

Report to Council



Date: April 22, 2024
To: Council
From: City Manager
Subject: OCP24-0005: Small-Scale Multi-Unit Housing and Transit Oriented Areas Alignment
Department: Policy and Planning

1.0 Recommendation:

THAT Official Community Plan Amendment Application No. OCP24-0005 to amend the Kelowna Official Community Plan Bylaw No. 12300 as shown in Schedule "A" and Schedule "B" attached to the Report from the Policy and Planning Department, dated April 22, 2024, be considered by Council;

AND THAT Official Community Plan Amendment Bylaw No. 12649 be forwarded to a Public Hearing for further consideration.

2.0 Purpose:

To amend the Official Community Plan by updating various sections to align with provincial legislation regarding Small-Scale Multi-Unit Housing and Transit Oriented Areas.

3.0 Background:

In November 2023, the provincial government enacted legislation that will significantly change housing throughout British Columbia. The province's goals of these legislative amendments are to:

1. Increase housing supply with an emphasis on:
 - a. Small-scale, multi-unit homes
 - b. Transit oriented areas
 - c. Affordable housing
2. Streamline the housing approvals process;
3. Plan for long-term housing needs (both through updated Housing Needs Assessment processes and corresponding OCP updates) on a more frequent planning cycle.

These changes affect the approval process for residential projects, allowing density increases beyond what has been traditionally permitted in Kelowna neighbourhoods. As noted above, these changes are mandated by the Province with the intent of addressing affordability by creating more housing supply. As a first step, Staff prepared a comprehensive Zoning Bylaw package to align land use densities, heights, and other pertinent development regulations to comply with the minimum requirements as established

by the provincial government. Following that, a second package was prepared to address the corresponding utility/infrastructure servicing requirements associated with the increased densities.

This package comprehensively addresses the OCP policies, maps, and future land use designations that need to be updated to meet provincial requirements and to align with the Zoning Bylaw regulations to ensure that both policy and development regulations are complimentary and synchronized. Additionally, the corresponding Infill Form and Character Development Permit guidelines have been updated to reflect the breadth of housing forms/typologies that are now allowed and to ensure that corresponding form and character is guided to result in the desired built form, landscaping, and on-site rainwater management requirements.

Amendments to the Heritage Conservation Area Guidelines, which are found in Chapter 23 of the OCP, will be covered in a separate report to Council.

3.1 Policy & Planning Approach

The OCP amendments introduced largely center around two main objectives:

- 1) Increasing density on typical single-family lots. The legislation requires that three to four units of small-scale, multi-unit housing must be permitted on each parcel of land (if zoned exclusively for single-family or duplex residential) and;
- 2) To designate Transit-Oriented Development Areas (TOD Areas) near transit hubs. These TOD areas (for the purposes of Kelowna) are defined as areas within 400 meters of a bus exchange. The City of Kelowna has been assigned four transit exchange areas:
 - i. Rutland bus exchange
 - ii. Okanagan College bus exchange
 - iii. Orchard Park Mall bus exchange
 - iv. Hospital bus exchange

In these designated areas, local governments are required to:

- Ensure that minimum levels of density, size, and dimension established by the Province are allowed in TOD Areas;
- Remove restrictive parking minimums for off-street residential and allow parking volumes to be determined by market need and demand.

In light of the above, the package of OCP amendments have been thoughtfully compiled to ensure that the recent amendments to the Zoning Bylaw are now aligned with and correspond to growth strategy and OCP policy direction. The proposed amendments are bundled into themes as itemized below.

3.2 Future Land Use Designations:

Modest content changes have been updated for various future land use designations to ensure that growth direction encompasses new transit oriented residential development opportunities. For Suburban-Residential designated areas, the housing typologies have been updated to allow for the range of different housing forms that are now permitted on any single parcel.

Additionally, mapping updates have been added to reflect the Transit Oriented Areas (TOAs), where minimum building heights and densities are stipulated to provide a greater diversity of housing options in close proximity to key transit exchanges.

Of particular note, a new Core Area – Heritage District future land use designation has been created for the Heritage Conservation Area outside of Transit Oriented Area, reflecting the modest approach of corresponding zoning that is unique in this geography of the Core Area. This new Future Land Use Designation reflects that the City's approach to zoning essentially imposes the minimum amount of density that this area must accommodate in accordance with the provincial legislation.

3.3 Urban Centres:

The Rutland, Orchard Park, and Okanagan College transit exchanges are within designated Urban Centres in the OCP. The maximum zoning heights that have been updated and therefore corresponding OCP maximum building heights need to be synchronized.

Building Heights: To acknowledge the TOA boundaries in the Pandosy, Rutland and Midtown Urban Centers, revised building height policy is included to respond to these new height allowances. The recommendation is to apply the 12 storey category in Urban Centres, which corresponds with the maximum Mass Timber building heights in the BC Building Code.

Parking Requirements: To respond to the provincial legislation, parking policies now reflect the prohibition of required residential parking within designated TOAs, except for parking for people with disabilities. Policy has been simplified to reflect the diversity of innovative parking approaches and emerging transportation technologies.

3.4 Core Area:

Transit Supportive Corridor Building Heights: In response to the provincial legislation allowing infill in all neighborhoods, the Core Area will experience the most significant low-scale infill within the Permanent Growth Boundary of the City. As such, policy content has been updated to direct housing forms and building heights based on their proximity to Transit Supportive Corridors.

Heritage Conservation Area: The addition of the Core Area – Heritage District (C-HER) future land use designation enables policy direction to allow for gentle densification in the form of ground-oriented residential uses such as single detached homes, duplexes, and house-plexes while encouraging the adaptive re-use of existing homes where heritage assets are identified. This is considered the minimum density approach to satisfy the legislation requirements, acknowledging that heritage conservation areas are not exempt from small-scale residential density requirements.

Transit Oriented Regional Commercial Lands: A Transit Oriented Area has been identified around the Orchard Park Exchange, which includes properties designated as Regional Commercial. Policy direction has been updated to acknowledge greater heights that are signaled in accordance with the mandated building heights and densities.

Health District Transit Oriented Area: The Health District is now encompassed by the Hospital Exchange Transit Oriented Area, and accordingly, so will its function in supporting the strategic and planned growth of the KGH camps. Policy has been updated to reflect this amplified role, and to reflect the height allowance as stipulated by the TOA legislation. Of note, this area has a height cap of 6 stories that is below the provincial minimum (10 stories) due to the flight path of helicopters to and from the KGH campus. This height limitation has been established through consultation with appropriate IH staff to ensure the functionality and longevity of the helipad.

Suburban Neighborhoods: The new legislation permits up to four units per lot, including those suburban neighborhoods. Therefore, policy content has been updated to include the various housing forms that these units can be accommodated in such as secondary suites, duplexes, fourplexes, and other configurations.

3.5 Updated Infill Form and Character Development Permit Guidelines

The Infill Section of Chapter 18 – Form and Character provides design guidance for infill development in the city. The guidelines aim to encourage diverse building forms for ground-oriented housing up to 3 storeys and 6 residential units. The updates are intended to support the creation of more infill housing options in the city, while ensuring that they are well-designed and compatible with the existing neighbourhoods.

The main updates to the Infill Section include:

- A focus on site planning, such as creating attractive and functional outdoor areas, ground-oriented housing, waste management, site access, and mature tree retention;
- Guidelines for 3 storeys infill developments to respond to the evolving context and to reduce shadow impacts;
- Language encouraging mature tree retention where possible, and to allow for relaxations to development regulations to facilitate mature tree protection. This helps to preserve the natural features and canopy cover of the neighbourhood;
- Updated precedent imagery, to illustrate examples of good infill design that meet the guidelines;
- Updated infill lot scenario diagrams to show how different types of infill development can fit on various lot configurations and sizes, specifically with and without lane access.

The new guidelines affect the application process for the MF1- Infill Housing zone, which is a zone that allows for a range of infill housing typologies.

Conclusion:

The OCP amendment package is in direct response to the provincial government legislation that applies across the province. The provincial updates intend to fulfill the *Homes for People Plan* and to respond to the provincial housing crisis that requires swift action to onboard new supply.

Favorably, the City of Kelowna is in a very advantageous position as the 2040 OCP approach had foresight and vision to signal a progressive growth strategy that is well poised to accommodate infill housing in terms of policy direction and the early introduction of Infill Options 1.0. The 2040 OCP policy framework purposefully embeds a wide spectrum of infill housing options to serve our growing community with diverse housing forms to respond to the changing housing preferences and needs of Kelowna residents. Of note, the areas where special consideration is warranted have been approached as such. For example, the Heritage Conservation Area is proposed to have a new future land use designation that identifies its unique character and corresponding context while acknowledging the new infill housing that heritage areas are not provincially exempt from. As a next step, Staff will be bringing forward an additional OCP amendment package to update the corresponding Heritage Conservation

Area Development Guidelines to reflect the new housing forms and densities that correspond with provincial legislation.

In conclusion, these amendments align with the corresponding Zoning Bylaw and other related bylaw/policy amendments that have recently been endorsed by Council. Ensuring that significant master plans such as the 2040 OCP are synchronized with development regulations is a key success factor to ensure that all stages of development inquiries through to approvals are successfully guided in a clear, transparent, and predictable manner. The amendments contained within this package are considered to be modest and meet the minimum requirements as established by the new provincial legislation.

Legal/Statutory Authority:

Local Government Act s. 464(2)

Bill 44 – Housing Statutes (Residential Development) Amendment Act

Bill 47 – Housing Statutes (Transit Oriented Areas) Amendment Act

Submitted by:

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Approved for inclusion: D. Noble-Brandt, Department Manager of Policy and Planning

Attachments:

Schedule A: Proposed OCP Text Amendments (including Infill Development Permit Guidelines)

Schedule B: Proposed OCP Mapping Amendments

CC:

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