-2020) allows local governments to apply the Energy Step Code to its bylaws, policies, and programs, thus helping to enable the local market to mature and to spur increased industry capacity for services and products that support higher performing buildings.</p> <p>The City of Kelowna hired a Community Energy Specialist in 2018 to develop an Energy Step Code implementation strategy for Part 9 residential buildings, including incentives, education, and regulations. The City is also working with neighbouring municipalities throughout the Okanagan to develop a regional approach to implementation.</p>	<p>Through a partnership with FortisBC, implement the Energy Step Code for new Part 9 housing. The implementation is proposed to begin in April 2019 with Step 1 and moving to Step 3 by spring 2020.</p> <p>Constructing homes with more energy efficiency in mind will reduce household carrying costs through a reduction in utility bills.</p>

Table continued ►

Appendix E: Improve Housing Affordability and Reduce Barriers for Affordable Housing

DEVELOP A COMMUNITY ENERGY RETROFIT STRATEGY	
CURRENT STATE	ACTION DETAILS
<p>The majority of Kelowna residents live, work, and go to school in buildings built before the BC Building Code required adequate insulation levels or began to address air tightness in their construction. These buildings use significantly more energy than those built to today’s standards.</p> <p>Retrofitting existing buildings has many benefits. Occupants stand to benefit from increased comfort, healthier indoor air quality, increased building durability, and lower energy bills, while the wider community benefits from lower emissions.</p> <p>This work will include investigating regulatory and incentive options to encourage the existing building stock to become more energy efficient, as well as leveraging municipal touch points to provide information and increase awareness of FortisBC conservation and energy management programs to both residential and commercial customers.</p>	<p>In partnership with FortisBC, develop a Community Energy Retrofit Strategy to encourage and incentivize existing buildings to become more energy efficient. This will reduce household carrying costs through a reduction in average utility bills.</p>

Table continued ►

Appendix E: Improve Housing Affordability and Reduce Barriers for Affordable Housing

CONSIDER THE DEVELOPMENT OF AN AFFORDABLE HOUSING LAND ACQUISITION STRATEGY	
CURRENT STATE	ACTION DETAILS
<p>Land for affordable housing is in short supply in Kelowna. This land is a vital catalyst for investments in the community by other levels of government. The lack of land has already meant that the community has lost out on potential affordable housing units that could otherwise have contributed to addressing the housing need here.</p> <p>The City regularly acquires land for parks, transportation and other strategic investments, each of which is supported by a strategic plan and funding mechanisms. Land acquisition for affordable housing, however, has been sparse and opportunistic, with no strategic plan or effective funding source.</p> <p>A fund was previously created to support strategic housing-related investments, land among them. The Housing Opportunities Reserve Fund (HORF) is funded through taxation at \$200,000 annually. This amount has not increased since the fund was created. Today, it would take approximately a decade to purchase a single parcel to contribute to an affordable housing partnership. At this level of funding, the City will not be able to be an effective partner for upcoming provincial and federal investments in housing. Given land price increases, a significant increase to the HORF will be required to sustainably fund ongoing land acquisition for affordable housing partnerships.</p> <p>High level analysis reveals that an annual budget of approximately \$5.6M is needed (based on today's values), in order to meet the housing needs of the city's most highly vulnerable – those below the poverty line spending more than 50% of their household income on shelter²⁵.</p> <p>This annual budget only accounts for growth, and does not address the existing deficit of affordable housing for those in extreme core housing need. Addressing this deficit would require an estimated investment of \$35M in land alone.</p> <p>Importantly, contributing towards this land need is not the City's role alone and local taxation is not the only source that can contribute to the reserve fund. Cash-in-lieu payments from new development can also be directed here, as per the action "increase the supply of affordable housing through new development"²⁶</p> <p>These three sources – City funding, contributions from new development, and senior government funding – are estimated to be able to meet this land requirement for affordable housing.</p>	<p>Investigate an Affordable Housing Land Acquisition Strategy, including:</p> <ul style="list-style-type: none"> • Annual affordable housing land needs; • Estimated land costs; • Location selection criteria. <p>Investigate an Affordable Housing Funding Strategy, including:</p> <ul style="list-style-type: none"> • Recommended levels of funding from taxation and new development.

²⁵ Based on current land values for land zoned RM3 and RM5 to accommodate an estimated 80 units per year. 80 units per year represents the anticipated need for subsidized housing annually.

²⁶ It is estimated that these cash-in-lieu payments could contribute up to \$1-2M annually.

Table continued ►

Appendix E: Improve Housing Affordability and Reduce Barriers for Affordable Housing

INCREASE THE SUPPLY OF AFFORDABLE HOUSING THROUGH NEW DEVELOPMENT	
CURRENT STATE	ACTION DETAILS
<p>Presently in Kelowna, new development is not required to contribute in any way to the development of affordable housing. Some incentives are offered to encourage the creation of new purpose-built rental housing, but no affordability targets are attached to those incentives.</p> <p>This was not always the case. As a result of previous housing work in the early 2000's (Affordable Housing Task Force), two methods were recommended to encourage new development to include affordable housing. Both were forms of density bonusing. Of these, only one was implemented that offered the opportunity to rezone to a higher density zone in exchange for provision of some affordable housing units. While this program was modestly successful, it resulted in the creation of small numbers of dispersed units across new developments, making the ongoing administration of these units untenable. After the economic downturn of 2008/9, the restrictions on these units were largely lifted.</p> <p>In the meantime, the price of housing has continued to escalate and the need for all parties to contribute towards effective solutions has only become greater. In a recent survey, residents of Kelowna clearly feel that affordable housing is the responsibility of both private and public sectors.</p> <p>Two primary mechanisms are used in British Columbia:</p> <ol style="list-style-type: none"> 1. Contributions to Affordable Housing Through Rezoning: projects seeking rezoning that meet certain criteria are required by Council Policy to include a share of units as affordable housing or to make a cash-in-lieu payment. 2. Density Bonusing: projects can choose to take advantage of extra development density in exchange for providing affordable housing units or a cash-in-lieu payment. <p>There are many examples across the province of local governments establishing successful programs to encourage and require contributions from the development community. These programs are founded on equity, transparency and fairness.</p>	<p>Implement a combination of contributions through rezoning and density bonusing to provide meaningful support to affordable housing from the development community.</p> <p>Establish a cash-in-lieu policy that encourages projects to contribute to an Affordable Housing Land Acquisition Fund in place of developing a small number of affordable units in their projects.</p> <p>Hire a land economist and work with relevant stakeholders (UDI, CHBA, etc.) to determine the correct requirements and incentives.</p>

Table continued ►

Appendix E: Improve Housing Affordability and Reduce Barriers for Affordable Housing

REDUCE PARKING REQUIREMENTS FOR INFILL AND AFFORDABLE HOUSING	
CURRENT STATE	ACTION DETAILS
<p>The Zoning Bylaw current regulates both the number of off-street parking stalls required for each unit of housing and the standards to which each parking stall must be designed. The number of stalls required varies by the size of unit on a spectrum, where bachelor units require fewer stalls than 3 or more bedroom units.</p> <p>Flexibility to the design standards for parking stalls has been added over the years, allowing for a greater variety of parking stall sizes. Nonetheless, parking standards are not related to proximity to sustainable modes of transportation or proximity to employment centres or amenities. Instead, they are applied evenly across the city. For this reason, Council is regularly asked to entertain parking reductions for new developments.</p> <p>While our parking standards and requirements have been slow to evolve, more and more progressive local governments across North America have moved to reduce or to eliminate their minimum parking standards. These changes have been in response to greater recognition of the many unanticipated negative effects of off-street parking requirements.</p> <p>The negative effects of off-street parking requirements, and particularly ones that are high, include:</p> <ul style="list-style-type: none"> • Affordability: constructing parking, whether in a structure or in the open, costs money. The costs of these are passed on to the end user – whether they need it or not – and can represent a significant cost. Structured parking can cost up to \$70,000 per stall. • Land use: the ultimate goal of effective land use planning is to achieve highest and best use. Off-street parking regulations have generated the need for each project to dedicate valuable land to parking vehicles. On aggregate, these requirements have created cities where large amounts of land are reserved entirely for vehicle parking. Estimates for most urban areas are that approximately 30% of land is for vehicle parking. In an era when land is at a premium and housing affordability is in crisis, giving such prominence to off-street vehicle parking is more commonly being seen as counterproductive. • Transportation choice: By forcing generous off-street parking requirements, cities are continuing to build in further incentives to drive single-occupant vehicles. Parking restrictions have been shown to be the greatest driver of transportation mode changes and creating cities where driving and parking are easy is only going to create greater demand for driving and parking, which is in direct conflict with sustainable transportation objectives. 	<p>Conduct a full review of the parking standards in the Zoning Bylaw to identify opportunities for off-street parking reductions and / or parking elimination.</p> <p>Align changes with planning for on-street parking enforcement.</p>

Appendix F: Build the Right Supply

Implementation Table

ACTION	LEAD	PROPOSED YEAR	ESTIMATED NEW BUDGET
Encourage universal and accessible design	City of Kelowna (Policy & Planning) and Interior Health	2019	No additional budget required
Create more sensitive infill of lots in existing neighbourhoods	City of Kelowna (Community Planning)	2019	No additional budget required
Support a greater variety of infill housing forms	City of Kelowna (Community Planning)	2019	No additional budget required
Support a greater variety of housing tenures	City of Kelowna (Community Planning)	2019	No additional budget required

Appendix F: Build the Right Supply

Actions Detail Table

RECOMMENDED ACTION DETAILS	
ENCOURAGE UNIVERSAL AND ACCESSIBLE DESIGN	
CURRENT STATE	ACTION DETAILS
<p>As of 2016, one in five Kelowna residents is over the age of 65. By 2040, the number will have increased to one in four. And within the senior demographic, 40% will be over the age of 80. These demographic changes will necessitate changes to housing design as residents may encounter mobility challenges.</p> <p>In 2016, the City completed the Community for All Action Plan that lays out a long-term strategy to create a city that is healthy, safe, active and inclusive for seniors, children and those with diverse abilities. Building a variety of unit sizes and ensuring housing is available for all ages and abilities is critical to ensure there is appropriate housing for all of our residents.</p> <p>New housing development, however, is responding to this future demographic shift slowly. Recent updates to the BC Building Code have forced some progress, but even simple, inexpensive design features to promote accessibility are rare in new construction. By incorporating universal and accessible design at the time of construction allows residents to easily and cost-effectively adapt the home without requiring significant renovations.</p> <p>Municipalities have limited tools to require new standards. The greatest uptake will be when the development and new home building communities see the benefits of incorporating universal accessible design features into their projects.</p>	<p>Develop policy direction for the Official Community Plan (OCP) to encourage new construction to incorporate universal accessible design features.</p> <p>Work with partner organizations to educate the new home building/development community about the benefits of universal accessible design.</p> <p>Interior Health to provide an opportunity for home health staff to share housing related needs of clients and explore opportunities to support universal and adaptable housing design.</p>
CREATE MORE SENSITIVE INFILL OF LOTS IN EXISTING NEIGHBOURHOODS	
CURRENT STATE	ACTION DETAILS
<p>Very few new lots are created annually within Kelowna’s existing neighbourhoods. In most cases, existing zoning restrictions do not permit further parcelization. In areas such as the Lower Mission, where lots created originally were large due to a lack of sanitary service, some lots are able to subdivide by going through the rezoning process. In most instances, this rezoning process simply reduces minimum lot width regulations by 20%. For the benefit of creating a single lot, the rezoning process is risky, time-consuming and cumbersome.</p>	<p>Reduce lot depth in existing single family residential zoned areas.</p> <p>Combine RU1 – Large Lot Housing and RU2 – Medium Lot Housing zones in urban areas.</p>

Table continued ►

Appendix F: Build the Right Supply

SUPPORT A GREATER VARIETY OF INFILL HOUSING FORMS	
CURRENT STATE	ACTION DETAILS
<p>Kelowna has a long history of progressive housing policy. Secondary suites were first introduced purposefully in the mid 1990's and carriage houses were added in the early 2000's. Today, both forms of housing are commonplace. Though more limited in scale, duplexes were also added as permitted in some parts of the city.</p> <p>In 2017, the City implemented the results of its Infill Challenge program and rezoned over 800 properties to a new, flexible infill housing zone that allows up to four dwellings on a lot in the central part of the city.</p> <p>Still, demands continue to push the boundaries further by permitting tiny homes, small housing and by expanding the permissiveness of existing infill housing forms.</p>	<p>Develop an infill program for townhouses.</p> <p>Reduce the minimum lot area for 'two-dwelling housing' in the RU6 – Two Dwelling Housing zone.</p> <p>Allow carriage houses as a permitted use in the RU1 – Large Lot Housing and RU2 – Medium Lot Housing zones.</p> <p>Update the RU4 – Low Density Cluster Housing and RM1 – Four Dwelling Housing zones to create greater cluster housing and small housing opportunities.</p>
SUPPORT A GREATER VARIETY OF HOUSING TENURES	
CURRENT STATE	ACTION DETAILS
<p>While our housing needs have evolved and will continue to evolve in response to demographic shifts, changing preferences, and home price growth, the forms of tenure that are offered largely have not changed.</p> <p>Housing tenure – the financial arrangements under which residents are able to occupy housing – are typically found in two forms: rental and ownership. Globally and nationally, however, this picture has grown more complex. Movements such as advocating for greater use of co-housing, housing cooperatives and rent-to-own have all gained prominence. These other forms of tenure and living provide a variety of advantages, from equity building, improved affordability, and to building greater community. Yet, Kelowna has very few, if any, of these forms of tenure to point to.</p>	<p>Expand ability to do fee simple subdivision of multi-unit residential development.</p> <p>Encourage and support initiatives for co-housing, rent-to-own housing and housing co-ops.</p>

Appendix G: Strengthen Partnerships and Align Investments

Implementation Table

ACTION	LEAD	PROPOSED YEAR	ESTIMATED NEW BUDGET
Formalize a partnership with BC Housing	City of Kelowna (Policy & Planning)	2020	No additional budget required
Enhance the City of Kelowna and Interior Health's role in community collaboration and research on housing	City of Kelowna (Policy & Planning and Active Living & Culture) and Interior Health	2018	\$5,000
Support a Regional Housing Needs Assessment	City of Kelowna (Policy & Planning) and Interior Health	2018	No additional budget required
Advocate to Senior Government for additional tools and funding	City of Kelowna (Policy & Planning)	2019	No additional budget required

Appendix G: Strengthen Partnerships and Align Investments

Actions Detail Table

RECOMMENDED ACTION DETAILS	
FORMALIZE A PARTNERSHIP WITH BC HOUSING	
CURRENT STATE	ACTION DETAILS
<p>To date, the City has been working with BC Housing to create over 300 units of housing units spread across 6 supportive and/or affordable housing projects around the City (2008-2016). Two additional projects are in-stream which will add close to another 100 units of housing by 2020. Through this partnership, the City has committed 5.3 acres of land to help meet the acute need for housing in Kelowna.</p> <p>Clearly, the partnership between the City and BC Housing has been and continues to be fruitful. Where possible, the City has provided the land needed to develop these projects, while BC Housing has provided the capital needed for construction and has worked with non-profit housing providers for operations. For additional details of the projects between the City and BC Housing, please refer to Appendix H.</p> <p>The BC government recently released its Homes for BC action plan, along with \$7 billion dollars in funding, aimed at delivering 114,000 units of affordable housing across the province.</p> <p>Combined with major new investments from the federal government, the opportunity to deliver a large number of new affordable housing units in Kelowna is very real. Doing so, however, will require an effective, efficient partnership with BC Housing. To date, the partnership has not been formal and neither party has clarified roles, resources and responsibilities.</p>	<p>Establish a Memorandum of Understanding (MOU) with BC Housing laying out roles and responsibilities in delivering new affordable housing units in Kelowna. The MOU should identify the City’s role in providing land and reducing development costs, while reinforcing the role of BC Housing as working with non-profits to fund and deliver the units.</p>

Table continued ►

Appendix G: Strengthen Partnerships and Align Investments

ENHANCE THE CITY OF KELOWNA AND INTERIOR HEALTH'S ROLE IN COMMUNITY COLLABORATION AND RESEARCH ON HOUSING	
CURRENT STATE	ACTION DETAILS
<p>One of the key principles of a healthy and resilient housing system is coordination. Presently, Kelowna does not have a central group that invites all parties involved in housing to collaborate and coordinate. Parties with the ability and desire to fund affordable housing may not be aware of other parties with land. The lack of this role in Kelowna became clear through stakeholder engagement for this strategy.</p> <p>Surrounding communities, including Vernon and Kamloops, have established groups that connect housing stakeholders with each other and that provide opportunities for education and networking.</p> <p>BC Housing has also created the HousingHub, with the express goal of increasing the supply of affordable housing for middle-income earners by working with a variety of interested parties.</p>	<p>The City of Kelowna has the opportunity to act as an on-going hub for community collaborations on housing. The City of Kelowna will host an annual Housing Symposium to provide information on universal and accessible design, energy efficiency and grants and opportunities to encourage developers, builders, lenders, housing providers and social organizations to work together through housing partnerships in Kelowna.</p> <p>Additionally, it is important to align with the other City and Provincial Strategies including the Journey Home Strategy, BC Poverty Reduction Strategy and Regional Poverty Reduction Strategy to ensure that all aspects of the Wheelhouse are captured.</p> <p>Interior Health will increase their role in housing through the following: collaborate with the City of Kelowna to improve radon awareness and mitigation in new and existing homes; collaborate with post-secondary institutions to support research related to health and housing; and increase awareness within Interior Health of the links between health and housing and build capacity to take collaborative action on housing issues in communities served by Interior Health.</p>

Table continued ►

Appendix G: Strengthen Partnerships and Align Investments

SUPPORT A REGIONAL HOUSING NEEDS ASSESSMENT	
CURRENT STATE	ACTION DETAILS
<p>As the Central Okanagan grows and matures, the boundaries between communities begin to blur and the imperative of thinking regionally increases. Many residents today view the Central Okanagan (and further afield) as one area in which they live and work. Within this regional context, Kelowna is the primary urban hub, with 80 per cent of all jobs and 65 per cent of all residents. The housing decisions that are made in Kelowna are likely to have ripple effects that will be felt in surrounding communities and vice versa.</p> <p>Despite this level of interaction, housing and development planning is principally done by each municipality, with limited involvement from neighbouring communities.</p> <p>The City of Kelowna completed a Housing Needs Assessment as background to this strategy, but there remains a lack of understanding of how our regional housing system functions, including its strengths and weaknesses. A Regional Housing Needs Assessment will provide a vital foundation for a more collaborative approach to addressing the interconnected housing needs of the communities within the Central Okanagan.</p>	<p>City of Kelowna and Interior Health to support the Regional District of the Central Okanagan in completing the Regional Housing Needs Assessment.</p>
ADVOCATE TO SENIOR GOVERNMENT FOR ADDITIONAL TOOLS AND FUNDING RESOURCES	
CURRENT STATE	ACTION DETAILS
<p>The next several years will provide a rare opportunity to make major progress on Kelowna’s housing challenges, with the arrival of the National Housing Strategy and equivalent action taken at the provincial level. In addition, new planning tools (such as rental only zoning) are being introduced through legislation, and a Poverty Reduction Strategy is underway at the provincial level. It will be vital for Kelowna to advocate for its needs at every opportunity while all of these new initiatives are rolled out.</p> <p>Mayor and Council as well as senior City staff meet on a regular basis with their political and staff counterparts in the provincial government to ensure that the City’s needs are understood.</p> <p>In addition, formal advocacy on behalf of local governments takes place first through the Southern Interior Local Government Association (SILGA), flowing through to the Union of British Columbia Municipalities (UBCM).</p>	<p>Continue to advocate through Mayor and Council, and through senior staff for:</p> <ul style="list-style-type: none"> • Funding for affordable housing; • Planning tools, such as amenity contributions.

Appendix H: Summary of BC Housing & City of Kelowna Partnerships (2008-2019)

A summary of City of Kelowna initiatives and partnerships to meet the growing housing needs of our community over the last 8 years is provided below. All of the initiatives outlined below included BC Housing as a key partner to facilitate development, with a third-party partner (as indicated in the table) to provide on-going operational expertise and support.

YEAR	PARTNER	ADDRESS	UNITS	HOUSING TYPE	LAND AREA (ACRES)
2008	John Howard Society	1436 St Paul St.	30	Supportive	0.307
2010	Canadian Mental Health Association	330 Boyce Cr.	40	Supportive	0.489
2011	New Opportunities for Women	2970 Tutt St.	30	Affordable	0.516
2012	John Howard Society	189 Rutland Rd. N.	49	Supportive	0.443
2015	National Society of Hope	678 Richter St.	70	Affordable	1.389
2016	Ki-Low-Na Friendship Society	1745 Chapman Pl.	86	Affordable	0.7
2018	National Society of Hope	165 Celano Crt.	21	Affordable	1.085
2019	Pathways Abilities Society	555 Fuller Ave.	68	Affordable	0.368
Total			394		5.297

Healthy Housing

Appendix H: Summary of BC Housing & City of Kelowna Partnerships (2008-2019)

The City's commitments to date total 5.3 acres of land which will have helped generated close to 400 housing units. The City of Kelowna and BC Housing recognize the acute need for a diversity of housing that is currently facing our community, and is working together with a variety of third party service providers to meet those needs in a timely, efficient, and need-appropriate manner as possible. A brief summary of the above mentioned projects is included below:

Pathways Abilities Society – 555 Fuller Court (2019)

Partners: BC Housing & Pathways Abilities Society
City's Role: To Provide land under a long-term lease (60 years) for the development of an affordable rental housing facility in the Downtown Urban Centre. Construction is expected to begin in early 2019, subject to development approvals, and the project includes total of 68 units at below market rents.



National Society of Hope – 165 Celano Court (2018)

Partners: BC Housing & The National Society of Hope
City's Role: Provided land under a long-term lease (60 years) for the development of an affordable rental housing facility across from Dr. Knox Middle School. Construction is scheduled to start in 2018 and the project will target families and provides a total of 21 units with 16 - 3 bedroom townhomes at below market rents.



Ki-low-na Friendship Society (2016)²⁹

Partners: BC Housing & the Ki-Low-Na Friendship Society
City's Role: Technical support and provided land under a long-term lease (60 years) for the development of an affordable rental housing facility on the Central Green site near downtown Kelowna.



²⁹ Information available online at: <http://www.kfs.bc.ca/programs-services-2/central-green-housing/>

Healthy Housing

Appendix H: Summary of BC Housing & City of Kelowna Partnerships (2008-2019)

Pleasantvale Housing Society (2015)³⁰

Partners: BC Housing & The National Society of Hope

City's Role: Supported the project through the entire process and is committed to purchasing the last outstanding property to facilitate Phase II of the project. The project is recently completed and provides 50 affordable units for independent seniors and 20 affordable units for families.



New Gate Apartments (2012)³¹

Partners: BC Housing & John Howard Society

City's Role: Provided political and staff support, technical resources and land under a long-term lease (60 years) for the development of 49 self-contained studio units of low income supportive housing for adult men and women (19+) who are at risk of homelessness and require some support to maintain their housing.



Now Canada (2011)³²

Partners: BC Housing & New Opportunities for Women (NOW) Canada

City's Role: Provided political support, technical resources and land under a long-term lease (60 years) for the development 60 units of affordable independent living for women, with and without children, who have a proven financial need.



³⁰ Information available online at: http://www.societyofhope.org/housing-info/seniors-housing/item/pleasantvale-apartments?category_id=2

³¹ Project information available online at: <http://jhscso.bc.ca/housing/new-gate-apartments/>

³² Information available online at: <http://www.nowcanada.ca/housing/>

Healthy Housing

Appendix H: Summary of BC Housing & City of Kelowna Partnerships (2008-2019)

Willowbridge Transitional Housing (2010)³³

Partners: BC Housing & Canadian Mental Health Association

City's Role: Provided staff support, technical resources and land under a long-term lease (60 years) for the development transitional housing for individuals who are homeless or at-risk of homelessness.



Cardington Apartments (2008)³⁴

Partners: BC Housing & John Howard Society

City's Role: Provided political and staff support, technical resources and land under a long-term lease (60 years) for the development of 30 self-contained bachelor units of low income supportive housing for adult men and women (19+) who are at risk of homelessness and working towards managing mental health and substance misuse issues.



³³ Information available online at: <http://cmhkelowna.com/>

³⁴ Project information available online at: <http://jhscso.bc.ca/housing/cardington-apartments/>

