

# Report to Council



**Date:** May 6, 2024  
**To:** Council  
**From:** City Manager  
**Subject:** Kelowna Heritage Conservation Area Review Phase 1 and 2 Results and Next Steps  
**Department:** Policy and Planning

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**Recommendation:**

THAT Council receives, for information, the report from the Policy & Planning Department, dated May 6, 2024, outlining findings from a review of Kelowna’s Heritage Conservation Areas;  
AND THAT Council direct Staff to proceed with Phase 3 of the Kelowna Heritage Conservation Area Review.

**Purpose:**

To provide an update on a review of Kelowna’s Heritage Conservation Areas and outline next steps.

**Background:**

On February 8, 2021, staff presented a report to Council regarding heritage management options. The report reviewed various heritage planning tools and proposed interim updates for consideration ahead of a comprehensive Heritage Strategy update, which is identified as a long term implementation action in the 2040 OCP. At that meeting, Council endorsed an approach whereby most of the current framework for heritage management would be maintained but staff would undertake updates to optimize and modernize heritage planning tools, including Kelowna’s Heritage Conservation Areas (HCA).

Between 2021-2023, City staff completed a review of the Abbott Street and Marshall Street HCA and the corresponding Development Guidelines. Kelowna is the first municipality in B.C. to complete an HCA review of this nature.

*Previous Council Resolution*

Resolution	Date
THAT Council directs staff to bring forward a report and additional workshop to advance the actions identified in option two, as described in the report from the Policy and Planning Department dated February 8, 2021.	February 8, 2021

## **Discussion:**

Staff retained the services of a registered heritage consultant to undertake this review of Kelowna's Abbott Street & Marshall Street Heritage Conservation Areas Development Guidelines ("the *Guidelines*"). The *Guidelines* serve as a single component within the city's holistic approach to heritage preservation. These *Guidelines* also make up Chapter 23 – Heritage Conservation Area of the 2040 Official Community Plan. This report provides an overview of Phase 1 and Phase 2 of the HCA Review and next steps in Phase 3 – Recommendations.

### **Provincial Housing Legislation Impacts**

The introduction and implementation of Bills 44 and 47, which speak to Small-Scale Multi-Unit Housing (SSMUH) and Transit-Oriented Areas (TOA) legislation, have impacted the scope of the Review. The newly adopted RU1 – Large Lot Housing and MF4 – Transit Oriented Areas zones impact the HCA and allow multi-unit housing – a change from previous direction in these neighbourhoods. As Heritage Conservation Areas were not exempted from the legislative changes, additional amendments to the *Guidelines* to align with these new directions are necessitated.

While this transition represents a departure from the current (primarily) single-family neighbourhood, it's important to recognize that Heritage Conservation Areas (HCAs) in other cities have adeptly incorporated density through inventive multi-dwelling conversions, all while maintaining the distinct charm and character of their heritage neighborhoods.

### ***HCA Review – Background***

HCAs, enabled by provincial legislation in the 1990s, allow local governments to manage change in areas with heritage value. The primary tool used to manage change in HCAs is the Heritage Alteration Permit (HAP). The City of Kelowna adopted the Abbott Street and Marshall Street HCAs and associated *Guidelines* in 1998. At that same time, the City considered formal protection of all properties within the HCA through Heritage Designation. However, this proposal lacked support from property owners, leading to Kelowna's HCAs not being formally protected under Heritage Designation Bylaw. Only eight of the 369 properties within the HCA boundary are protected<sup>1</sup> by Heritage Designation Bylaw and/or a Heritage Revitalization Area (HRA) Bylaw.

### ***HCA Review – Phase 1 (Quantitative Review)***

Phase 1, completed in 2021, involved a quantitative analysis to assess how well the *Guidelines* aligned with their defined objectives and intended outcomes. When compared to the original purpose of the *Guidelines* (see background section above), the single / two family residential character has generally been maintained in the HCAs and the number of lots and lot pattern remains similar to when the HCAs were established. Most development has been in the form of low-density residential infill<sup>2</sup>. In terms of retaining and renovating existing development, there has been a lower proportion of demolitions and a higher proportion of renovations in the last 25 years. Permitted renovations have resulted in instances of buildings that are larger, closer to the street, and different architectural styles compared to original buildings.

### **Key Findings – Phase 1**

- The *Guidelines*:

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<sup>1</sup> Protected by bylaw. Heritage Designation and HRAs travel with the title and must be registered with the provincial Land Titles Office.

<sup>2</sup> There is an exception on Royal Avenue fronting Kelowna General Hospital where multiple dwelling housing and hospital-related services are permitted – the integration of hospital-related services into this specific area was noted in the 1993 *South Central Neighbourhood Structure Plan*, which laid the foundation for the establishment of the HCAs.

- Offer guidance for alterations and redevelopment without guaranteeing heritage protection or conservation.
  - Allow demolition of buildings within the Heritage Conservation Area (HCA) and replacement with new builds adhering to established Guidelines
  - Provide flexibility in altering HCA properties in terms of form, scale, and style, prioritizing the overall aesthetic of HCAs over specific heritage values of properties
  - Lack alignment with the Standards and Guidelines for the Conservation of Historic Places in Canada (2003)
- HCA Changes:
    - The HCAs have seen relatively low numbers of demolitions (13.5%)
    - The number of demolitions has recently more than doubled, rising from an average of 2 per year between 1998 and 2021 to 5 per year in 2022 and 2023
    - Among the 74 heritage buildings identified within the HCAs, listed on either the Heritage Inventory or Heritage Register, 5 (6.75%) have been lost as a result of demolition.

### ***HCA Review – Phase 2 (Consultation)***

Phase 2 of the Review – Consultation, was completed in the fall of 2023 offering an opportunity to gather additional qualitative data through targeted engagement activities. Given the specific nature of the topic and its impact to a select neighbourhood, these initiatives were directed towards area residents, heritage preservation organizations, City staff, partners, and professionals with involvement in HCA policies and Development Guidelines.

On November 25<sup>th</sup>, 2023, City staff organized an interactive walking tour of the Abbott Street Heritage Conservation Area. Participants had the opportunity to delve into the intricacies of the HCA Development Guidelines, discuss heritage conservation values in group settings, pose questions to staff, and provide feedback. Additionally, a survey made accessible online through the “Get Involved” platform for a period of 5 weeks, spanning from November 8<sup>th</sup> to December 3<sup>rd</sup>, 2023, and garnered 117 individual responses. Direct mail advising of the survey was disseminated to all addresses within the HCAs and to owners of HCA properties residing elsewhere.

Several themes emerged from the feedback from Phase 2, including the following:

- The HCAs are valued community assets and tourist destinations worth protecting.
- The HCAs are perceived to be changing in a manner that negatively impacts what makes them unique, including but not limited to historic character and sense-of-place.
- There is a sense that the HCA Development Guidelines and zoning offer little protection from this change.
- HCAs can and do accommodate multi-unit and denser housing than their original single-family intent.
- Concern that the Small-Scale Multi-Unit Housing (SSMUH) and Transit-Oriented Development Areas (TOA) policies will disincentivize the retention of historic buildings and landscape elements in the HCAs and negatively impact their valued character.
- Kelowna’s HCA bylaw and Development Guidelines should be updated to align with best practices in heritage conservation.
- Retention of historic buildings and other resources such as mature trees in the HCAs need to be incentivized and demolition disincentivized.

More detailed results from the Phase 2 consultation can be found in Attachment 1.

### **HCA Review – Phase 3 (Recommendations)**

The recommendations outlined below are based on the conclusions from the previous two phases of this review, comparative research, and provincial housing legislative requirements. The proposed recommendations aim to strike a balance between accommodating provincial legislation, integrating community feedback, and modernizing the City's approach to heritage conservation based on current best practice.

1. **Recommendation: Neighbourhood Statement of Significance & Statement of Future Character.** Follow the Local Government Act Part 15 – section 614 (3) and best practices in heritage conservation to:
  - a. Define the uniqueness of the HCA with a Statement of Significance (SOS). Develop a Statement of Future Character for the neighborhood(s) in the Heritage Conservation Area. These statements will greatly assist in managing the HCAs and adapting them to comply with new provincial housing legislation.
  - b. Categorize all properties within the HCAs as 'contributory' or 'non-contributory'. This distinction will help to guide the retention and protection of the attributes that give the neighbourhood its valued character.
2. **Recommendation: Update HCA Vision and Intent.** Using the SOS, the Statement of Future Character and feedback from the Consultation Phase, create an updated Vision and Intent to guide conservation, development, and changes within the HCA.
3. **Recommendation: Integrate Canada's Standards & Guidelines for Historic Places.** Update the HCA Development Guidelines to match Canada's Standards and Guidelines for the Conservation of Historic Places. This ensures best practices in heritage conservation, provides clarity for permit applicants and planners, and supports meaningful conservation in the city's heritage areas.
4. **Recommendation: Update HCA Development Guidelines.** Update the HCA Development Guidelines to include general guidelines for all HCA properties, guidelines for contributory properties and guidelines for non-contributory properties. This updated approach will reflect speak to the new housing directions in the neighbourhood. Explore creation of guidelines for contributory trees.
5. **Recommendation: Explore Additional Tools and Incentives to Preserve Heritage Assets.** Investigate the potential utilization of additional regulatory tools and policies to strengthen heritage preservation efforts. In addition, explore additional incentives that promote heritage retention and discourage demolition.

### **Next Steps:**

Later this summer, Staff will present the recommendations in Phase 3, including the proposed updates to the Heritage Conservation Area Development Guidelines and HCA updates, to Council. These documents will serve as cornerstones in the City's ongoing efforts to uphold modern heritage conservation principles while fostering sustainable urban development.

In addition, information about the *Guidelines* and regulations will be direct mailed to residents and property owners in the HCA to ensure awareness. The project webpage will have updated information with a Q&A function. Given that OCP Amendments are required to adopt these updates, a Public Hearing will be held.

**Conclusion:**

What initially began as a comprehensive review of the heritage conservation area and its supporting *Guidelines* evolved significantly due to the impact of provincial housing legislation changes. While the original intent was to assess development changes, guideline efficacy, and heritage values within the area, the focus shifted towards understanding the implications of increased density and devising strategies to effectively manage conservation amidst evolving urban landscapes. This shift underscores the dynamic nature of heritage preservation efforts and the necessity of adapting strategies to manage growth.

With careful consideration, heritage conservation principles can effectively coexist with increased density and facilitate urban growth. Through the adoption of adaptive reuse, mixed-use developments, and conscientious infill projects, Kelowna's HCA can preserve its heritage values while addressing the needs of a growing population. This approach not only upholds the historical significance of the area but also fosters a dynamic, inclusive and equitable urban environment for both current and future residents.

**Internal Circulation:**

Development Planning  
Community Engagement

**Considerations applicable to this report:**

***Legal/Statutory Authority:***

*Local Government Act, Part 15 – Heritage Conservation*

***Legal/Statutory Procedural Requirements:***

*Heritage Procedures Bylaw*

***Existing Policy:***

*Official Community Plan Objective 11.4. Conserve Kelowna's historic neighbourhoods.*

*Abbott Street & Marshall Street Heritage Conservation Area Development Guidelines*

***Financial/Budgetary Considerations:***

The Policy & Planning departmental budget has predominantly financed the activities detailed in this report. However, the adjustments in scope, including those necessitated by changes in provincial legislation requirements, are being partially funded through the Housing Capacity Fund Grant.

***Consultation and Engagement:***

Consultation was targeted to reach those most directly invested in and impacted by any potential changes to guidelines, with a strong focus on HCA residents as a result. It is recognized that heritage conservation is perceived by participants to have community value and recommendations attempt to strike a balance between multiple inputs and priorities alongside provincial legislation and housing challenges.

***Communications Comments:***

The Report to Council will be made available to public via Council highlights and shared on Get Involved. Notices will be sent to area residents to ensure they can stay informed about the recommendations and how they will be applied, learn more about heritage best practice, and ask staff questions.

**Attachment:**

Attachment 1: HCA Review Phase 2 Consultation Summary

Submitted by:

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**Approved for inclusion:** R. Miles, Acting Department Manager, Policy and Planning