

REPORT TO COUNCIL

REZONING



Date: September 9, 2024
To: Council
From: City Manager
Address: 2124 Pandosy St
File No.: Z24-0027

	Existing	Proposed
OCP Future Land Use:	C-HTH – Core Area – Health District	C-HTH – Core Area – Health District
Zone:	MF ₄ – Transit Oriented Areas	MF _{4r} – Transit Oriented Areas Rental Only

1.0 Recommendation

THAT Rezoning Application No. Z24-0027 to amend the City of Kelowna Zoning Bylaw No. 12375 by changing the zoning classification of Lot 1 District Lot 14 ODYD Plan EPP129773, located at 2124 Pandosy St, Kelowna, BC from the MF₄ – Transit Oriented Areas zone to the MF_{4r} – Transit Oriented Areas Rental Only zone, be considered by Council;

AND THAT Council consider the repeal of Bylaw No. 11124 – Heritage Revitalization Agreement Authorization Bylaw for the property legally known as LOT 1 DL 14 ODYD PLAN EPP129773, located at 2124 Pandosy Street, Kelowna, BC;

AND FURTHER THAT final adoption of the Zoning Amendment Bylaw and Heritage Revitalization Agreement Repeal Bylaw be considered in conjunction with Council’s consideration of a Heritage Alteration Permit for the subject property.

2.0 Purpose

To rezone the subject property from the MF₄ – Transit Oriented Areas zone to the MF_{4r} – Transit Oriented Areas Rental Only zone to facilitate a change of uses to long-term residential rental only, while retaining and protecting the existing heritage asset known as Cadder House.

3.0 Development Planning

Introduction:

Staff are supportive of the overall objective of this development proposal, which is to add 16 purpose-built rental townhouses on the northern portion of the subject property, while protecting the existing heritage asset known as Cadder House, and preserving the majority of mature landscaping. The development proposal aligns with Official Community Plan (OCP) objectives and policies related to Future Land Use, Heritage Preservation, Transit Supportive Corridor Densities, and an Equitable Community.

The subject property currently has two heritage related bylaws in place. Heritage Revitalization Agreement Bylaw No. 11124 permits short-term rentals and limited commercial uses within the existing seven units; and Heritage Designation Bylaw No. 9198 secures long-term protection of the Cadder House property by requiring Council approval of a Heritage Alteration Permit (HAP) for any changes to the building or site plan.

There are three applications for Council to consider to facilitate this development proposal outlined in two separate Council reports. This is the first Council report to consider repealing the existing Heritage Revitalization Agreement Bylaw and rezoning the property to add the “r” rental only subzone. Should Council support the repeal Bylaw and the Zoning Amending Bylaw, Staff will bring forward a second Council report for consideration of a Heritage Alteration Permit to evaluate the form and character and development specifics of 16 proposed purpose-built rental townhouse units.

Bylaw or Application	Purpose of Bylaw or Application	Action	Reason	Date of Council Consideration
Heritage Revitalization Agreement Bylaw No. 11124 (2015) Repeal	Permit short-term rentals, offices, and wellness studio	Repeal	No longer required	September 9, 2024
“r” Rental Only Subzone Z24-0027 Rezoning	To ensure long-term rental uses only	Rezone	To reflect current and proposed uses on the property	September 9, 2024
Heritage Alteration Permit HAP23-0015	Form and character evaluation	Approve	To consider 16 new rental townhouses on northern portion of site	Fall 2024
Heritage Designation Bylaw No. 9198 (2004)	Protect heritage asset known as Cadder House	No Action	To maintain long term heritage protection of Cadder House	Maintain bylaw, no consideration required

Heritage Revitalization Agreement Bylaw Repeal & “r” Rental Only Subzone:

Staff recommend support for the proposed rezoning to add the “r” rental only subzone to the existing MF4 – Transit Oriented Areas zone and to repeal the existing Heritage Revitalization Agreement Bylaw on the subject property. This will change the permitted uses of the seven units on the subject property from short-term rentals and limited commercial uses to residential long-term rental only as secured by the rental only subzone, and ensure that the future proposed 16 new townhouses would be long-term rental only.

The OCP Future Land Use Designation of the subject property is C-HTH, Core Area – Health District. The purpose of C-HTH is to encompass a range of residential uses that are intended to support the hospital as well as transition between the hospital and the surrounding heritage area. Residential uses envisioned in this area include ground-oriented forms such as row housing, stacked townhouses, and low-rise apartments.

The development proposal meets key Official Community Plan objectives and policies including:

- Increasing residential density along Transit Supportive Corridors by removing the commercial uses associated with the Heritage Revitalization Agreement and securing long-term rental units;
- Providing diverse housing tenures and unit types in close proximity to jobs, recreation, and services;
- Long term heritage protection of Cadder House and mature trees on the east side of property by retaining the Heritage Designation Bylaw;
- Incorporating an equity lens into planning decisions by supporting rental only tenure in a neighbourhood that has been predominantly exclusive to single dwelling housing ownership.

Lot Area	Proposed (m ²)
Gross Site Area	2,420 m ²
Road Dedication	21 m ²
Net Site Area	2,399 m ²

4.0 Site Context & Background

Orientation	Zoning	Land Use
North	MF ₄ – Transit Oriented Areas	Single Dwelling Housing
East	MF ₄ – Transit Oriented Areas	Single Dwelling Housing
South	MF ₄ – Transit Oriented Areas	Single Dwelling Housing
West	MF ₄ – Transit Oriented Areas	Single Dwelling Housing

Subject Property Map: 2124 Pandosy St



The subject property is within 200.0 m of the new Hospital Exchange Transit Oriented Area, mandated by Provincial Bill 47, which permits heights up to 6 storeys with no minimum parking requirements. There are two three-storey apartment buildings in close proximity along Royal Ave, one of which is under construction with 38 purpose-built rental units, and the other is mixed-use with four dwelling units.

The subject property is located on the Pandosy St Transit Supportive Corridor, with a BC Transit stop immediately out front, which will be improved as a function of this project. It is within a five minute walk to the Kelowna General Hospital and the Cadder Ave Beach Access, and a 15 minute walk to both Downtown

and Pandosy Urban Centres. A.S. Matheson Elementary School is a 15 minute walk or a four minute bicycle ride, and the nearest corner store is within a three minute bicycle ride.

4.1 Background

Cadder House was built in 1908, and was reportedly the largest residence in Kelowna when it was built. The original property extended from Pandosy St in the east to Abbott St in the west, covering all city blocks between Cadder Ave and Glenwood Ave. Over time the property was incrementally subdivided into approximately 30 residential lots, leaving the 2,420 m² remainder lot where Cadder House is today.

As early as the 1920’s the property shifted from single detached housing to multi-family and institutional uses for various medical support facilities, and building permit records indicate it operated as a boarding house in 2000. Heritage Designation Bylaw No. 9198 was adopted in 2004 to ensure the long term preservation of the building. In 2015, Heritage Revitalization Agreement Bylaw No. 11124 was adopted permitting short-term rentals in seven residential units, as well as offices and a wellness studio.

In 2022 – 2023, the property fell into foreclosure, indicating that the current uses and business model was not sustainable, and the future preservation of Cadder House was uncertain. The new owner began working with Staff to explore future opportunities on the site that would ensure the preservation of the heritage building. The owner dissolved the existing strata in July 2023, ceased operations of short-term rentals, and began renting the residential units long-term with the intention of adding additional townhouse units on the north side of the property. As the short-term rentals, offices, and wellness studio uses are no longer required, the Heritage Revitalization Bylaw can be repealed.

In December 2023, Provincial Bill 47 – Transit Oriented Areas came into effect, and in March 2024 the property was rezoned to MF4 – Transit Oriented Areas zone which permits building heights up to six storeys with no minimum residential parking requirements.

5.0 **Current Development Policies**

5.1 Kelowna Official Community Plan (OCP)

Chapter 5: The Core Area	
Objective 5.2. Focus residential density along Transit Supportive Corridors.	
Policy 5.2.1. Transit Supportive Corridor Densities.	Encourage development that works toward a long term population density of between 50 – 100 people per hectare within 200 metres of each corridor to achieve densities that support improved transit service and local services and amenities.
	<i>The repeal of the existing Heritage Revitalization Agreement that permitted short-term rentals and commercial uses reverts the property back to 100% residential uses, increasing residential density along the Pandosy Transit Supportive Corridor.</i>
Chapter 5: The Core Area	
Objective 5.11. Increase the diversity of housing forms and tenure to create an inclusive, affordable, and complete Core Area.	
	Encourage a range of rental and ownership tenures that support a variety of households, income levels, and life stages.

Policy 5.11.2. Diverse Housing Tenures	<i>The rental only subzone ensures long-term rental tenures, helping to create an inclusive and complete Core Area.</i>
Chapter 9: Equitable Community	
Objective 9.1. Incorporate equity into planning decisions and resource allocation in our community.	
Policy 9.1.1. Equity in Planning Decisions	Incorporate an equity lens into land-use planning decisions and resource allocation in our community.
	<i>There are currently very few purpose-built rentals (40 units total) in the Heritage Conservation Area, an area which has historically been exclusively single and two dwelling housing ownership. The proposed rental only subzone incorporates equity into planning decisions by increasing opportunities for people to live in the Heritage Conservation Area who may be unable to attain home ownership.</i>
Chapter 11: Heritage	
Objective 11.1. Identify, conserve, and protect historic places.	
Policy 11.2.5. Protection of Historic Places.	Prioritize the legal protection of historic places using the tools identified in the <i>Local Government Act</i> : Heritage Designation Bylaws, Heritage Revitalization Agreements, and Heritage Covenants.
	<i>The proposed rental only rezoning does not require any changes to the existing Heritage Designation Bylaw on Cadder House that provides long term protection of the Cadder House.</i>

6.o Application Chronology

Application Accepted: October 11, 2023
 Neighbourhood Notification Summary Received: July 16, 2024

Report prepared by: Trisa Atwood, Planner Specialist
Reviewed by: Jocelyn Black, Urban Planning Manager
Reviewed by: Nola Kilmartin, Development Planning Department Manager
Approved for Inclusion: Ryan Smith, Divisional Director, Planning, Climate Action & Development Services

Attachments:

Attachment A: DRAFT Site Plan
 Attachment B: Summary of Neighbour Notification

For additional information, please visit our Current Developments online at www.kelowna.ca/currentdevelopments.