

REPORT TO COUNCIL



Date: June 5, 2023
To: Council
From: City Manager
Department: Development Planning
Application: OCP23-0005
Subject: OCP Amendment regarding Rental Conversion Policies

1.0 Recommendation

THAT Official Community Plan Amendment OCP23-0005 to amend Kelowna 2040 Official Community Plan Bylaw No. 12300 as outlined in the Report from the Development Planning Department dated June 5, 2023, be considered by Council;

AND THAT the Official Community Plan Amending Bylaw be forwarded to a Public Hearing for further consideration;

AND THAT Council considers the Public Hearing to be appropriate consultation for the Purpose of Section 475 of the Local Government Act, as outlined in the Report from the Development Planning Department dated June 5, 2023;

AND THAT Council Policy No. 148, being Strata Conversion of Existing Occupied Buildings/Strata Property Act, be revised as outlined in the Report from Development Planning dated June 5, 2023;

AND FURTHER THAT Council delegate to the Approving Officer the exercise of powers and performance of duties of the approving authority under Section 242 of the *Strata Property Act* as set out in Council Policy No. 148.

2.0 Purpose

To amend the Official Community Plan by amending the residential Rental Conversion policies to provide consistent policy for rental conversions across all Future Land Use Designations and to update Council Policy No. 148.

3.0 Development Planning

Staff support the proposed Official Community Plan (OCP) amendment to amend the residential Rental Conversion policies and update Council Policy No. 148. The proposed changes will continue to protect rental housing stock across the City while allowing small-scale stratifications of previously occupied buildings (to extend the functional life of the buildings).

The *Strata Property Act* gives municipalities the power to consider whether to approve the stratification of existing residential rental buildings that have been previously occupied. Council has delegated the authority for considering rental conversion applications to the Approving Officer. One of the criteria the Approving Officer must consider is “the priority of rental accommodation over privately owned housing in the area.” The Official Community Plan provides guidance to the Approving Officer with respect to this consideration.

The existing OCP policy only applies to areas designated as Urban Centre, Gateway, or Core Area. Areas of the City that are designated as Suburban Lands or Rural Lands do not have any policy guidance with respect to preventing stratification of rental buildings. The proposed policy would provide protection for previously occupied buildings in these areas with greater than 4 units. There are significant rental apartment developments within the Suburban and Rural Lands that would be protected under the proposed policy.

The proposed policy would allow the stratification of buildings with 4 units or less within the Urban Centre, Gateway, and Core Area Future Land Use Designations. Only small-scale developments would be permitted to stratify when the vacancy is below 5%.

For example, when there is an existing, occupied residential dwelling on a property, and the property is zoned to allow an additional dwelling (e.g. RU4 – Duplex Housing), the dwellings could be stratified under the new policy.

Council Policy No. 148 – Strata Conversion of Existing Occupied Buildings/Strata Property Act

This policy outlines the types of strata conversion applications that are delegated to staff, criteria for the approving authority to consider when an application has received, and additional steps applicants must take as part of an application. The policy is proposed to be amended as follows:

- Reformatted to the current corporate standard;
- Retitled to align with wording used in the *Strata Property Act*;
- Removed requirements that duplicate Provincial legislation;
- Removed outdated references to the previous Zoning Bylaw;
- Updated to align with the proposed Official Community Plan amendments.

4.0 Background

The 2030 OCP prevented the conversion of previously occupied rental buildings with 4 or more units when the rental vacancy rate was below 3% anywhere in the City. When the 2040 OCP was adopted, the conversion of all previously occupied rental buildings was prohibited when the vacancy rate was below 5%, regardless of the number of units, but the policy only applied to lands that were designated Urban Centre, Core Area, and Gateway.

5.0 Current Development Policies

5.1 Kelowna Official Community Plan (OCP)

The Big Picture: 10 Pillars to Realize our Vision
<p>Promote more housing diversity: One of Imagine Kelowna’s goals is to build healthier neighbourhoods that support a variety of households, incomes, and life stages. Having the housing that Kelowna citizens need is critical to achieving this goal. With this in mind, the Official Community Plan signals a wider variety of housing types and not just single-family homes or small apartments. This housing is focused in areas where residents have easier access to jobs, amenities, transit and active transportation routes. In addition, this Official Community Plan supports more rental housing options.</p>

Report prepared by: Mark Tanner, Planner II

Reviewed by: Dean Strachan, Community Planning & Development Manager

Reviewed by: Terry Barton, Development Planning Department Manager

Approved for Inclusion: Ryan Smith, Divisional Director, Planning & Development Services

Attachments:

Attachment A: Table - Comparison of residential Rental Conversion Policies

Attachment B: Draft Council Policy No. 148

Schedule A: Proposed Text Amendment