

Report to Council



Date: March 3, 2025
To: Council
From: City Manager
Subject: HAF Transit Supportive Corridor Planning Pilot Project
Department: Long Range Planning & Housing Policy and Programs

Recommendation

THAT Council receives, for information, the report from the Long Range Planning Department and Housing Policy and Programs Department, dated March 3, 2025, regarding the Housing Accelerator Fund Transit Supportive Corridor Pilot Project;

AND THAT Council directs staff to proceed with Phase 2 of the project as outlined in the report from the Long Range Planning Department and Housing Policy and Programs Department dated March 3, 2025.

Purpose:

To receive information and provide direction on Phase 1 of the Transit Supportive Corridor Pilot Project and to advance Phase 2.

Council Priority Alignment:

- Transportation
- Climate & Environment
- Affordable Housing
- Economy

Background:

In 2023, the City of Kelowna received up to \$31.5M from the federal Housing Accelerator Fund (HAF). The purpose of the HAF is to encourage local governments to increase the supply of new housing to meet the needs of a growing population. The HAF requires the City of Kelowna to permit approximately 7,000 new housing units by October 2026.

Under one of the HAF Initiatives, the City is leading a pilot project to explore pre-zoning select Transit Supportive Corridors (TSCs) to allow for more housing as-of-right (see Attachment A). This action is also included as Action 2.6 in the recently endorsed [Housing Action Plan](#).

Accommodating more housing and services along TSCs—when combined with investment in transportation—can provide economic, environmental, and social benefits including:

- **Optimized infrastructure and transit spending.** Compact development reduces infrastructure costs, allowing more people to be served per dollar invested.

- **Amplified economic impact.** Transit-oriented development aligns with grants, attracts private investment, supports existing and new businesses, and improves access to jobs.
- **Reduced impact on natural areas.** Focusing growth along TSCs reduces pressure to develop on the edges of our city.
- **Reduced climate impacts.** Better access means less driving, which reduces carbon emissions.
- **Improved health outcomes.** Residents of compact neighbourhoods with non-car options are healthier and live longer than residents in car-dependent areas.

TSCs are not currently pre-zoned, meaning properties along TSCs must rezone on a case-by-case basis, adding time and uncertainty. As such, properties adjacent to TSCs may be less favourable for redevelopment compared to properties in other areas of the city where zoning is in place such as Urban Centres, Transit-Oriented Areas, and Core Area neighbourhoods.

As part of Phase 1 of this project, staff led Council on a tour of the Pilot Project TSCs on November 4th, 2024, which was followed by a presentation to Council. During the tour, Council provided considerations and feedback which staff have incorporated into this project and will continue to address going forward. Key considerations raised by Council during the tour and at the two Council meetings regarding TSCs are summarized under the following themes:

- *Pleasant and Inviting Corridors.* Prioritize creating pleasant and inviting environments along the TSCs, including efforts to improve the design of building facades, consideration of different uses at street level, and enhancing tree canopy coverage.
- *Building Type Variety.* Explore policies, regulations, design guidelines and other tools to promote variety in height and scale of new development along the TSCs.
- *Building Height Transition.* Explore policies, regulations, design guidelines and other tools provide clear guidance for the transition from buildings along TSCs to smaller buildings closer in adjacent neighbourhoods.
- *Assessment Impacts.* Work with BC Assessment to understand possible impacts to assessed values of properties in the pilot project area.
- *Better Transit Service.* Identify ways to improve transit service concurrently with new growth along TSCs to encourage more residents in the area to choose transit over driving.

Discussion:

This section outlines key regulatory and policy changes being considered for the Pilot Project TSCs with consideration for the feedback that Council provided on November 4th, 2024. Specifically, staff are working to develop a Land Use Concept, zoning changes, and revised design guidelines, as well as seeking to collaboratively prioritize transit service along the Pilot Project TSCs. This package of updates would be developed in further detail during Phase 2 of the project, and public engagement will also be conducted.

Land Use Concept. To guide the development of new zoning regulations, form and character design guidelines, future street design and investments in transit service, an overarching land use concept will be developed. This land use concept would demonstrate how all these elements will work together deliver the vision for these corridors.

In keeping with Council's feedback, staff are exploring various land use configurations to accommodate the level of density required to support effective public transit in TSC areas. While the Land Use Concept will continue to focus on a mix of six-storey apartment and mixed use buildings that transition to four-storey and eventually infill housing forms, Phase 2 of this project will integrate selected elements from

different land use approaches outlined below, considering property and block locations and configurations as well as Council feedback (see Attachment B).

- a) *Even Distribution Approach* whereby all Pilot Project TSCs are treated equally, with up to 6-storey developments permitted adjacent to the TSCs, followed by a four-storey transition to infill areas.
- b) *Transit Nodes Approach* which focuses more housing opportunities around transit nodes or key intersections where transit stops are or will be located in the future.
- c) *Priority Corridor Approach* which focuses on density along higher-order transit routes, such as Richter Street for example, while allowing more flexibility on other nearby TSCs.

This approach incorporates Council's feedback by making corridors more pleasant and inviting, diversifying building types, and ensuring smoother building height transitions.

New Zoning Regulations. New zoning regulations are being developed for properties on and adjacent to the selected TSCs. As part of this process, new regulations would be created specifically for the TSCs which would include regulated density, use, setbacks and height and other elements. It will also include zoning maps that specify, property by property, where this zoning would apply.

In keeping with Council's feedback, this zone would also provide regulations for how and where building scale would transition from buildings along TSCs to smaller buildings closer to lower-density areas as well as where such forms would be required and where flexibility would be supported. Considerations for neighbourhood commercial uses would not only bring more services to the area, but address Council's comments regarding building and façade variety and visual interest.

New Form and Character Design Guidelines. OCP form and character design guidelines are being updated to shape the form and character of developments in TSC areas. These updates will provide clearer guidance on building form, massing, landscaping, materials, and other design elements to ensure a cohesive and context-sensitive integration in the neighbourhood.

To address Council's feedback regarding variation in height and design as well as visual interest in street facing facades, staff are developing new OCP form and character guidelines to support diverse building designs along TSCs, promote variation between neighboring developments and create visually appealing streetscapes. Staff are also reviewing policies and regulations to identify ways that streetscapes can be enhanced along TSCs, such as enhanced landscaping and other design features.

Transit Service Improvements. Increasing transit service on TSCs aligns with service design guidelines, prioritizing investment in high-ridership routes. The annual Transit Improvement Program with BC Transit provides recommendations to Council, including potential investments along Transit Supportive Corridors. These recommendations consider land use changes and route performance, aiming to enhance service as corridors densify while maintaining productivity targets. Once the operations centre capacity constraints are addressed, staff anticipate recommending increased service on major routes, prioritizing the TSCs.

Furthermore, this pilot project is being conducted in conjunction with the Richter Corridor Study to ensure the necessary right-of-way is accommodated while minimizing development constraints, through the thoughtful application of land use concept approaches outlined in this report. This prioritization of service improvements on selected TSCs aims to address Council's feedback regarding aligning better transit with the TSC land use approach.

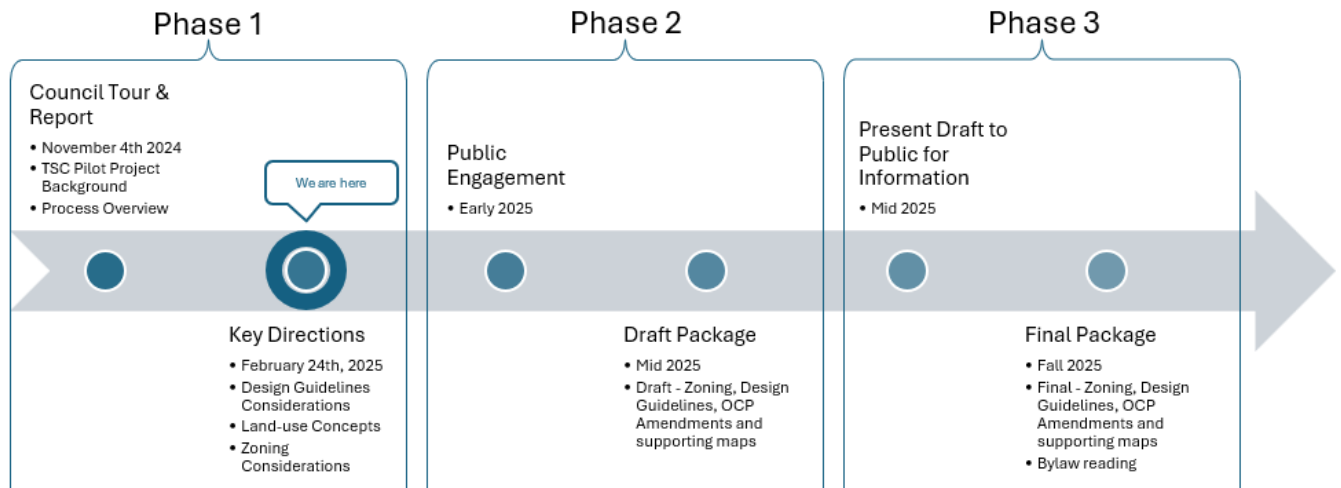
Next Steps

The Pilot project is expected to follow the process outlined in Figure 1, with staff currently in Phase 1.

Following receipt of this report, Phase 2 will begin with a public engagement process aimed at seeking input from community partners. Feedback will inform the development of a draft package of bylaw amendments, including the Land Use Concept, a TSC zone, design guidelines, and maps. This draft will be presented to Council in mid-2025.

Pending Council direction on the draft package, the Land Use Concept and the proposed amendments will be shared with residents and community partners. Further, Staff will then return to Council with a final package for endorsement and bylaw consideration later this year.

Figure 1 - TSC Planning Pilot Project Process



Conclusion:

In summary, options for pre-zoning select TSCs are being analyzed by staff. The goal is to pre-zone these areas in alignment with the City’s HAF commitments. This approach supports several key Council priorities, including Affordable Housing, Transportation, and the Economy, while also providing additional environmental and social benefits. By enabling higher density in areas with prioritized transit service, the City can better align land use with transit infrastructure and deliver on community housing needs.

Following Council feedback, staff will further examine these approaches in coordination with other on-going initiatives particularly the Richter Corridor Study, to ensure that promoting density makes transit more viable along these corridors.

Internal circulation:

- Integrated Transportation Department
- Development Engineering Department
- Development Planning Department
- Real Estate Services Department
- Parks Planning & Design Department

Considerations applicable to this report:

Existing Policy:

Orienting development along TSCs aligns with many City policies including but not limited to the *Imagine Kelowna Vision*, the *Official Community Plan Pillars*, and the *Transportation Master Plan Goals*.

Financial/Budgetary Considerations:

This project and all associated costs are to be funded by the Housing Accelerator Fund.

Considerations not applicable to this report:

Legal/Statutory Authority

Legal/Statutory Procedural Requirements

External Agency/Public Comments

Submitted by: Ahmed Mustafa, Planner Specialist, & Arlene Janousek, HAF Project Manager

Approved for inclusion: Robert Miles, Long Range Planning Department Manager, Planning, Climate Action & Development Services

Attachments:

Attachment A – Transit Supportive Corridors Pilot Project Map

Attachment B – Land Use Concepts