

REPORT TO COUNCIL OCP, REZONING, & TEXT AMENDMENTS



Date: February 5th and 12th 2024
To: Council
From: City Manager
Address: n/a
File No.: TA24-0001, Z24-0001, OCP24-0001 Provincial Housing Legislation Comprehensive Amendments

1.0 Recommendation for February 12, 2024 meeting:

THAT Council receive, for information, the report from the Planning and Development Services dated February 12th 2024, regarding implementation of the provincial legislation through Small- Scale Multi-Unit Housing and Transit Oriented Development Areas.

Recommendation for February 26, 2024:

THAT Text Amendment Application No. TA24-0001 to amend the City of Kelowna Zoning Bylaw No. 12375 by changing multiple sections as described in Schedule 'A' attached to the Report from the Development Planning Department dated February 5th and 12th 2024, be considered by Council;

AND THAT Rezoning Application No. Z24-0001 to amend the City of Kelowna Zoning Bylaw No. 12375 by changing the zoning classification of approximately 26,000 lots as described in Schedule 'B' attached to the Report from the Development Planning Department dated February 5th and 12th 2024, be considered by Council;

AND THAT Official Community Plan Map Amendment Application No. OCP24-0001 to amend Map 4.5 Pandosy Building Heights Map and Map 4.7 Rutland Building heights in the Kelowna 2040 – Official Community Plan Bylaw No. 12300 by amending the maps in accordance with Schedule 'C' attached to the Report from the Development Planning Department dated February 5th and 12th 2024, be considered by Council;

AND THAT final adoption of the Rezoning and Text Amendment Bylaws be considered subsequent to the approval of the Ministry of Transportation and Infrastructure;

AND FURTHER THAT Council direct Staff to proceed to first reading of the bylaw changes to implement the provincial housing and transit-oriented area legislation as described in this report from the Divisional Director, Planning and Development Services dated February 5th and 12th 2024.

2.0 Purpose

To introduce and review the implementation of provincial legislation regarding Small-Scale Multi-Unit Housing and Transit Oriented Areas.

3.0 Background

In November of 2023, the Provincial Government passed several new pieces of housing legislation that apply across the province and impact the City of Kelowna's land use planning framework. Local governments must update their bylaws by June 2024 to meet the new provincial requirements.

The Small-Scale Multi-Unit Housing (SSMUH) legislation builds on the work of the Infill Options project that has been in progress for over 18 months and was presented to Council in the Fall of 2023. This project included technical, economic, public and stakeholder engagement. The Infill Options project was then paused because of this anticipated provincial housing legislation. Bill 44 SSMUH legislation is complementary, and a continuation of housing planning work started by the City in 2022 and supported by grant funding through the Union of British Columbia Municipalities (UBCM). Similarly, the Transit Oriented Areas (TOA) legislation advances much of the OCP's policy direction in Urban Centres, including the Urban Centres Framework project currently underway.

There are several other updates necessary because of the provincial housing legislation. The report to Council on [January 15th 2024](#) summarizes the required steps and procedures.

This report will focus on our municipal zoning amendments to implement Bill 44: Small-Scale Multi-Unit Housing and Bill 47: Transit Oriented Development Areas.

3.1 Development Planning Approach

Staff have prepared mapping and text amendments to comply with: the provincial legislation, the provincial policy manual for Site Standards: Small-Scale Multi-Unit Housing (SSMUH), and the provincial policy manual for Transit-Oriented Areas (TOA).

Staff recommendations include a series of amendments to complement the provincial mandates to ensure practical and sensitive integration within the existing development framework. The changes have been organized into five categories for Council's consideration: Suburban Areas, agricultural and rural zones, Core Area - Infill, Transit Oriented Areas / Urban Centre zones, and definitions.

The recommended approach to ensure a manageable transition for neighbourhoods, development, and the City is to establish Core Area and Suburban Area residential zones for implementation of the Small-Scale Multi-Unit Housing legislation.

The following table provides a summary of the City's major bylaw amendments proposed in this report to achieve compliance with the SSMUH and TOA provincial legislations.

	SUBURBAN AREAS	AGRICULTURAL & RURAL ZONES	CORE AREA	TRANSIT ORIENTED AREAS
OCP Amendments	n/a	n/a	n/a	Urban Centre Building Height maps
Zoning Bylaw (incl Landscape and Parking Regs)	Allow up to 4 units per lot on the Suburban Residential zones: RU1, RU2, RU3, RU5. RU4 zone deleted.	Allow secondary suites <i>and</i> carriage houses on lots greater than 10,000 m ² .	Allow up to 6 units per lot subject to limitations. * Rezone RU1, RU2, RU3, RU4, RU5 lots to the MF1 zone Keep Suburban Residential zoning (e.g. RU1 & RU2 zones) for Heritage Conservation Area	Allow up to 12 storeys within 200 metres of a transit exchange. Allow up to 6 storeys within 400 metres of a transit exchange. Provide residential parking exemptions within 400 metres of a transit exchange. Rezone Hospital Exchange to restrict entire area to 6 storeys to maintain KGH's emergency operations.
Development Permits	Required for 3 or more units			
* Due to site restrictions, including lot dimensions, parking requirements, garbage/recycling collection areas, and landscaping requirements often the maximum achievable density will be four dwelling units.				

3.2 Suburban Areas

Suburban areas include any lot within the Permanent Growth Boundary with access to services (sewer and water). The provincial legislation requires municipalities to allow up to four dwelling units per lot. The Single & Two Dwelling Zone category is proposed to be re-labelled to Suburban Residential. This would affect approximately 13,400 lots.

The RU1, RU2, RU3, and RU5 zones are proposed to remain intact with the deletion of the RU4 zone only. The RU4 zone allowed semi-detached and duplex housing forms, which is redundant as the remaining zones are proposed to allow up to a maximum of four dwelling units in any configuration. Lots could be developed with four single family homes; two single family homes with secondary suites; two single family homes with carriage houses; two single family homes, one of which has a secondary suite and a carriage house, two duplexes, and any other combination of unit types up to a maximum of four dwelling units.

The subdivision regulations and development regulations (including site coverage, setbacks, height, etc.) for the RU1, RU2, RU3, and RU5 zones remain similar to the current regulations to provide for consistent suburban development form and neighbourhood character while complying with provincial density requirements. This approach provides flexibility and an opportunity for homeowners and developers to incrementally densify suburban areas and is distinguishable from the Core Area.

3.2.1 Development Regulations

Development proposals with three or more units will require a Staff approved Form and Character Development Permit to ensure site planning is adequately provided in relation to parking, garbage/recycling, and landscaping in compliance with updated Official Community Plan design guidelines.

3.2.2 Parking

The provincial policy guide for Site Standards: Small-Scale Multi-Unit Housing, identifies that municipalities eliminate parking minimums and provide parking maximums. According to the guide, the City of Kelowna is exempt from this clause due to snow removal. Staff are recommending that a minimum of 1.25 stalls per residential dwelling unit is required. This is to ensure an availability of onsite parking in suburban neighbourhoods to allow for snow clearing.

3.3 Agricultural and Rural Residential Zones

In the summer of 2023, Council passed text amendments to the A1 zone which complied with updates to the Agriculture Land Reserve. This allowed secondary suites and carriage houses on any A1 lot that was at least 10,000 m². Lots zoned A2, RR1, and RR2 are larger, more remote, and can accommodate the necessary parking for secondary residential uses. Therefore, Staff are recommending the sub-zone for carriage houses be eliminated for A2, RR1, and RR2 lots to provide consistent residential regulations within the agricultural and rural residential zones by permitting secondary suites and carriage houses subject to the minimum lot size and minimum parking requirements. This would affect approximately 2,675 lots.

3.4 Definitions

Implementation of the Small-Scale Multi-Unit Housing legislation requires revisions to the following definitions: Boarding or Lodging House, Secondary Suite, and Bed & Breakfast. Boarding or Lodging House needs to accommodate the new infill housing zoning within the Core Area. The secondary suite definition is updated to incorporate the community water servicing requirement. As a result of allowing four dwelling units per lot, the bed & breakfast definition is proposed to be clarified to confirm bed & breakfast can only occur within a single detached home.

3.5 Core Area – Infill Housing

The following section outlines the necessary text and mapping amendments within the Core Area. The proposal is to rezone all Core Area lots that are currently zoned RU1, RU2, RU3, RU4, or RU5 to the MF1 zone. This will affect approximately 11,100 lots. All the sub-zones from the single-family zones, such as childcare centre, major (cc), Boarding & Lodging (b), and Heritage Commercial (hc) have been incorporated into the MF1 zone.

A maximum number of dwellings is proposed at six dwelling units per lot. This is a change for the current density regulation of 0.8 Floor Area Ratio. Most Core Area lots in Kelowna will not be able to achieve five, or six infill housing units. This is due to several site planning requirements and restrictions, such as lot size, lot dimensions, on-site parking requirements, on-site garbage and recycling collection areas, and new updated landscaping requirements.

Typically, a large lot with over a 20 metre wide frontage would be necessary to develop close to six dwelling units. Out of approximately 11,100 lots being zoned MF1, approximately 2,160 lots would meet these size

requirements. Further, these larger lots may be restricted due to access, location, context, overhead powerlines, boulevard trees, and many other potential factors and site constraints.

Staff recommend application of the RU1 zone to the Heritage Conservation Area, which would limit the maximum dwelling density to four units, in line with Suburban Areas.

3.5.1 Development Regulations

Proposals for one or two dwelling units in Core Areas will continue with similar single family development regulations, and Form & Character Development Permits will not be required.

Development proposals in Core Areas with three or more units is defined as infill housing and will continue with similar infill housing development regulations. This will require a Staff approved Form and Character Development Permit. This will ensure site planning is adequately provided in relation to parking, garbage/recycling, and landscaping - including the retention of mature trees - in compliance with updated Official Community Plan design guidelines.

3.5.2 Parking

The provincial policy guide for Site Standards: Small-Scale Multi-Unit Housing, identifies that municipalities eliminate parking minimums and provide parking maximums. Due to practical limitations (transit frequency, active transportation corridors, snow clearing, on-street parking restrictions), the recommended approach is to maintain a minimum on-site parking requirement of one stall per unit.

3.5.3 Height

The provincial regulations require an increase in height for small-scale multi-unit housing to three storeys, which is consistent with single-family height regulations. The recommended approach is to use the existing single dwelling floor area reduction above the second floor and to increase the side yard setback to 1.8 metres to sensitively integrate with existing developments.

3.5.4 Transportation Corridors

A new minimum roadway width regulation is proposed to protect Transit Supportive Corridors, Major Arterial roads, or roads with an Active Transportation Corridor. This will ensure development along these corridors will provide a proportional share of road dedication. A minimum density is proposed along Transit Supportive Corridors to support lot consolidation into larger-scale, transit-supportive developments. This is key for several reasons:

- Development should follow the recommended densities and development patterns identified in the Official Community Plan;
- Infill housing per lot is discouraged as this would multiply the number of driveway accesses along major corridors, increasing conflicts, and
- Infill housing is discouraged as this would multiply the number of garbage and recycling turnarounds or city pickup carts along these major corridors, increasing conflicts.

3.5.5 Riparian Corridors

A new proposed development regulation is needed for riparian management areas (RMA) to ensure land dedication occurs, similar to the road dedication regulation. Typically, this would mean 15 metres of dedication. Currently, these areas rely upon an owner applying for a rezoning application to dedicate the necessary riparian area. This cannot be relied upon due to pre-zoning of the Core Area to the MF1 zone.

When riparian areas are adjacent to a linear trail, as identified in the Linear Connections and Trails of the City's OCP (Map 10.1), an additional 5 metres is proposed to be required for the trail connection.

3.5.6 Waste Collection

The potential increase in infill housing necessitates updates to the Solid Waste Bylaw, in addition to the Zoning Bylaw. The Solid Waste Bylaw updates are needed to address larger carts and customized services for these larger infill housing developments. The Zoning Bylaw updates are needed to provide the necessary space onsite for the garbage and recycling carts. Currently, there are no specific regulations for garbage cart storage and maneuvering aisle requirements, only guidelines that suggest carts need to be stored inside to avoid wildlife conflicts. This had led to limited success for existing MF1 developments which typically have rear lanes to accommodate garbage and recycling carts. Therefore, a new section is proposed to require minimum storage (inside a building, enclosure, or garage) relative to the container size and provide maneuvering aisle space.

3.5.7 Landscape Design

The purpose of the proposed landscape amendments is to practically implement the expansion of infill housing in Kelowna. This will promote establishment of healthy trees, support the City's tree canopy, enhance beauty and resiliency of neighbourhoods, provide flexibility to builders and developers, and reduce common landscape variances.

The proposed landscape amendments include:

- a. The growing medium area and volume per tree has been adjusted based on feedback from our urban forester.
- b. A setback from buildings, raised patios, and balconies to the on-site trees has been introduced as the two metre front yard landscape area was not enough space for large trees to thrive for most multi-family developments.
- c. An underground setback has been introduced to ensure there is enough space between the trees and an underground parkade or basement.
- d. The front yard setback has been adjusted depending on if the boulevard contains a sidewalk and an irrigated landscape boulevard.
- e. The onsite landscape requirements have been adjusted if the boulevard contains soil cells with large trees planted and sidewalks installed.
- f. Further, flexibility in installation of the trees has been provided if there is conflict with overhead powerlines within the front yard area.

3.7 Transit Oriented Development Areas

The Transit Oriented Development Areas legislation has identified four transit exchanges in Kelowna: Rutland, Orchard Park, Okanagan College, and the Kelowna General Hospital. The legislation requires municipalities to pass a bylaw identifying these transit exchanges and assign minimum densities and heights. The height allowance is 10 storeys with a 3.5 Floor Area Ratio (FAR) density for all lots within a 200 metre radius of these transit exchanges. The height allowance is six storeys, with a minimum 2.5 FAR for all lots between a 200 metre and 400 metre radius of these transit exchanges.

3.7.1 Rutland, Midtown, and Pandosy Urban Centres

The Rutland, Orchard Park, Okanagan College transit exchanges are within designated Urban Centres in the OCP. The maximum zoning heights are directly connected to the OCP maximum building heights. Currently, the City does not have a 10 storey category, therefore, the recommendation is to apply the 12 storey category in Urban Centres, which aligns with the maximum Mass Timber building heights in the BC Building Code.

The application of a radius based on 'as the crow flies' resulted in some building height boundaries ending mid-block. In these circumstances, it is recommended to expand the building height maps to the end of the block for that height category for practical application and development. The densities have been increased to comply with the provincial densities within each height category.

3.7.2 Hospital Exchange

The Hospital Exchange is not designated in the OCP as an Urban Centre and has not been designated for significant growth. In addition, there are public safety, emergency operations, and Heritage Conservation Area considerations.

Kelowna General Hospital (KGH) maintains a certified H1 classification heliport used for air ambulance operations. City Staff engaged Interior Health to understand the consequences of building heights surrounding the heliport. Interior Health analyzed the proposed building heights at six and 12 storeys within the approved flight path. Six storeys around KGH would be acceptable, however, 12 storeys would impact heliport and air ambulance operations. Staff recommend pre-zoning the Hospital TOA to a maximum height of six storeys.

To accommodate this transit exchange outside of an Urban Centre, Staff recommend creation of a new zone. A new zone is recommended because this would be the only zone that would allow all building types including single detached homes, small-scale multi-units / infill, townhouses, and apartment buildings up to six storeys. The development regulations needed to be adjusted relative to this zone to match all those building forms and scale of development.

3.7.3 OCP Amendments

The scope of the OCP amendment is strictly around the building heights map as they directly affect zoning regulations in Urban Centres. There will be further mapping and text amendments necessary for the OCP to implement the TOA legislation in a separate Council report. There are no changes to the Midtown Urban Centre map building heights map as the current height complies with provincial legislation. Pandosy's Urban Centre has 11 lots where the 12 storey height category was expanded and 45 lots where the building heights map was increased from four storeys to six storeys. Rutland's Urban Centre has 47 lots where the 12 storey height category was expanded and 140 lots where the building heights map was increased from four storeys to six storeys.

3.7.4 Parking

The Transit Oriented Development Areas (TOA) legislation prevents municipalities from requiring parking in TOAs within a 400 metre radius of the identified transit exchanges. There is a provision for municipalities to require universal accessible parking. Staff incorporated the parking exemption for residential parking within Section 8 of the parking regulations (see Schedule A for Parking Exemption maps). The parking exemption was limited to parcels specifically identified by the province. This would apply to 427 lots in the Hospital Exchange, 70 lots in the Okanagan College Exchange, 45 lots in the Orchard Park Exchange, and 251 lots in the Rutland Exchange. In total it would apply 793 lots.

3.7.5 Landscaping

The landscaping provisions have been updated to incorporate tree planting options on infill redevelopment lots. Specifically for Urban Centres or large apartment buildings the minimum number of required trees has been adjusted to provide flexibility of where the trees could be planted onsite if the boulevard contains a sidewalk and an irrigated landscape boulevard.

4.0 Conclusion

The recommended approach to the OCP building heights map and zoning text and mapping updates will comply with the provincial legislation while practically implementing Kelowna solutions into those regulations.

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Reviewed by:	Nola Kilmartin, Development Planning Department Manager
Approved for Inclusion by:	Ryan Smith, Divisional Director, Planning, Climate Sustainability & Development Services

Attachments:

Schedule 'A': Proposed Text Amendments to Zoning Bylaw No. 12375

Schedule 'B': Proposed Mapping Amendments to Zoning Bylaw No. 12375

Schedule 'C': Proposed Building Height Mapping Amendments to Official Community Plan Bylaw No. 12300