

Report to Council



Date: April 14, 2025
To: Council
From: City Manager
Subject: 2025 OCP Update - Revised Growth Scenario
Department: Long Range Planning

Recommendation:

THAT Council receives, for information, the report from Long Range Planning dated April 14, 2025, with respect to the 2025 OCP Update - Revised Growth Scenario.

Purpose:

To receive a revised 2041 growth scenario that aligns with the interim Housing Needs Assessment as part of the 2025 OCP Update.

Council Priority Alignment:

Affordable Housing
Climate & Environment
Transportation
Agriculture

Background:

In late 2023 the Province passed a suite of legislation to shift to a more proactive approach to planning and zoning to enable more housing to be built in the right places, faster. The new framework emphasizes long-term planning to ensure that enough land is designated and pre-zoned to meet both current and future housing needs. As part of this new legislation, all municipalities are required to update their OCPs by December 31, 2025 to include statements and map designations to meet anticipated housing needs over at least 20 years, as identified in their Interim Housing Needs Assessments (HNA). The first part of this process is to understand where the additional growth identified in the HNA will go.

Previous Council Resolution

Resolution	Date
THAT Council receives, for information, the report from the Housing Policy and Programs Department, dated November 25, 2024, regarding the Interim Housing Needs Assessment.	November 25, 2024
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.	November 25, 2024

Discussion:

Based in part on the BC Stats population projections available at the time, [Kelowna's HNA](#) (presented to Council last fall) determined that nearly 45,000 housing units were required between 2021 and 2041 to meet an estimated 2041 population of over 232,000 people. This is nearly 20,000 more units than were identified in the 2040 OCP's Growth Scenario. This difference can be primarily attributed to BC Stats anticipating a higher growth rate as well as a more robust approach to delivering housing, particularly in onboarding more housing to address unmet needs.

BC Stats recently released revised projections, reducing their population projection to 2041 to approximately 212,000. Nevertheless, the 2025 OCP update must be based on the higher growth projection to align with what was projected in the interim HNA. If higher population growth is not achieved during that period, it will mean there will be additional capacity for housing beyond the 2041 timeframe.

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 for a growing Kelowna. Based on this, Model City has shown that Kelowna's Future Land Use and Zoning have nearly 75,000 units of high development potential capacity, and significant additional zoned capacity, well beyond what is needed to accommodate the additional units identified in the HNA.

Model City can be used to anticipate the likelihood of where the 45,000 units will be distributed across the city. Identifying locations of development applications in various stages of approval together with properties that have high residential development potential has resulted in the distribution of housing units as outlined in Table 1, with additional details provided in *Attachment A: Comparison of 2040 OCP and Revised Growth Scenarios* and *Attachment B: 2041 Growth Scenario Map*.

Table 1: Comparison of 2040 OCP and revised growth scenarios

	2040 OCP (2021 – 2040)	Revised scenario (2021 – 2041)
Urban Centres	12,100 (48%)	17,105 (38%)
Core Area	6,430 (25%)	14,844 (33%)
Suburban	4,250 (17%)	9,626 (21%)
Gateway	1,050 (4%)	1,288 (3%)
Rest (Suburban / Rural)	304 (6%)	304 (1%)
Secondary Suites		1,833 (4%)
Total	25,330 units	45,000 units

In the 2040 OCP growth scenario, 73 per cent of growth was in the Urban Centres and Core Area. The revised growth scenario also accommodates the bulk of the growth in these areas, however, they are

more evenly distributed between the Urban Centres and Core Area. This is because of significant development expected in the Core, for example future development in the North End, at the Mill Site and at Burtch/Harvey Area Redevelopment Plan lands.

The growth scenario doesn't only look at where new housing units will be going, it also considers what form the housing will be. The 2040 OCP looked at two different categories of housing - single / two units and multiple dwelling units. The revised growth scenario has adjusted these categories to be in line with new provincial housing legislation and census data: ground-oriented units (including a mix of single family, townhomes, infill, carriage homes and secondary suites) and apartments.

Table 2 below presents the updated housing mix, with 65 percent of new units comprising apartments and 35 percent consisting of ground-oriented forms. Most apartment units will be situated in Urban Centres and the Core Area, whereas most ground-oriented units will be located in the Core Area and Suburban growth strategy districts. Analyzing the data from the Housing Dashboard indicates that this distribution aligns closely with Kelowna's trends over the past four years, where 34 percent of building permits were issued for ground-oriented units and 66 percent for apartment units. Ultimately if this new housing mix is realized, by 2041 the distribution of Kelowna's total housing stock (which includes new and existing homes) will be 54 per cent ground-oriented and 46 per cent apartment.

Table 2: Revised new housing mix

2040 OCP (2021 – 2040)		Revised Growth Scenario (2021 – 2041)
5,980 single/two units (24%)	→	15,600 ground oriented (35%)
19,350 multiple units (76%)	→	29,400 apartments (65%)
25,330 units total		45,000 units total

Conclusion & Next Steps:

Over the coming months staff will be drafting a package of proposed updates to align with the requirements set by the Province for the 2025 legislated OCP update. In addition to the revised growth scenario, updates will include select sections of Chapter 2 to address population and housing projections; and housing policy updates in each of the growth strategy district chapters (chapters 4, 5, 6, 7 and 8). The draft revisions will then be presented to Council and then shared with the public for comment.

The OCP is a living document that provides direction on how Kelowna will evolve to 2040. Amendments beyond the legislated update 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.

Internal Circulation:

Capital Planning & Asset Management
 Community Communications
 Data Services & Analytics
 Development Engineering

Development Planning
 Facilities Planning & Design
 Housing Policy and Programs
 Infrastructure
 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 (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).

Existing Policy:

2040 Official Community Plan

- Chapter 2: Housing & Population Projections
 - Table 2.5 Housing Unit Projections by Growth Area
 - Map 2.1 Anticipated Residential Unit Distribution

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.

Consultation and Engagement:

A consultation process will be planned once all changes have been drafted for the OCP update (including the new growth scenario, mapping and table updates) so that the public will have an opportunity to understand the implications of proposed amendments to meet the provincial requirements.

Considerations not applicable to this report:

Legal/Statutory Procedural Requirements:

Communications Comments:

Submitted by:

T. Guidi, Planner Specialist

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

Attachments:

Attachment A: Comparison of 2040 OCP and Revised Growth Scenario

Attachment B: Draft Map 2.1 Anticipated Residential Unit Distribution (2021-2041)