



February 12, 2019

Danielle Noble-Brandt
Department Manager, Policy and Planning
City of Kelowna

Re: Kelowna's Official Community Plan 2020 – 2040

On behalf of the Board of Directors of the Kelowna Chamber I write this letter in support of communications that you have recently received from UDI Okanagan and the Canadian Homebuilders Association Central Okanagan: communications that have expressed concern following Council's recent decision to choose Growth Scenario 3.0 during its OCP discussions.

We appreciate that Council is divided in its view and we hope as a team Council will pause and reflect on the concern being expressed and then re-engage the development community in coming up with a direction that balances Council's desire to encourage increased density with the realities of market demand and the economic impact on house prices flowing from the various scenarios provided.

As you are aware the Kelowna Chamber of Commerce has participated in the current stakeholder input process regarding the OCP 2020-2040 and the City's Transportation Master Plan and we look forward to continual involvement as the process unfolds. The Chamber is on record as stating that the plans the City has voiced for densification are commendable as a means to mitigate rising infrastructure costs.

We also share the vision for a City that is livable, affordable, and sustainable with opportunities for all citizens to prosper. With that said, we believe that current and future residents would be well-served if Council reconsidered its proposed aggressive approach to increasing density as described under Growth Scenario 3.0. It is our understanding that the shift under this scenario requires that 80% of new housing be multi-family with 81% occurring in urban areas. This is a significant change from the current multi-family/single family detached ratio of 65%/35% and as such is reason enough to be cautious and reflective before charging ahead.

There is limited space in Kelowna's urban centre for new multi-family housing, with building costs per square foot for high-rises nearly three times that of single-family dwellings. It seems clear that housing affordability will be negatively impacted with 80% of housing stock falling into the higher cost building categories. I note that in the Kelowna Economic Scorecard 2019 Kelowna scored a D grade in housing affordability. We should be making decisions to improve this rating, not entrench it as a too-rapid implementation of Growth Scenario 3.0 could do.

Helping grow the people who power Kelowna

UNINTENDED CONSEQUENCES OF GOVERNMENT INFLUENCE ON MARKET FORCES

We are concerned about the potential unintended consequences of local government playing such a major role in restricting the supply of single-family detached housing. Given the desire for choice, there is a good argument that Growth Scenario 3.0 could drive up housing prices and further encourage regional sprawl with adjacent communities giving consumers housing options not available in the City of Kelowna.

At the very least those adjacent communities would be seen as an attractive alternative with slightly more affordable housing options. Such a situation has already been accelerated by the Province's introduction of its Speculation Tax and the growth levels of Lake Country and other adjacent communities are evidence this reality is accelerating, putting even greater demand on regional transportation infrastructure.

This trend is also important to understand as the City of Kelowna develops its Transportation Master Plan as it's becoming clearer that a regional approach to transportation planning is essential in consideration of the reality that thousands of people live in one city in the Okanagan and work in another. This trend is likely to continue no matter what growth strategies the City of Kelowna puts in place.

As Vancouver has shown, the drive for high density within a specific core can create the situation where those who are required to work in service jobs in high density areas can't afford to live in the very area where they are employed thus resulting in a situation where transportation planning (ease of mobility) becomes a more important planning tool than choosing land use options within an OCP. In other words, getting the transportation system right is as important as controlling land use. A remedy for this situation would be amalgamation of the municipalities adjacent to Kelowna so that broader planning could take place, but we realize that is a much different subject and a discussion for another day.

POTENTIAL BACKTRACKING ON PREVIOUS DECISIONS – MASTER PLANNED COMMUNITIES

We join UDI and others in flagging concern as to how Council's decision to choose Growth Scenario 3.0 may impact Master Planned Communities such as Wilden, Kirschner Mountain and the Ponds. While it can be said that Council can't bind the hands of a future Council, it is also worth stating that the current Council shouldn't be taking steps to undo decisions already made. Businesses seek certainty more than anything else and any decision that leaves the impression that the rules are being changed after decisions have been made sends a dangerous signal to investors.

We take special note of UDI's submission in which it encourages Council to consider shifting its focus from restricting housing options to instead encouraging complete neighbourhoods with nodes of commercial development (page 9 of UDI submission). There is increasing evidence that allowing commercial development along transportation corridors rather than expanding out from one high density core, actually increases choice and results in more modest impact to housing affordability while enabling cost efficient and environmentally sensitive mobility.

We are already seeing cities become more linear in nature with clusters of commercial nodes surrounded by housing with a solid transportation system linking them all. One just needs to observe how Greater Vancouver's Skytrain routes have spawned increased density in housing and commercial development all along its route. The downside of the Skytrain system is its high capital costs but those have only arisen because it is being

established after previous land-use decisions were made without forethought of setting aside robust transportation corridors. This is a situation we in the Okanagan can avoid if we think long term and plan for a transportation system that will serve not just citizens in a decade or two but those that come to the Okanagan Valley in the latter half of this century.

CONCLUSION

In closing, the Board of the Kelowna Chamber appreciates the complexity of this issue and the difficult decision before you, but we would encourage the city to take the time it needs to engage the development community to see if a compromise can be found prior to entrenching Growth Scenario 3.0 into the final OCP.

We appreciate that further discussion and study on the various Growth Scenarios could delay final preparation of the new OCP, but we believe taking the time to get the plan done right is more important than simply getting it done. It is vital to the future well-being of the city and its future residents that the options be fully examined prior to being cemented into place.

Sincerely,

A handwritten signature in black ink, appearing to read 'C. Sparg', with a long horizontal line extending to the right.

Carmen Sparg, President
Kelowna Chamber of Commerce