

Report to Council



Date: November 25, 2024
To: Council
From: City Manager
Subject: 2025 OCP Update Process
Department: Long Range Planning

Recommendation:

THAT Council receives, for information, the report from the Long Range Planning Department dated November 25, 2024, with respect to the 2025 Official Community Plan (OCP) Update Process.

Purpose:

To inform Council of the process for updating the OCP by the end of 2025 to meet the requirements of Bill 44, Housing Statutes Amendment Act.

Council Priority Alignment:

Affordable Housing

Background:

Previous Council Resolution

Resolution	Date
THAT Council receives for information the report from the Divisional Director of Planning, Climate Action & Development Services dated January 15, 2024, related to the impacts of provincial legislation changes on land use planning in Kelowna.	January 15, 2024

As part of the Province’s Homes for People action plan, Bill 44 introduced legislation requiring that all municipalities review and update their OCPs and zoning bylaws by December 31, 2025, to ensure that they permit the number of housing units needed over a 20-year time horizon, as determined by a Housing Needs Report to be completed no later than January 1, 2025. This includes statements and map designations for residential development and housing policies related to each class of housing need outlined in the Housing Needs Report (HNR). Staff have completed this Housing Needs Report, dated November 25, 2024, allowing for this minor OCP update to begin.

Kelowna’s OCP was adopted in 2021 and signaled significant housing capacity through its Future Land Use map and associated housing policy, exceeding the housing needs anticipated at the time. As such, staff is confident that the 2040 OCP is well positioned to deliver the housing needs outlined in the

updated HNR, requiring minor amendments only to meet the legislative requirements. Specific details on the capacity and distribution of housing will be provided in upcoming reports.

Discussion:

Our Changing Context

Kelowna's population has grown faster than the Province and similar-sized cities over the past 20 years. Future growth is influenced by domestic migration patterns and national immigration policies. Recent projections have risen significantly due to increased immigration and domestic migration, but a decline in growth rate is now expected due to federal immigration policy changes, which are not yet reflected in BC Stats projections. To address these changing projections, staff hired a consultant to develop various population scenarios for Kelowna, alongside the required BC Stats projections. These scenarios indicate that BC Stats projections represent a high growth scenario, while the current OCP aligns more closely with a lower growth scenario. A mid-range scenario, which aligns more closely with current government policy and trends, is also presented.

Figure 1 illustrates a range of future scenarios for Kelowna in 2040. While all local governments must use a prescribed methodology for HNRs and OCPs, including BC Stats projections, developing a range of growth projections supports planning efforts across various disciplines.

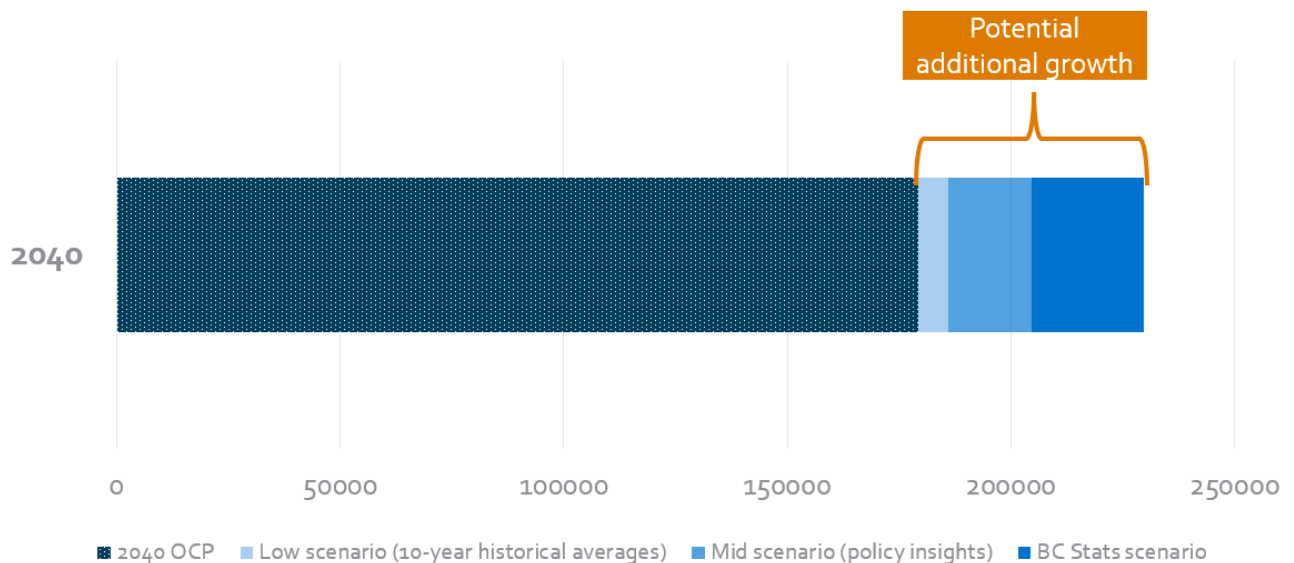


Figure 1: Scenario comparison of Kelowna's population in 2040

OCP Updates

Kelowna's 2024 interim HNR estimates that Kelowna will need 44,571 new residential units between 2021 and 2041, nearly 20,000 more units than was estimated in the 2040 OCP for approximately the same period. This difference can be primarily attributed to the high growth scenario from BC Stats as well as a more robust approach to delivering housing, particularly in onboarding more housing to address unmet needs.

The Province requires that all OCP's in BC be updated by the end of 2025 to demonstrate that they signal enough capacity to support the number of housing units identified in the HNR over a 20-year time horizon, up to 2041. The Province has also confirmed that the entire OCP does not need to be updated, just that the housing capacity is signaled through Future Land Use. The foundations of Kelowna's 2040 OCP, guided by thousands of pieces of public input provided over the multi-year planning process, continue to provide sound guiding direction, meaning that a smaller amendment would be sufficient to meet the legislative requirements.

With this in mind, the OCP would be updated in stages, rather than a single comprehensive update, to reflect the additional growth and housing needs. This allows for Council to focus discussions and input on specific topics while still meeting the timeframe laid out by the Provincial Government. These stages would include:

- A Bill 44 Compliance Package, to meet provincial legislative requirements by December 31, 2025;
- A series of targeted OCP amendments, to align various OCP chapters and topics with updated housing and growth projections; and
- Updated transportation and infrastructure plans, to accommodate new growth with strategic infrastructure investments.

Bill 44 Compliance Package (Q1 and Q2 2025)

This package of amendments will meet the legislative requirements OCP Updates under Bill 44. It will focus on confirming the OCP's signaled housing capacity, amending select policies and policy maps, and new implementation actions. This package is expected to include amendments to the following OCP Chapters:

- Chapter 2: Planning Context. Revised housing and population projections and a revised growth scenario outlining where additional growth is likely to be realized.
- Chapter 3: Future Land Use. Minor updates to the Future Land Use Map, if required.
- Chapters 4, 5, 6, 7, 8: Urban Centres, Core Area, Gateway, Suburban Neighbourhoods and Rural Lands. Housing policy updates to reflect directions outlined in the HNR and the Housing Action Plan.
- Chapter 16: Making the Plan Work. Identification of new implementation actions and/or acceleration of existing implementation actions.

A consultation process will be developed to ensure those directly affected by changes have an opportunity to understand the implications of these changes. The extensive engagement undertaken through the 2040 OCP update will also be considered in updating of the relevant topics, as well as the input from many recent and upcoming land-use planning exercises including the North End Plan and the Urban Centres Framework.

Targeted OCP Amendments (Q1 2025 – Q2 2026)

There are a variety of other initiatives that are planned or are in process that are beyond the scope of the Provincially legislated updates that will result in the need for additional amendments to the OCP. These initiatives would consider and signal ways to accommodate additional growth and would be brought forward as targeted amendment packages for Council's consideration. Some examples of projects and chapters where most OCP amendments would be focused include, but are not limited to:

- Urban Centres Framework (Chapter 4: Urban Centres)
- Transit Supportive Corridor Pilot Project (Chapter 5: The Core Area)
- Parks Master Plan (Chapter 10: Parks)

- Richter Corridor Study, Harvey Avenue Corridor Study and other major transportation projects (Chapter 13: Infrastructure)
- Utilities updates, specifically facilities and treatment upgrades (Chapter 13: Infrastructure)
- Development Permit Guidelines Review (Chapter 18: Form and Character Development Permit Area)
- Heritage Conservation Area Guidelines Review (Chapter 23: Heritage Conservation Area)
- North End Plan (Various chapters)
- Regional Employment Lands Inventory (Various chapters)
- Minor Miscellaneous OCP Amendments (Various chapters)

Transportation and Infrastructure Planning (2025-2026)

Delivering a transportation system that meets the needs of a fast-growing community is critical to the success of onboarding much needed housing. In the short term, the focus is on accelerating delivery of key projects identified in the Transportation Master Plan (TMP) and completing other transportation planning projects such as the Richter Corridor Study. Staff will also be using the feedback from the Household Travel Survey, currently underway, and the data provided from the revised OCP growth scenario in 2025 to inform what updates TMP may be required.

Further, over the next year, staff will review and amend the City’s capital plans and financing strategy to ensure that infrastructure is in place to support Kelowna’s growth and enhance housing supply and affordability. Key initiatives include a review of the current DCC program and an assessment of the impacts of Bill 46: Development Finance, which expands the financial tools available to municipalities by allowing them to collect contributions from developers for a broader range of growth-related infrastructure projects.

Conclusion:

The OCP is a living document that provides direction on how Kelowna will evolve to 2040. Amendments to the plan are expected and will be required throughout the life of the plan to adapt to a changing context. The OCP Pillars and the Plan’s growth strategy, however, continue to serve as the foundations of the Plan, providing overarching direction as amendments are made.

Moving forward, the Province is requiring more frequent updates to OCP, every five years following the release of new Housing Needs Reports. A more comprehensive update to Kelowna’s OCP will coincide with the 2030 Provincially mandated update.

Internal Circulation:

- Capital Planning & Asset Management
- Community Communications
- Data Services & Analytics
- Development Planning
- Facilities Planning & Design
- Housing Policy and Programs
- Integrated Transportation
- Parks Planning & Design
- Utility Services

Considerations applicable to this report:

Legal/Statutory Authority:

BC Local Government Act, Part 14, Division 4:

- Section 473.1 (4) Without limiting section 473 (2), an official community plan of a local government must include housing policies of the local government respecting each class of housing needs required to be addressed in the most recent housing needs report that is
(a) received by the local government under section 585.31, and
(b) applicable to the area covered by the plan.
- Section 473.1 (5) The council of a municipality must, within the prescribed period after December 31 of the year in which the council received the most recent housing needs report, review and, if necessary, adopt an official community plan that includes statements, maps and housing policies in accordance with subsections (3) and (4).
- Section 475 (1) During the development of an official community plan, or the repeal or amendment of an official community plan, the proposing local government must provide one or more opportunities it considers appropriate for consultation with persons, organizations and authorities it considers will be affected.

Existing Policy:

2040 Official Community Plan:

- Chapter 2 – Planning Context
- Select housing policy from Chapter 4 (Urban Centres), Chapter 5 (The Core Area), Chapter 6 (The Gateway), Chapter 7 (Suburban Neighbourhoods) and Chapter 8 (Rural Lands)
- Chapter 16 – Making the Plan Work

Financial/Budgetary Considerations:

The Housing Capacity Fund is a grant distributed to municipalities and regional districts to help facilitate implementation of the new provincial legislative requirements of Bill 44 and Bill 47, and/or to adopt new authorities under Bill 16 and 46. As part of Kelowna's grant allocation, \$210,000 has been designated for the 2025 OCP Update. These funds will provide for consultant support, data analysis, engagement, and legal review that is required as part of the OCP update.

Communications Comments:

A consultation process will be planned to ensure those directly affected by changes have an opportunity to understand the implications proposing a series of OCP amendments to meet the provincial requirements.

Submitted by:

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Approved for inclusion: R. Miles, Long Range Planning Manager