

Report to Council



Date: September 23, 2024
To: Council
From: City Manager
Subject: 2024 Q2 Planning & Development Statistics
Department: Planning, Climate Action, and Development Services

Recommendation:

THAT Council receives, for information, the report from the Planning, Climate Action and Development Services Division dated September 23, 2024, with information relating to Planning and Development Statistics for the second quarter of 2024.

Purpose:

To update Council on building and development Statistics for the second quarter of 2024.

Background:

To keep Council current with local development and construction trends, the Divisional Director of Planning, Climate Sustainability, and Development Services will bring quarterly reports forward for Council’s information. As the structure of this report continues to develop, the goal is to improve the connection between Council’s consideration of development applications on a weekly basis and the larger picture of development and housing goals in the Official Community Plan (“OCP”). Further it also provides staff an opportunity to provide regular updates to Council on significant initiatives such as Housing Accelerator Fund progress.

Discussion:

Planning and Building Application Intake Statistics – Q2 2024

City teams involved in the planning and development completed the implementation of new housing legislation. This was followed up with a letter to the Ministry of Housing indicating that implementation was complete.

Permit numbers for housing going through the building permit process continue to sit slightly above the 10-year average. If this continues through to the end of the year; it will mean that insufficient housing units will have been permitted this year to meet project housing supply (projected by Kelowna’s Housing

Needs Assessment) needs of approximately 1600 – 2000 new units/year. Because construction occurs on a variety of timelines depending on building type; this is likely to pose challenges in 2025, 2026 and possibly 2027.

Both the type and location of housing projects under construction are consistent with OCP goals of placing the bulk of new density in the City's Core/Urban area in a multi-family format.

Housing Accelerator Fund (Government of Canada)

As identified in the Report to Council on November 27, 2023, the City of Kelowna was successful in receiving up to \$31.5M under the federal Housing Accelerator Fund. The City identified seven HAF Initiatives as listed below:

1. Implementing the infill housing options program.
2. Adjusting regulations to incentivize private sector housing development.
3. Transit Supportive Corridor planning.
4. Affordable housing on City-owned land.
5. Establishing new housing partnerships and affordable housing delivery.
6. Investing in infrastructure to unlock housing.
7. Leveraging new technology to improve processing and data management.

All HAF Initiatives are currently underway. The Initiatives have been segmented into milestones and tasks; as of Q2/24, 52% of HAF tasks have been completed. HAF-related highlights from Q2 2024 include finalizing the HAF Dashboard, launching the Infill Fast Track Program, acquiring land and launching an EOI to support the Middle Income Housing Partnership Program, expanding the Rental Housing Grant Program, and initiating two infrastructure projects.

In terms of budget, the first allotment of HAF funding (\$7.9M) has been allocated to HAF initiatives. The largest portion of the budget so far has been allocated to land acquisition for affordable housing, and the remainder has been allocated to resourcing (staffing and consulting) and infrastructure projects. Upcoming expenses include additional land acquisition, resourcing, and infrastructure investments, which will be addressed through budget amendment reports from the Financial Planning Department.

Overall, to meet the goals of the Housing Accelerator Fund, the City of Kelowna's target is to issue Building Permits (BP) for 7,430 residential units by 2026. In terms of BP issuance as of Q2 2024, the level of residential units issued BPs is below the level that, on average, would be adequate to achieve the City's HAF targets (150 per month vs. 210 per month). BP issuance will be monitored closely.

Housing Supply Act (Province of BC)

In addition to measuring new housing created for the Housing Accelerator Fund grant, the BC Government has included Kelowna as a community regulated under the provincial Housing Supply Act. Staff provided Council with an overview of the implications of this in June of 2024. The next reporting milestone related to the Housing Supply Act will be an interim report due to the Ministry of Housing in January of 2025.

Considerations not applicable to this report:

Budgetary Considerations:

Legal/Statutory Authority:

Legal/Statutory Procedural Requirements:

Existing Policy:

Financial/Budgetary Considerations:

External Agency/Public Comments:

Communications Comments:

Submitted by: R Smith, Divisional Director, Planning & Development Services

Approved for inclusion: D. Gilchrist, City Manager

Schedules: Schedule A – Power Point