

Report to Council



Date: December 10, 2018
File: 1200-31
To: City Manager
From: Policy & Planning Department
Subject: 2040 OCP Preferred Growth Scenario and Phase 3 Activities
Report Prepared by: Robert Miles, OCP Project Planner

Recommendation:

THAT Council receives, for information, the report from the Policy & Planning Department dated December 10, 2018, with respect to the activities undertaken as part of Phase 3 of the Official Community Plan Update;

AND THAT Council endorses the preferred growth scenario, as outlined in the report from the Policy & Planning Department dated December 10, 2018, to develop a draft 2040 Official Community Plan.

Purpose:

For Council to endorse the preferred growth scenario for use in the continued development of the Official Community Plan, Transportation Master Plan and the 20 Year Servicing Plan, as well as to provide Council with information regarding work to be undertaken in Phase 3 of the 2040 Official Community Plan Update process.

Background:

The 2040 Official Community Plan (OCP) Update is establishing a policy framework to put us on a path to build a great city. Through the extensive feedback received through the *Imagine Kelowna* process, a forward-thinking vision emerged from the community about what the future of Kelowna is envisioned to be. This OCP update, in conjunction with the Transportation Master Plan (TMP), aims to put that vision into motion by providing a clear path forward for how the city will grow and develop to 2040.

As part of the detailed policy work and refinement of the Future Land Use plan for the OCP update, a high-level growth scenario is one of the first critical steps to establishing the policy direction to move forward.

The endorsement of a growth scenario represents a major milestone in not only setting the course of the next phase of the 2040 OCP, but also in laying the groundwork to achieve the *Imagine Kelowna* vision. The growth scenario outlined in this report represents a shift toward a new approach to growth in our community that is not only ambitious and visionary, it is achievable. It is an approach that focuses the majority of future growth in the Urban Centres and the Urban Core, setting the foundation for improvements to transit service, promoting greater housing variety, and allowing the City to refocus its infrastructure investments to serve residents in a more cost-effective manner.

The growth scenario will also guide the development of the TMP and the 20 Year Servicing Plan by acting as the foundation for initial modelling and projecting for those initiatives.

The Preferred Growth Scenario

Growth is beneficial to our City, but it must be accommodated responsibly and with strategic planning in order to ensure population growth enhances the community's quality of life for the long-term. A growing city inherently has challenges – from infrastructure improvements of roads and utilities, to demands on public parks and recreational facilities, to conflicts with the natural environment and preservation of agricultural land. Once schools, libraries, infrastructure projects, parks and cultural amenities are built, they need to be maintained and upgraded, posing challenges for future budgets. Importantly, the elements of housing location and housing form can influence City services where improved economies of scale can be achieved for services such as transit, infrastructure improvements, and recreational facilities. With this in mind, endorsement of the preferred growth scenario is a major decision for Council, and the choices that are made as part of the 2040 OCP Update process will be felt both in the short term, but also decades from now.

In June 2018, the City launched the *Pick Your Path to 2040* public engagement process to get the public's feedback on four possible growth scenarios with the goal of facilitating meaningful discussions with Kelowna residents and seeing which scenario best reflected how they wanted the city to grow in the future. Growth Scenario 3, representing a progressive shift towards focusing growth in the Urban Core while limiting growth in suburban areas, was the most popular choice amongst participants, with 41.2% support.

At its meeting on July 30, 2018, Council directed staff to undertake the development of a preferred growth scenario with key characteristics of Growth Scenario 3, but with refinements based on the technical analysis undertaken, additional feedback received during the *Pick Your Path* process and a more detailed review of identified growth areas. Following Council's direction at its August 13, 2018 meeting, where staff provided an update on this process, the growth scenario was further refined. This more refined preferred growth scenario was presented to Council at its meeting on September 17, 2018.

The preferred growth scenario strikes a balance to ensure it will deliver on the *Imagine Kelowna* vision, engagement outcomes and OCP key deliverables, while also honouring adopted Area Structure Plans (ASPs) that have corresponding Future Land Use designations, as well as the analysis of the Housing Demand Forecast (see Figure 1).

Figure 1: Finding a Balance for the Preferred Growth Scenario



The key housing, transportation and infrastructure related characteristics of the preferred growth scenario are summarized below in Figure 2. The distribution of future residential development across the city can be found in Attachment 1.

Figure 2: Preferred Growth Scenario Characteristics

Housing Split	Overall Housing Composition in 2040: 50% multi-unit / 50% single-two unit <i>(New growth: 75% multi-unit / 25% single-two unit)</i>
Housing Distribution	67% in Urban Core, 33% in Suburban Areas
Dominant housing forms (new growth)	Missing middle, apartments
Transportation impacts	More transit and active transportation opportunities in the Urban Core, particularly in the Urban Centres.
Infrastructure impacts	Infrastructure investments concentrated in the Urban Core

These characteristics align the preferred growth scenario firmly between Growth Scenarios 2 and 3 while still aiming to implement the Imagine Kelowna vision. As illustrated in Figures 3 and 4 below, the preferred growth scenario would blend Growth Scenario 3 with some aspects of Growth Scenario 2, in particular, the estimated split between single-two unit and multi-unit housing as well as the distribution of future housing between the Urban Core and the Suburban areas.

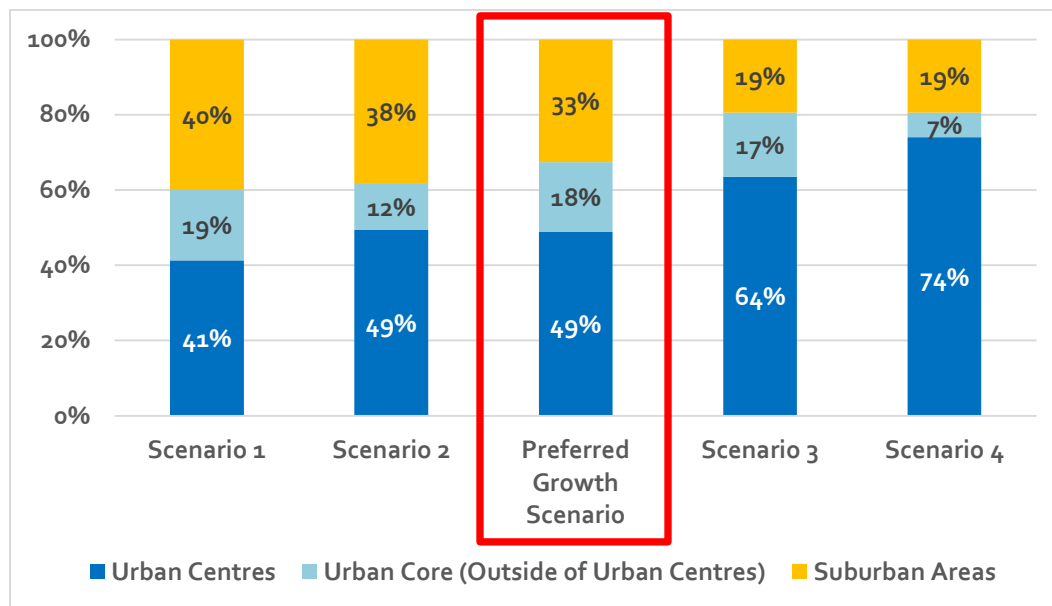
In light of receiving Council’s direction and honouring existing future land use designations, the preferred growth scenario strikes a balance with the following attributes:

- It honours Area Structure Plans (ASPs) and established Future Land Use designations previously approved by Council in suburban neighborhoods by maintaining their status. Growth Scenario 3 would have required a re-designation of select suburban parcels to signal no future development potential;
- No new areas for suburban development are identified (beyond those lands already designated for future development as mentioned above), with the expressed goal to limit sprawl and focus development in the Urban Core to achieve more complete communities and maximize return on infrastructure investment;
- It provides a housing split estimate (75% multi-unit and 25% single and two unit) that is closer to the Housing Demand Forecast (67% multi-unit and 33% single and two unit¹).

Figure 3: Preferred Growth Scenario in Relation to Four Growth Scenarios Used in Pick Your Path

	Growth Scenario 1	Growth Scenario 2	Preferred Growth Scenario	Growth Scenario 3	Growth Scenario 4
New Housing Units (to 2040)	60% Multi-Unit 40% Single/Two Unit	70% Multi-Unit 30% Single/Two Unit	75% Multi-Unit 25% Single/Two Unit	80% Multi-Unit 20% Single/Two Unit	90% Multi-Unit 10% Single/Two Unit
Total Housing Split (as of 2040)	45% Multi-Unit 55% Single/Two Unit	49% Multi-Unit 51% Single/Two Unit	50% Multi-Unit 50% Single/Two Unit	52% Multi-Unit 48% Single/Two Unit	55% Multi-Unit 45% Single/Two Unit

Figure 4: Distribution of New Residential Growth



The preferred growth scenario continues to focus most of the proposed future development into the Urban Core, which includes Kelowna’s Urban Centres: City Centre, South Pandosy, Capri-Landmark, Midtown and Rutland (see Attachment 1). The five Urban Centres alone would absorb approximately

¹ Growth Scenario 3 identified a housing split of 80% multi-unit and 20% single and unit.

14,500 units, or 49% of the anticipated residential growth, with 5,300 units, or 18% of growth, anticipated in the remainder of the Urban Core. As such, it will allow for more opportunities to shift transportation mode-share towards transit, cycling and walking.

Focusing most of the future residential growth into Kelowna's Urban Core is a critical objective to achieve the desired outcomes of the 2040 OCP Update. It makes the provision of public transit more economically feasible, and keeping homes near jobs, employment and key amenities makes walking and cycling much easier for residents. Additionally, it allows for a more financially sustainable approach to infrastructure management. By promoting missing middle housing in the core, current and future residents will have more choice in the types of housing they live in, helping to deliver on a broader diversity of housing forms and tenures and to address affordability challenges.

Given the historic growth pattern that has been dominated by single/two unit development, it is important to note this land inventory projected out to 2040. Based on the estimated 75% multi-unit/25% single-two unit split that characterizes the preferred growth scenario, approximately 7,000 single detached units will be required between now and 2040 to meet projected demand. Based on a review of available residential land inventory, it is estimated that there is capacity for approximately 7,500 single/two unit units in the city (excluding the Thomson Flats lands which are undergoing an ASP review process). In short, the preferred growth scenario provides sufficient land to accommodate the projected single/two unit development out to 2040.

Of note, the Thomson Flats ASP process was initiated on March 4, 2014 and is currently underway. While not included in the preferred growth scenario, it is expected that the ASP process would continue. At the conclusion of the ASP process, Council will have an opportunity to consider endorsement, at which point the OCP would be amended to reflect it. Should this endorsement take place during the OCP update process, the draft OCP would be revised to reflect the Future Land Use designations and policies outlined in the ASP, as required.

Phase 3: Plan Development

Phase 3 of the OCP Update focuses on the development of a draft Official Community Plan for Council's consideration. This includes the creation of a new Future Land Use Plan with corresponding policies that will focus on key themes that were reinforced throughout the *Pick Your Path* engagement stage:

- Emphasize convenient walking, cycling and transit access for mobility;
- Promote a diversity of housing types for all ages and life stages;
- Deliver strategic infrastructure investments to maximize return on investment for infrastructure and ongoing maintenance costs;
- Preserve and protect our natural environment and agricultural areas;
- Integrate the theme of 'resiliency' to ensure our community can adapt and respond to uncertain future conditions.

Ideas Generator Engagement

As part of Phase 3 consultation, the City launched the "Ideas Generator" on September 25, 2018 where residents and developers could provide proposals through an online submission for changes to the Future Land Use Designation of specific properties they own for consideration. This approach allowed property owners to signal their intentions early on the land use planning process, with the goal to avoid future OCP amendment applications following the adoption of the new OCP. As a benefit, it also

allowed staff to assess the submissions to find alignment with the Preferred Growth Scenario, assisting with the land use designation process.

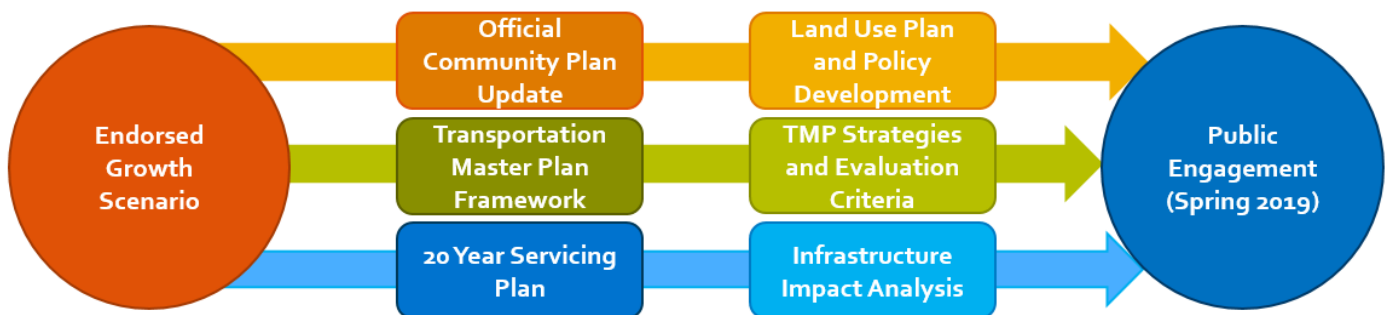
The Ideas Generator was advertised through a media release, through the Kelowna Daily Courier and via social media. It was also covered as a news story in the Capital News, Castanet, Kelowna Now and via radio.

In total, 51 submissions were made. Staff are currently evaluating these submissions based on their consistency with the Growth Scenario as part of the ongoing development of the draft Future Land Use Plan. Properties that were outside of the Permanent Growth Boundary (PGB), and/or properties located in the Agricultural Land Reserve (ALR) or designated Resource Protection were not considered as part of this process.

Coordination with Other Growth Master Plans

As Phase 3 of the OCP Update process continues, coordination with the TMP and the 20 Year Servicing Plan will be paramount to ensure that the three plans are aligned and that the costs and impacts of decisions are considered holistically. An endorsed growth scenario will allow for each of these projects to continue to move forward. The coordination of the development of three major documents; the OCP, the TMP and the 20 Year Servicing Plan, represent the first major shift in the way that the City plans its future. By developing these documents concurrently, the City can ensure that this new, bold vision for the community is realistic, affordable and achievable.

Figure 6: Coordination of Activities Between OCP Update, TMP and 20 Year Servicing Plan: Fall 2018 - Spring 2019



Of interest, Phase 1 of the Transportation Master Plan (TMP), which focused on development the vision and goals for the plan, is now complete. Staff have been working on activities for Phase 2 of the TMP, which focused on modelling of transportation impacts of corresponding land use decisions. This phase will be concluded following Council's endorsement of the preferred growth scenario. Phase 3 of the TMP includes an assessment of existing and future transportation system conditions (based on the Council endorsed growth scenario) as well as the identification and evaluation of potential transportation strategies (that include projects, programs, and policies) that will help to achieve the TMP vision and goals. Public and stakeholder engagement opportunities will be incorporated throughout Phase 3 of the TMP.

With an endorsed growth scenario, the infrastructure impact analysis for the 20 Year Servicing Plan will take place, providing an assessment of the anticipated impacts of growth as it relates to the city's infrastructure needs. The 20 Year Servicing Plan update will serve as the roadmap for long-term

planning and funding strategies for future infrastructure investments. The strategies and capital needs are affected by past investments (made by the City, other public entities, and the private sector meeting City requirements), planned projects in the 10 Year Capital Plan and other major City policies. However, the coordination of a growth program to support population growth and changing community needs, while also preserving Kelowna's natural spaces and agricultural assets requires a strategic, long-term, and synchronized approach.

Public Engagement

Building on public and stakeholder engagement completed in 2018, Phase 3 engagement planned for Spring 2019 will include two components: consultation and education. The consultation will focus on gathering feedback that will help inform the development of key policies and refine the draft Future Land Use Plan. Education will focus the OCP's role in guiding growth and planning for future infrastructure. Feedback received will be considered as one of many components of a complex process undertaken to update the OCP.

The engagement strategy will coordinate, where feasible, with the Transportation Master Plan and 20 Year Servicing Plan. Aligning updates to these three plans will allow for a holistic approach to understanding and planning for Kelowna's future growth. Staff will report to Council on a detailed engagement strategy in Spring 2019.

Summary

The selection of a growth scenario acts as the foundation for the work that will be undertaken for the remainder of the 2040 OCP Update, the Transportation Master Plan process, and the 20 Year Servicing Plan and lays the foundation for the transition of Kelowna into the community that this envisioned in *Imagine Kelowna*. The growth scenario presented in this report outlines a direction that is bold, yet refined to reflect current land use designations and market trends to enable successful implementation.

With the endorsement of the preferred growth scenario, the 2040 OCP Update process has entered an important and exciting phase, whereby we are connecting the vision of *Imagine Kelowna* to action through the 2040 OCP content. With a growth scenario established, the update will shift into the phase in which more detailed land use and policy choices will be made. With the development of the Transportation Master Plan and the 20 Year Servicing Plan taking place concurrently with the OCP Update, the City is well positioned to deliver an Official Community Plan that is realistic and balanced, yet bold and innovative.

Legal/Statutory Authority:

Local Government Act, Section 471

Legal/Statutory Procedural Requirements:

Local Government Act, Sections 472, 473, 474, 475, 476, 477, 478

Existing Policy:

Imagine Kelowna
2030 Official Community Plan
20 Year Servicing Plan
Council Policy No. 372: Engage Policy

Approved for inclusion:



Danielle Noble-Brandt, Dept. Manager, Policy & Planning

Attachments:

- 1) Preferred Growth Scenario: Distribution of Future Residential Development

cc:

Acting Divisional Director, Community Planning & Strategic Investments
Divisional Director, Infrastructure
Divisional Director, Human Resources
Divisional Director, Financial Services
Divisional Director, Corporate Strategic Services
Divisional Director, Acting Living and Culture
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Department Manager, Integrated Transportation
Strategic Transportation Planning Manager
Infrastructure Engineering Manager
Community Planning Department Manager
Communication Advisor