

Report to Council



Date: January 27, 2025
To: Council
From: City Manager
Subject: City of Kelowna Housing Action Plan
Department: Housing Policy and Programs & Social Development

Recommendation:

THAT Council receives for information the final report from the Housing Policy and Programs and Social Development Departments, dated January 27, 2025, regarding the Housing Action Plan;

AND THAT Council endorses the Housing Action Plan, as described in the report from the Housing Policy and Programs and Social Development Departments, dated January 27, 2025;

AND FURTHER THAT Council directs staff to advance the objectives and actions of the Housing Action Plan, as described in the report from the Housing Policy and Programs and Social Development Departments, dated January 27, 2025.

Purpose:

To endorse the Housing Action Plan and to direct staff to advance the approved objectives and actions of the Housing Action Plan.

Council Priority Alignment:

Affordable Housing
Homelessness

Background:

Kelowna's housing system is facing complex challenges, with many residents struggling to find housing that meets their needs. The Housing Action Plan (HAP) builds upon past and ongoing City efforts in housing and social development, addressing the housing system comprehensively. The plan is a roadmap that responds to the critical housing challenges facing the community, ensuring that the City meets both immediate and future needs.

At its regular meeting of November 4, 2024, Staff introduced 26 draft actions of the Housing Action Plan to Council, including several high-impact actions. These actions aimed to achieve the two key outcomes and five objectives of the HAP:

Housing Action Plan OUTCOMES	<ul style="list-style-type: none"> • Ensure residents have access to suitable housing options. • Maintain a housing system that adapts to future community needs.
Housing Action Plan OBJECTIVES	<ul style="list-style-type: none"> • Homelessness in Kelowna is rare, brief, and one-time. • Kelowna has a diversity of housing types, tenures, and affordability levels to meet the needs of all community members. • Kelowna continues to provide innovative leadership on housing issues. • The community's housing objectives are advanced through collaboration. • The City and its partners have clear governance roles for decision-making on complex housing-related issues.

Council received these actions and directed staff to further refine and investigate the actions, and to clearly define affordable housing within the context of the Housing Wheelhouse.

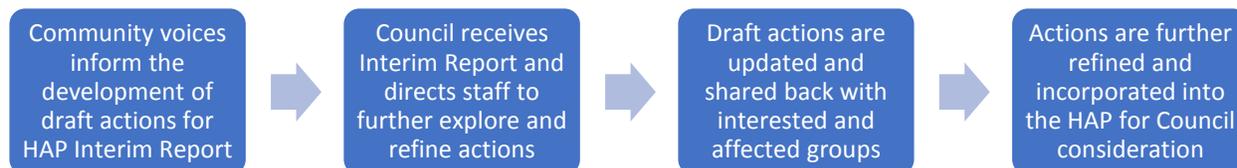
Discussion:

Since the November 4th meeting, Staff have refined the 26 actions and added one high-impact action. Different levels of housing affordability have been defined, and performance indicators have been embedded to measure the success of these actions. These modifications aim to provide a comprehensive and actionable roadmap for improving access to suitable housing options and maintaining an adaptable housing system for Kelowna's future. The six high-impact actions are outlined below:

1. Improve access to housing and related supports for people experiencing or at risk of homelessness by enhancing communication and collaboration among service providers.
2. Support tenants who are being evicted due to redevelopment.
3. Strengthen the City's Density Bonusing program for affordable housing.
4. Reduce municipal charges for affordable housing projects.
5. Ensure parking regulations don't reduce housing supply by driving up development costs.
6. Increase density as-of-right along Transit Supportive Corridors.

Community Voices

The City hosted a series of workshops and interviews with members of the development community, local non-profits, and individuals with lived experience to review draft actions and identify additional areas of inquiry for the HAP. Input from these discussions played a pivotal role in shaping the 26 initiatives and six high-impact actions included in the interim report. Following Council's consideration, the draft actions were further refined and circulated to interested and affected parties for their review and feedback. The finalized actions reflect both this input and that of Council.



Defining Affordability

The City has developed a definition of affordability to reflect local conditions (see Table 1). By defining different levels of affordability, the City can offer clarity on its expectations to the development industry, and inform internal initiatives that support affordable housing, such as the density bonusing review and

the Rental Housing Grants program. This definition breaks down affordability into three categories based on the percentage of Kelowna’s median household income:

- Deeply Affordable
- Middle Income
- Moderate Income

Based on the 2024 median household income in Kelowna of \$95,155, Table 1 breaks down the maximum affordable monthly housing costs by affordability categories and income ranges.

	AFFORDABLE HOUSING			MARKET HOUSING
	Deeply Affordable	Moderate Income	Middle Income	
% OF MEDIAN HOUSEHOLD INCOME (MHI)	Up to 49% of MHI	50–79% of MHI	80–119% of MHI	120% MHI and over
MAX. MONTHLY HOUSING COST	Up to \$1,166	\$1,167–\$1,879	\$1,880–\$2,830	Over \$2,830

Table 1: Defining Affordability

Measuring Performance

The City has established a monitoring framework to ensure the Housing Action Plan achieves its intended outcomes and aligns with progress reporting objectives. This framework will track progress, measure changes in the housing sector, and ensure accountability.

The monitoring framework uses a three-tier approach:

- **Tier One: Outcomes** – Monitors the long-term outcomes for the city’s housing system, which will be impacted by the City’s direct action as well as external factors outside of the City’s direct control. This tier looks at the current supply and demand for housing and how they are changing. It also tracks how many people are experiencing homelessness in the community and how this population and their needs are changing.
- **Tier Two: Process Objectives** – Focuses on the City’s efforts and behavior influence in the housing sector through innovation, collaboration and governance.
- **Tier Three: Accountability** – Ensures the City delivers on its commitments, identifying progress and raising questions if certain actions are not pursued.

This framework emphasizes outcomes over individual actions. By using key findings from the 2023 Housing Needs Assessment and BC Stats growth projections, the City can set informed, data-driven housing goals. This approach helps the City continuously improve, adapt and maintain transparency, ensuring the Housing Action Plan achieves its long-term goals.

Summary & Next Steps:

The Housing Action Plan (HAP) details a series of initiatives for staff in the Housing Policy and Programs, Social Development, and Development Planning teams to execute over the next five years. Upon the HAP’s approval, Staff will begin advancing the actions outlined in Attachment A – Housing Action Plan. Most of these actions will be presented for Council’s consideration and potential endorsement individually, including any budget or resource implications. Additionally, a comprehensive set of indicators to measure success will be implemented. These indicators will align with provincial housing targets and legislative requirements, allowing the City to track its progress in real-time and make necessary adjustments to address emerging challenges.

Ultimately, the Housing Action Plan will address access to housing for residents across all segments of the Wheelhouse and contribute to a housing system that is resilient to future change. By addressing various housing needs and promoting equitable access, it aims to enhance the quality of life for all community members.

It should be noted that there are components of the Housing Action Plan which are already in progress. Those include Transit Supportive Corridor pre-zoning pilot project and Tenant Protection Policy work. Staff will continue to work through those projects and engage Council for direction at relevant milestones.

Considerations applicable to this report:

Legal/Statutory Procedural Requirements:

2023 Legislative Changes

- Bill 16 – Housing Statutes Amendment Act
 - Includes measures to prevent renovictions, where tenants are evicted under the pretext of renovations, and;
 - Provides tenants with more security and stability in their housing arrangements, making it harder for landlords to evict tenants without a valid reason.
- Bill 35 -Short Term Rental Accommodations Act
 - Regulates short-term rentals of less than 90 days.
 - Mandates hosts and platform service providers to register, limits rentals to principal residences with certain exceptions, and enhances local government enforcement.
 - Created provincial oversight and provisions for information sharing to improve regulation and return short-term rentals to the long-term market.
- Bill 44 – Small Scale, Multi-Unit Housing:
 - Increased the minimum densities in many single-family neighbourhoods by requiring single-family and duplex lots to allow;
 - A minimum of three to four units;
 - At least one secondary suite or accessory dwelling unit (ADU), and;
 - Six units minimum near frequently serviced transit stops.
- Bill 46 – Development Financing:
 - Altered the collection of development charges by municipalities;
 - Expanded the scope of Development Cost Charges (DCCs), and;
 - Introduced Amenity Cost Charges (ACCs) for funding local amenities.
- Bill 47 – Transit-Oriented Areas:
 - Increased minimum densities near transit stations and bus exchanges and removed minimum parking requirements in these areas, and;
 - Established four transit-oriented areas in Kelowna, enhancing residential zoning and supporting transit accessibility.

2024 BC Building Code Changes:

- Single Stair Egress:
 - Permits the use of a single stair in certain residential buildings up to six stories.
 - Requires enhanced fire safety measures to mitigate risk, such as pressurized stairwells and improved smoke control systems.

- Accessible Units:
 - Mandates a minimum percentage of accessible units in new multi-family residential developments.
 - Specifies design requirements to ensure ease of access and usability, including wider doorways, lowered counters, and barrier-free showers.

Existing Policy:

Healthy Housing Strategy, 2018
2040 Official Community Plan Bylaw
Imagine Kelowna

Financial Considerations:

The Housing Action Plan does not contain any direct financial obligations or commitments. Actions identified in the plan will be brought forward individually for consideration by Council, inclusive of any budget and resource implications. In addition, many of the actions will be funded fully or partially through grants, such as the Housing Accelerator Fund (HAF).

Even so, the high-impact action “Reduce municipal charges for affordable housing projects” will likely be brought forward with a significant, ongoing budget request, ranging from 0.3-0.5 per cent of tax revenue. Should Council advance this action at that time, staff would endeavor to minimize any financial impact on the City where possible.

Submitted by:

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Approved for inclusion:

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C. Cornock, Social Development Manager, Social Development

Appendix:

Attachment A – Housing Action Plan