

# Report to Council



**Date:** July 13, 2020  
**To:** Council  
**From:** City Manager  
**Subject:** RU7 Infill Housing Updates  
**Department:** Development Planning

---

## **Recommendation:**

THAT Council receives, for information, the report from the Development Planning Department dated July 13, 2020, with respect to the RU7 Housing Updates;

AND THAT Council directs Staff to prepare amendments to the Official Community Plan and Zoning Bylaw, as outlined in the RU7 Housing Updates report from the Development Planning Department, dated July 13, 2020;

AND FURTHER THAT Council grant a 1-year extension to the fast-track process to the winners of the Infill Challenge, to conclude on July 13, 2021.

## **Purpose:**

To receive an update on the status of the RU7 Infill Housing zoning and development process and to consider updates to the program.

## **Background:**

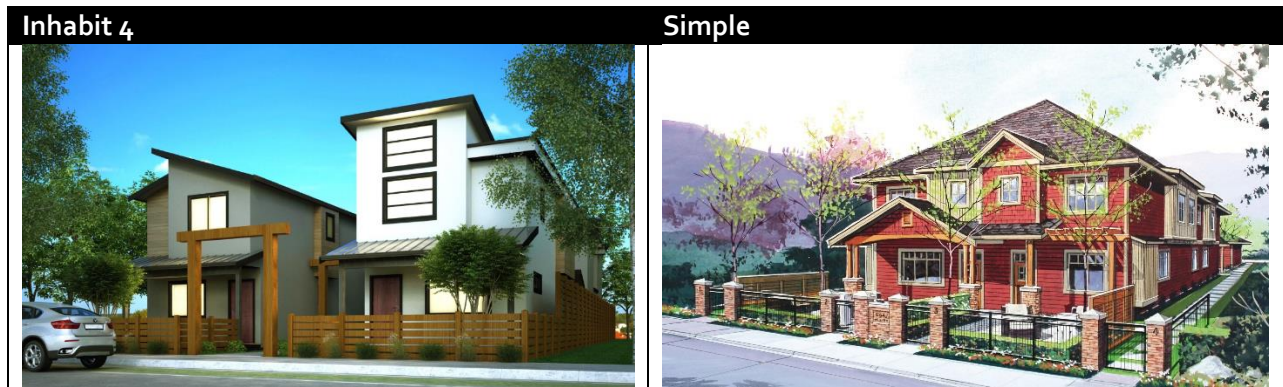
On January 16, 2017, Council adopted the RU7 – Infill Housing zone and its associated design guidelines and processes. This marked the conclusion of a collaborative design competition process called the Infill Challenge that has resulted in the creation of new “missing middle” housing in Kelowna.

### The Infill Challenge Process

The Infill Challenge was an innovative competition hosted by the City for the development of new designs for sensitive infill housing in select parts of Kelowna’s Urban Core Area, allowing for up to four residential units where previously only two were permitted. Winning projects were intended to act as catalysts, inspiring greater achievement in the design of sensitive infill housing, strengthening community and developer support along the way.

The process began officially in June of 2015 with the establishment of a Community Panel<sup>1</sup>. The panel helped to set the parameters for the competition. Following the closing of the competition, an Evaluation Committee<sup>2</sup> was formed. The Evaluation Committee decided on a final two (2) submissions to recommend as winners to Council. These two submissions were endorsed by Council on May 30, 2016. Each of the two winning submissions is described below:

1. **Inhabit4:** this design provides two detached homes in the front of a lot, with two attached units at the rear of the parcel.
2. **Simple:** this design concept aims to allow new infill housing blend into the neighbourhood, with an aesthetic that mirrors a large detached home.



### The RU7 Zone

The RU7 – Infill Housing zone was crafted on the basis on the two winning designs. On January 16, 2017, the RU7 zone was adopted and applied to over 800 properties in the area shown in Attachment A. The bylaw was intended to create a progressive and flexible zone that would further increase choice in housing form and tenure in the neighbourhoods near Downtown and South Pandosy. While allowing more density and flexibility, the RU7 zone allowed only modest increases in the size of buildings when compared to the previous RU6 zone. Key differences are shown below:

Regulation	RU6	RU7
Max. Units	2	2-4 dwellings (depending on lot width)
Max. Height	2 ½ storeys or 9.5m	2 storeys or 8.0m
Max. Site Coverage	50% (including driveways and parking areas)	55%
Min. Front Yard	4.5m	4.0m
Min. Rear Yard	7.5m (1.5m for accessory buildings)	0.9m
Min. Side Yard	2.0m	1.2m

<sup>1</sup> The panel included representatives from the Urban Development Institute, the Canadian Home Builders Association, architects, home designers, SD23, Interior Health Authority, Okanagan Mainline Real Estate Board, affected Neighbourhood Associations, and area residents.

<sup>2</sup> Seven (7) members representing a variety of perspectives volunteered to sit on the Evaluation Committee.

A visual illustration of how the maximum development under RU6 compares to RU7 is shown below.



It was recognized that this was an innovative, leading edge process and that regular check-ins and adjustments would be required until the results on the ground achieve the objectives of the process.

#### The Accelerated Process (aka: the “fast-track”)

One of the primary benefits to the winning designs of the Infill Challenge was exclusive access to accelerated Planning and Building Permit approvals. Because they had been pre-reviewed by staff, winning designs were exempted from the requirement to obtain a Development Permit and Building Permit reviews were accelerated. If a property owner elected to use one of the winning designs, they would be eligible for the “fast-track”, which reduced approval processing times by approximately 6-8 weeks.

Taken together, these elements have made infill housing in the zoned areas far simpler and low-risk. Where a similar infill project approval would have taken over a year and required a formal Public Hearing, it now takes approximately 2-3 weeks.

#### **Discussion:**

The RU7 zone, associated design guidelines and the “fast-track” process have all been in operation since early 2017. The zoning came into effect just at the peak activity of the real estate market boom, which has led to a higher uptake than what had been anticipated. As of the end of 2019, 96 building permits had been issued in the RU7 area<sup>3</sup>. The zoned area and the location of the permits issued are shown on Attachment A.

Evaluating the success of the program to date is a complex task and requires consideration of a variety of issues. This report is an interim evaluation, with a full evaluation expected to be complete in the late Summer of 2020 in conjunction with work being done for the Official Community Plan. On that basis, the following issues and recommendations address only the most pressing concerns. Issues such as tenure, mature tree retention, affordability, parking, architecture and design will be addressed in the broader review. Of note, staff has kept close contact with area residents, and with the home building community. Their feedback is integrated into each of the issues discussed below.

---

<sup>3</sup> This total excludes renovations to existing dwellings and carriage homes.

## Proximity & Site Coverage

When originally crafted, the RU7 zone and fast-track process were expected to receive modest uptake. Given market conditions at the time of adoption, however, uptake of the fast-track plans was more robust. As a result, there are several instances of the same fast-track plans being developed next to each-other, leading to a more monotonous, repetitive form of development.

In addition, the site coverage regulations in the RU7 zone were crafted with the expectation that there would be no significant driveways, with all access coming directly from the lane. As a result, and contrary to most other residential zones, the RU7 zone does not include a maximum site coverage that includes driveways and parking areas. Recent experience suggests that there is a demand for some larger driveways than initially anticipated in the RU7 area, and the current structure of the regulation leaves staff unable to address the issue effectively.

### **Recommendation:**

- 1) Update regulations and guidelines to prevent the same winning design from being used side-by-side or on corner lots.
- 2) Update the regulations to include a maximum site coverage that includes driveways and parking areas.

## Landscaping & Site Plan

Landscaping is another key element that helps new projects integrate well into existing neighbourhoods. Projects that deliver a high standard of landscaping can blend more seamlessly into their context.

Where possible, existing mature trees should be retained or replaced with new trees. Sufficient green space at grade should be provided for each unit. These considerations are captured in the form and character guidelines that apply to the RU7 zone.

To date, some projects have been able to retain mature trees; however, these have been the exception. Unfortunately, few projects are following up and planting new trees despite them being shown on landscape plans.

Several utility and servicing functions are needed for RU7 projects. FortisBC requires a transformer on roughly every second property that redevelops, and Canada Post requires a community mailbox on each property. Space for a water meter that meets the City's servicing requirements is also needed. These items are not always shown on site plans and may affect landscaping and site layout.

As a result, staff have begun enforcing landscape bonding requirements for RU7 developments, which is beginning to prove effective in ensuring high-quality landscaping. These requirements, however, could be more clearly connected to the fast-track process. The fast-track process would need to be updated to include mandatory landscape bonding to be returned after one growing season.

### **Recommendations:**

- 1) Integrate the landscape bond requirement with the “fast track” process.
- 2) Require utility and servicing components to be shown on site plans, landscape plans, and elevation plans.

### Secondary Suites and Lighted Paths

Originally, the RU7 zone allowed for the creation of secondary suites, limited to rental only. Shortly after the adoption of the zone, however, staff brought forward an amendment to the zone to remove this potential due to administrative challenges determining appropriate servicing requirements based on the development potential. In the years following this amendment, staff have had numerous discussions with homeowners in the RU7 area who simply want to add a secondary suite to their existing home and find that they are unable to do so. This outcome is inconsistent with the original intent of the zone.

Following the experience of RU7 development to date, staff have been made aware that the Fire Department is seeking further clarity on requirements for a 1.1m wide lighted pathway to any units located at the rear of a parcel. This requirement is not in the RU7 zone today.

### **Recommendations:**

- 1) Update the RU7 zone to allow one secondary suite in a single detached dwelling where there are no other dwelling units on the property. Secondary suites would not be permitted in any other configurations.
- 2) Update the RU7 zone to require 1.1m wide lighted pathways.

### Home-Based Businesses

Today, the Zoning Bylaw establishes two different classifications for home based businesses – ‘major’ and ‘minor’. Minor home based businesses are widely permitted across residential zones, since they have strict limitations, such as allowing only one client per day and requiring no on-site parking. Major home based businesses have a broader scope of operations, and are permitted in fewer residential zones. They are usually found in single or two-family development, where onsite parking for clients can be readily accommodated.

The RU7 zone only permits minor home based businesses, modeled after the City’s other multi-unit housing zones. However, many properties zoned RU7 contain only single or two-unit development where a major home based businesses could easily be accommodated.

### **Recommendation:**

- 1) Update the RU7 zone to allow ‘home based businesses, major’ as a permitted secondary use in a single detached dwelling where there are no other dwelling units on the property.

## Fast-Track Process Extension

The fast-track program was developed as an incentive for the winning designs in the Infill Challenge and was granted for a 3-year period. The 3-year term of this reward has now passed. The City has the exclusive option of extending the reward for 2 additional 1-year terms. Staff are recommending that the term be extended by 1 year, providing time for a thorough review of the program and consideration of options with Council.

However, during this extension, the Building Permit portion of the fast-track program is recommended to be allowed to lapse. It has been found to provide a limited processing benefit, as permits approval times are already rapid, particularly where plans are similar.

### **Recommendation:**

- 1) Extend the Fast-Track program by 1 year to provide necessary time to consider alternative options.

### **Summary:**

The RU7 program is still in its infancy and is evolving quickly. As an innovative pilot program, regular updates and adjustments were always anticipated to ensure that the outcomes of development achieve the objectives of the program. Through regular interactions with all the parties involved in infill housing, staff have identified a number of issues that can and should be addressed quickly.

At this stage, staff feel it is still somewhat premature to make fundamental changes to the RU7 program. The housing market is still stabilizing after a period of rapid growth, and recent RU7 projects are beginning to embrace higher quality design and innovation. Staff are recommending that a larger review be conducted in the Summer of 2020, in conjunction with the Official Community Plan update. In the meantime, this report provides a number of recommendations to address pressing, smaller-scale issues that, if dealt with now, will ensure that the upcoming RU7 projects continue to improve.

### **Internal Circulation:**

Policy & Planning  
Development Services

### **Existing Policy:**

## 2030 Official Community Plan Bylaw No. 10500

### **Objective 5.3 Focus development to designated growth areas**

**Policy 5.3.2 Compact urban form.** Develop a compact urban form that maximizes the use of existing infrastructure and contributes to energy efficient settlement patterns. This will be done by increasing densities (approximately 75 – 100 people and/or jobs per ha located within a 400 metre walking distance of transit stops is required to support the level of transit service) through development, conversion, and re-development within Urban Centres (see Map 5.3) in particular and existing areas as per the provisions of the Generalized Future Land Use Map 4.1.

### **Objective 5.22 Ensure context sensitive housing development**

**Policy 5.22.6 Sensitive Infill.** Encourage new development or redevelopment in existing residential areas to be sensitive to or reflect the character of the neighbourhood with respect to building design, height and siting.

### **Objective 5.23 Address the needs of families with children through the provision of appropriate family-oriented housing**

## **Intensive Residential Infill Neighbourhood Design Guidelines**

### **Objectives:**

- Preserve and Enhance the scale and character of neighbourhoods experiencing intensive infill pressure;
- Ensure compatibility of new infill development with existing dwellings and surrounding properties;
- Promote a high standard infill design, construction and landscaping;
- Preserve established trees and green space on properties.

**Considerations not applicable to this report:**

Legal/Statutory Authority:  
Legal/Statutory Procedural Requirements:  
Financial/Budgetary Considerations:  
Personnel Implications:  
External Agency/Public Comments:  
Communications Comments:  
Alternate Recommendation:

**Submitted by:** J. Moore, Acting Urban Planning Manager

**Approved for inclusion:** T. Barton, Development Planning Department Manager

Attachments:

Attachment A: Areas zoned RU7 and Building Permits issued in the RU7 area

cc:

D. Noble-Brandt, Policy & Planning Department Manager

M. Bayat, Building & Permitting Manager

J. Kay, Development Engineering Manager



# Attachment A - Areas zoned RU7 and Building Permits issued in the RU7 area

