

# Report to Council



**Date:** February 10, 2025  
**To:** Council  
**From:** City Manager  
**Subject:** Parking Workshop (Off-Street Parking, Cash-In-Lieu, Modal Split, Travel Behaviour)  
**Department:** Development Planning

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**Recommendation:**

THAT Council receives, for information, the Report from the Development Planning Department, dated February 10, 2025, related to parking and the development application process;

AND THAT Council directs staff to proceed with further assessment of and consultation on options to amend parking regulations in the Zoning Bylaw and Payment in Lieu of Parking Bylaw and report back to Council with recommendations.

**Purpose:**

To engage Council in a series of workshops on parking and travel demand management in relation to new development.

**Council Priority Alignment:**

- Transportation
- Affordable Housing
- Climate and Environment
- Economy

**Background:**

Resolution	Date
<i>THAT Council directs staff to consider common parking concerns relative to some recent multi-family development projects and bring forward for discussion and evaluation options for possible amendments to select sections of the associated regulations and policies, inclusive of cash-in-lieu.</i>	(August 12 <sup>th</sup> 2024)

This report aims to revisit existing parking-related policies and bylaws to establish priority parking reforms and identify opportunities for incremental refinements to support multiple city building goals. The report and associated workshop will review preliminary data, considerations, benchmarking, and

potential approaches for off-street parking in new developments, cash-in-lieu of parking options, modal shift, and travel behavior. Following the Council workshop and key stakeholder engagement, Staff will return to Council with proposed policy and bylaw amendments.

On November 18, 2024, Staff conducted the first of two parking workshops for Council to address development pressures and prepare for amendments to Zoning Bylaw off-street parking regulations. The objective of these parking workshops is to equip Council with essential information to support decision-making aligned with Council priorities, including housing affordability, housing supply, transportation, climate, and economic development. Effective management of both on-street and off-street parking, combined with proactive land use and mobility planning, can address numerous issues related to sustainable growth and urban development. As a municipality, our ability to enhance transportation efficiency across all modes within a comprehensive mobility strategy can be categorized into two primary areas: on-street parking management and the provision of off-street parking facilities. The availability of parking impacts land use, urban design, and construction costs.

The November workshop centered on managing on-street parking through time restrictions, pay parking, and residential permits and consideration of proactive approaches. Review of correspondence submitted to Council since March 2022 showed that 98% of concerns related to new developments were in areas without on-street parking management. Currently, only 11% of streets in the Core Areas have on-street parking controls. Since November, Parking Services has engaged a consultant to assist in developing an implementation program to proactively expand on-street parking management in key areas of Kelowna.

**Discussion:**

Reforming parking policies can be a crucial lever in achieving transport, housing, and sustainability goals. These parking workshops and the evaluation of options to modify off-street parking regulations were triggered by development proposals presented to Council in 2024.

Each development proposal generated parking-related concerns with discussions on the application of the cash-in-lieu of parking policy, availability of on-street parking, the 'stacking' of off-street parking reductions, and approaches to car-share services.

Balancing Off-Street Parking and On-Street Parking:

Achieving a balance between off-street and on-street parking presents significant challenges, as an imbalance can lead to various adverse effects on neighbourhoods. The construction of parking facilities is expensive; overly stringent off-street parking regulations impede new development and undermine Kelowna's housing supply and affordability objectives. In the absence of adequate off-street parking supply, existing on-street parking regulations, or sufficient access to public transportation, on-street parking can become congested, leading to neighbourhood conflicts and resistance to new development.

### Current Off-Street Parking Regulations:

The City of Kelowna's current residential parking rates are based on an estimated demand for off-street parking spaces relative to dwelling unit type (Studio, 1-bed, 2-bed, 3-bed, etc.) and the location of the residential development. The current off-street parking regulations are based on the following principles:

- **Bedroom count:** The greater number of bedrooms within a dwelling unit, the greater demand for additional parking spaces;
- **Visitor parking:** Demand for visitor stalls remains constant based on the total number of dwelling units provided within a development;
- **Location:** Parking demand is impacted by proximity to jobs, services, amenities and access to alternative modes of transportation. For example, the highest parking rates are within the rural and suburban areas. Parking rates within the Core Area, with the lowest parking rates within the Urban Centres. There are special parking rates in between Urban Centres along transit supportive corridors and for infill housing within the Core Area.
- **Rental Housing:** Purpose-built rental housing generates less parking. There are rental housing parking discounts based on evidence that rental tenure projects need less parking supply than strata. Furthermore, it enables a single owner of a rental building to unbundle the parking spaces from each dwelling unit and more efficiently manage the pool of parking spaces relative to demand of their tenants. The increase in rental parking reduction incentives within an urban centre is meant to reflect the increased availability of sustainable forms of transportation within urban centres relative to areas outside urban centres.
- **Car-share Access:** Access to shared vehicles reduces the need for private vehicle parking. There are car-share incentives reducing the number of required off-street parking stalls by providing access to shared vehicles, operated by an established car-share provider, with the goal of reducing parking demand generated by the development.
- **Bicycle Parking:** Providing effective bicycle parking reduces the need for private parking. Bicycle parking incentives decrease the amount of off-street parking required if additional bicycle parking is provided.
- **Transit-Oriented Areas:** There are no residential parking requirements within the four designated Transit-Oriented Area in compliance with recent provincial legislation.

The regulations outlined above determine the minimum requirement for off-street parking based on factors such as the number of bedrooms and location, along with any applicable reductions. Presently, applicants can apply or "stack" each of the listed parking reductions without any limit on the cumulative effect of combining eligible reductions.

### Current Cash-in-lieu of Parking Regulations:

The cash-in-lieu of parking bylaw was originally adopted in 1997. The premise of the bylaw and the policy was to allow landowners within Urban Centres to pay a lump sum as a form of compensation, instead of providing off-street parking spaces as required under the Zoning Bylaw. This is only available within the Urban Centres. The idea was to build up a capital reserve fund to help the City pay for parkades or additional surface parking lots.

There is currently no limit or restriction on how many stalls an applicant can 'purchase' to reduce their overall parking requirement. A new development may apply any of the eligible parking reductions in the Zoning Bylaw and opt to apply cash-in-lieu of parking for the balance of stalls. While this is not a common occurrence, it warrants further examination. The cost of the city providing parking for development in exchange for compensation is becoming more complex as construction costs rise faster than inflation or price indexing. Further, Staff need to review this program to establish value for the city, and benefit for the current and future residents in areas where the program applies.

There are three key considerations to evaluate regarding the application of cash-in-lieu of parking to new development in Urban Centres:

1. **Time horizon:** Cash-in-lieu payments may not result in additional parking availability in an Urban Centre in the near or mid-term, due to land availability and costs. This has been further complicated in Kelowna with the introduction of Bill 47 from the province, which eliminated parking minimums in four designated Transit Oriented Areas (TOAs), three of which are in Urban Centres. This will result in reduced payments, and a slower accumulation of funds.
2. **Benefit disconnect:** Residents of a new development that contributed cash-in-lieu of parking may opt not to use an available parkade if it is inconveniently located. Another consideration is whether or not parkades in Urban Centres alleviate residential parking demand or if they provide customer/employee parking in Urban Centres.
3. **Modal shift:** The city has the choice to direct cash-in-lieu parking to support active transportation, increase transit use, reduce vehicle trips and parking demand.

Vehicle Ownership Data:

Staff requested vehicle ownership data from the Insurance Corporation of British Columbia (ICBC) to better understand rates of vehicle ownership across the City. The available data is organized based on six (6) broad postal code areas. An additional data request has been submitted to ICBC for more precise data, which will allow for car ownership analysis across land uses and in locations without on-street parking management, and along frequent transit corridors.

The initial dataset is generalized, making it challenging to draw specific conclusions about vehicle ownership rates among residents of single detached homes and multi-family developments across the city. The preliminary information is still useful and illustrates some broad trends. When comparing vehicle ownership rates of the six postal code areas against the ratio of single-detached homes to multi-family homes, areas with a higher ratio of multi-family dwellings have lower rates of vehicle ownership, though there are exceptions (refer to Table 1 and Figure 2).

For example, the Kirschner / Black Mtn Area is predominantly single-family, resulting in the highest number of vehicles per

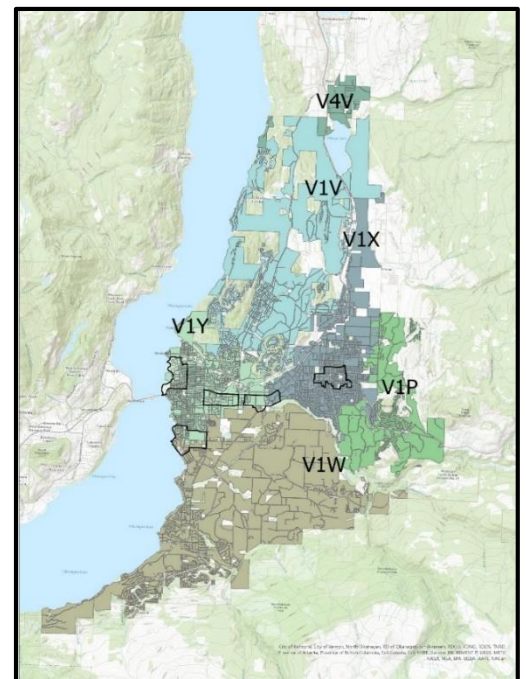


Figure 1: ICBC Post Code Areas for Vehicle Registrations

household. When comparing the Kirschner / Black Mtn Area to the South Area, which has a similar proportion of multi-family and single-family developments, the South Area has fewer average vehicles per household at 2.4, compared with Kirschner / Black Mtn Area's 3.7. If rounding numbers, the difference is even more significant at two to four vehicles per household. The difference in vehicles per household between Kirschner / Black Mtn and the South Area is likely due to several factors, including the level of transit service, and distances traveled to employment areas, services, shops, and recreation.

The overall 5-year vehicle ownership average from 2019 to 2023 for the entire City of Kelowna was 2.6 vehicles per household. The 5-year average for each of the postal areas are:

Area	Postal Code	5-year Vehicles per Household Average
Kirshner / Black Mtn area	V1P	3.7
Jim Bailey area	V4V	3.0
Rutland area	V1X	2.6
South	V1W	2.4
Glenmore / Clifton area	V1V	2.1
Central area	V1Y	1.7

Table 1: 5-year average of vehicles per household, Kelowna (2023)

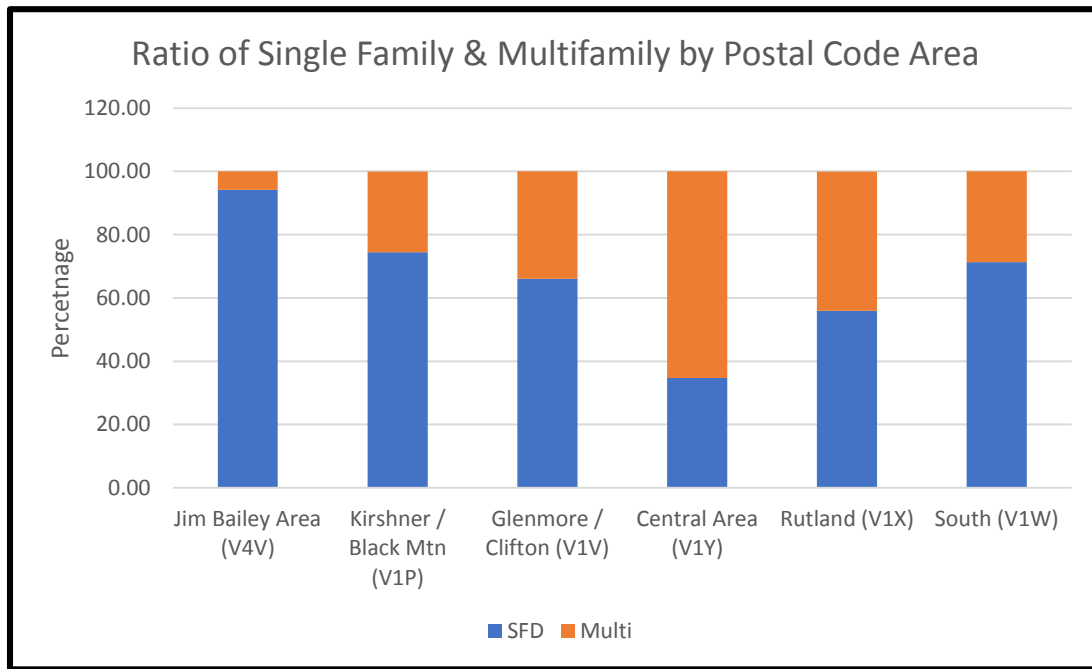


Figure 2: Percentage of Single Family and Multifamily by Postal Code Area

Staff will need to assess more detailed vehicle ownership data from ICBC to determine how to update the off-street parking rates in the Zoning Bylaw in different neighbourhoods. Another consideration will be the current on-street parking management approach and a review of residential parking permits for single and multi-family dwellings.

Purpose-built Rental Buildings:

Following the last Council parking workshop, Staff put out a request and brief questionnaire to the local development community to gather preliminary data on occupied rental buildings and parking availability. The purpose was to understand if demand for off-street parking aligned with the current bylaw requirements, and to what extent other factors, such as pricing and on-street parking availability influence demand. The responses at the time of writing this report included eight (8) developments that charged a nominal monthly fee for a parking stall. The responses also included buildings in locations with and without on-street parking management. The data shows that each development’s available off-street parking was sufficient. Six out of eight of the developments had more available stalls than available units for rent. The available stalls may be partially attributed to unit vacancies, pricing, and on-street parking restrictions, but may also suggest minor reductions could be considered. Not all responses included addresses to allow for this level of assessment. Staff will continue to gather additional information from the development community to determine if changes to the current off-street parking regulations should be considered in the near future.

Transit Frequency:

Staff prepared an initial analysis of our transit network and divided those transit routes and stops into three categories: frequent, medium, and infrequent. The purpose is to understand if off-street parking requirements should be revised based on transit proximity. There appears to be a strong correlation between where the City’s frequent transit is, and where there are lower rates of vehicle ownership per household.

A mapping buffer representing a five-minute, 400 metre walking distance from each bus stop was created to select properties that would viably have good transit access (Figure 3). The provincial government and Metro Vancouver describe a *Frequent Transit Network* as a network where transit service runs at least every 15 minutes in both directions throughout the day, into the evening, and every day of the week. Customers travelling along a *Frequent Transit Network* corridor can expect convenient, reliable, easy-to-use service that is frequent enough that they do not refer to a schedule.

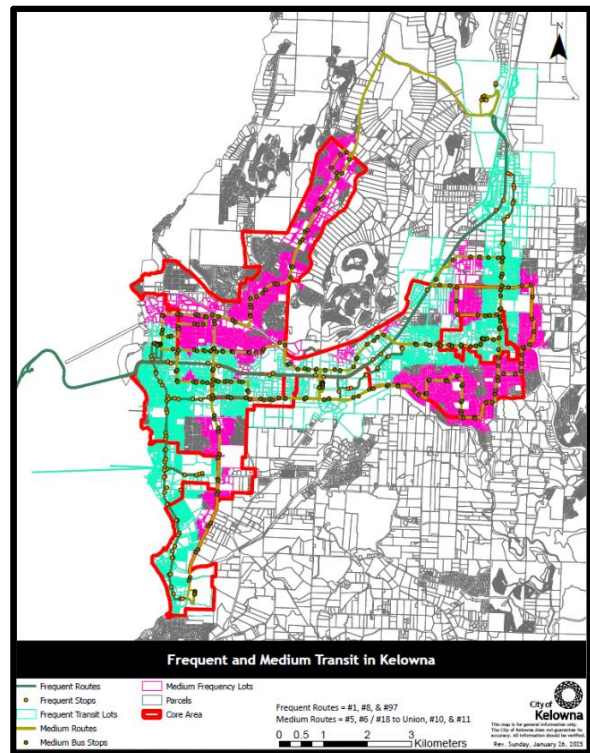


Figure 3: See Attachment A for full size image

Kelowna does not yet have a transit service that meets this definition. However, Kelowna does have 15-minute service during weekdays on certain routes. These routes are described as frequent for Kelowna and the properties within the 5-minute walking radius are highlighted in green. The routes that qualify

for a Kelowna frequent designation are numbers 1, 8, and 97. The areas of the city with access to these more frequent transit routes also have lower vehicle ownership rates, under city average of 2.6 vehicles per household. The medium transit service in Kelowna is defined as service every 30 minutes during weekdays. The properties within the 5-minute walking radius are highlighted as pink. The routes that qualify for a Kelowna medium designation are number 5, 6, 18, 10, and 11. The infrequent routes do not have a transit service that would suggest a reduction in off-street parking requirements, thus are not shown on the map.

This analysis is only a snapshot of the current transit service. Any proposed changes to the bylaw would need to account for future transit routes, as parkades are expensive to build and not easy to adapt to other desirable uses once constructed. Further, the bylaw regulations would need to be clear for applicants and designers to understand and apply in their development plans, so a simple and adaptable approach in consideration of future transit access and service would be necessary.

Key Issues and Opportunities:

1. **Parking Reductions:** New development proposals may apply parking reduction incentives without any limit on the cumulative effect of combining eligible reductions. An upper limit could be established in locations where modal shift opportunities are limited.
2. **Cash-in-lieu of Parking:** A new development may apply any of the eligible parking reductions and opt to apply cash-in-lieu of parking for the balance of stalls. Staff need to review this program to establish appropriate stall limits, evaluate value for the city, and benefit the current and future residents in areas where the program applies.
3. **Vehicle Ownership:** Available data from ICBC shows areas with a higher ratio of multi-family dwellings have lower rates of vehicle ownership, though there are exceptions in areas that are locationally inefficient and with limited transit service. Staff have requested more detailed data from ICBC for further review that can help inform us of the locational differences in our parking rates.
4. **Rental Parking Incentives:** Preliminary information indicates parkades have some available pay parking stalls. This suggests the current rental parking incentives are sufficient in our urban neighbourhoods, but reductions could be considered in some areas. Staff would recommend additional consultation with the development community to gather more information.
5. **Transit Access:** There appears to be a strong correlation between where the City's frequent transit is available, and lower rates of vehicle ownership per household. Any proposed changes to the bylaw in consideration of transit service would need to address the dynamic nature of transit planning and service and not be overly complicated for applicants to apply to their development projects.

### **Options for Off-Street Parking Regulations:**

Staff are reviewing the parking regulations within the Zoning Bylaw and will propose adjustments based on discussion and feedback from this Council parking workshop, and engagement with the development community. Preliminary considerations for discussion include:

1. Introduce a limit on the stacking of parking reduction incentives and limit the amount developments are permitted to utilize cash-in-lieu of parking.
2. Introduce minimum parking requirements based on geographic areas, adjacent land use, access to transit with consideration for service levels, ATCs and cycling infrastructure. The likelihood that dwelling units would need fewer vehicle parking stalls per unit is greater when viable options are available in the immediate area. Geographic areas and adjacent land uses should also remain a factor as walking distance to a host of amenities would also decrease the need for additional vehicles per dwelling unit.
3. Increase minimum bicycle parking and end-of-trip facility requirements based on proximity to active transportation and future ATCs to direct municipal investment in these corridors and encourage a shift to active transportation.
4. Investigate electrification requirements within bicycle parking facilities to support e-bikes and other electric micro-mobility options.
5. Assess minimum vehicle parking reductions for promotional transit passes for new residents. BC Transit has an EcoPASS that is similar to Translink's Compass for Developments. "The Compass for Developments program allows developers to make a one-time bulk payment to TransLink to satisfy municipal Transportation Demand Management (TDM) requirements for transit benefits, while allowing stratas and/or property managers to facilitate the distribution of the transit benefits to occupants. This program contributes to municipal TDM requirements by reducing the reliance on parking and single-occupancy vehicle trips, while delivering benefits to building occupants, developers, and the region." The one-time bulk payment would be providing all residents of a new development access to acquire a free transit pass valid for a certain amount of time.
6. Adjust the car-share program to provide similar benefits as the transit passes. When a car-share is provided within a new development, residents should have a membership with the operator along with similar promotional passes to increase utilization of alternative forms of transportation and reduce the demand for additional parking per dwelling unit. Explore opportunities to include micro-mobility ride-passes in this program.
7. Explore car-share funding in lieu of parking, in cases where an existing building already has a car-share program in place, with an aim to strategically locate the next car share for increased coverage.

### **Options for Cash-in-lieu of Parking Bylaw:**

The intention of Cash-in-lieu of parking is to compensate the City for assuming the responsibility of providing parking when a landowner or developer cannot meet the minimum parking requirements



established in the City's zoning bylaw. The Transit Oriented Areas (TOA), i.e. the Hospital, Okanagan College, Orchard Park Mall, and Rutland, have no residential parking requirements. This means developments within TOAs do not have the opportunity to pay any cash-in-lieu of parking, as developers simply determine the amount of parking they require.

Developments outside the TOAs can continue using the cash-in-lieu program as a tool to provide less parking, irrespective of the already noted parking reduction opportunities. When developers choose this parking reduction tool in areas without on-street parking management, this can result in on-street parking issues.

Based on a review of how other municipalities make use of a similar cash-in-lieu for parking program (including Kamloops, Coquitlam and Abbotsford), there are a few options moving forward, some of which may work in combination with others.

1. Apply cash-in-lieu of parking in urban centres that have viable parking infrastructure improvements such as the Downtown Urban Centre, Pandosy Urban Centre, and the Rutland Urban Centre.
2. Legislatively the cash-in-lieu program does not have to be used for the construction of off-street parking and could be used for active transportation and other streetscape upgrades improving pedestrian, transit access and cycling mobility throughout the community. Instead of urban centre focused, this would likely apply to the Core Area.
3. Develop a strong rationale and maximum number of stalls eligible for cash-in-lieu relative to the size of the development and the application of other parking stall reductions.
4. Modify, or in some locations, eliminate the cash-in-lieu program to encourage developers make use of parking reductions that improve the opportunity to cycle, take transit or car-share. Developers who desire further parking reductions allowed would go through a variance permit process if they do not meet the new off-street parking requirements.

**Staff Recommendation & Next Steps:**

Staff are recommending that further parking, vehicle ownership, and rental parkade use information be gathered and assessed, in addition to consultation with the development community. Proposed amendments to the Zoning Bylaw and Cash-in-lieu bylaw would then be drafted, based on the issues, opportunities, and principles identified in this report and discussed in the workshop.

**Internal Circulation**

Communications  
Development Engineering  
Housing Policy & Programs  
Long Range Planning  
Parks & Building  
Real Estate Services  
Transportation

**Considerations applicable to this report:**

*Existing Policy:* Council Policy 247: Hierarchy of Plans, Housing Needs Assessment 2023, 2040 Official Community Plan, 2040 Transportation Master Plan, Capri-Landmark Urban Centre Plan, Imagine Kelowna

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