

OUR HOMES TODAY & TOMORROW

A HOUSING NEEDS ASSESSMENT

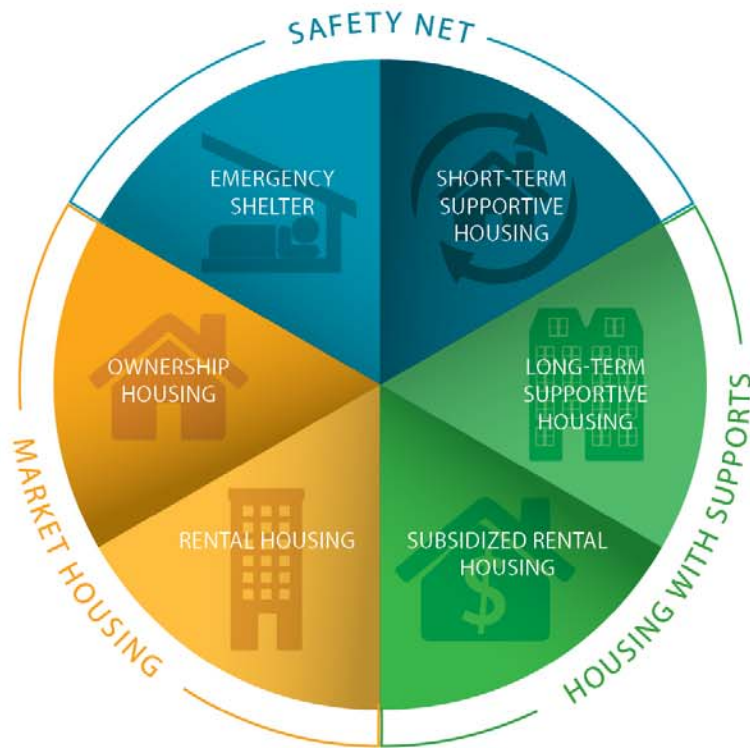


Table of Contents

TABLE OF CONTENTS 2

TABLE OF FIGURES 3

TABLE OF TABLES 4

ACKNOWLEDGEMENTS 5

EXECUTIVE SUMMARY 6

A New Approach 7

Kelowna Today and Tomorrow 8

Kelowna’s Housing Today 8

Kelowna’s Future Housing 9

What are the Root Causes? 9

Gaps and Recommendations 11

1.0 COMING TO GRIPS WITH HOUSING NEED 13

Introduction 13

Purpose 13

Journey Home Strategy 14

Healthy Housing Strategy 14

Sources of Information and Data Limitations 15

Study Approach 17

DEEP DIVE: Housing and Transportation Costs 20

2.0 CONTEXT SNAPSHOT: TODAY AND TOMORROW 23

Kelowna Today 23

Kelowna in Context: Comparator Municipalities 25

Kelowna Tomorrow (2040) 26

3.0 KELOWNA’S HOUSING TODAY 27

Overall Housing Supply 27

Overall Housing Market 29

Current Housing Within the Wheelhouse 30

Housing for Specific Population Groups 44

DEEP DIVE: Lone Parent Families 46

DEEP DIVE: Indigenous Homelessness 49

4.0 KELOWNA’S FUTURE HOUSING 52

5-Year Housing Supply 52

DEEP DIVE: Housing First 54

Business-As-Usual Forecast 55

Healthy and Resilient Housing Evaluation 59

5.0 ROOT CAUSES, GAPS & RECOMMENDATIONS 62

<i>What are the Root Causes?</i>	62
<i>Gaps and Recommendations</i>	63
6.0 NEXT STEPS	67
7.0 APPENDIX	68
<i>Glossary</i>	68
<i>Interview Questions</i>	70
<i>Point-in-Time Count</i>	72
<i>Rent Supplement – Provincial Program Details</i>	73

Table of Figures

Figure 1: The Wheelhouse, Housing in Kelowna.....	7
Figure 2: City of Kelowna and Regional Context Map.....	16
Figure 3: The Wheelhouse.....	17
Figure 4: Healthy and Resilient Housing Approach.....	18
Figure 5: Households by Household Size.....	24
Figure 6: Kelowna Age Profile - 2040.....	26
Figure 7: Kelowna Household Size Profile - 2040.....	26
Figure 8: Housing by Type.....	27
Figure 9: Existing Housing Supply by Wheelhouse.....	28
Figure 10: Households Spending Greater than 30% on Housing, 2016.....	29
Figure 11: Shelter Users by Year.....	31
Figure 12: Seniors Housing Types.....	33
Figure 13: Rent Assistance by Type.....	36
Figure 14: Safety Net and Housing with Supports by Population.....	36
Figure 15: Safety Net and Housing with Supports by Population (Excluding Seniors).....	36
Figure 16: Primary Rental Supply.....	38
Figure 17: Secondary Rental Units.....	38
Figure 18: Vacancy Rate by Unit Type (2010-2016).....	39
Figure 19: Average Rent in the Secondary Rental Market.....	40
Figure 20: Number of Households in the Secondary Rental Market.....	40
Figure 21: Number of Home Sales by Price and Dwelling Type (2016).....	41
Figure 22: Percentage of Home Sales by Type (2010-2016).....	42
Figure 23: Median Home Price by Type (2010-2016).....	42
Figure 24: Median Home Sale Price versus Median Household Income (2001-2016).....	43
Figure 25: Urban Indigenous Population Growth.....	48
Figure 26: Point-in-Time Count.....	50
Figure 27: 2040 Housing by Type.....	55
Figure 28: Forecast of Home Price to Household Income 2040 (Average).....	66

Table of Tables

Table 1: Gaps and Recommendations Summary 11

Table 2: Owners with Mortgages in Metro Vancouver..... 20

Table 3: Renters in Metro Vancouver 21

Table 4: Kelowna & Comparator Municipalities..... 25

Table 5: Median Household Incomes versus Average Rents 40

Table 6: Household Income versus Shelter Costs 43

Table 7: Household Median Income 46

Table 8: Evaluation of Current and Business-As-Usual 59

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- BC Housing
- Canadian Home Builders Association
- Interior Health
- School District #23
- Seniors Outreach and Resource Centre
- Society of Hope
- United Way
- Urban Development Institute
- Urban Matters
- UBC

Executive Summary

In Kelowna, we are facing unprecedented housing challenges. Housing is in the midst of a boom cycle and, while some residents may be benefiting from this, others are feeling squeezed out of a tight market, and are becoming housing vulnerable. A coordinated strategy is needed to address Kelowna's housing challenges. But, before we can begin formulating strategies and actions, we must clearly understand the problem. This is where the Housing Needs Assessment comes in.

The goals of the Housing Needs Assessment (HNA) are:

1. Clarify the problem – what are our housing needs, and will the needs change over time?
2. Identify focus areas – what needs are the most pressing?

The HNA builds an important foundation for action – a strong base of knowledge contributes to robust and appropriate strategies and actions that seek to have real, measurable and positive impacts on our housing challenges. The HNA is linked to the Council priorities of “Homelessness” and “Housing Diversity” and is in direct support of two key strategies under development: The Journey Home Strategy and the Healthy Housing Strategy.

- **Journey Home Strategy:** The Journey Home Strategy will guide the development of a community vision for addressing homelessness, outlining community priorities. The strategy will focus on the application of an evidence-based systems planning approach to coordinate and organize the delivery of housing services and programs in the areas of Safety Net and Housing with Supports.

- **Healthy Housing Strategy:** The Healthy Housing Strategy will focus on policy, regulatory and procedural recommendations for Housing with Supports in the categories of subsidized rental housing, rental housing and ownership housing. The Strategy has identified three priority areas for more focused research and understanding: housing affordability and supply, rental housing, and community for all.

Housing is not a challenge unique to Kelowna. It is a national, and even international issue, with hundreds of communities struggling to find solutions. In order to provide context around housing issues in Kelowna, we have identified four comparator municipalities of similar size, geography and economic characteristics: Boulder, Colorado; Kingston, Ontario; Nanaimo, BC; and Santa Rosa, California. These municipalities, as well as other municipal examples, are discussed throughout the Needs Assessment to show appropriate comparisons and interesting examples across North America.

This Housing Needs Assessment paints a picture of Kelowna today, in the short-term, and long-term (2040) in order to understand what our housing needs are today and how they may shift over time. All of this is guided by a new framework for housing, called the Wheelhouse.

A New Approach

The Wheelhouse

The Wheelhouse promotes equity and inclusion, recognizing that our housing stock needs to reflect the diverse needs of Kelowna residents (socioeconomic, demographic) and that people may move across categories of the Wheelhouse throughout their lives.

As the foundation of the HNA’s new approach, the Wheelhouse is referenced throughout the document and is used as a key organizing element to demonstrate the diversity of housing required in a community.

Defining Success

In addition to the Wheelhouse, the HNA takes a different approach to what a successful housing

system should look like. Here, the HNA draws on healthy housing and resiliency to establish the key characteristics of success:

- Diversity of form and tenure
- Affordability & Accessibility
- Inclusiveness
- Coordination

Approaches to Defining Affordability

There are a variety of ways of looking at what is affordable or not. For the purposes of the HNA, housing is considered affordable if shelter costs account for less than 30 per cent of before-tax household income.

Figure 1: The Wheelhouse, Housing in Kelowna



Source: The City of Kelowna

Kelowna Today and Tomorrow

The following information provides a brief snapshot of Kelowna today and some predictions about Kelowna in 2040 if current trends hold.

Kelowna Today	
Population	127,500
Over 65 Years Old	20%
Median Household Income	~68,000
Rental Market Status	Constrained
Average Home Price	~\$480,000
Employment	Strong (5.4% unemployment rate)
Prevalence of Homelessness	Severe
Largest Economic Drivers	Tourism, tech sector

Business-As-Usual 2040 Estimates	
Population	178,500
Total Housing Units	78,000
Over 65 Years Old	25%
Median Household Income	\$99,000
Rental Market Status	Constrained
Average Home Price	\$950,000.00
Largest Economic Drivers	Tech, health care, tourism

Kelowna’s Housing Today

The table below provides a brief picture of Kelowna’s housing supply today.

Housing Supply Today
53,900 total housing units
50% of total housing is single detached
4,800 total primary rental market units
10,000 total secondary rental market units
687 total Safety Net beds
4,700 total Housing with Supports units (market and non-market)

Population and job growth have driven significant demand for housing; home prices and rents are escalating. Of the total households and housing types throughout the Wheelhouse, 28 per cent spend greater than 30 per cent of their household income on housing costs.¹

Housing found within the Safety Net and Housing with Supports sections of the Wheelhouse are also feeling the crunch. Recent increases in shelter usage is indicating a significant increase in the numbers of individuals experiencing homelessness – the average number of individuals staying in one shelter each night has increased from 74 in 2015 to 90 in 2016.² A Point in Time Count indicated that there were 233 absolutely homeless individuals and a further 273 individuals counted as temporarily housed and identified as at risk of homelessness (2016)³. Individuals are staying in short-term supportive housing for longer – while typically intended for up to two or three years, some units have had the same occupant for up to seven years.

¹ Shelter costs for owner households include, where applicable, mortgage payments, property taxes and condominium fees, along with the costs of electricity, heat, water and other municipal services. For renter households, shelter costs include, where applicable, the rent and the costs of electricity, heat, water and other municipal services. These costs do not include indirect housing costs such as transportation.

² Based on one local shelter statistics as of September 2016.

³ A Point-in-Time (PiT) Count is a method used to measure sheltered and unsheltered homelessness. It aims to

enumerate individuals in a community who are, at a given time, staying in homeless shelters, temporary housing, or “sleeping rough” (e.g., on the street, in parks), providing a “snapshot” of homelessness in a community (p.6). 2016 was the first year that Kelowna participated in this nationally coordinated framework as one of the designated communities for the count. Outcomes of the Kelowna PiT Count are twofold: (1) provide a count of people experiencing sheltered and unsheltered homelessness, and (2) provide information on the characteristics of the homeless population. (p.6)

Data indicates that there are significant waitlists for housing within the Housing with Supports segment of the Wheelhouse, with government and non-profit housing wait lists having almost 800 active applications.⁴ Individuals, families and seniors with modest incomes who require only financial supports are competing in the market for units, and as prices escalate and vacancy rates decrease, they are increasingly constrained in their ability to attain rental units.

For tenant households, 47 per cent spend greater than 30 per cent on housing costs, compared to just 19 per cent of owner households. The vacancy rate for the primary rental market in Kelowna has been decreasing since 2012, dropping to 0.6 per cent, with three plus bedroom units at 0.0 per cent. Lone parent families and single occupant households are the largest groups experiencing housing affordability issues in Kelowna. Increasingly, prices within the ownership segment of the Wheelhouse are escalating well beyond commensurate increases in income. Median house prices have nearly tripled over the past 15 years, whereas median household incomes have less than doubled.

Kelowna’s Future Housing

A strong economy and natural assets will continue to draw population growth to Kelowna. In the short-term, 7,500 units are predicted to be constructed over the next five years, and, of those, about 500⁵ units are expected to contribute to the Non-Market Housing segments.⁶ It is expected the majority of these units will contribute to the Housing with Supports area of the Wheelhouse. While it is probable that in the future, shelter and short-term supportive housing will exist, Housing First (units scattered throughout the community,

and whenever possible accessing Market Housing with supports) will shift from an emergency system to housing with supports and supplements in the market sector. This will shift the demand away from the Safety Net to rental housing units.

Short-Term Housing Supply (5-year)
7,500 new housing units
19% of new housing is single detached
1,100 new rental units in stream
1,000 new secondary rental market units
94 new Safety Net units in stream
132 new Supported Housing units in stream

Looking at the Business-As-Usual (BAU) scenario for 2040, apartment housing will lead new housing development, with approximately 9,000 new units, in part due to cost and consumer preferences, and in part due to a constricted land supply that will drive much of the new growth into existing neighbourhoods.

Home price growth will continue to outpace income growth under the BAU scenario, with the estimated costs of a detached home in 2040 ranging from \$1-1.5M. As home ownership becomes more challenging, the share of the population renting units will likely increase. These shifts will continue to put pressure on the demand for Housing with Supports, as low-income individuals are squeezed out of Market Housing due to rising costs.

Secondary suites and carriage homes will also see rapid growth under the BAU scenario, driven by homeowners looking for extra income to support rising home prices.

What are the Root Causes?

The amenity rich community coupled with a strong and growing economy and other regional push

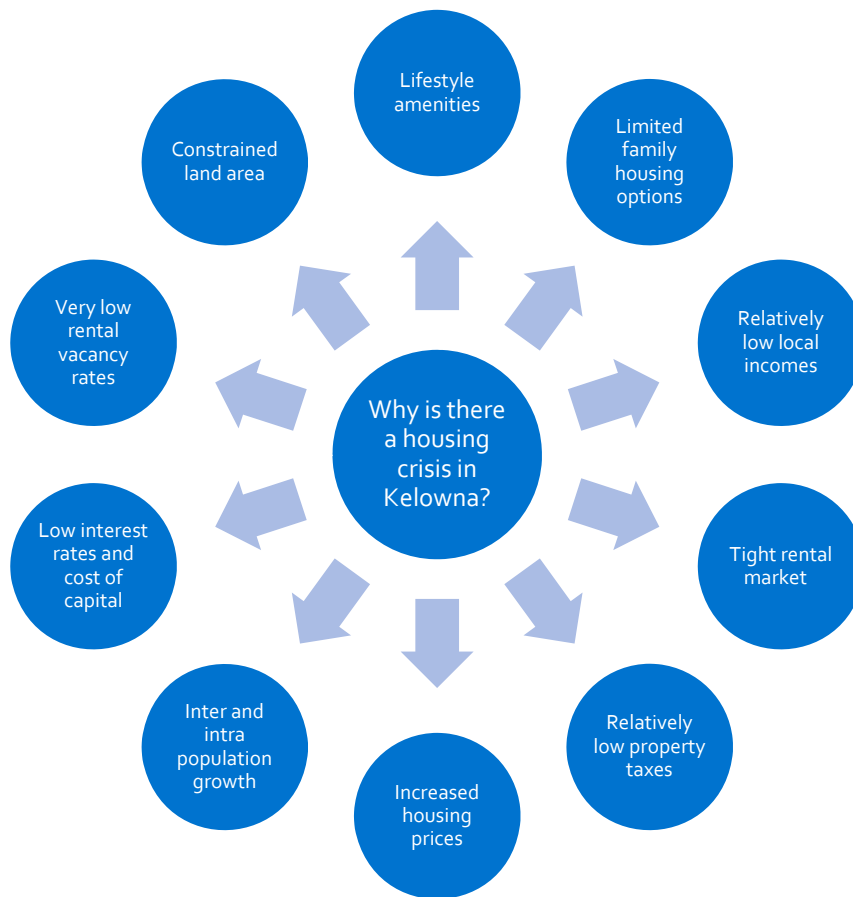
⁴ This includes the following: BC Housing Registry with 180 active applications as of 2016, the Supportive Housing Registry with 789 active applications in 2017, and a non-profit senior housing provider having a 294 person wait list.

⁵ This total includes non-profit developments in stream (about 300) as well as an assumption of an additional 200 that are in concept development.

⁶ Non-Market Housing is comprised of shelters and housing found within the Safety Net and Housing with Supports sections of the Wheelhouse.

factors is driving population growth, and consequently driving demand for both rental and ownership housing. Interest rates have held steady at historic lows, which has lowered the cost of borrowing. In Kelowna, development policy in the OCP encourages development in areas with existing servicing, which limits the availability of flat greenfield or available hillside development at the edges of the City.

These root causes influence the demand and supply of market rental and ownership, and the impacts cascade to other parts of the Wheelhouse as demand spills to units previously accessed by individuals accessing long-term supportive housing or subsidized rental housing. As the cost of all units rises, the subsidies for individuals can't cover enough of the housing costs, and individuals are priced out, with fewer options available to them.



Gaps and Recommendations

The assessment of housing needs in Kelowna provides a snapshot of an increasingly bleak

picture for many citizens. The table below summarizes the key gaps and recommendations to address them:

Table 1: Gaps and Recommendations Summary

Gaps Identified	Recommendations	
Gap 1: Diverse demographics experiencing housing vulnerability	Journey Home	Learn from Lived Experience
Gap 2: Community-driven data	Journey Home	Create Community-Wide Framework
	Journey Home	Establish Performance Measurements
Gap 3: Service navigation	Journey Home	Establish Service Navigation Tool
Gap 4: Design of the homeless-serving system	Journey Home	Map and Re-design Homeless-Serving System
Gap 5: Homelessness Prevention	Journey Home	Apply Prevention Approach
Gap 6: Bottleneck in the Wheelhouse	Healthy Housing	Foster Housing Partnerships
	Healthy Housing	Coordinate Regional Housing Needs
	Journey Home	Foster Multi-Sectoral Partnerships
Gap 7: Need for Greater Housing Diversity	Healthy Housing	Explore Innovative Housing Forms and Tenure
	Healthy Housing	Address the 'Missing Middle'
	Healthy Housing	Universal and Adaptable Housing Design
	Healthy Housing	Increase Family-Oriented Housing Supply
	Journey Home	Increase Permanent Housing for Key Populations
Gap 8: Limited Supply and High Demand for Purpose-Built Rentals	Healthy Housing	Increase the Supply and Stability of Rental Housing
	Healthy Housing	Protect the Existing Rental Stock
Gap 9: Access to private market rentals	Journey Home	Promote Housing First
Gap 10: Security of Tenure and Short-Term Rentals	Healthy Housing	Address the Impacts of Short-Term Rentals
Gap 11: The Cost of Housing is Increasing and Incomes Aren't Keeping Pace	Healthy Housing	Include Affordable Housing in New Developments
	Healthy Housing	Reduce Household Carrying Costs

KELOWNA'S HOUSING HIGHLIGHTS



HOUSING **TODAY** 2016

HOUSING **TOMORROW** 2040

POPULATION ↑ = 10,000 People



DWELLING UNITS 🏠 = 2,000 Dwelling units



53,900 Units Total



78,000 Units Total

Ownership and Rental



7,600 NEW UNITS IN STREAM

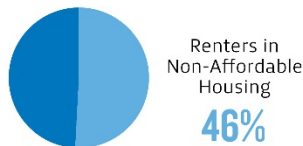
By Type



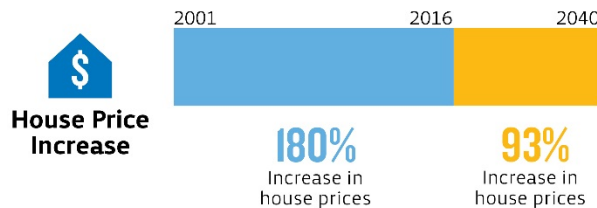
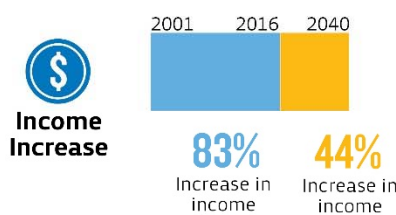
Healthy & Resilient Housing



RENTALS



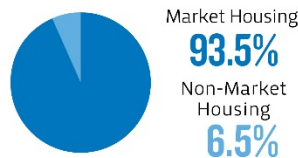
AFFORDABILITY



TREND TOWARDS SMALLER HOUSEHOLDS

2040 AVERAGE HOME PRICE: \$900K - \$1M+

HOUSING MARKET



HOMELESSNESS

506 PEOPLE EXPERIENCING HOMELESSNESS

STRONG COLLABORATION & PARTNERSHIPS

BY 2040 1 IN 4 RESIDENTS WILL BE SENIORS



1.0 Coming to Grips with Housing Need

Introduction

In Kelowna and across Canada, housing is on the minds of citizens. Whether the topic is the rising cost of housing, the lack of rental housing, or the rapid increase in visible homelessness, housing conversations are everywhere. Ultimately, the nature and urgency of these conversations point to a housing system that is not meeting the needs of citizens.

“The most urgent financial issue facing Canadians today is the high cost of housing”

FCM, Fixing Canada’s Housing Crunch

While the sentiments expressed above show how pressing housing issues are, it also suggests that housing is purely a financial issue. A more holistic view of housing recognizes its complexity and its vital role to many parts of our lives. “Where homes are located, how well designed and built, and how well they are weaved into the environmental, social, cultural and economic fabric of communities are factors that, in a very real way, influence the daily lives of people, their health, security and wellbeing...”⁷ There are clear connections between housing and our physical, social and mental health. “Differences in housing, such as quality, accessibility, and affordability all have impacts on the health of the people who live there. These impacts can positively or negatively affect our health, both over the short and long-term.”⁸

Kelowna residents are facing real housing challenges. Kelowna has been ranked amongst the least affordable cities in Canada for housing.⁹ For

some in our community, accessing or maintaining healthy housing is a daily struggle. With a vacancy rate of 0.6 per cent and escalating prices, the effects of a constrained rental market are evident across our community, particularly for those residents most vulnerable. Ensuring Kelowna continues to grow and to progress as a healthy community for all requires attention to current and future housing needs. But, what are those housing needs? Will those needs change over time? Which needs are the most pressing? These are all questions that require answers before we can develop effective strategies and actions.

Kelowna residents are not alone in their struggles. Hundreds of communities, small and large, across North America are experiencing similar housing challenges and are all seeking effective solutions. In order to provide context about the housing picture in Kelowna, we have identified four comparator municipalities of similar size, geography and economic characteristics: Boulder, Colorado; Kingston, Ontario; Nanaimo, BC; and Santa Rosa, California. These municipalities, as well as other municipal examples, are discussed throughout the Needs Assessment to show appropriate comparisons and interesting examples across North America.

Purpose

Housing discussions are commonplace, and solutions are challenging. That is why it is critical to establish a strong base of knowledge on which to build solutions to Kelowna’s housing challenges. If our solutions are to be effective, we must clearly understand the current situation. And clarifying the issues and identifying focus areas is the role of this Housing Needs Assessment (HNA).

⁷ Sustainable Housing, Sustainable Cities, pg. 3.

⁸ Healthy Built Environment Linkages, 2014, pg. 32
http://www.phsa.ca/Documents/linkagestoolkitrevisedoct16_2014_full.pdf

⁹ Demographia International Housing Affordability Survey:2017, <http://demographia.com/dhi.pdf>

The HNA builds on the Council priorities of “Homelessness” and “Housing Diversity” and is in direct support of two key strategies under development: The Journey Home Strategy and the Healthy Housing Strategy. Each of these two strategies will use the information, conclusions and recommendations from the HNA to formulate new policies, strategies and actions that will be implemented with our key partners in the community over the coming years.

Journey Home Strategy

The Journey Home Strategy focuses on the system of services supporting those who are experiencing homelessness and those at risk of homelessness. Through application of an evidence-based systems planning approach, it applies a method of organizing and delivering services, housing, and programs, with the aim to coordinate resources to ensure the needs of the housing-vulnerable population are met effectively while community level results align with the Strategy goals.

The overarching goal of the Journey Home Strategy is to develop a made-for-Kelowna long-term strategy to prevent homelessness and, if it does occur, to ensure that it is rare, short-lived, and non-recurring. At the time of the development of this document the process to establish a Journey Home Task Force is underway. The Task Force will establish a vision and goals to guide the strategy development.

With the principles of Housing First as a foundation, the Journey Home Strategy will be community-driven and tailored to the Kelowna context. It will consider how existing services already support the housing-vulnerable population and how to coordinate efforts to better address the needs and enhance accessibility across all programs and support services.

The proposed Journey Home Strategy has been designed to apply recognized principles of a systems planning approach in the development of evidence-based solutions. The City is taking the leadership role in this inclusive community-driven

process recognizing that the strategy will require collective commitment for implementation. The City role will focus on recommendations linked to policy, partnership, and advocacy. The Strategy will deliver:

- identification of community priorities to reduce and prevent homelessness
- a person-centered approach to build integrated and coordinated service, and prevention delivery;
- performance management and quality assurance; and
- integrated information management to ensure a collective performance-driven, outcome focus.

The Housing Needs Assessment will provide valuable insight that will assist in informing the Journey Home Strategy recommendations related to appropriate housing in the realm of emergency, short-term supportive and long-term supportive housing. The Strategy, including an implementation plan, will be completed in the spring of 2018.

Healthy Housing Strategy

The Healthy Housing Strategy will focus on policy, regulatory and procedural recommendations for appropriate housing in the subsidized rental housing, rental housing and ownership housing categories.

Healthy Housing Vision

The housing needs of all Kelowna residents are met through attainable, accessible and diverse housing options.

With this broad vision in mind, the Healthy Housing Strategy has identified three priority areas for more focused research and understanding: housing affordability, rental housing, and community for all. That is not to say that the HNA will only focus on these areas.

Rather, the HNA will provide a comprehensive needs assessment with extra focus on these three topics:

- **Housing Affordability:** The ability for residents to afford their homes is central to their quality of life. If house prices increase faster than the ability for residents to pay, quality of life suffers, particularly for those most vulnerable in our community. Regardless of tenure (ownership or rental), Kelowna residents must be able to afford their homes if we are to continue our success as a community in the future.
- **Rental Housing:** Suffering from a very low vacancy rate and years of underinvestment from both private and public sectors, rental housing is at the forefront of Kelowna's housing challenges. As home ownership grows out of reach for many, and housing preferences shift, rental will not simply be a temporary state prior to ownership, but will be a key permanent pillar of the healthy housing stock.
- **Community for All:** The share of Kelowna residents over the age of 65 is predicted to increase in the years to come. At the same time, households are getting smaller and there are more lone parent families. These kinds of demographic shifts impact the kinds of housing that the community will need.

The HNA builds an important foundation for action. Using the information from the HNA, the Journey Home Strategy and the Healthy Housing Strategy will identify clear strategies and actions that seek to have real, measurable and positive impacts on our housing challenges for years to come.

Throughout the HNA, you will read about the real housing challenges of Kelowna residents. The impact of our housing challenges is, after all, felt

directly by us, our friends, our families, and our neighbourhoods.

Sources of Information and Data Limitations

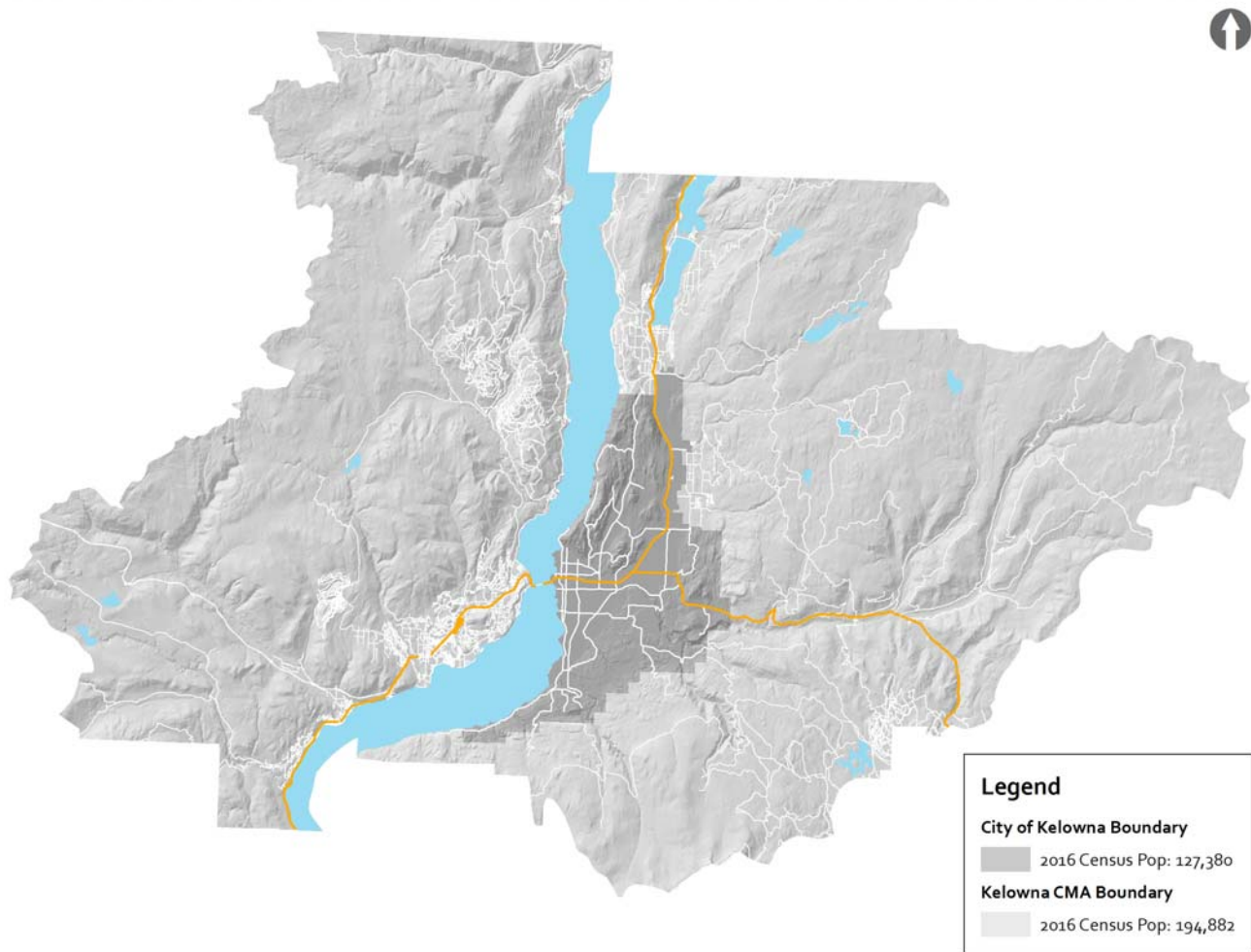
The HNA uses both quantitative and qualitative data within the document to build a picture of Kelowna's current and future housing supply.

Statistics

The primary source for data in the Housing Needs Assessment is census data from Statistics Canada. The most up-to-date census data was used, where possible. In those instances, where data from the 2016 census is not yet available, 2011 census data is used. In analyzing and identifying long-term trends, data was gathered for each census period back to 1986. BC Stats was also used as a primary source for statistics. In particular, a custom run of BC stats data was used for future population projections. Due to the availability of data, some of the data is derived from the Kelowna Census Metropolitan Area (CMA) which includes Kelowna, Lake Country, West Kelowna, Peachland and the Central Okanagan Regional District (see Figure 2 below). For real estate market and construction information, data was obtained from Canada Mortgage and Housing Corporation (CMHC). Additional real estate market information was gathered from the Okanagan Mainline Real Estate Board (OMREB). Building and construction data and projections were derived from data tracked and maintained by the City of Kelowna.

BC Housing and Interior Health provided data on existing housing and services relevant to the Safety Net and Housing with Supports segments of the Wheelhouse. In some instances, housing and shelter providers provided information regarding the number of beds and units they provide. Additional data regarding the number of units available was obtained through City of Kelowna databases.

Figure 2: City of Kelowna and Regional Context Map



Homelessness Hub resource library and the documented experiences of communities who have successfully implemented Housing First strategies has been drawn from in order to create an understanding of what the future of homelessness could look like in Kelowna.

In-Person Interviews

In order to provide additional context and nuance to the statistics and data the project team conducted 15 interviews to inform the Needs Assessment. A sample of eight stakeholder interviews covered service and housing providers serving all segments of the Wheelhouse. Questions focused on highlighting where the stakeholders are seeing positive outcomes in the

housing system, and where they are observing gaps in supply, demand or services associated with housing. A sample of seven lived experience interviews were conducted with individuals who have experienced the Safety Net or Housing with Supports areas of the Wheelhouse. These perspectives offer important context to the data and offer a richer picture of the real impact of our housing context on individual lives. Reflections and input from all of the interviews are woven throughout the document. For a full list of questions, see Appendix 7.2 Interview Questions.

Study Approach

From the outset, this Housing Needs Assessment has taken a unique, holistic approach. Unlike most needs assessments, our approach is not predicated upon the notion that home ownership is the end goal of the housing system. Rather, the HNA recognizes that a balance of all these housing forms is needed to support a thriving community.

This unique approach has also been applied to the way in which the HNA defines success. Here, the HNA uses the concepts of healthy and resilient housing to help us understand where there may be gaps that require attention. The HNA also maintains a specific definition of affordable housing, one that is consistent with the approach of many other levels of government, municipalities and non-profits across the country.

The Wheelhouse Approach

A healthy stock includes many diverse forms and tenures of housing to meet the diverse needs of our residents. The Wheelhouse¹⁰ promotes equity and inclusion, recognizing that our housing stock needs to reflect the diverse needs of Kelowna residents (socioeconomic, demographic) and that people may move around the Wheelhouse throughout their lives.

As the foundation of the HNA’s new approach, the Wheelhouse is referenced throughout the document and is used as a key organizing element to demonstrate the diversity of housing required in a community.

Figure 3: The Wheelhouse



Source: The City of Kelowna

¹⁰ The organizing element used by the City of Kelowna to demonstrate the diversity of housing required in the community.

Defining Success

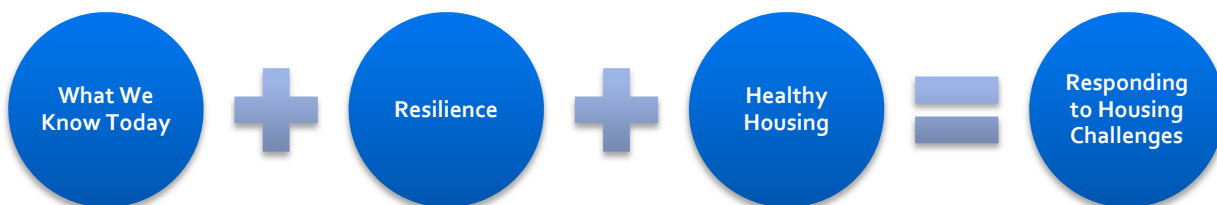
While the Wheelhouse defines how we look at and explore housing in our community, it does not help us understand what success looks like. Here, the concept of ‘healthy housing’ begins to play a large role in defining our core ambition.

As a concept, ‘healthy housing’ does, however, require some unpacking. The *Healthy Built Environment Linkages Toolkit*¹¹ defines healthy housing as having three primary characteristics: it is affordable, accessible and good quality. Applied more directly, healthy housing means:

- increased access to affordable housing through provision of diverse housing forms and tenure types;
- adequate housing quality for all segments of society;
- prioritizes housing for the homeless, elderly, low income groups, and people with diverse abilities.

Healthy housing helps us describe success at a smaller scale. An additional lens is also required when trying to define success for housing in Kelowna, particularly as we start to look at what the future might bring. Bringing a resiliency lens to the work here is helpful. Resiliency means is a measure of a system’s ability to respond to, absorb, and recover from sudden or unexpected changes. Resilience in our housing system

Figure 4: Healthy and Resilient Housing Approach



addresses how well actors are coordinated and actively collaborating, where actors are seeing positive outcomes in the system, and how well different areas of the Wheelhouse are set up to respond to rapid and complex changes.

Resilience is a critical concept in defining success, since predicting the future of housing is extremely challenging to do with any accuracy. Housing is influenced by a complex web of interconnected systems, and attempting to predict a single future scenario is unlikely to prove successful. By embracing resiliency, housing in Kelowna will be set up to respond to a multitude of potential changes.

Taken together, healthy and resilient housing in Kelowna will have the following elements:

- Diversity of form and tenure
- Affordability & Accessibility
- Inclusiveness
- Coordination

These measures come into play in Chapter 6, where the lens of healthy and resilient housing is used to help us identify gaps in our current and future housing that require our attention.

¹¹ Provincial Health Services Authority (2014). *Healthy Built Environment Linkages: A Toolkit for Design, Planning, Health, version 1.1.*

Approaches to Defining Affordability

Housing affordability sounds simple, but defining it and measuring it are complicated tasks. For the City of Kelowna, housing is considered to be affordable if shelter costs account for less than 30 per cent of before-tax household income. This common approach to defining housing affordability determines the number or proportion of households which spend 30 per cent or more of their income on shelter, including rent or mortgage payments, utilities, fees, and taxes.¹² This measure is used (in some form) by cities across Canada (including Nanaimo and Kingston) and the United States (including Boulder and Santa Rosa). The basic 30 per cent definition is useful to gain an understanding of the scale of affordability challenges in an area. However, variations on this understanding can be helpful for the development of policy and initiatives to address housing affordability.

- **Income Segments:** Further analysis can distinguish populations based on income segment compared to a median or average household income. For example, the City of Saint John's *Creating Opportunities: Housing Our Community* strategy identified targets to build 200 rental homes that would be affordable (cost less than 30 per cent of household income) for households below 65 per cent of the median household income, and similarly to build "age friendly" homes, including for seniors who had below the median income for their age group.

- **Median/Average Housing Unit Prices:** Most common in descriptions of ownership housing, a level below a median or average price can be used to describe affordable housing units. For example, units may be classified as affordable if 10 per cent below that market's median or average price.

In the City of Santa Rosa in California, affordable prices for homes are defined based on income groupings (based on percentages of the median income in that area) and the size of the home or household. This is a nuanced approach recognizing that affordability (at the very least for the purposes of developing and selling homes) can be different for more reasons than merely income.

The City of Toronto in the past has taken an even simpler definition, with affordable rents being those which are below the average, for any given unit type. Affordable ownership is similarly simplified in the Toronto Official Plan, as shelter costs (based on a specific mortgage format) equal to or less than the average rent by unit type.

As shown, there are several ways to define affordability. The City of Kelowna has chosen to define affordability using the most common approach that housing is considered affordable if shelter costs account for less than 30 per cent of before-tax household income.

¹² For clarification purposes, shelter costs do not include transportation related costs.

DEEP DIVE: Housing and Transportation Costs

While the common measures of housing affordability include rent, mortgage payments, utilities, fees, and taxes, they fail to recognize the costs that can be associated with the limited choices in housing: travel costs, childcare and eldercare costs, as well as others. These costs manifest as both financial and time-related.

In particular transportation costs have a very direct relationship with housing, and their effects can be dramatic. The *Metro Vancouver Housing and Transportation Cost Burden Study* shows clearly that in the Metro Vancouver context, where housing costs were highest, typically transportation costs were lowest, and vice versa. This is not particularly surprising by itself, as we understand housing costs to typically be highest in the most central areas, those often best served by transit. However, the magnitude of this effect may be surprising: if you first rank areas from highest housing cost as a percentage of income to lowest, and then rank areas from highest housing and transportation cost as a percentage of income to lowest, the rankings change dramatically. As an example: for owners with mortgages, when considering housing, Vancouver is the most expensive of all jurisdictions, but when considering housing plus transportation, Vancouver moves to the third least expensive (seventh of nine). For renters Vancouver jumps from second most expensive, to least expensive. The Metro Vancouver report demonstrates how the availability of transit services can dramatically effect the transportation costs associated with living in various areas, and provides insight into how transportation is key to understanding true affordability.¹

Table 2: Owners with Mortgages in Metro Vancouver

City	1= Highest Cost Burden and 9= Lowest Cost Burden		Change in Relative Cost Burden
	Housing % of Subregional Median Income	Housing & Transportation % of Subregional Median Income	
Vancouver/UEL	1	7	Improved
Richmond	2	1	Worsened
North Shore	3	8	Improved
Burnaby/New Westminister	4	5	Improved
Surrey/White Rock	5	3	Worsened
Northeast Sector	6	6	No change
Langley City and Township	7	2	Worsened
Pitt Meadows / Maple Ridge	8	4	Worsened
Delta	9	9	No change

Source: Metro Vancouver Housing and Transportation Cost Burden Study

Table 3: Renters in Metro Vancouver

City	1= Highest Cost Burden and 9= Lowest Cost Burden		Change in Relative Cost Burden
	Housing a % of Subregional Median Income	Housing & Transportation a % of Subregional Median Income	
North Shore	1	5	Improved
Vancouver/UEL	2	9	Improved
Richmond	3	4	Improved
Northeast Sector	4	3	Worsened
Burnaby/New Westminster	5	8	Improved
Langley and Township	6	1	Worsened

Source: Metro Vancouver Housing and Transportation Cost Burden Study

Additionally, as those looking for affordable housing are often forced farther to the periphery of their cities, transportation costs climb, often dramatically, as amenities are less likely to be within walking distance, and as the transit network becomes less comprehensive. Those living farther from work and social amenities often spend far more on vehicles and associated expenses, as well as spending more time travelling to and from their destinations.

As noted above, the search for affordability often leads to families living farther from family members. As such, the time and/or financial costs, not to mention social costs, for childcare may increase. A similar effect can be expected in the opposite direction, as care for elderly parents can become more difficult with distance.

How We Deliver Housing Today

In order to understand the housing needs of the community, it helps to have a common grasp of how the housing system functions today and delivers housing for residents. Kelowna’s current housing system is one that is very similar to most cities within BC, and across Canada. Housing is often separated into two categories – “Non-Market Housing” and “Market Housing”. While these are often discussed separately, each segment of the Wheelhouse is intimately connected to the others, operating as a system. What affects one part of the system will affect all the others as well.

Non-Market Housing

Emergency shelters, short-term supportive housing, long-term supportive housing and subsidized rental housing form the Non-Market Housing segment of the Wheelhouse. Non-Market

Housing is primarily developed, maintained and operated through partnerships between government bodies, primarily the municipal and provincial government, and non-profit agencies. Often, Non-Market Housing is linked to financial support, rental assistance and/or support services and frequently has restrictions on length of stay and the defined population or individual needs of the people who can stay there, i.e. females, males, singles, families, seniors, etc.

For Kelowna, the municipal government supports Non-Market Housing largely by ways of land partnerships¹³ and funds collected through the Housing Opportunities Reserve Fund (HORF).¹⁴ The City of Kelowna provides several incentives available to developers for Non-Market and Market Housing to encourage alignment with the City's strategic priorities for urban development. Tax incentives are available for development in City Centre and Rutland Urban Centres, and grants and tax incentives are available to promote the development of purpose-built rental housing throughout Kelowna. Under the Provincial Government, BC Housing develops, manages and administers a wide range of housing options across the province, including in Kelowna. BC Housing works with the ministry responsible for housing to address critical gaps across the Wheelhouse, which range from emergency shelter and rent assistance in the private market to affordable home ownership. The Federal Government has limited involvement in the provision of housing in our system, with the exception of recent funding provided for subsidized housing through the Canada Mortgage and Housing Corporation

(CMHC). BC Housing partners with private and non-profit housing providers, other levels of government, health authorities, and community groups to increase affordable housing options for British Columbians in greatest need. Non-profit agencies are often responsible for the on-going maintenance and management of the Non-Market Housing.

Market Housing

Market Housing is inclusive of market rental and ownership, is delivered exclusively through private developers. From conception, to delivery, to management, developers respond to the perceived housing demand. Capital costs are directly related to property development including costs such as land, construction, consulting and legal fees, permits, and financing.

Local government plays an important role in facilitating the development of market housing. Local governments act as regulators to protect community interests and as facilitators to encourage appropriate development.



¹³ The City of Kelowna has provided land at no cost to eight different sites for affordable housing partnerships.

¹⁴ The Housing Opportunities Reserve Fund Bylaw (No. 8593) collects money from property taxes, among other things, to buy land to provide affordable housing. It also allows grants to be given to developers for building affordable housing.

2.0 Context Snapshot: Today and Tomorrow

Kelowna Today

Housing is deeply influenced by the context of the broader community. For instance, housing in a community dominated by young families will be very different from housing in a community dominated by seniors. Understanding a community's context is, therefore, imperative to understanding its housing needs. Following this logic, this section will establish a snapshot of Kelowna today to help us understand our current housing needs. Taking this one step further, this section will create a snapshot of Kelowna in 2040 to assist us as we consider what our housing needs might be in the future.

Each snapshot will use similar measures, including: demographic profile, household size, labour market and the local economy, and household income.

Demographics

In 2016, Kelowna was home to 127,500 residents, which is an increase of 8.4 per cent in population since 2011. This growth rate makes Kelowna one of the fastest growing municipalities in BC and Canada as well as one of BC's most desirable communities (Stats Canada-Population Size and

Growth in Canada, Key Results from the 2016 Census). Kelowna is at the centre of two trends that continue to shape its demographics. The first is a result of the city's reputation as an attractive retirement community. This has led to the median age in Kelowna being somewhat older than the Canadian average of 41.¹⁵ Today, one in five Kelowna residents are seniors.

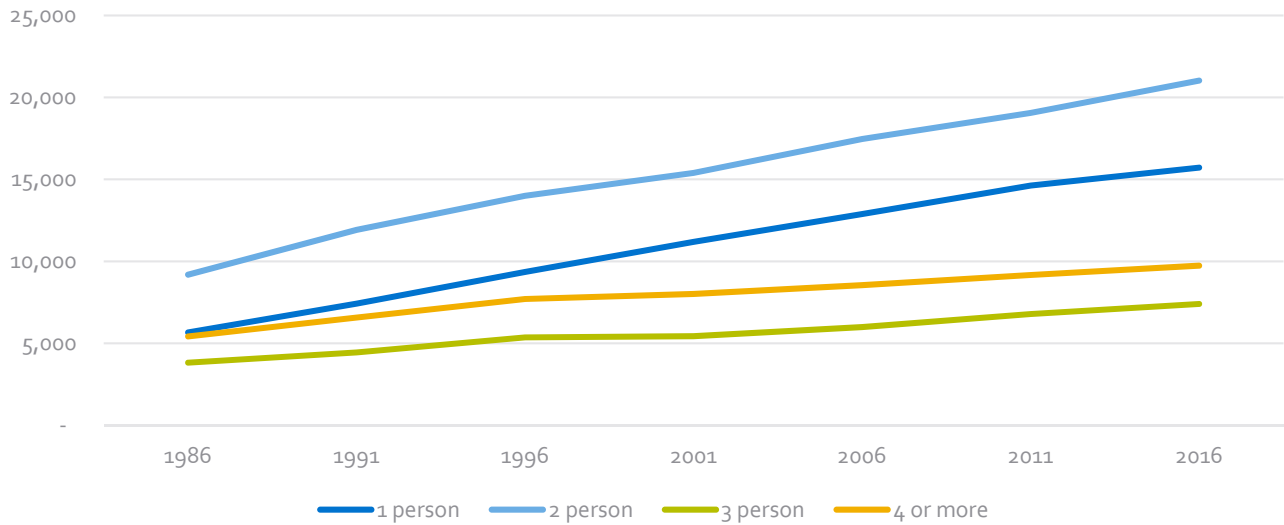
The second demographic trend is less well-established and has manifested in the most recent Census. Data has showed that the fastest growing population in Kelowna most recently has been in the age group of 25-34. This group is in the household formation stage. Anecdotal evidence is suggesting that this may be the result of extreme house prices in the Lower Mainland leading families to seek other locations to live.

The average household size in Kelowna is 2.3. 67 per cent of households in Kelowna are one or two people, compared to 26 per cent being three and four person households. Households containing more than two children (five or more person households) represent about six per cent of total households.

¹⁵ Statistics Canada. 2017. *Kelowna, CY [Census subdivision], British Columbia and Canada [Country]* (table). *Census Profile*. 2016 Census. Statistics Canada Catalogue no. 98-316-

X2016001. Ottawa. Released May 3, 2017. <http://www12.statcan.gc.ca/census-recensement/2016/dp-pd/prof/index.cfm?Lang=E> (accessed July 19, 2017).

Figure 5: Households by Household Size



Source: Statistics Canada, Census Community Profile

The growth forecasts from School District No. 23 (Central Okanagan) reflects the fact that the fastest growing segment of the population is the 25-34 age group. The overall trend in the school district is growth in the elementary grades which will extend to future growth in the secondary school grades. Current student enrollment for 2017 is 21,496.

Post-secondary education in Kelowna continues to grow at a steady rate. Okanagan College, Kelowna Campus, has full-time domestic student enrollments of 5,145 in 2017, which is a growth of 1.6 per cent. More notably, the international student population has grown to 800 full-time students for the upcoming school year, which is a growth of 67 per cent over 2016. University of British Columbia Okanagan (UBCO) has experienced rapid growth over the last 10 years. The student population in 2016/2017 was 8,687. As well, 1,676 students were living on-campus in 2015, with plans by UBCO to accommodate up to 2,176 students in 2020. What is more, 72 per cent of students are coming from outside of the Okanagan. These numbers will have a significant impact on housing and rental availability.

Jobs & The Economy

Following the recession of 2008/2009, Kelowna’s economy has recovered to healthy levels, driven by a significant boom in the housing and construction sector, and strong growth in the local tech sector. In a recent report, the technology sector in Kelowna is now estimated to have a \$1.3 billion total economic impact and is growing rapidly (and now outpaces tourism’s economic impact). Still, the largest employment sector in the city is ‘sales and service’. Fully one in four workers is employed in this sector, compared to just three per cent in the manufacturing and utilities sector. ‘Business, finance and administration’ and ‘trades, transport and equipment operators’ are also significant employment sectors in Kelowna.

The unemployment rate in Kelowna has moderated once again and is estimated at about 5.2 per cent (Statistics Canada, September, 2017). While the unemployment rate is volatile in Kelowna due in part to the way in which it is measured, these figures do overall indicate strong demand for workers with six consecutive months of decline. Comparatively the unemployment rate in July 2016, was 7.7 per cent. Alongside the

unemployment rate, the labour force participation rate in Kelowna is strong at 65 per cent, which is in line with the provincial and national averages.

The median income for Kelowna households is on par with provincial levels and is estimated at \$68,627. This is roughly in line with comparator municipalities, which range between \$58,000-\$67,000. However, Kelowna median income is lower than the national average of \$80,940 (2015).

Kelowna in Context: Comparator Municipalities

It is useful to add context to the housing needs in Kelowna by reflecting on housing indicators in several progressive and interesting comparable municipalities – Boulder, Kingston, Nanaimo, and Santa Rosa. These municipalities offer a benchmark for the City of Kelowna reflecting its aspiration to be North America’s Best Mid-Sized City.

As well, each comparison municipality mirrors one or more aspects of the Kelowna context. Boulder is a well-known recreation destination, and is home to the University of Colorado which contributes to its demographic make-up and high tech economy. Kingston, also a lakeside city, has, like Kelowna, approximately 20 per cent of its population in the 65+ age group. Kingston is also home to Queens University and boasts a growing tech sector. Nanaimo has a healthy tourism segment to its economy, and its location has helped it develop in to a hub of sorts for northern Vancouver Island, much of its economy reflects this. Nanaimo also has a steadily aging population. Santa Rosa is the urban center of wine country in California, which contributes to its tourism, agriculture, and recreational sectors.

The following table provides some basic information to help understand how Kelowna compares to other municipalities. Additional analysis of the comparator municipalities is highlighted throughout subsequent sections.

Table 4: Kelowna & Comparator Municipalities

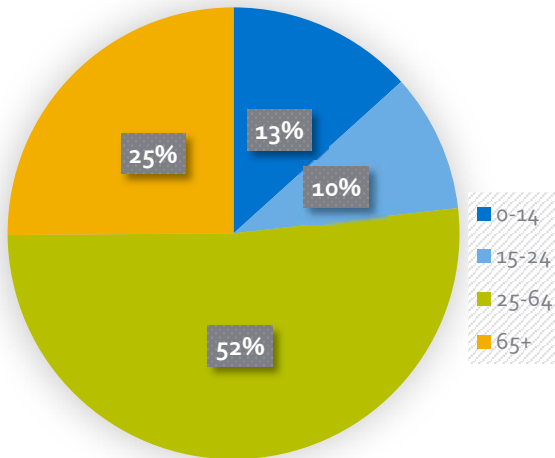
	Kelowna Today	Boulder, Colorado (2015)	Kingston, ON (2016)	Nanaimo, BC (2016)	Santa Rosa, California (2015)
Population	127,380	103,919	161,175	104,936	172,066
Senior Population (65+)	26,435 (21%)	10,416 (10%)	31,270 (19%)	22,995 (22%)	24,742 (14%)
Median Age	41	28.3	43.2	45.9	38.0
Housing Units	53,905	44,578	67,915	46,928	67,337
Median Household Income (CND, or USD)	\$68,627 CND (2015)	\$58,484 USD	\$67,485 CND (2015)	\$61,094 CND (2015)	\$61,050 USD
Mean Household Income (CND, or USD)	\$91,093 CND (2015)	\$89,846 USD	\$85,792 CND (2015)	\$74,817 CND (2015)	\$79,366 USD
Median Home Prices (CND, or USD)	\$415,710 CND (2015)	\$512,600 USD (2015)	\$259,656 CND (2011)	\$371,683 CND (2011)	\$386,100 USD (2015)
Rental Vacancy Rate	0.6%	2.9%	2.7%	1.7%	3.2%
Median Gross Rent (CND, or USD)	Primary - \$976 Secondary - \$1,212 CND	\$1,243 USD	\$975 CND (Rent)	\$800 CND (Rent)	\$1,315 USD
Renters Spending >30% of Income on Housing	47% (25,197)	62.0% (13,006)	43.1% (8,595)	48.3% (4,830)	56.8% (16,706)

Kelowna Tomorrow (2040)

Demographics

By 2040, estimates are that Kelowna’s population will have grown by about 51,000 to a total population of about 178,000. While growth will have occurred across all demographic segments in Kelowna by 2040, significant growth will come from the population of seniors (65 plus). Where one in five residents is a senior in 2016, one in four will be by 2040. By contrast to this, growth in the technology sector¹⁶ and post-secondary education will also generate more rapid growth in younger demographic segments.

Figure 6: Kelowna Age Profile - 2040

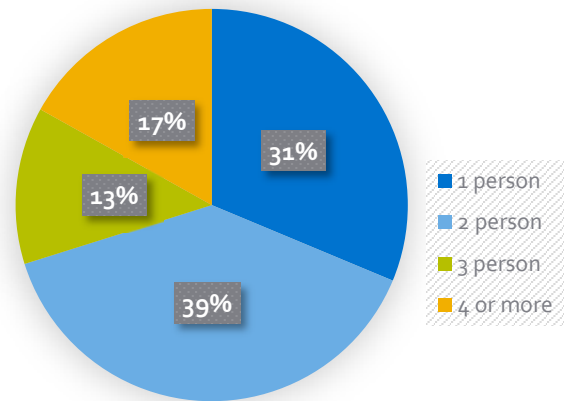


Research demonstrates that trends in household size are not likely to change, which means that smaller households (one and two person) will continue to grow as a share of the population. Where in 2016, one and two person households made up 66 per cent of the total, they will represent 70 per cent by 2040.

¹⁶

<https://www.accelerateokanagan.com/community/economicimpactstudy2016/>

Figure 7: Kelowna Household Size Profile - 2040



Students will make up a significant share of the local population in 2040, particularly post-secondary students. School District No. 23 (Central Okanagan) is projecting student enrollment growth from 21,496 in 2017 to 22,886 in 2025 resulting in a growth rate of 6.5 per cent over seven years. In addition, both Okanagan College and the University of British Columbia – Okanagan Campus (UBCO) are planning for growth, with UBCO completing a recent master plan preparing for a near doubling of the student population over time.

Jobs & The Economy

Driven by changes in demographics, the health care sector will have increased in size, as will the service sector and the technology sector. Together, these sectors will drive solid economic performance in Kelowna in 2040 (along with education, and airport and aviation).

Both average and median household incomes have been increasing consistently, even as household sizes have been decreasing. This trend is not expected to change, leading to median household income estimates of \$99,000 and average household income estimates of \$124,000 in 2040.

3.0 Kelowna’s Housing Today

Having established a snapshot of Kelowna today and tomorrow (2040), setting the context within which we can better understand our housing needs, we move into an overview of housing in Kelowna today. Following a general overview, the chapter is broken down in accordance with the Wheelhouse segments. Within each segment of the Wheelhouse, current supply is identified first, followed by an overview of the demand or market for each segment. Closing out this chapter is an examination of housing for specific populations, including seniors, urban aboriginal peoples, lone parent families, and youth.

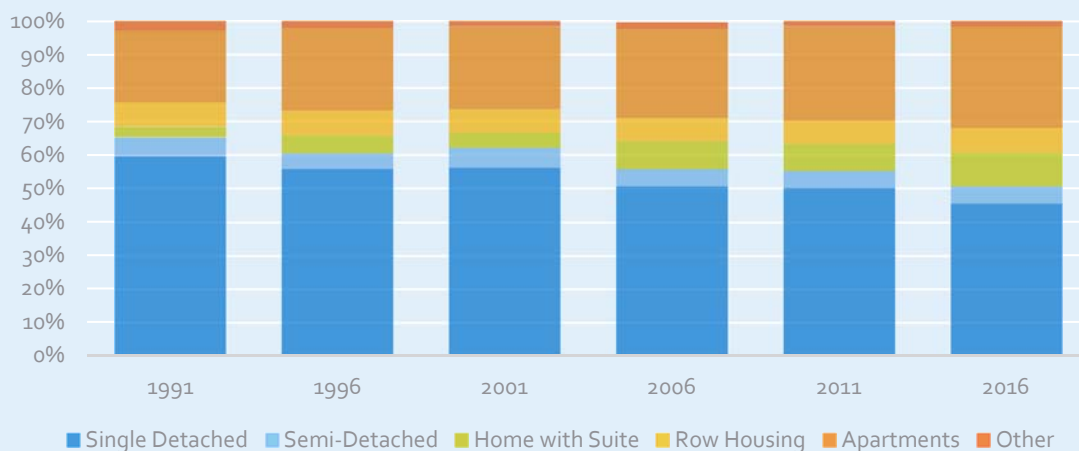
Overall Housing Supply

As of 2015, there are a total of 53,900 dwelling units¹⁷ in Kelowna, which was an increase of 4,230 units over a five-year period. This represents an eight per cent growth over the last Census period and is consistent with the growth in population

(nine per cent) seen during the same time period. This is in contrast to both Santa Rosa and Boulder, each of which added approximately 1,000 units between 2011 and 2015 (two per cent). Of the total units, 46 per cent are single detached dwellings, 10 per cent are single detached dwellings with secondary units (suites or carriage homes), 30 per cent are apartments, seven per cent are townhomes, five per cent are semi-detached, and other dwellings make up about two per cent.

About 94 per cent of the total private housing units in Kelowna are occupied by permanent residents,¹⁸ leaving 3,500 dwellings as either unoccupied or occupied by temporary or foreign residents. This proportion is relatively consistent among Canadian cities of comparable size to Kelowna such as Prince George at 5.8 per cent, 6.2 per cent for Regina, and 5.7 per cent for Lethbridge (2016 Census Profiles)

Figure 8: Housing by Type



Source: Statistics Canada Census Community Profiles

¹⁷ Private dwellings occupied by usual residents, as defined by Statistics Canada. <http://www12.statcan.gc.ca/census-recensement/2011/ref/dict/dwelling-logementsoo6-eng.cfm>

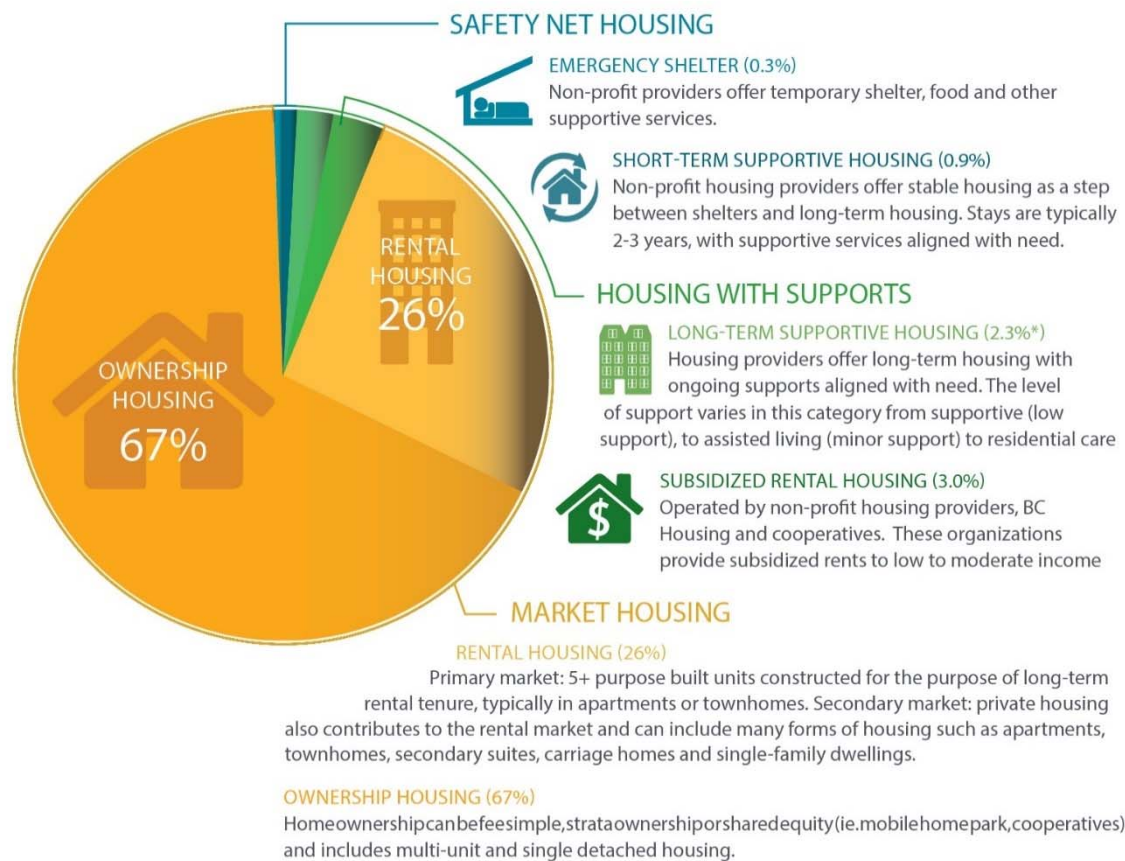
¹⁸ The usual place of residence is the dwelling in Canada in which a person lives most of the time. <http://www12.statcan.gc.ca/census-recensement/2011/ref/dict/pop126-eng.cfm>

Housing under Construction: Building Permits

2016 was a strong year for new home construction. Building Permits were issued for a total of 1,950 units in Kelowna. Of these units, 64 per cent were multi-unit housing, and 36 per cent were single detached dwellings. Of the multi-unit housing, only approximately 17 per cent were ground-oriented, with the remainder being apartment buildings. Within the single detached dwelling category, secondary suites represent a significant portion of new stock being added. In 2016 alone,

permits were issued for 249 secondary suites and 37 carriage homes (2016 Development Stats Report). For comparison, in 2016 in Nanaimo 1,000 new residential units were permitted, and only 33 per cent of these were multi-unit developments. However, growth in secondary suites in Nanaimo was also strong, with 185 secondary suites permitted with new principal dwellings, and 122 additions in accessory buildings or in the primary unit. Secondary suites made up approximately 31 per cent of all new units (City of Nanaimo Building Permits – Monthly Statistics for December 2016).¹⁹

Figure 9: Existing Housing Supply by Wheelhouse



¹⁹<http://www.nanaimo.ca/assets/Departments/Building-Inspection/Publications-and-Forms/Building%20Stats%202016.pdf>

Overall Housing Market

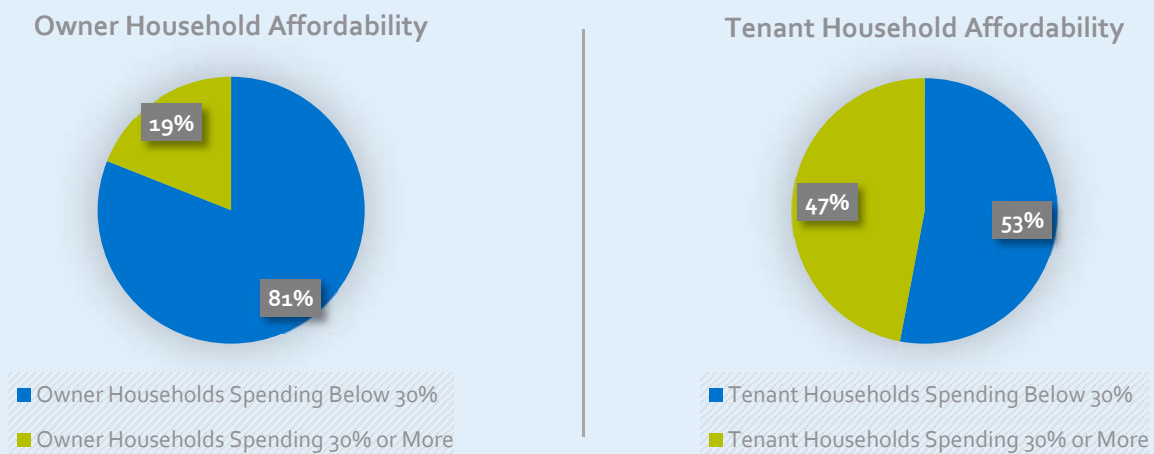
There are a total of 53,440 households in Kelowna (2016) and 14,930 of these, or 28 per cent of households, spend greater than 30 per cent of their household income on housing costs. This number is reflective of all housing types throughout the Wheelhouse and has increased substantially from just 11% in 1991. Notably, a number of direct housing costs, such as utilities and taxes, and indirect housing costs, including transportation, affect housing affordability. While there remain challenges in comparison (due to measurement differences), Kelowna’s 28 per cent is lower than Boulder and Santa Rosa that have 42 and 44 per cent of households respectively spending 30 per cent or more of their income on housing.

While they provide a critical measure of overall community health, the above statistics only describe the ability of existing residents to afford their current housing. The figures benefit from many long-time residents whose costs are well below current levels. However, the picture is worse for new residents or for those transitioning to the

market ownership segment of the wheelhouse. Table 6 more closely approximates home ownership affordability for those entering the ownership market more recently, presenting a picture where home ownership is unaffordable for many residents.

It is important to note that there is a disparity between “unaffordable” housing between owners and renters. A total of 6,900 owner households, or 19 per cent, spend greater than 30 per cent on housing costs while 8,000 tenant households, or 47 per cent, spend greater than 30 per cent on housing costs.²⁰ This discrepancy between the ownership market and the rental market is likely the result of the higher share of lower-income households in the rental market. These households are more vulnerable to the recent increases in average rental prices occurring due to low vacancy rates. This disparity is also seen in Boulder and Santa Rosa, and is even more pronounced, with 62 per cent and 57 per cent of renters spending 30 per cent or more of household income on shelter, respectively.

Figure 10: Households Spending Greater than 30% on Housing, 2016



²⁰ Statistics Canada, 2016 Census Community Profile – Kelowna, CSD.

Current Housing Within the Wheelhouse

The following section analyses both the supply and operation of the market in each segment of the Wheelhouse with the aim of identifying where there may be gaps that require further action or attention.

Safety Net

People from every walk of life are susceptible to housing vulnerability. As a community, it is essential to have systems in place to act as a Safety Net for those who are experiencing a lack of housing or tenuous or inappropriate housing. Within the Wheelhouse, the Safety Net speaks to the services in Kelowna that provide temporary, short-term accommodation for those living without homes. In total, Kelowna offers 687 Safety Net beds.

Building a picture of the current demand for Safety Net housing in Kelowna requires piecing together a number of sources, including, the Point-in-time (PiT) Count, waitlists from housing providers, and stakeholder interviews conducted for this Needs Assessment.

Emergency Shelter Supply

Within the Wheelhouse, Emergency Shelter includes housing that is operated by non-profit service providers; these offer temporary shelter, food and other support services. Typically, stays are less than 60 days; however, these stays can be longer for those experiencing chronic and episodic homelessness. Withdrawal management beds, units for women fleeing domestic violence, and beds for those without homes who would otherwise be sleeping rough are included in this segment of the Safety Net. As of July 2017, five non-profit agencies are operating emergency shelters, offering a combined total of 180 emergency shelter beds. Prior to 2017, 35 of the shelter beds were operated seasonally (November through end of March), however, BC Housing

provided funding for these beds to be operational year-round in 2017.

Two shelter providers house both men and women, one with a set number of beds for women and men, the other with the ability to flex in order to accommodate the gender-specific needs nightly. Of the emergency shelter beds, 20 per cent are dedicated solely for women and children, and eight per cent of beds exist exclusively for youth. There are no units available specifically for families.

Half of the individuals accessing one of the mixed emergency shelters in Kelowna are there for two nights or less. These individuals are in a crisis situation, and access supports and emergency shelter, and leave. About 15 – 20 per cent of clients stay at the shelter for under two weeks; 20 per cent are there for two – four weeks. The remaining individuals – about 10 – 15 per cent stay for six weeks or longer. In general, the longer that individuals stay at the shelter, the more often they are likely to return.²¹

No One Turned Away Programs

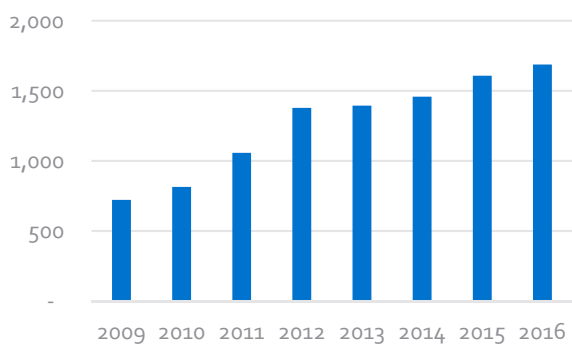
During extreme weather conditions, BC Housing provides funding for an Extreme Weather Response program whereby a mat program is implemented to ensure that no one seeking shelter is turned away. It has been the practice of most of the shelters during normal operations (outside the extreme weather protocols), to offer the option of a shelter mat when the need exceeds the number of funded beds, or when a person is experiencing extreme crisis. As a result, relying on the funded shelter beds numbers to inform need may be misleading and therefore a mechanism for analyzing collective shelter use data is required.

²¹ Stakeholder Interview – Emergency Shelter Operator, July 27, 2017.

Emergency Shelter Demand

A PiT Count conducted in Kelowna in 2016 indicated that there were 233 'absolutely homeless' individuals residing in an unsheltered location or accessing a homeless shelter. A further 273 individuals were counted as 'temporarily housed' who were accessing government or nonprofit interim housing or institutional care. These individuals are identified as being at risk of homelessness following their release without discharge planning and support that includes arrangements for safe and reliable housing (and necessary aftercare or community based services).²² The results cannot be compared to previous community homelessness counts due to a newly applied methodology; therefore, we can only use the recent increase in shelter usage to indicate a significant increase in the numbers of individuals experiencing homelessness. This is demonstrated by the largest local shelter statistics as of the end of September 2016, indicating the average number of individuals staying in the shelter each night has increased from 74 in 2015 to 90 in 2016. As of summer 2017, one emergency shelter is operating at about 80 per cent of its maximum capacity (hosting ~80 people nightly). In general, they are not turning people away because of lack of space, and the fact that a previously seasonal shelter has stayed open during the summer months has eased some of their demand.²³

Figure 11: Shelter Users by Year



Source: Homelessness Partnering Strategy, Community Progress Indicators Report, 2016.

The 2016 Community Progress Indicators for Kelowna recently released by Employment and Social Development Canada under the Homelessness Partnering Strategy indicates that the number of shelter users has continued to increase annually since 2009. Shelter use data being monitored from three separate shelters in October, 2017 is indicating shelter use has continued to increase with the shelters currently operating close to capacity. Other data available include the total number of individuals that have gone through the Vulnerability Assessment process (VAT) is reported by BC Housing to be 300, along with the current number of 789 listed on the BC Housing's Supportive Housing Registry. As aggregate person-specific data is not available at this time, these sources are indicators of a growing demand for shelter space.

In addition, local shelters are reporting that the extended Extreme Weather program during the winter 2016/17, combined with the high level of incidence of drug overdose related to the Opioid Crisis, is taking its toll on both those without homes as well with the front-line staff supporting them. The previous provider of the Extreme Weather program has indicated that they will not have the capacity to provide the service for the 2017/18 cold weather season. This program is critical in ensuring the preservation of life during the most extreme weather conditions, and community partners are currently working collaboratively to assist BC Housing in finding a home and operator for the program. It is hopeful that some recent Provincial announcements related to additional supportive housing units may help to alleviate the pressure on the demand for emergency shelter, however, it is clear that there will be a timing gap, so an emergency shelter solution is being sought at the time of the preparation of this document.

Stakeholder and Lived Experience interviews have helped broaden the understanding of some of the gaps in meeting the demand related to individual

²² PiT p. 7

²³ Stakeholder Interview – Emergency Shelter Provider, July 27, 2017

needs placed on the emergency shelter segment of the Wheelhouse. Overall, it appears that the biggest gap is a result of the current structure of the shelter system which is designed to accommodate all needs. Although the shelters all are doing exemplary work in accommodating the growing number of those requiring emergency housing supports, this process has helped to identify barriers the current system presents for specific populations in particular.

The current structure of the local shelter system makes accommodating specific population needs challenging, especially in circumstances where populations requiring access to emergency shelters have conflicting needs. Examples of these populations include individuals with brain injuries who need calm, quiet, environments; individuals that have complex behaviour challenges; individuals that are in active drug use, and individuals that want to maintain sobriety and don't want to be exposed to substance use. The inability of the current local system to respond to conflicting needs in the emergency system requires more research.

The 2016 PiT Count results indicated that the Kelowna experience is mirroring the trend that communities across the nation are experiencing highlighted in the 2016 State of Homelessness in Canada. The trend is that not only is the diversity of populations increasing, so are the complexity of needs. Stakeholders have highlighted the current systems inability to respond to these increasing needs both the emergency system and the supported housing system.

Short-Term Supportive Housing Supply

Non-profit housing providers offer stable housing with additional supportive services aligned with an individual's needs. Stays in short-term supportive housing are time-limited, typically between two and three years. Within the City of Kelowna, short-term supportive housing primarily consists of supportive recovery beds, community-based residential facilities, mental health units and safe

housing for women and children. There are currently 507 short-term supportive housing units. Of the total number of short-term supportive housing units available, 23 per cent are dedicated to women and children, 12 per cent are senior specific, and just under one per cent are dedicated to families. 44 per cent of all short-term supportive housing units are dedicated to supportive recovery and mental health support.

Short-Term Supportive Housing Demand

Housing providers are pointing to changes in the way short-term supportive housing is occupied and used that is impacting the demand for shelter across all segments of Non-Market Housing on the Wheelhouse. Although typically intended for up to 2 or 3 years, some short-term supportive housing units have had the same occupant for up to 7 years, and organizations have needed to reevaluate limits placed on the length of stay in these units. As a result, some short-term supportive housing is in fact transitioning to long-term supportive housing. A reflection of community and organization evolution, these experiences demonstrate that individuals are not necessarily moving around different parts of the Wheelhouse. Housing providers pointed to the need for affordable units so their tenants have somewhere to move, as well as ensuring that short-term supportive housing units are actually used for people who are in transition (i.e. youth, women fleeing domestic violence, individuals leaving institutions, etc.).²⁴

Housing with Supports

Long-Term Supportive Housing Supply

Long-term supportive housing is characterised by the presence of additional supports varying in degrees from supportive, to assisted living, to residential care. These are primarily operated by non-profit organizations; however, the private sector also participates in this housing category. There are 3,132 units of long-term supportive housing in Kelowna; 92 per cent of these are designed for seniors. Of the 251 non-senior specific long-term supportive housing units, 34 per cent

²⁴ Stakeholder Interview – Housing Provider, July 26, 2017

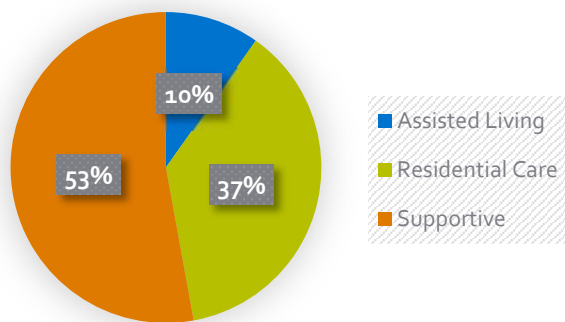
are designated for persons with disabilities and three per cent are available for youth.

The vast majority of housing for seniors exists within the long-term supportive housing category. There are three subtypes of housing that make up this category:

1. Supportive - refers to the array of housing that provides limited services, potentially including some meals and housekeeping, and is most suited for independent residents. This type of care makes up more than half of the senior specific housing in Kelowna.
2. Assisted Living – refers to facilities that provide services for daily living and moderate personal care assistance. Only 10 per cent of seniors housing provides assisted living options.
3. Residential Care - encompasses units that provide around the clock care and makes up 37 per cent of senior specific housing.

In addition to the above senior specific housing, nearly 1,000 people in Kelowna are receiving home care support.

Figure 12: Seniors Housing Types



Source: Multiple Sources²⁵

²⁵ Data compiled from: BC Housing, Interior Health Authority, Senior’s Outreach & Resource Centre, City of Kelowna and housing providers.

²⁶ It should be noted that individuals signed onto registries or waitlists of individual service providers may have been counted in the PiT count.

Long-Term Supportive Housing Demand

There is no single source available that provides an accurate reflection of the demand for long-term supportive and subsidized rental housing in Kelowna. Key sources include the BC Housing Registry, Supportive Housing Registry, and waitlist information from individual housing providers, as well as stakeholder interviews conducted for this Needs Assessment.²⁶

BC Housing’s Supportive Housing Registry is just one avenue that applicants can use to apply for Housing with Supports – in Kelowna eight housing providers utilize the database. The Supportive Housing Registry was used to house individuals at BC Housing’s Gordon Place development. As of November 22, 2016, 200 people had applied for 33 units available. As of September 2017, the Supportive Housing Registry had 789 active applications.²⁷

Some local service providers maintain their own applications and waitlists. One of the largest Housing with Supports providers indicated that they had 139 active applications for families and 294 active applications for seniors on their waitlist.²⁸ The Journey Home process will provide an integrated data collection framework to better inform our understanding related to housing demand.

Almost every stakeholder interviewed highlighted the lack of affordable housing stock within both the long-term supportive and subsidized rental housing segments of the Wheelhouse. When there is not enough housing available that is affordable, the impacts cascade to other segments of the Wheelhouse: those in emergency shelters or short-term supportive housing have a tougher time moving into long-term stable housing, and those systems become overwhelmed.

²⁷ BC Housing, September 2017

²⁸ Society of Hope, July 2017

Several service providers highlighted that the annual turnover of homes is trending downwards. This is observed for both family and seniors long-term supportive housing. For example, senior long-term supportive housing had approximately 25 per cent turnover annually 10 years ago; this year turn over of stock is less than three per cent. Individuals and families once used long-term supportive housing as an opportunity to save money to access the market rental or market ownership segments of the Wheelhouse. However, many are now unable to move because the circumstances of the market have changed so substantially in the last two years.²⁹

While service providers indicated that more of all types of affordable units is necessary in Kelowna, they highlighted several in particular:

- bachelor or 1-bedroom units for single adults between 19 and 55 years of age
- housing for individuals accessing Persons with Disabilities assistance from the province, as the benefit provided by the province for these individuals is mismatched with the price of housing that is available.
- purpose built housing to house clients who need support that also has a place for staff and long-term supportive care services.

Certain population groups struggle with finding affordable, adequate and suitable housing more

than others. Housing providers and case workers shared the following insights: visibly homeless with significant substance abuse problems, mental health challenges, or individuals with really difficult or damaging behaviours struggle to find housing. The scattered site model with units primarily served by the market rental segment makes this more challenging. Landlords have a choice about who they will and will not accept. Landlord stigma also exists for Indigenous people and members of the LGBTQ2S community.

Service providers are concerned about the loss of long-term supportive housing stock. Pleasantvale offers an example of how older stock was upgraded to ultimately provide more subsidized rental units. Alternatively, the Kiwanis towers offer an example of units being converted to Market Housing – although current residents have been able to stay in the units for now with the help of rent supplements, housing providers fear this will not last, and additional units throughout the City will continue to be converted over time.³⁰ Many non-profit housing providers have an operating agreement with BC Housing, these agreements all have end dates. Many of these agreements are approaching their end date. BC Housing continues to work with the societies to build plans to ensure that as agreements expire, societies will have the ability to provide affordable housing over a long period of time.³¹

²⁹ Stakeholder Interview – Housing Provider, July 31 2017

³⁰ Stakeholder Interview – Housing Provider, July 26, 2017

³¹ BC Housing – Personal Communication, September 18, 2017

Success Story: Coordinated Access Committee

All housing providers who were interviewed highlighted the new Coordinated Access Committee, led by BC Housing, as an important evolution in service delivery in the community. Case workers from different housing providers, shelter operators, outreach services and Interior Health meet regularly to identify and prioritize clients in need of housing using the standardized Vulnerability Assessment Tool (VAT). The group works together to assist individuals apply for housing. This streamlines a previously disjointed process that involved each organization separately advocating for their clients – in the past some agencies were advocating for the same client without any coordination. Using the VAT process also helps to ensure that efforts are directed to those clients most acutely in need of housing. The new system is saving time for case workers, and in just three meetings, the group has managed to find housing for 105 people in need.

Subsidized Rental Housing Supply

Where the support required is primarily financial, supplemented rents are provided through ongoing government subsidies, often managed by non-profit organizations, or through a one-time capital grant. This category captures the number of dedicated subsidized rental housing units; however, individual rent subsidies to assist individuals and families to obtain or sustain housing in the regular market are not included. The number of subsidized rental housing units in Kelowna is 1,624. Family specific units make up 49 per cent of this housing category while units dedicated to low-income seniors follow closely, accounting for 48 per cent of the units available. It is worth noting that the units designed for families often have a minimum of two bedrooms while units designed for seniors generally have a maximum of two bedrooms.

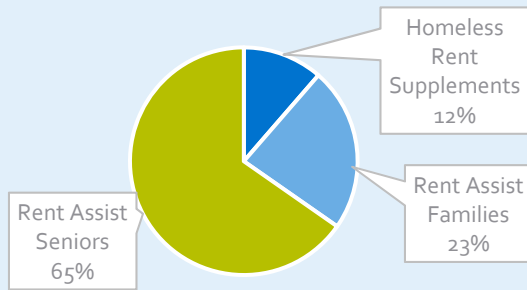
In addition to subsidized rental housing units, rent assistance is available through BC Housing's

Homeless Rent Supplements, Rent Assist Families and Rent Assist Seniors programs, including the Shelter Aid for Elderly Renters (SAFER) program.³² In total, these programs provide financial assistance in private market rentals for 1,265 units. Of note, the vast majority of units and financial assistance (66 per cent) are for seniors, with 63 per cent of those falling within the Housing with Supports realm.

Safety Net supports are primarily geared to single adults, while minimal options are available to them in Housing with Supports. Subsidized Rental Housing, including rental assistance, is geared more to families. Women and children do have access to emergency shelter and short-term supportive housing; however, where there is an adult male member of a family in crisis, the family will almost always be split up between shelter services.

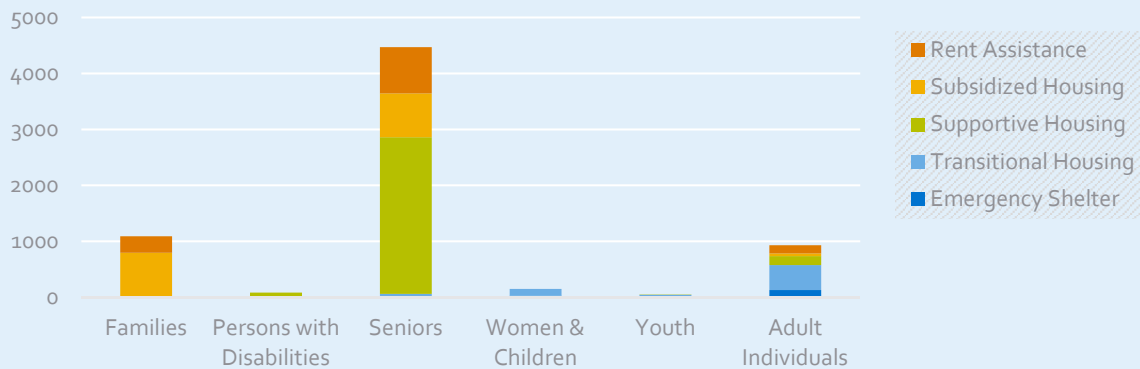
³² For details about each program, see Appendix 7.4 Rent Supplement – Provincial Program Details.

Figure 13: Rent Assistance by Type



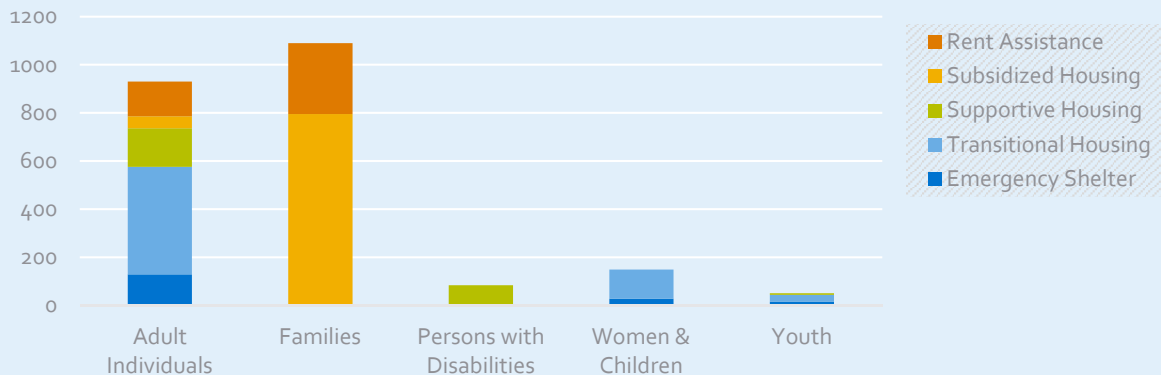
Source: BC Housing

Figure 14: Safety Net and Housing with Supports by Population



Source: Multiple sources

Figure 15: Safety Net and Housing with Supports by Population (Excluding Seniors)



Source: Multiple sources

Subsidized Rental Housing Demand

Many individuals or families access rent supplements provided by the Province (RAP, SAFER etc.) but do not live in housing managed by non-profit housing providers. In part, this may be due to Provincial investment trends that have favoured development of housing units with supports - either short-term supportive housing for homeless people with addictions and/or mental health challenges, or long-term assisted living for seniors. While these subsidies have increased access to housing for these populations, this funding and investment has come at the expense of basic subsidized rental housing. Low-income individuals, families and seniors who are not dealing with acute issues of disability, addiction or illness have seen a net decline in the subsidized rental housing stock available to them, and have been left to struggle on their own in the private market, even as those rents escalate.³³ These individuals are competing in the market for units, and as prices escalate and vacancy rates decrease, they are increasingly constrained in their ability to attain rental units. Those with children (if they are not in receipt of social assistance) and seniors can seek help from the SAFER and RAP rent assistance programs. However, even with this financial assistance, prices of rental units are rising much faster than rent subsidies.

As such, there is an extreme lack of affordable rental units for individuals and families with low to moderate incomes. In a market with low vacancy rates and high rents, there is stiff competition for each unit.³⁴ One service provider observed that new affordable housing that is integrated within market developments is not necessarily supporting low to moderate income individuals, but instead supporting a working middle class.³⁵

Market Housing

Market Housing includes rental and ownership housing options in the private market. Currently, data suggests that demand is exceeding supply. Sale prices are high while vacancy rates remain low. Of the total number of occupied units in private housing 72 per cent are owned, while 28 per cent are rented³⁶. While Kingston is not dissimilar (67 per cent owner occupied, 33 per cent renter occupied), Boulder is strikingly different with an approximately 50-50 split in renter occupied and owner occupied housing.

Rental Housing

The supply of rental housing in Kelowna is broken down into two areas: the primary market and the secondary market.

Primary Rental Supply

The primary rental represents units in purpose-built rental structures with three or more self-contained units and is widely seen to be more secure. These apartment buildings tend to be a more reliable, long-term source of rental supply. According to the annual CMHC Rental Market Survey, Kelowna has seen a very modest increase of rental units between 2006 and 2016. In 2016 the number of primary rental units available was 4,804 which is reflected below in Figure 14. This slow upward movement in the primary rental market is mirrored in Kingston, which also demonstrates gradual increases, with the occasional jump. In contrast, while Nanaimo has seen a significant increase over the 2010 to 2016 period, its movement is characterized by periods of immobility, followed by large jumps (the Nanaimo primary rental market hovered between 3,520 and 3,570 between 2008 and 2012).

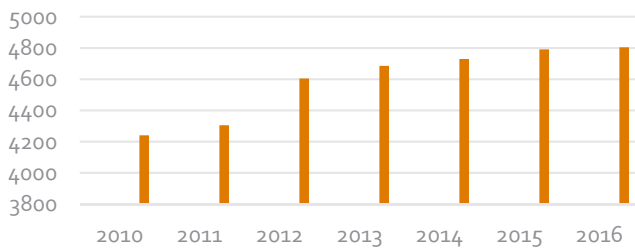
³³ SPARC BC (2014). Family Homelessness in Prince George, Kamloops, Kelowna, Nelson and Nanaimo, p. 3. Retrieved from <http://www.sparc.bc.ca/wp-content/uploads/2017/02/family-homelessness-research-report.pdf>

³⁴ Stakeholder Interview – Housing Provider, July 26, 2017

³⁵ Stakeholder Interview – Service Provider, July 28, 2017.

³⁶ Statistics Canada, Census 2011

Figure 16: Primary Rental Supply



Source: CMHC Rental Market Survey

Secondary Rental Supply

In addition to the primary rental market, there are rental housing options available in the secondary market. The secondary rental market represents units in private structures with fewer than three self-contained units, and does not include condominiums. It includes rented single detached, semi detached, duplex, and row house units, and accessory apartments, such as suites or carriage houses, which all contribute to the rental market. The secondary rental supply is understood to be somewhat less reliable and secure. In 2016 the number of secondary rental units available was 10,073.³⁷ Supplementing the rental market are condominium apartments that may be rented by their owners, totaling approximately 3,000 units (CMA).³⁸

Figure 17: Secondary Rental Units



Source: CMHC Rental Market Survey Kelowna CMA

Primary Rental Housing Market³⁹

The vacancy rate for the primary rental market in the city of Kelowna has been decreasing since 2012. In 2016, the vacancy rate for the primary rental market dropped to 0.6 per cent, with three plus bedroom units staying static at 0.0 per cent. While the overall average rent decreased slightly in 2015 to \$890, it increased again in 2016 to an overall average of \$976.⁴⁰ Provincially, the average vacancy rate was 1.3 per cent and the overall average rent was \$1,099 in 2016. While overall vacancy rates continue to fall in Nanaimo, three plus bedroom units have the highest vacancy rate, 3 per cent in 2016. Kingston on the other hand has managed to achieve gradual increases to vacancy rates overall, moving from a low of 1 per cent in 2010 and 2011 up to 2.8 per cent and 2.7 per cent in 2015 and 2016.

The low vacancy rates in the market rental housing segment of the Wheelhouse puts pressure on all other areas of the Wheelhouse. Even when affordable rentals are constructed, as in the case of micro suites close to the hospital, these were quickly occupied by single professionals working at the hospital. As prices increase, more and more 'affordable' rentals serve individuals with incomes at or above the median, and do not help low to moderate income individuals or families.⁴¹

During the stakeholder interviews, several pointed toward the challenges of building affordable rental units. One key barrier is the equity required for developers – ownership housing requires developers to have between 25 – 30 per cent of the project costs in equity, while it is 40 – 50 per cent for development of rental units. Many developers are simply not capitalized sufficiently to build rental units. As well, with all of the rental units under construction currently, some developers are concerned about a potential oversupply of rental units, and are therefore waiting to better

³⁷ Data from Kelowna CMA area. Note this number only reflects the number available of legal secondary rental units.
³⁸ The 3,000 condominium units have not been included in the total secondary rental stock.
³⁹ The Kelowna Census Subdivision (CSD) is specific to the city of Kelowna.

⁴⁰ CMHC Rental Market Report – Kelowna CSD – Fall 2016.
⁴¹ Stakeholder Interview – Housing Provider, July 27, 2017.

understand how new rental projects impact the market and vacancy rates.⁴² For developers of low to moderate income rentals who access funding from BC Housing or CMHC, there is often little time to prepare development plans once funding has been announced. Thus, government grants have been favouring shovel ready projects, and only a few housing providers in Kelowna have been prepared or had the capacity to take advantage of these dollars in recent years.⁴³ For housing providers who have navigated these challenges, neighbourhood opposition can derail projects.⁴⁴

Secondary Rental Housing Market⁴⁵

Kelowna’s secondary rental market, which includes secondary suites in private dwellings, carriage houses and rented homes among other housing types, is substantial. The average rent for the secondary rental market was \$1,212, significantly higher than the average rent of \$976 in the primary rental market.

Additionally, the vacancy rate for the rental condominium market was 2.1 per cent in 2015. Of the total 12,730 condominium units in the Kelowna CMA, 3,136 or 25 per cent were rented, demonstrating the significance of these units as a subset of the overall rental market.

Figure 18: Vacancy Rate by Unit Type (2010-2016)



Source: CMHC Rental Market Report

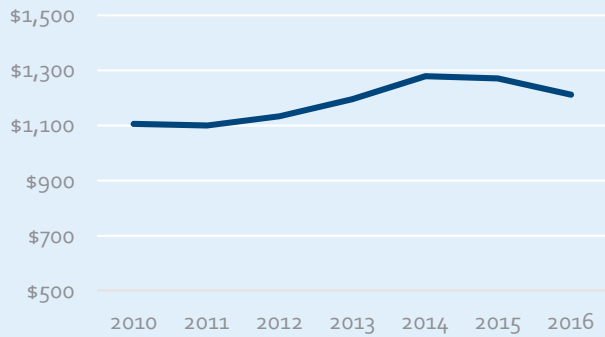
⁴² Stakeholder Interview – Development Industry, August 8, 2017.

⁴³ Stakeholder Interview – Housing Provider, July 27, 2017.

⁴⁴ Stakeholder Interview – Housing Provider, July 27, 2017.

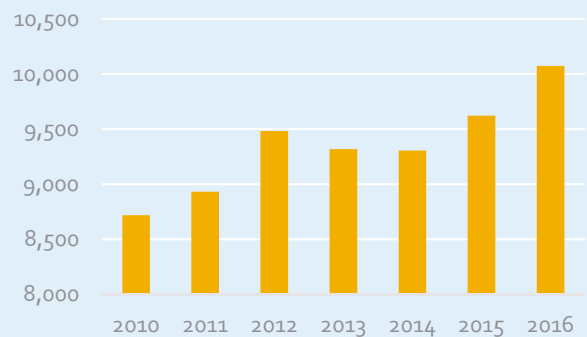
⁴⁵ Vacancy rate data for the secondary rental market is not available from CMHC due to sample size limitations.

Figure 19: Average Rent in the Secondary Rental Market



Source: CMHC, Rental Market Report

Figure 20: Number of Households in the Secondary Rental Market



Source: CMHC, Rental Market Report

It is important to note that this average rent may not be an accurate reflection of the current rental rates being asked by landlords in Kelowna’s secondary rental market. When staff reviewed the rental listings on the online advertising platforms (Castanet, Kijiji, PadMapper), rental prices were considerably higher, ranging from \$500-900 for a Bachelor, \$850-1,800 for a 1 bedroom, \$1,500 - 2,500 for a 2 bedroom, and \$1,800-2900 for a 3 bedrooms plus, with the majority of the listings falling within the median to high range.

In addition to lone parent families, single occupant households face affordability challenges when it comes to rentals in Kelowna. Using the median household income of a one-person household, and the average rent of a one-bedroom unit between \$864 and \$1100 (approximately), one-person households are using between 30 per cent and 38 per cent of their total income for housing. Notably, one-person households may include seniors, students, and persons with diverse abilities, who are all at risk for unaffordable housing costs.

Table 5: Median Household Incomes versus Average Rents

Household by Type	Median Household Income	Housing Type ⁴⁶	Average Rent (CMHC)	% Spent on Housing	Average Rent ⁴⁷ (Castanet)	% Spent on Housing ⁴⁸
Median Household Income	\$68,627 (2016)	2 bed	\$1,066	19%	\$1,500	27%
One-person (median)	\$34,836 (2016)	1 bed	\$864	30%	\$1,100	38%
Two or more (median)	\$87,233 (2016)	3 bed	\$1,252	17%	\$2,000	28%
Lone Parent Families (median)	\$51,599 (2016)	2 bed	\$1,066	25%	\$1,500	35%

Source: CMHC, Rental Market Report

⁴⁶ Housing Type was based on appropriate number of bedrooms for the household type.

⁴⁷ Average Rent was determined through a review of current rental listings on the online advertising platform Castanet.

⁴⁸ Percentage estimates do not specifically include utility costs as some rentals include utility costs in the rent while others do not.

Ownership Housing

Ownership Housing Supply

The ownership housing market makes up three quarters of the total number of occupied units in private housing. Ownership housing can be fee simple, strata ownership or shared equity (ie. mobile home park, cooperatives) and includes many forms of housing including: multi-family housing, such as apartments and townhomes, or single detached housing. Of note, is that 62 per cent of the ownership housing type is single detached. Owners in Nanaimo and Kingston are also largely in single detached homes (75 per cent and 80 per cent respectively), and each also has similarly little in the way of unit ownership in high-rises.

Ownership Housing Market

A total of 4,621 homes were sold in 2016, an increase of 24 per cent over 2015. Just over 26 per cent of home sales were under \$300,000, homes between \$300,000 and \$499,999 accounted for just over 37 per cent of sales, and nearly 37 per cent of sales were over \$500,000. Strata units accounted for 70 per cent of sales under \$300,000, with row housing units making up another 12 per

cent. Homes between \$300,000 and \$399,999 had the most even distribution of unit types, with 19.5 per cent being single detached dwellings, four per cent being dwellings with suites, 29 per cent being row housing units, 38.5 per cent being strata units, and the remaining 9 per cent being duplex units and manufactured homes. The graph and table below show the distribution of home sales by price and dwelling type.

Over the last seven years, the distribution of sales across dwelling types has seen a slight and gradual reduction in the portion of sales attributed to single detached dwellings and a corresponding increase in sales of strata units and dwellings with suites. This is consistent with the trend for new construction; however, the ratio of new home sales versus resales of older housing stock is unclear. The graph below shows the distribution of home sales by type.

Members of the development industry suggest that the mix of housing types and sizes under development – from low density single detached dwellings up to high rise condo units is positive, and suggest that this type of diversity needs to

Figure 21: Number of Home Sales by Price and Dwelling Type (2016)



Source: British Columbia Assessment Authority, 2016

continue to reflect preferences amongst consumers.⁴⁹ Townhouses (particularly two+ bedrooms) and small single detached houses are a gap in the supply right now.

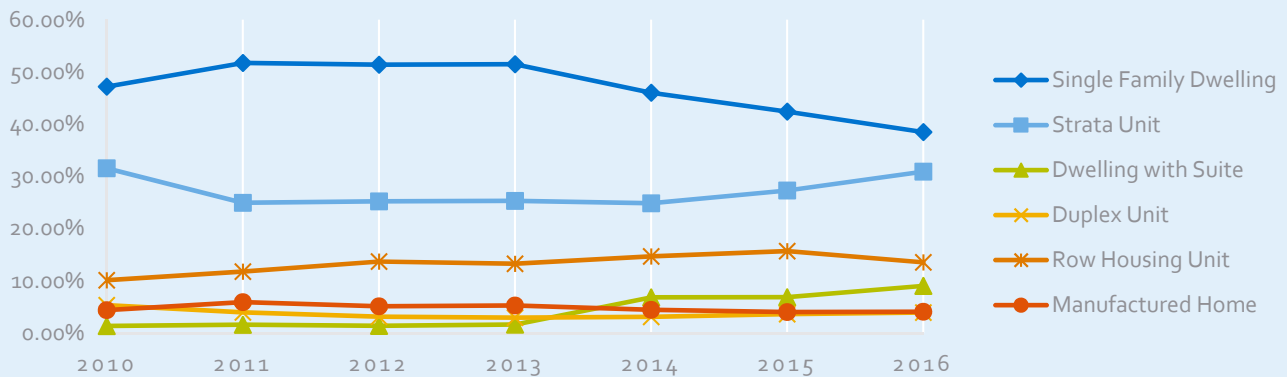
Median Home Sale Price⁵⁰

The median home sale price increased to \$427,500 in 2016, up 9 per cent from \$388,500 in 2015. This increase is primarily reflected in Single Detached Dwellings, Duplex Units and Strata Units. Over the period between 2001 and 2016, there has been a

180 per cent increase in the median home sale price.

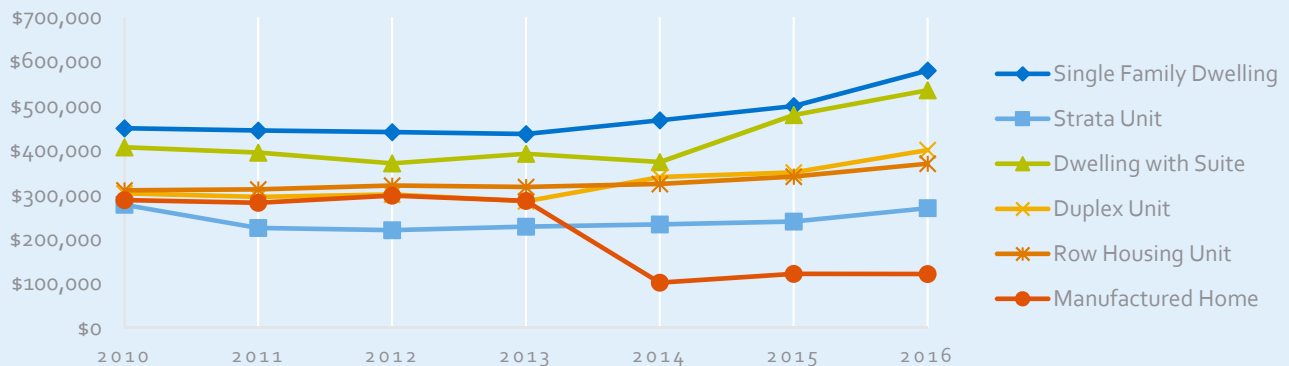
Over the same time period, median household income has increased by 82 per cent. As illustrated on the graph below, median house prices have nearly tripled over the past 15 years, whereas median household incomes have less than doubled.

Figure 22: Percentage of Home Sales by Type (2010-2016)



Source: British Columbia Assessment Authority, 2016

Figure 23: Median Home Price by Type (2010-2016)



Source: British Columbia Assessment Authority, 2016

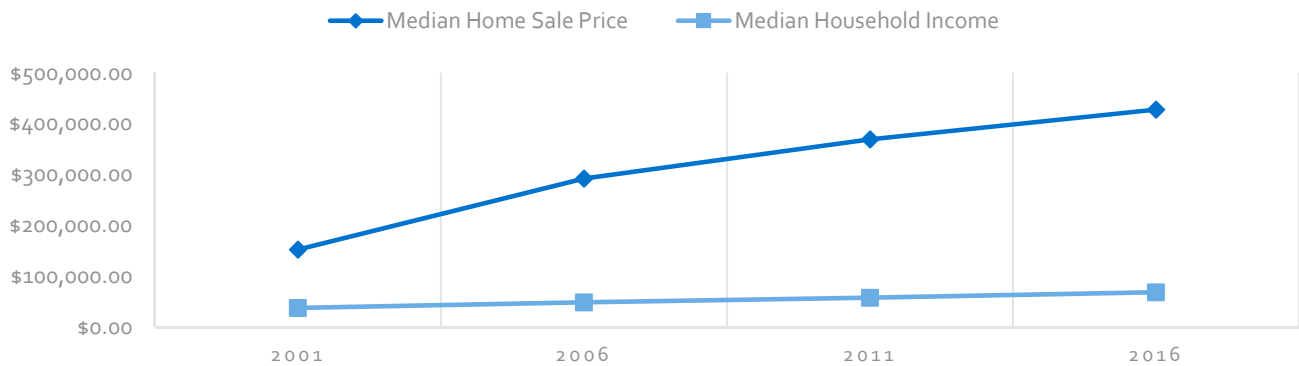
⁴⁹ Stakeholder Interview – Development Industry, August 8, 2017.

⁵⁰ Median home sale price is the middle sale price in a series of sales, where half of the sales are of lower value and half are of higher value.

The table below illustrates the gap between household incomes and high housing costs for ownership housing. Through a comparison of Kelowna’s median home sale price (2016)⁵¹ of \$427, 500 to the median household incomes for all median households and two or more person households, it is apparent that both household types pay well above 30 per cent of their total

income for their monthly shelter costs. Doing a similar comparison of median home sale price of a strata unit (2016) to the median household income of one-person families and lone parent families, both household types spend between 37 per cent and 55 per cent on strata unit ownership housing.

Figure 24: Median Home Sale Price versus Median Household Income (2001-2016)



Source: British Columbia Assessment Authority, 2016, Statistics Canada Census Community Profile, 2011 and Envision DemoStats 2016

Table 6: Household Income versus Shelter Costs

Household by Type	Median Household Income (2016)	Median Home Sale Price	Monthly Median Household Income	Other Shelter Costs ⁵²	Monthly Mortgage Payment ⁵³	% Spent on Shelter Costs
Median Household Income	\$68,627.00	\$427,500	\$5,719	\$450	\$1974.44	42%
One-person (median)	\$34,836.00	\$270,000	\$2,903	\$350	\$1247.02	55%
Two or more (median)	\$87,233.00	\$427,500	\$7,269	\$450	\$1974.44	33%
Lone Parent Families (median)	\$ 51,599.00	\$270,000	\$4,300	\$350	\$1247.02	37%

The per cent of household income devoted to shelter costs is derived by comparing monthly costs (mortgage and other shelter costs) as a share of monthly income (Source: City of Kelowna)

⁵¹ British Columbia Assessment Authority, 2016

⁵² Other shelter costs include property taxes, utilities (electricity, natural gas) and other fees (sewer, water, garbage collection). Property taxes were derived using the City’s online Property Tax Estimator for 2017. Utility fees were estimated broadly at \$150/month and other fees were estimated at

\$83/month. Average utilities and fees were not reduced for the strata dwelling estimate. No strata fee was incorporated into the analysis.

⁵³ The monthly mortgage payment was calculated using the CMHC housing calculator with a 25-year term, 3.25% financing, 5% down payment on a \$427, 500 dwelling and a \$270,000 dwelling on a monthly payment schedule.

Short-Term Rentals

Short-term rentals – entire homes or portions of homes rented for periods of fewer than 30 days – have existed in Kelowna for a long time, serving a small portion of the holiday accommodation market. However, new rental platforms like Airbnb and Vacation Rental by Owner (VRBO) have helped make short-term rentals more popular, motivated by the potential for significant income.

Problems associated with growth in this market have been seen in other communities. In such cases, renters often bear the largest share of the impacts as landlords choose to remove units from the long-term rental market in favour of the more lucrative short-term rental market. In some cases, landlords are purchasing multiple properties for exclusive use as short-term rentals, altering the fabric of neighbourhoods.

In Kelowna, the impacts of short-term rentals are not well known. Preliminary estimates indicate that there are approximately 1,300 units in Kelowna that are marketed for use as short-term rentals⁵⁴. Many of these units are included in the secondary rental market. Anecdotal evidence is suggesting that some renters are being pushed out of secure rental accommodation during summer months.

Age and Condition of Dwellings

The age of housing in Kelowna is relatively new with 61 per cent of all the housing stock being built after 1980. Rental stock age is generally consistent with overall housing stock being slightly older with only 54 per cent of rental units being built after 1980. In contrast, only 38 per cent of Boulder's housing stock was built in 1980 or later. If we assume the average lifecycle of a residential building is 80 years, this leaves the majority of Kelowna's housing stock 37 years in age or newer. Thus, the majority of existing housing stock will remain in existence into 2040 and beyond. What is more, only four per cent (2,200) dwellings in the Municipality were noted as needing major

repairs,⁵⁵ far better than Kingston's seven per cent and Nanaimo's six per cent (in 2016). However, anecdotally service providers and citizens with lived experience report that low end rental market units are often substandard and in need of major repairs. Due to the fact that many of the renters in these units are precariously housed, they are often reluctant to complain and tend to endure unhealthy and inadequate housing situations.

Housing for Specific Population Groups

Through the current market analysis, it is evident that housing "affordability" is a common concern for all household types and population groups. However, it is important to recognize that there are key population groups that are more severely impacted from the affordability crunch. This includes, but is not limited to, seniors, lone parent families and those falling into the Safety Net section of the Wheelhouse. These populations are considered "key" because they constitute a large portion of all households in need, have a high rate of housing need, are predicted to experience high population growth, and are not well served by the housing supply. These subpopulations are not mutually exclusive; there is likely much overlap in several categories.

Seniors

The median age in Kelowna is slightly higher than the national average at 41, with one in five persons over the age of 65. Growth projection estimates indicate that by 2040 nearly 25 per cent of the population will be over the age of 65. Kelowna is well-known as a desirable retirement community throughout BC and Canada and is likely to continue to be. Nearly half of all the independent living spaces constructed in British Columbia in 2016 were built in the Okanagan / Thompson / Shuswap region (CMHC Senior's Housing Market Report 2017). The overall provincial vacancy rate for seniors' residences across BC in 2017 was 4.5

⁵⁴ It is estimated that most short-term rentals are operating illegally, as they are permitted in very few locations in Kelowna.

⁵⁵ Major repairs refer to the repair of defective plumbing or electrical wiring, structural repairs to walls, floors or ceilings, etc. as reported by the respondent (Statistics Canada).

per cent with the Central Okanagan slightly below average at 4.1 per cent. These figures demonstrate declining vacancy rates from 2016, which had an average vacancy rate at 6.3 per cent.

In the Central Okanagan, “affordability challenges for seniors have, statistically, become the worst in the Province” with 68 per cent of senior renter households spending more than 30% of their income on shelter costs and 36 per cent spending more than 50 per cent of their income on shelter costs.⁵⁶ With an aging population and Kelowna continuing to attract retirees, housing for seniors will continue to increase in demand. There are approximately 3,361 seniors’ units in the Central Okanagan (CMHC Senior’s Housing Market Report 2017), which include independent, assisted and heavy care units. Senior’s Outreach and Resource Centre, a society working in partnership with other organizations to support the lives of seniors in Kelowna, received 2,257 phone calls regarding housing in 2016. Importantly, they also report that the waiting list for low to moderate income, subsidized rental senior’s housing is years long. Demand for housing continues in 2017, with one service provider indicating they receive upwards of 30 calls per week from seniors (both living in Kelowna and from elsewhere) who are searching for affordable housing.⁵⁷ These facts indicate that affordable housing for seniors is under-supplied and in need.

The vast majority of housing for seniors appears to exist within the long-term supportive housing category. There are 3,132 units of long-term supportive housing in Kelowna, 92 per cent of these are designed for seniors. Digging deeper, there are three subtypes of housing that make up this category: Supportive, Assisted Living and Residential Care. Long-term supportive housing refers to the array of housing that provides limited services, potentially including some meals and housekeeping, and is most suited for independent residents. Assisted living facilities provide services

for daily living and moderate personal care assistance. Residential care encompasses units that provide around the clock care. Long-term supportive care makes up more than half of the senior specific housing in Kelowna, followed by residential care, with ten percent of senior’s supported care providing assisted living options. However, in addition to the assisted living facilities, nearly 1,000 people in Kelowna are receiving home care support. Subsidized rental housing for senior’s accounts for 48 per cent of the total subsidized rental units available.

Many seniors struggle to navigate a complex system of supports available – declining health, a history of chronic problems, and limitations with technology compound their challenges. Right now, there is no local housing service agency helping seniors with declining physical or mental health. That said, there is wide range of seniors accessing supports; however, there are many seniors who require help navigating the system.⁵⁸

It is worth noting that one service provider indicated that for low to moderate income and vulnerable individuals, turning 65 often makes their lives easier. An individual shifts from a welfare system to one that is more equitable and offers a range of government supports. However, seniors who are actively facing addiction or mental illness struggle to find appropriate and affordable housing. Similarly, there is a trend towards seniors living independently for longer, but some behaviours prohibit them from staying in housing.⁵⁹

As the challenges associated with living in and maintaining single detached homes increase with age, and as the availability of apartments continues to increase, we can anticipate that more senior’s will choose to move into apartments and senior’s housing.

⁵⁶ Make Housing Central, Kishone Roy, 2017.

⁵⁷ Stakeholder Interview – Service Provider, July 28, 2017.

⁵⁸ Stakeholder Interview – Service Provider, July 28, 2017.

⁵⁹ Stakeholder Interview – Service Provider, July 28, 2017.

Lone parent Families

Lone parent families are at greater risk of suffering the impacts of unaffordable housing. The median household income of lone parent families is \$51,599, which is nearly 30 per cent lower than the median household income of all census families in Kelowna. Considering this income disparity

becomes more significant when taking into consideration the fixed financial burdens of the family unit. Lone parent households are required to pay for all costs associated with housings, and items related to supporting a family including the costs of childcare.

DEEP DIVE: Lone Parent Families

When looking at average rents for both primary and market rentals, the amount of income spent on rent ranges between 25 and 35 per cent for lone parent families. The cost of childcare ranges from \$430 for before and after school care to greater than \$1,000 per month for full-time infant care.¹ Using current federal and BC provincial personal income tax rates, the approximate monthly after-tax income of lone parent households is \$3,372 (not including incentives or returns). This means that a lone parent family with just one child could be left with only \$447 per month for food, clothing and all other expenses. For lone parent families making less than the median, the situation is even more dire.

Estimated monthly income (net)	\$3,372
Rent	\$1,500
Childcare	\$1,025
Transportation	\$ 400
Total income minus rent and childcare	\$447

Lone parent families grew in Kelowna between 2011 and 2016 by 56 per cent. As lone parent families are often housing-vulnerable, it is important to note this increase when looking at housing solutions.

Table 7: Household Median Income

Household by Type	Median Household Income (2016)	Housing Type ¹	Average Rent (CMHC)	% Spent on Housing	Average Rent ² (Castanet)	% Spent on Housing
Median Household Income	\$68,627.00	2 bed	\$1066	19%	\$1500	26%
Lone Parent Families (median)	\$51,599.00	2 bed	\$1066	25%	\$1500	35%

Source: Statistics Canada Census Community Profile

Youth

Youth make up one of the largest demographics of the homeless population in Canada.

Approximately 20 per cent of homeless people in Canada are between the ages of 13-25 years. On any given night in Canada, there are over 6,000 young people who experience homelessness and either sleep out of doors or access emergency shelters. An even greater number are part of the hidden homeless population, 'couch-surfing' by temporarily staying with family or friends. There is significant local anecdotal evidence that a growing number of youth are experiencing homelessness or are at risk of homelessness in Kelowna. The 2016 Point in Time Count indicated 15 per cent of the local homelessness population are youth; however, it is recognized that youth are often the hidden homeless, so this percentage is likely even greater.

The Without a Home⁶⁰ study is the first Pan-Canadian study of young people who experience homelessness. Youth from Kelowna were included in the 1,103 respondents from 47 different communities across 10 provinces and territories. The study indicated that key factors contributing to youth homeless included: experiencing homelessness at an early age; long-term housing instability; childhood experience of abuse and involvement with child protection services; and school dropout rates and challenges related to learning disabilities and bullying. Additionally, youth who identify as sexual or gender minorities are emerging as being at a heightened risk of experiencing homelessness.

In 2016, the local youth shelter staff and programs provided 126 interventions resulting in 90 housing placements, leading to 82 youth moving out of homelessness. Of the 82 youth, 20 reported having an assigned Ministry Social Worker - either being a youth in care, or a youth participating in Youth Agreements. A significant portion of these

youth identified mental health challenges and 100 per cent of youth accessing the shelter reported substance use.⁶¹

The number of youth experiencing problematic substance use is a growing local concern. The Bridge Youth & Family Services recently initiated a dialogue regarding how the community can best support young people experiencing problematic substance use. Results of this consultation indicate that access to housing is one of the top needs of these young people. The consultation results also highlight that the uncertainty of where and how to access resources is the most significant barrier faced in accessing substance use services. While substance use does not necessarily lead to homelessness, the research shows that when an individual that is experiencing housing instability they have an increased risk of losing their housing if they use substances. Once on the streets, an individual with substance use issues has little chance of getting housing as they face insurmountable barriers to obtaining health care, including substance use treatment services and recovery supports.

Despite a number of high-caliber organizations, nationally and locally, dedicated to supporting young people, youth continue to end up in emergency shelters, on the streets, are the face of "hidden homelessness", and have significant barriers in establishing housing stability, community inclusion, and healthy adulthood. A Way Home Canada indicates that changing this requires changing the way we do things. No single program, intervention, or agency is going to solve youth homelessness alone. To truly address the causes and consequences of youth homelessness, partners from across the community must come together to shift from managing the problem through emergency services to preventing, reducing, and ending youth homelessness.

⁶⁰ Without a home: The National youth homelessness survey executive summary.

<http://homelesshub.ca/sites/default/files/WithoutAHome-execsummary.pdf>

⁶¹ Okanagan Boys & Girls Club, 2017.

Working together with multi-sectoral partners across the country, A Way Home inspires and enables communities and all levels of government to organize, plan and implement innovative strategies to address youth homelessness in a coordinated, measurable and impactful way. Moving forward, Kelowna will ensure a focus on the unique needs of young people by embedding a process to develop a local 'A Way Home' youth strategy within the Journey Home Strategy for addressing homelessness.

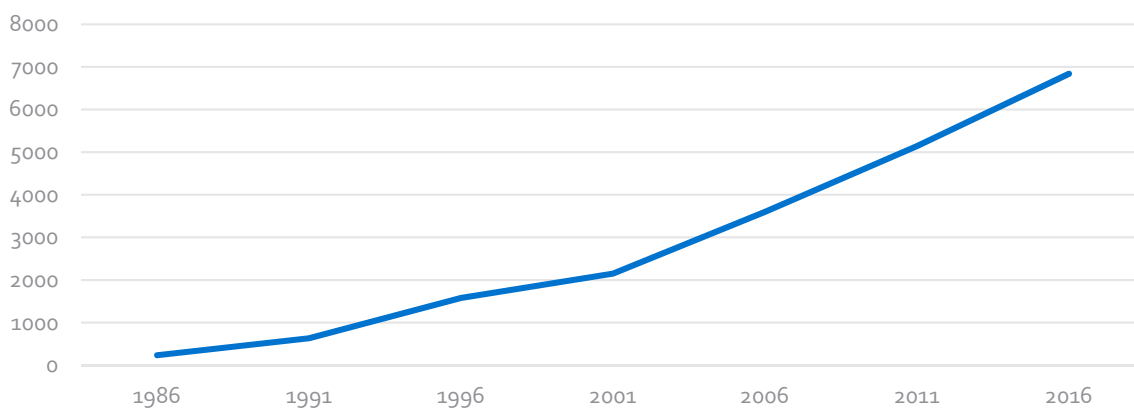
Urban Indigenous Population

The 2016 Point in Time Count conducted in Kelowna indicates that, consistent with national averages, Indigenous peoples are over-represented in the homeless population. While they make up only 4.4% of Kelowna's total population, they represent nearly one quarter of the homeless population. Of particular concern, is the disproportionately high number of women indicating Indigenous identity, representing 42% of all women experiencing absolute homelessness. This is extremely concerning when compared to their male counterparts, with Indigenous males making up 17% of the total male population experiencing absolute homelessness.

The census data from 1986 to 2011 demonstrates tremendous growth in the number of people living in Kelowna who identify as Indigenous; between the 1986 and 2011 census periods, Kelowna's total population grew by 192 per cent; by comparison, Kelowna's Indigenous population grew by 2,189 per cent. Considering the rapid growth of Kelowna's Indigenous population alongside the PiT Count findings, it becomes clear that understanding the housing needs of this population is of imminent and critical importance⁶².

Feedback from local stakeholders and those with lived experience indicate that systemic and societal barriers fueled by racism and discrimination, the impact of intergenerational trauma, along with the lack of culturally appropriate emergency shelters, housing, and services compound the challenges faced by our local indigenous. It will be critical that the Journey Home Strategy provide an opportunity for our local Indigenous populations to be heard, and to lead the way in informing the community conversations. It will be critical to recognize that addressing Indigenous homelessness must be linked to Truth and Reconciliation.

Figure 25: Urban Indigenous Population Growth



Source: Statistics Canada, Census Community Profiles, 1986-2016

⁶² Statistics Canada, Census 2011

DEEP DIVE: Indigenous Homelessness

National statistics indicate that urban Indigenous populations are eight times more likely to experience homelessness (<http://homelesshub.ca/IndigenousHomelessness>). Currently in Canada a reframing of the discussion regarding the definition of homelessness as it relates to the indigenous population is taking place:

“Indigenous homelessness is a human condition that describes First Nations, Métis and Inuit individuals, families or communities lacking stable, permanent, appropriate housing, or the immediate prospect, means or ability to acquire such housing. Unlike the common colonialist definition of homelessness, Indigenous homelessness is not defined as lacking a structure of habitation; rather, it is more fully described and understood through a composite lens of Indigenous worldviews. These include: individuals, families and communities isolated from their relationships to land, water, place, family, kin, each other, animals, cultures, languages and identities. Importantly, Indigenous people experiencing these kinds of homelessness cannot culturally, spiritually, emotionally or physically reconnect with their Indigeneity or lost relationships” (Aboriginal Standing Committee on Housing and Homelessness, 2012).

Between January 2016 and August 2017, Jessie Thistle from the Canadian Alliance to End Homelessness (CAEH) consulted Indigenous scholars, Elders, frontline workers, service providers and community members from all across Canada. In October at the National Conference on Ending Homelessness, he unveiled a new Definition of Indigenous Homelessness in Canada. The definition includes 12 dimensions that explain the experience of Indigenous homelessness (<http://homelesshub.ca/sites/default/files/COHIndigenousHomelessness-summary.pdf>).

This important work will help to inform the Journey Home Strategy processes. It highlights the importance of the Lived Experience Circle’s role in the local strategy development. In the words of Jessie Thistle “With Indigenous knowledge leading the way, we can solve Indigenous homelessness” (<http://homelesshub.ca/IndigenousHomelessness>).

Safety Net Priority Populations

The State of Homelessness in Canada in 2016, published through the Canadian Observatory on Homelessness Press, indicates that while historically individuals experiencing homelessness in our nation were most often older single men, the population seen across the country is much more diverse and includes more women, families and youth.⁶³ The 2016 Point-in-Time Count

conducted in 2016 demonstrates the same trend with the local population living without homes indicating growing diversity and displaying more complex needs. This one-day count is typically seen as an undercount but does provide some insight into the local population that are living without homes. The Count results demonstrate that the homeless population is diverse and a distinct proportion is aging; while males aged 25-64 are the largest cohort. There are a growing

⁶³

http://homelesshub.ca/sites/default/files/SOHC16_final_20Oct2016.pdf

number of women, seniors and youth alongside the over-representation of Indigenous peoples with numbers of women indicating Indigenous identity disproportionately high.⁶⁴

It is clear that the ability to identify Safety Net priority populations in relation to homelessness requires more analysis through integration of local data sources. Including this data into the context of a local housing needs assessment has been a new undertaking and therefore represents the first attempt to expand understanding and inform local planning in this area of the Wheelhouse. There are special populations that appear to be in need of priority focus for the development of appropriate housing. This is further complicated by the fact that addressing the individual needs of many populations accessing Safety Net shelters would require providing a separation of populations (e.g. employed individuals that require more structured environments versus those with addiction issues that require a low barrier environments).

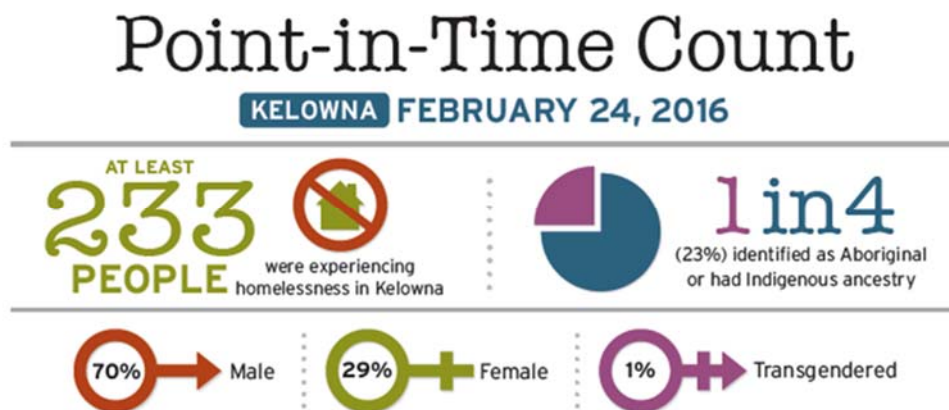
BC Housing has introduced, and is working with partner organizations to apply a standardized assessment tool known as the Vulnerability Assessment Tool (VAT). Analysis of the local VAT scores will help to reveal the spectrum of

vulnerability within the community, and this data may be shared with funders to support calls for needed resources such long and short-term supportive housing units, rent supplements, housing support workers, etc. This data will also provide information on which services people require, and reveal gaps in the service system.

Applying a tool such as the VAT is critical to a coordinated systems approach to ending homelessness because it can provide a consistent and fair way to identify people who would most benefit from high-impact interventions, such as supportive housing and ongoing multidisciplinary case management. This is transformational information, since chronically and episodically homeless single adults frequently slip through the cracks in the service system.

At the time of the preparation of this document, BC Housing has agreed to share their analysis of the Kelowna VAT results on an aggregate level. This information will provide critical insight to the priority populations in our community for the Journey Home project. This will add another layer to our understanding and ability to plan for the needs of our housing-vulnerable populations.

Figure 26: Point-in-Time Count



⁶⁴http://www.centralokanaganfoundation.org/application/file/s/5514/6257/0882/PiT_Community_Report_2016_WEB_VERSION.pdf

Specific population needs that were highlighted through stakeholder interviews include individuals with brain injury, those with developmental disabilities, mental health, and substance use related challenges.

Although the research indicates that much more study on this topic is needed, there is growing evidence that there is some correlation between traumatic brain injury and homelessness. The effects of traumatic brain injuries (TBIs) can last for a lifetime.

There is also increasing anecdotal evidence from local outreach workers⁶⁵ that a growing number of individuals that are 'sleeping rough' have development disabilities. They indicate that these individuals often are challenged to maintain housing and require appropriate settings with support to be successful. This trend requires more investigation to understand the challenges and gaps in supporting this population.

Similar to the needs of individuals with brain injuries, or developmental disabilities, the needs of those living with mental health issues or substance use related challenges also require access to appropriate housing specific to their needs. Whether it's access to housing that is suitable for those involved in active drug use or for those who are working to maintain sobriety, the appropriate setting is critical. The challenge is in accommodating conflicting needs. Continuing to

explore unique approaches to provide housing options to meet this range of needs will be critical in the future.

Perhaps the most important message obtained from this review is that providing the appropriate levels of types of supports is critical to assisting the vulnerable populations in successfully accessing and maintaining housing. The bottleneck currently being experienced in short-term supportive housing is an indication that the need for permanent supportive housing for these most housing vulnerable populations is crucial. These needs and the housing solutions require much more investigation to ensure that the community has the information necessary to determine the highest priorities as opportunities to develop permanent supportive housing become available.

An additional element in the populations accessing housing in the Safety Net area of the Wheelhouse is those individuals and families experiencing poverty. There is growing anecdotal evidence that there has been an increase in shelter use by citizens living in poverty that are not able to maintain stable housing in the current high cost-over demanded rental market. While this factor is an indicator of the need for additional affordable rental units, it will be important to develop a collective mechanism for the local shelters to track shelter-use by this population to inform future community planning.

⁶⁵ From local Outreach Assessment Process of needs of sleeping rough population – Conducted October, 2017

4.0 Kelowna's Future Housing

Examining what we can predict about housing in Kelowna's future is critical for a needs assessment. Actions and interventions in housing take effect over the long-term, so we must make an effort to understand how our housing market will evolve in the years to come if we are to focus our efforts with the greatest level of success.

Predicting housing supply and demand in the future is a challenging proposition. Housing development is extremely complicated and involves layers upon layers of actors, from home buyers, to banks and finance, building contractors, government regulators, and developers, among others.

This chapter begins by examining the five-year housing supply about which we have a stronger degree of certainty. This is followed by a more nuanced approach to long-term housing. For long-term housing, a Business-As-Usual (BAU) scenario is outlined based on projections of current trends. Then, we bring back the concepts of Healthy and Resilient Housing to assist in establishing where progress is being made towards the kind of housing system we need, and where key our current course may need to be corrected.

5-Year Housing Supply

In order to estimate short-term supply, two sources of data are used. The first is an analysis of open development applications. Housing development is complex and takes time. Generally speaking, the larger the project, the more complex it is and the longer it takes to complete. The time it takes to construct housing varies by type and complexity and may take more than two years for high-rise developments. Beyond construction time, there is also time required to go through the approval process, including Rezoning, Development Permits, Subdivision and Building

Permits. Moving through these stages can take between one to two years. During this time, some projects are rejected for one reason or another. However, during that same period, new applications will be made, some of which will move from application to occupancy. These two factors are expected to balance each other during the short-term.

As of July, 2017, there were around 4,000 housing units under active development application. Supplementing this is the supply of units already under construction but not yet occupied. It is assumed that 100 per cent of these units will be occupied within five years. According to CMHC, 2,500 units are under construction in Kelowna as of May, 2017,⁶⁶ more than double Nanaimo's 862, and more than six times Kingston's 354. Further, it is estimated that we will approve a combined average of 200 secondary suites and carriage homes per year not counted in the active development applications. Combining these three elements yields a total of 7,500 units that will be built in Kelowna in the near term. Estimates are that the majority of these will be apartments (62 per cent), followed by single detached housing (19 per cent), townhouses and other forms of multi-unit housing (5 per cent), and secondary suites and carriage homes (13 per cent).

Safety Net

Emergency Shelters

At this time, there are no active development permits or shelter beds under construction. In general, and with the support of Safety Net housing providers, the City's goal is not necessarily to add more shelter spaces but instead to work with the homeless-serving system to shift how people are supported – a strategy that reflects evidence and best practices demonstrated throughout North America.

⁶⁶ https://www.cmhc-schl.gc.ca/odpub/esub/64183/64183_2017_Mo6.pdf

Short-Term Supportive Housing

Freedom's Door has an active rezoning and development permit under consideration that would develop 49 units for men in transition in Rutland. Additionally, the province has just announced additional funding for short-term units with staff support; there is a potential that some of these units could come to Kelowna.

Housing with Supports (Inclusive of Long-Term Supportive and Subsidized Rental Housing)

Of the total 1,100 rental units in stream, 125 are being built by or for non-profit housing providers. These projects are considered to be part of the Housing with Supports segment of the Wheelhouse. 45 of these units are intended for low-income seniors, while an additional 75 are intended for Métis and Indigenous residents. As well, there are 12 units under renovation at Gordon Place for the purpose of housing people coming directly from the emergency shelter system. BC Housing has just announced the purchase and renovation of the former hotel which will provide 42 homes for individuals who have been homeless or who are at risk of homelessness. Two of the rooms will be designed to provide shelter spaces during extreme weather conditions, if required.

Small numbers of units are being added to the long-term supportive and subsidized rental housing segments of the Wheelhouse by housing providers leasing units in the market rental segment of the Wheelhouse. One service provider has had success through their Professional Neighbour Housing Model. The model varies to accommodate the needs of all involved; however, in essence the model involves "a two-suite house, where the individual served through [the organization] lives separately in one suite and a professionally screened neighbour, familiar with the circumstances of their neighbour, lives in the other suite."⁶⁷ As of July 2017, this housing

provider had added one additional dwelling (for a total of six), and indicated that they are constantly looking for additional units.⁶⁸ CMHA, through its Housing First program, works to access market rentals throughout the community and to provide individualized support to program participants to assist them in maintaining their housing. These two models offer insights into the future of Safety Net and Housing with Supports models; reflecting an expansion of housing models to include both non-profit housing providers as managers of purpose-built housing and housing providers as tenants of market rental units on behalf of their clients. These organizations are shifting their service models to providing 'housing with supports' – either through programs, financial assistance, or a combination of both.



Above: Society of Hope's Apple Valley development.

⁶⁷ John Howard Society of BC: Professional Neighbour Housing Model. <http://www.johnhowardbc.ca/regions/central-south-okanagan/services/community-living-services/professional-neighbour/>

⁶⁸ Stakeholder interview – Housing Provider, July 28, 2017

DEEP DIVE: Housing First

The Homeless Hub, through the Canadian Observatory on Homelessness, describes Housing First as a recovery-oriented approach to housing people who are living without homes. It provides immediate access to permanent housing for people experiencing homelessness, without requiring psychiatric treatment or sobriety as determinants of housing readiness. It is guided by the principle that housing is a basic human right.

The key to the success of Housing First is in the integrated approach to both the housing process as well as in the approach to provide the support services that help individuals remain housed successfully. The underlying principle is that housing is critical in supporting people to move forward in their lives. Once housing is provided then other physical and mental health needs can be addressed. Facilitating connections to community-based supports and healthy activities is equally important to supporting a re-integration to community through education, employment, recreation, and community-based opportunities.¹

The current target population for Housing First approach under the Federal and Provincial funding initiatives are those that are either chronically or episodically homeless. As indicated by the Kelowna Homelessness Partnership Strategy Community Plan 2014-2019 (Central Okanagan Foundation, 2014), locally there has been a gradual shift to Housing First as a priority as the community builds its capacity to transition to the application of this model. Currently 40 per cent of the Homelessness Partnership Strategy (HPS) funding program is being applied under the Housing First priority.

Kelowna Canadian Mental Health Association's (CMHA) Housing First Program is the first local HPS funded program to embrace the approach, and is focused on supporting chronically and episodically homeless individuals into housing. Funding under this initiative has also been allocated to provide training for all service providers to raise the capacity of knowledge and tools to consistently apply Housing First principles community wide.

Laying the Foundation for a Coordinated Approach Within the Local Homeless-Serving System

There is increasing evidence of the community's collective readiness to move towards a systems approach to the delivery of services to support those that are most housing-vulnerable in our community. Initiatives demonstrating the transformation to an integrated approach include:

- **Foundry Kelowna** will officially open in the fall of 2017 with 25 youth mental health and addiction service agencies all housed in one location. Having multiple agencies operating at a single location will support youth in navigating the system of services by bringing them all together in one, accessible, youth-friendly space. This success of this evidence-based model is based on the well demonstrated success of both the Australia's Headspace Program, and the Granville Centre in Vancouver.
- BC Housing's recent implementation of the **Vulnerability Assessment Tool (VAT)** to assess individuals' needs and to support them into housing, along with a **Coordinated Application for Housing** amongst eight service agencies in the community has helped to simplify the application process for individuals.
- The **Police and Crisis Team (PACT)**, a partnership between IH and RCMP for a Police/Psychiatric Nurse unit, is a recent example of working together. The goal of this program is to connect people in addiction or mental health crisis with appropriate services, diverting them away from the hospital emergency department or incarceration.

Market Housing (Inclusive of Rental and Ownership Housing)

Of the 7,500 units predicted to be constructed over the next five years, about 7,000 are expected to end up in the Market Housing segment of the Wheelhouse.⁶⁹

Of the 7,000 new market units, historical trends suggest that the large majority will form part of the ownership market. However, the tenure of market housing is difficult to estimate, particularly when considering the secondary rental market. Some homes will contain suites or carriage homes, while others will be rented in their entirety. Some apartments owners may choose to rent their unit, while others may not. It is estimated that approximately 200 secondary suites and carriage homes are built each year, yielding a 5-year total of 1,000 units within the secondary rental market. Beyond suites and carriage homes, the secondary rental market is not possible to predict, even though it will certainly have an impact.

The primary rental market is somewhat easier to predict. Many of these projects seek to utilize the City's rental incentive programs. Those projects that have active applications or building permits that were also approved for rental incentives will be assumed to be built as rental for the primary market. Using this, a total of 1,100 units (15 per cent of the total units predicted to be constructed) were granted incentives over the past two years. All of these are under open application or under construction and will form part of the primary rental market within five years. Together, the expected total of rental units over the next five years is 2,100, representing 28% of the total predicted units. While this upcoming investment is an injection of much needed rental supply, a gap between supply and demand will likely remain, keeping vacancy rates below the 3-5% target.

⁶⁹ To determine this, projects for non-profits that are under construction, in the development application stream, or in late concept development, were identified and removed from the market calculation.

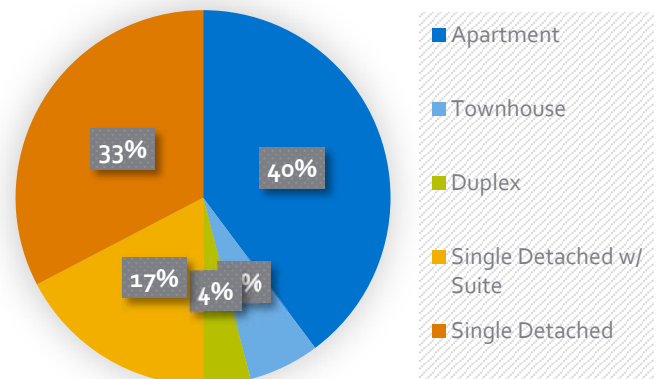
Business-As-Usual Forecast

Now that we have a clearer understanding of upcoming housing supply, we can turn our attention to how the market will evolve in the years to come. To accomplish this, a Business-As-Usual (BAU) forecast will paint a picture of Kelowna's housing market assuming the trends of today hold true. Evaluating this BAU forecast against the qualities of a healthy and resilient Wheelhouse will help us understand the strengths and weaknesses of our current course, and will reveal where and to what degree action may be needed to correct that course.

Housing by Type

By 2040, Kelowna's population is expected to grow to 178,000 residents, meaning that we will need about 23-25,000 new homes. Using the BAU forecast, the following represents the breakdown of new housing by type:

Figure 27: 2040 Housing by Type



Housing by Tenure

Housing tenure is much more difficult to predict. The split between renters and owners has remained relatively consistent at between 28-30% since 1986. However, if home prices continue to increase at a faster pace than incomes, then the share of the population that will be able to afford

home ownership will be reduced. High level analysis suggests that there will be a significant increase in the renter population, from 28-30% today to 35-40% by 2040⁷⁰.

Safety Net Housing

The shift to Housing First will have future implications on demand for affordable rental market (primary and secondary). Government programs are focusing on shifting funding from the emergency system to housing with supports and supplements in the market sector. While it is likely that shelters will continue to exist, the design will be focused on shorter-term and temporary basis with a focus on rapidly housing/re-housing to diminish the detrimental effects associated with the current emergency approach to homelessness.

Housing with Supports

Demographic change and prices for ownership and rental housing in the market segment of the Wheelhouse will place pressure on demand for Housing with Supports solutions. Lower income or fixed-income seniors may be pushed out of Market Housing due to rising costs, forced to look for housing geared to income or income-supported housing solutions.

Market Housing

Rental

In the BAU Scenario, rental prices are on the rise, driven by increased demand for rental. Estimates are that rent by 2040 will be as follows:

- 1-bed: \$1,700/month
- 2-bed: \$2,500/month
- 3-bed: \$2,900/month

Compared to home ownership in 2040, purpose-built rental in 2040 is less expensive. However, low to moderate income households are overrepresented in rental housing. As rental prices increase over time, the affordability of market rental for low to moderate income households will be challenged.

The security of tenure in rental will also come under greater pressure, particularly in the secondary rental market, as landlords shift away from long-term leases to take advantage of the extra income provided by short-term rentals during the summer months.

Ownership

Since 2001, home price growth has outpaced income growth consistently, leading to a significant gap between home prices and household incomes. In the BAU forecast, this gap continues to worsen, exacerbating an already difficult affordability problem. The median single detached home is expected to be between \$1-1.5M, the average condo is expected to be \$450,000 and the average townhouse is expected to approach \$770,000.

Meanwhile, household incomes are anticipated to increase less rapidly, with the median household income being \$99,000 in 2040. For households with two or more persons, median income will be about \$140,000, while median income for one-person households will be around \$54,000.

This means that, by 2040, it will take the median Kelowna household 8.5 years of income to afford the median Kelowna home.

⁷⁰ This analysis was conducted by comparing income deciles to median home price by type and to average rents. Using this methodology, the share of renters is

46%, but is overestimated, as the methodology does not factor in those who already own their homes.

Deep Dive: Case Studies

Future housing issues are easy to talk about in the abstract. But, the trends and scenarios being examined will have material impacts on residents, affecting their quality of life and their ability to meet their daily needs. Three case studies representing common household types in Kelowna have been examined more closely to help understand what conditions in 2040 might look like for them in the BAU scenario. All three case studies are drawn from the market housing segment of the Wheelhouse. Predictions for government programs and investment in other segments of the Wheelhouse makes scenarios too inaccurate.

First-Time Buyers

For a young couple looking to buy their first house, the 2040 housing market in Kelowna will prove challenging. Early in their career, first time buyers are often earning below average incomes and have lower levels of savings, making mortgage carrying costs harder to bear. As the costs of borrowing increase from very low rates today to more sustainable rates in the long-term, the impact on their monthly budget is significant.

For first-time buyers seeking to enter the ownership market, the only form of housing that will approach affordability standards is an apartment. Even then, many first-time buyers will be forced to spend between 34-42% of their incomes to service their housing costs. These buyers are typically more vulnerable than established families, having lower savings and higher debt ratios. Many of these residents that today would buy, may choose to rent in the future, putting pressure on the rental supply.

Household Income	Condo Price	Monthly Shelter Costs		Share of Before-Tax Income	
		3.25% interest	6% interest	3.25% interest	6% interest
\$97,945	\$466,000	\$2,700	\$3,400	34%	42%

Established Family Homeowners

For established families who currently own their homes but how are looking to shift in the housing market, 2040 in Kelowna has both pros and cons. The home that they currently own will increase in value substantially and their earnings are likely above average. However, the price of the home they are seeking to buy will also increase. A median detached home in 2040 will be about \$1.3M in the BAU scenario, but the sale of their current home will allow them to put down a 20% down payment. Even with these advantages, detached home ownership will be a financial stretch for many established families, requiring the dedication of between 37% and 48% of their before tax income, depending on interest rates.

In many cases, this would likely result in families seeking more affordable alternative housing forms, such as townhomes, duplexes or other typologies. Alternatively, secondary suites or short-term rentals may prove a popular route for residents in this category, with the rental income bringing their housing costs closer to affordable ranges.

Household Income	Condo Price	Monthly Shelter Costs		Share of Before-Tax Income	
		3.25% interest	6% interest	3.25% interest	6% interest
\$181,897	\$1.3M	\$5,600	\$7,250	37%	48%

Single Renter

By 2040, one-person households will be common in Kelowna. Among the three market housing case studies, these households will find the 2040 market the most challenging. Having the lowest of the three household incomes, the 30% mark of affordability is much more of a constraint. Going much above 30% for shelter costs leaves little available for other expenses. Average rent for a bachelor or 1-bedroom unit in 2040 is expected to be around \$1,700/month, compared to an available \$1,350/month. If the BAU holds true, one-person households will need to spend approximately 37% of their before tax income on rent. Unlike first-time buyers who can simply choose to rent, many one-person households may be pushed into inadequate housing situations.

Household Income	Average Rent (1-bdrm)	Share of Before Tax Income
\$54,500	\$1,700/month	37%

In all three scenarios in 2040, housing affordability is challenged and residents will be left with fewer housing choices. There are far-reaching social and economic consequences for communities when residents have difficulty accessing housing that meets their needs. Business and job growth are impacted negatively as businesses struggle to retain employees who cannot afford housing costs. But, the housing crunch is most acutely felt by those with low to modest incomes. For them, there is a tremendous social cost to the housing crisis. They may be forced into unsafe or inadequate housing, or into homelessness.

Healthy and Resilient Housing Evaluation

Now that we have established what the BAU scenario would mean for housing in Kelowna, we need to examine how that scenario performs relative to our healthy and resilient housing objectives if we are to understand what actions might be needed to change course.

To assist in this, the principles of healthy and resilient housing have been applied to each segment of the Wheelhouse, allowing us to begin to establish a picture of what healthy and resilient

housing looks like. This 'Ideal 2040' can be compared to the current progress in the Wheelhouse today and to the BAU scenario to help identify where there may be gaps.

- **Red** means that no measurable progress has been made in this area
- **Yellow** means that actions have been taken to begin to realize the 2040 reality, but measurable progress is limited.
- **Green** means that the Ideal 2040 reality has already been realized.

Table 8: Evaluation of Current and Business-As-Usual

Wheelhouse Segment	Health & Resiliency	Ideal 2040	Current Evaluation	BAU Evaluation
Safety Net Housing	Diversity of Form and Tenure	Housing is flexible to accommodate various needs (transition, varying family sizes, health and medical needs, and services)	●	●
	Affordability & Accessibility	Support services and units are available for individuals accessing the emergency shelter system to rapidly find permanent housing	●	●
		Prevention, diversion, and coordinated access structures and mechanisms, protocols, and system-wide consistent application practices are in place	●	●
		Time in emergency and short-term housing is brief, rare, and non-recurring	●	●
	Inclusiveness	All individuals feel safe accessing the shelters in Kelowna	●	●
		Service providers are equipped, and units designed to service a variety of populations with different and conflicting needs	●	●
	Coordination	Service providers coordinate service delivery to ensure that the needs of all vulnerable populations are being met	●	●
			Housing with supports is dispersed throughout the community	●

Housing with Supports	Diversity of Form and Tenure	Units are flexible to serve multiple different groups of residents (i.e. family, seniors, individuals etc.).	●	●
	Affordability & Accessibility	A diverse set of options exist to close the gap between market rental cost and low incomes	●	●
		Permanence is built into how this segment of the wheelhouse evolves; either through market rental/ownership, various forms of tenure, or provision by housing providers, affordable units are available in perpetuity.	●	●
	Inclusiveness	Landlords have supported the Housing First model of integrated service provision as standard practice, and have a common operating procedure and tolerance in helping vulnerable individuals secure permanent housing	●	●
	Coordination	Housing providers are capable of delivering integrated services to clients that encompass both financial assistance, housing, and programs	●	●
		Housing providers coordinate service provision to ensure clients access housing that is most appropriate for their needs	●	●
Market Housing	Diversity of Form and Tenure	There are diverse forms of rental and ownership units available to serve the needs of all populations	●	●
		The rental system and associated regulation can accommodate the sharing economy without compromising the long-term security of the rental market	●	●
		Residents have the option to secure long term rental units	●	●
		Alternative forms of tenure offer an opportunity for individuals to build equity outside of traditional housing ownership models	●	●
		Existing neighbourhoods evolve to incorporate new housing types and tenures as new trends emerge	●	●
		Affordability & Accessibility	Rental vacancy rate stabilizes between 3-5% to allow for individuals in all areas of the wheelhouse to access the rental market	●

		The share of households spending 30% or more on shelter costs has declined		
	Inclusiveness	Market rental has adapted to include the Housing First model of service delivery	●	●
	Coordination	The development and property management industries are involved in designing and delivering resilient and healthy rental and ownership housing in Kelowna	●	●
	Coordination	Economic development efforts are integrated with efforts to develop a diverse housing stock	●	●

The table above reveals that significant work needs to be undertaken across the Wheelhouse in order to build a healthy and resilient housing system for Kelowna by 2040. Chapter 5 highlights in more detail the specific gaps in the resilience and health of our current housing stock, and

outlines a series of recommendations that both the Journey Home and Healthy Housing strategies will explore to achieve a healthy and resilient 2040.

5.0 Root Causes, Gaps & Recommendations

What are the Root Causes?

So, how did we arrive here?

Demand for housing in Kelowna has been increasing steadily. At a broad level, the situation reflects the overarching trend throughout the world that is seeing increasing numbers of people living and moving to urban areas. More specifically, Kelowna is an attractive place to live and boasts attractive lifestyle amenities – lake, mountains, outdoor activities, and a favorable climate. A strong economy is also fueling population growth. Our growing technology sector is drawing professionals to our community, and the airport and ease of access to other major centres helps support remote workers. Rising house prices in Metro Vancouver are referenced as a factor driving people to relocate from Vancouver with some deciding to make Kelowna their home. Although house prices in Kelowna are high relative to the rest of Canada, they are still significantly less than the Vancouver region.⁷¹

The amenity rich community coupled with a strong and growing economy and other regional push factors is driving population growth, and consequently driving demand for both rental and ownership housing.

Macro-economic circumstances may be also driving the ownership market. Interest rates have been at historic lows for several years, which has lowered the cost of borrowing. Multi-unit housing will lead new housing development, in part due to cost and consumer preferences, and in part due to a constricted land supply that will drive much of the new growth into existing neighbourhoods.

The above root causes point to some of the factors influencing the demand and supply of housing,

whose impacts directly influence the market rental and ownership areas of the Wheelhouse. The impacts cascade to other parts of the Wheelhouse as demand spills to units previously accessed by individuals accessing subsidized rental housing or long-term supportive housing. As the cost of all units rises, the subsidies for individuals can't cover enough of the housing costs, and individuals are priced out, with fewer options available to them.

The system providing housing supports in the Safety Net and Housing with Supports areas of the Wheelhouse has faced its share of challenges and changes as well. Housing providers suggest that they are more coordinated than ever before through the introduction of the Coordinated Access Committee all using the Vulnerability Assessment Tool – two factors helping support workers to reduce duplication of efforts and prioritize individuals most at risk and in need of housing. It is expected that the development of a systems plan will build on this foundation and further improve the ability of case workers to support their clients more effectively.

Like many communities, Kelowna is embracing the 'Housing First' model. Housing First is an approach that offers permanent, affordable housing as quickly as possible for individuals and families experiencing homelessness, and then provides the support services and connections to the community-based supports people need to keep their housing and avoid returning to homelessness. Housing First provides housing using a scattered site model – meaning that units are not concentrated in one area, and instead integrated throughout all neighbourhoods in the community. Housing First providers are renting units from private landlords in the community, which means they are competing in the market system for available rentals, subject to all of the

⁷¹ Remax. Spring Market Report – 2017, pg. 3.
<http://blog.remax.ca/remax-2017-spring-market-trends-report/#1481171929283-12d535a6-d935>

supply, demand and cost challenges identified above. Early responses to the application of Housing First Principles suggest that there is a need for a redesign of the homeless-serving system that provides the structures and mechanism to support collective action and coordination of resources and investments.

Gaps and Recommendations

Housing in our community is a complex, interconnected system in which changes in one segment of the Wheelhouse will inevitably impact the others. Adding to this complexity, people may move around the Wheelhouse throughout their lives. Therefore, to ensure that the diverse needs of Kelowna's residents are met, each segment of the Wheelhouse must be addressed in Kelowna's housing system.

Using the evaluation in Chapter 4, the Housing Needs Assessment identifies key gaps that require action as well as some recommendations for further work as part of the Journey Home Strategy and the Healthy Housing Strategy.

GAP 1: Diverse demographics experiencing housing vulnerability. Seniors, lone parent families, persons with diverse abilities, youth and Indigenous peoples are some of the most acutely impacted by the constraints and shifts in the Wheelhouse. The size of the senior population is increasing, and often these individuals have limited or fixed income sources (CPP, OAP etc.). As housing costs rise, seniors are increasingly limited in finding affordable options, and we've heard anecdotally that this is contributing to seniors staying in inappropriate housing. Persons with diverse abilities are facing additional challenges – housing providers and support workers point to discrimination and competition for limited units as additional factors these individuals struggle to overcome. The number of youth facing homelessness appears to be growing, and this population is recognized as a community's greatest opportunity for preventive measures. Indigenous peoples are significantly overrepresented in the homeless population indicating additional complexities in the barriers to

accessing housing and support services faced by the urban Indigenous population.

Journey Home Strategy Recommendation:

Through the Journey Home project, we will gain insight through the expertise of those with lived experiences of homelessness into the system related challenges they encounter.

GAP 2: Community-driven data. Integrated information management systems create an opportunity to use local data to inform local service delivery priorities. Such data supplies person-level information that can be collated to inform the priority for short and long term supportive housing development. In order to achieve this, it is necessary to bring a community-based and diverse group of stakeholders together to capture local knowledge.

Journey Home Strategy Recommendation:

Engage all stakeholders in determining what sources of information are essential to capture to inform planning for housing needs and establish a consistent community-wide framework for ongoing gathering, sharing, and analyzing data.

Journey Home Strategy Recommendation:

Establish a method for ongoing performance measurement of the Journey Home Strategy, and a system for adapting strategy and action items to respond to emerging issues.

GAP 3: Service navigation.

Navigation of the current system of services that support people into housing, and help them maintain housing, is identified as overwhelming and challenging due to its complexity.

Journey Home Strategy Recommendation:

Work with partners to support the expansion of locally-based, online navigation tool to incorporate support services information and real time housing availability with the goal of shortening pathways to housing.

For example: A partnership between UBCO, Okanagan College, and the Central Okanagan

Foundation has developed iSearch, a web-based tool designed to assist individuals looking for low-income rentals, supportive housing or emergency shelters. This website has been designed to continue to evolve and contribute to improving individuals' ability to navigate the homeless-serving system.

GAP 4: Design of the homeless-serving system.

Currently, there is limited shared understanding of the services available within the homeless serving system. Shifting to a Housing First model requires a redesign of service delivery that is based on coordination and integration.

Journey Home Strategy Recommendation:
Utilize the findings of the Housing Needs Assessment to assist in understanding how the homeless-serving system functions for special populations and vulnerable individuals. Use the outcomes to inform priorities and map pathways to re-design how the system functions.

GAP 5: Homelessness Prevention. Prevention is the most effective way to address homelessness. Many people in our community are feeling the affordable housing crunch, and the situation is set to continue with a fast-growing divide between income and housing costs. Critical life events can also exacerbate housing vulnerability, especially in the transition from youth to adult services, and in transitioning out of institutional facilities into the community. At times, system barriers inadvertently restrict access to housing.

Journey Home Strategy Recommendation:
Utilize the Housing Needs Assessment findings to assist in shaping strategies and actions to apply a prevention approach, embedded in a Housing First system model that includes consistent standards and training, diversion approaches, and planning for transitions between settings and systems.

GAP 6: Bottleneck in the Wheelhouse. Trends in market rental and ownership housing put pressure on the long-term supportive and subsidized rental housing areas of the Wheelhouse. Demand for

rental units is driving prices up, making rental units increasingly out of reach for low to moderate income and income-supported residents. Individuals accessing the Safety Net and Short-term Supportive Housing areas of the Wheelhouse are increasingly stuck – unable to move into long-term secure housing. Anecdotal stories are emerging about individuals with low to moderate income, Housing First, and income supports 'competing' with professionals for housing units. Additional supply of long-term supportive housing and affordable rental housing is needed.

Innovation, collaboration and collective action between all levels of government, non-profit providers, developers and the community is critical in order to make significant progress.

Healthy Housing Strategy Recommendation:
Explore the opportunity for the municipality to facilitate housing partnerships, including strategic land acquisition.

Healthy Housing Strategy Recommendation:
Investigate opportunities for the City of Kelowna to support the Regional Housing Needs Assessment with the goal of creating a regional housing strategy that is integrated and collaborative with member municipalities, other levels of government and identified non-profit organizations.

Journey Home Strategy Recommendation:
Explore the development of innovative partnerships, laying the foundation for strategic multi-sectoral collective planning and investments.

GAP 7: Need for greater housing diversity. In Kelowna, 62 per cent of ownership housing is single detached housing. As the affordability of single detached homes grows farther out of reach for many residents, it is important to increase the diversity of housing forms available to include the "missing middle" housing types. Encouraging a variety of unit sizes will ensure that suitable

housing is available for all ages, abilities and household types.

Healthy Housing Strategy Recommendation:
Explore new and innovative housing forms and tenure to increase housing affordability and housing resiliency.

Healthy Housing Strategy Recommendation:
Explore the opportunities to address the "missing middle" to increase the supply and affordability of infill housing stock.

Healthy Housing Strategy Recommendation:
Investigate universal and adaptable housing design opportunities to ensure a housing stock that is adaptable and barrier-free for older residents and those residents with diverse abilities

Healthy Housing Strategy Recommendation:
Investigate opportunities to increase the amount of three-bedroom rental units and family-oriented home ownership models.

Journey Home Strategy Recommendation:
Identify community priorities and investigate opportunities to provide appropriate, permanent housing for key populations.

GAP 8: Limited supply and high demand for purpose-built rentals. Supply is limited, vacancy rates are extraordinarily low, and market prices are high. In addition, major new supply is taking several years to come online. As home ownership is pushed out of reach for many citizens, secure rentals will play an increasingly important role in the system. Market factors aren't the only underlying contributor to our housing situation today. In the early 1990s the Federal Government began a process of divestment and retrenchment in terms of housing investment. Up to that point the Federal Government contributed financially to social housing units, and provided tax incentives to encourage private sector investment in rental housing. Hence, for over 30 years there has been very little senior government support for these

areas of the Wheelhouse, contributing to a lack of supply of purpose-built rentals. A supply of approximately 400 units per year will be needed to meet expected demand.

Healthy Housing Strategy Recommendation:
Review and seek additional opportunities to increase the supply and stability of rental housing (e.g.: rental incentives).

Healthy Housing Strategy Recommendation:
Explore opportunities available to protect the existing rental stock.

GAP 9: Access to private market rentals. The Housing First approach shifts to a greater reliance on the market rental segment of the Wheelhouse. Vulnerable populations face barriers in accessing rental housing, including increasing costs, competition, stigma and reliability or short-term leases. Building relationships with landlords, and offering housing supports has demonstrated early successes locally. Currently, the gap in the system is a consistent and coordinated approach across organizations in supporting individuals into housing in the rental market.

Journey Home Strategy Recommendation:
Establish a consistent process for all organizations to use in supporting individuals into the rental market, and explore innovative programs, models of support, and incentives for landlords.

GAP 10: Security of Tenure & Short-Term Rentals. The trend towards secondary rental units in private houses is significant and is only expected to increase. The secondary rental market is considered much less secure, as units are more easily transferred to the short-term rental market or taken out of the rental pool altogether. As housing prices continue to escalate, it is likely that short-term rentals (e.g.: Airbnb, Owner Direct, Vacation Rental by Owner), will be utilized by homeowners to help offset their costs. Some of the secondary rental stock may be converted to serve the short-term rental market or into less secure tenure arrangements (i.e. 8 months vs. 1

year leases). Kelowna is currently researching potential regulations for short-term vacation rentals.

Healthy Housing Strategy Recommendation:
Investigate approaches to addressing the impacts of short-term rentals and will recommend a preferred course of action.

GAP 11: The cost of housing is increasing and income isn't keeping pace. In rental and ownership categories, many Kelowna residents are spending over 30% of their annual income on housing costs. All types of households are feeling the crunch, but lone parent families and single income households are most acutely impacted.

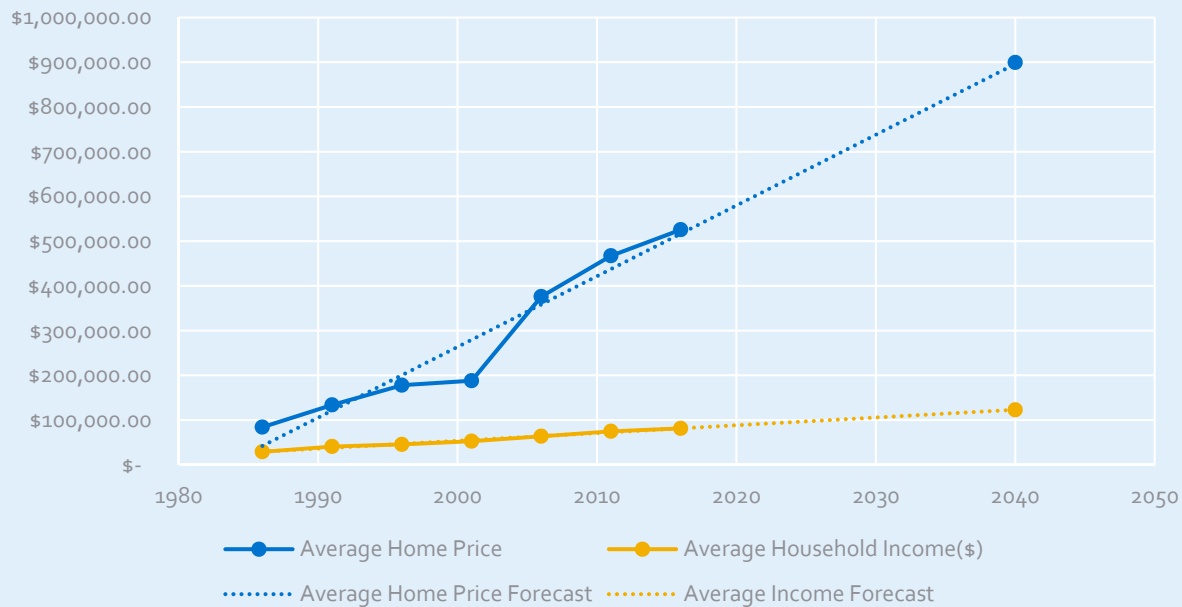
Both private and public sectors need to share responsibility in creating new affordable housing stock. New developments offer an important opportunity to deliver new housing units.

Housing costs cannot be understood in isolation. Instead, they must be looked at alongside other related costs so that we can see where there may be key linkages that offer opportunities for positive action. For instance, transportation costs and energy costs are directly related to housing location and construction, but are often left out of housing discussions.

Healthy Housing Strategy Recommendation:
Explore tools to encourage the inclusion of affordable housing units in new development projects.

Healthy Housing Strategy Recommendation:
Explore opportunities to reduce overall household costs including energy efficiency and transportation.

Figure 28: Forecast of Home Price to Household Income 2040 (Average)



Source: City of Kelowna

6.0 Next Steps

When operating effectively, a housing system plays a pivotal role in creating great communities today and for the next generation. It enables neighborhoods where people of all ages, abilities and incomes can find safe and healthy places to live. However, when one part of the housing system stops working well, the effects can be felt widely.

The Housing Needs Assessment clearly identifies that the housing system in Kelowna today is not functioning well for many residents, and initial projections suggest that our current efforts are not enough to correct this course. To address this, the HNA identifies key gaps and recommendations for further action under the guidance of two major initiatives: the *Journey Home Strategy* and the *Healthy Housing Strategy*.

The development of both strategies will guide work and investment decisions for the tiers of partnerships that are required across all levels of government, and in both public and private sectors. Creating lasting partnerships for housing will be a critical aspect of the recommendations. After all, the City of Kelowna is only one of numerous partners that will need to work together to continue to make progress on delivering the full spectrum of housing needs for today and decades to come.

The work of these two initiatives will not permanently solve all of our housing issues. Rather, they represent a starting point to work with our partners and build 'community' and a sense of belonging for all of our residents, now and into future generations.

The path forward requires bold, innovative and new directions to tackle the evolving housing issues in our community. As Kelowna grows into a mid-sized city and is faced with the related challenges, innovation and leadership from all levels is needed to create a housing system that works for all residents.

"We cannot solve our problems with the same thinking we used when we created them."

Albert Einstein

7.0 Appendix

Glossary

Absolutely Homeless	An individual was operationally defined as absolutely homeless if they were residing in an unsheltered location or accessing a homeless shelter.
Affordable Housing	The City of Kelowna considers housing to be affordable if shelter costs account for less than 30 per cent of before-tax household income.
Dwelling Unit	A separate set of living quarters which has a private entrance either directly from outside or from a common hall, lobby, vestibule or stairway leading to the outside, and in which a person or a group of persons live permanently.
Diverse Abilities	People with diverse abilities and includes, but is not limited to, persons with disabilities, persons with mobility challenges, and persons with cognitive and/or developmental challenges.
Emergency Shelter	Non-profit providers that offer temporary shelter, food and other supportive services. Stays are typically 60 days or less.
Family	Refers to a married couple (with or without children of either and/or both spouses), a common-law couple (with or without children of either and/or both partners) or a lone parent of any marital status, with at least one child.
Fee Simple	Fee simple is often referred to as “an estate in fee simple” or “freehold”. A fee simple title is considered to be the title that has the greatest benefit to the owner in respect of enjoyment and use. An owner in fee simple owns the whole of the land and is able to make any additions or alterations to their property (subject of course to Council bylaws and consent requirements) without having to get the consent of neighbouring property owner(s).
Household Income	The total income of a household is the sum of the total incomes of all members of that household.
Inclusionary Housing	Inclusionary housing programs are municipal programs that use development regulations and approval process to oblige private developers to provide a portion of affordable housing within their new housing projects.
Institutional Care	Serves individuals that are being provisionally accommodated in medical/mental health institutions, penal institutions, residential treatment or withdrawal management centres, or children’s institutions/group homes but lack permanent housing to return to upon release. This includes individuals who: a) were homeless prior to admittance and who have no plan for permanent accommodation after release; or b) had housing prior to admittance, but lost their housing while in institutional care; or c) had housing prior to admittance, but cannot go back due to changes in their needs.
Lone Parent Families	Household unit with one parent and at least one child living in the house.
Market Housing	Housing which is inclusive of market rental and ownership housing and is delivered exclusively through private developers.

Missing Middle	A range of multi-unit or clustered housing types compatible in scale with single-family homes that help meet the growing demand for walkable urban living.
Multi-Unit Housing	Housing which is often situated on strata lots and can include apartments, townhomes, row houses, etc.
Ownership Housing	Housing which is privately owned and can be fee simple, strata ownership or shared equity (i.e. mobile home park, cooperatives) and includes many forms of housing including multi-unit housing and single detached housing.
Primary Market Rental Housing	Five or more purpose built units constructed for the purpose of long-term rental tenure, typically in apartments or townhomes.
Private Dwelling Occupied by Usual Resident	Refers to a private dwelling in which a person or a group of persons is permanently residing. Also included are private dwellings whose usual residents are temporarily absent on May 10, 2016. Unless otherwise specified, all data in housing products are for private dwellings occupied by usual residents, rather than for unoccupied private dwellings or dwellings occupied solely by foreign and/or by temporarily present persons.
Rental Condominium Market Housing	The condominium rental market represents rented condominium (strata) apartment units.
Rental Housing	Consists of primary and secondary rental market housing.
Safety Net	Safety Net speaks to the services in Kelowna that provide temporary, short-term accommodation for those living with homes.
Secondary Market Rental Housing	Private housing contributing to the rental market and includes many forms of housing such as apartments, townhomes, secondary suites, carriage homes and single-family dwellings.
Single Detached Housing.	Housing which is often situated on fee simple lots and consists of single family dwellings.
Subsidized Rental Housing	Operated by non-profit housing providers, BC Housing and cooperatives. These organizations provide subsidized rents through a) monthly government subsidies or b) one time government capital grants for low to moderate income households.
Supportive Housing	Housing providers offer long-term housing with ongoing supports aligned with need. The level of support varies in this category from supportive (low support), to assisted living (minor support) to residential care (full support).
Temporarily Housed	An individual was operationally defined as temporarily housed if they were accessing system-supported (government or non-profit sector) interim housing or institutional care.
Tenure	The conditions under which land or buildings are held or occupied (ie: rent or owned).
Short-term supportive Housing	Non-profit housing providers offer stable housing as a step between shelters and long-term housing. Stays are typically 2-3 years, with supportive services aligned with need.
Wheelhouse	The City of Kelowna's organizing approach to housing to reflect the diversity of housing needs in the community.

Interview Questions

Stakeholder Interview Questions

HOUSING NEEDS ASSESSMENT

- Can you please describe briefly the types of services your organization offers? (relate to Wheelhouse)
- Where are you seeing positive outcomes in the housing system in Kelowna? What outcomes are more challenging to achieve?
- Please describe your typical clients. What types of services are they accessing? How long are they staying? Are there people you are not able to help, and why not?
- What are the current gaps in the demand and supply of housing? What might be the future gaps? (i.e. waitlist etc.?)
- Are you stretching your mandate to serve clients you're not meant to be serving?
- Are there clients you are still not able to help? Why not?
 - What would help your clients most? Is your organization, or another in Kelowna able to assist?
- What is the biggest gap in the housing system that you see right now? (i.e. beds, services, people to provide services, infrastructure etc.) Can you describe how the system would function if that gap was filled?
- Are there particular population groups that, in your opinion, face more challenges in finding affordable, adequate and suitable housing?
- What are the barriers to the development of an adequate supply of rental housing? Ownership housing?
 - Do these barriers vary across the different parts of the city?
- Have you taken advantage of the grants from the City of Kelowna (housing, social development etc.) or BC Housing (or others)? Why or why not? For you to utilize the grants, what would need to change?

RESILIENCY QUESTIONS

- What are the good things (or assets) that exist in Kelowna's housing system? Think of these things as people, skills, knowledge, process, infrastructure, the way people work together etc. that the City could help to build on with the Journey Home and Healthy Housing Strategies.
- Generally speaking, do you feel you are well coordinated with other service providers in the housing system (i.e. government, private sector, or other housing agencies)?
 - What would make coordination amongst actors better?
- How does "inclusiveness" manifest in your organization? Have you seen examples from elsewhere that demonstrate inclusiveness in the _____ (enter area of Wheelhouse) system?

- Is there a time you can remember where your organization was in the position of having to respond rapidly to changing circumstance? How did your organization respond? How rapidly did your organization recognize the changing circumstances? How did others in the system respond?
 - Compared to other times, how well positioned do you feel your organization / the system is to adjust to sudden change in circumstances (i.e. loss of funding etc.) Why?
- Are there types of actors you feel are under or over represented in your segment? In the system?
- Are there any organizations that have recently arrived with a new approach, or that have developed a new approach? In Kelowna? Elsewhere?
- What level of funding certainty does your organization enjoy? (Internal revenue sources? Length of funding commitments? How does funding impact your ability to serve your clients?)
 - Is your organization actively exploring sustainable revenue models?
- Is there anything else you can share with us that will inform our understanding of housing in Kelowna?

Lived Experience Interview Questions

- For the Journey Home Strategy, we are interested in hearing people's housing and homelessness stories. Could you please start off by talking about your housing history?
- Describe an example of a housing situation that was really positive for you. What made that housing situation positive?
- Describe an example of a housing situation that was really negative for you. What made that housing situation negative?
- Do you think there is anything about your identity (like gender or race or ability) that has an impact on your housing?
- How would you describe the social service system related to housing?
- Is there anything else you would like to add?

Point-in-Time Count⁷²

Point-in-Time Count

KELOWNA FEBRUARY 24, 2016

AT LEAST
233
PEOPLE were experiencing homelessness in Kelowna



1 in 4
(23%) identified as Aboriginal or had Indigenous ancestry



Male



Female

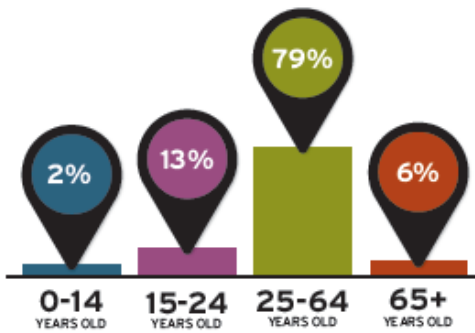


Transgendered



Chronically Homeless

homeless for 6 months or more within the past year



Episodically Homeless

experienced 3 or more episodes of homelessness within the past year

Reason for Housing Loss

- Evicted: Unable to Pay Rent — 20%
- Evicted: Other Reason — 19%
- Family Conflict — 17%
- Addiction or Substance Abuse — 11%
- Job Loss — 7%
- Unsafe Housing Conditions — 6%
- Personal Choice — 6%
- Illness or Medical Condition — 4%
- Unable to Find Housing — 4%
- Domestic Abuse — 4%
- Incarceration (Jail or Prison) — 2%



There were an additional
273
individuals living in temporary system-supported housing

93%

indicated that they had stayed in an emergency shelter within the past year

View the full 2016 Point-in-Time Count report online at centralokanaganfoundation.org

Thank you to all of the organizations, community partners, participants, and volunteers that contributed to the 2016 Point-in-Time Count.



⁷² Central Okanagan Foundation Point-in-Time Infographic, 2016

Rent Supplement – Provincial Program Details

Rent Assistance

In February 2014 the BC government updated the provincial housing strategy, **Housing Matters BC**. The updated strategy directs government to continue providing and enhancing private market rental assistance through direct financial aid to seniors, and low to moderate income working families with children.

This is part of a broader strategy that prioritizes assistance to the most vulnerable British Columbians, and ensures that social housing units are available to those who need them most.

Rental assistance is a cost-effective, flexible and direct cash subsidy aimed at keeping low to moderate working families and seniors renting in the private market. This approach has a number of advantages:

- Recipients can choose where they live and take the subsidy with them if they move, for example, to be near better employment opportunities, or family and friends.
- It eliminates the stigma of receiving social assistance because nobody but the recipient needs to know about the supplement.
- It does not require the availability of a dedicated unit in public housing thus making more affordable units available quickly.
- It is responsive to the immediate housing needs of recipient families and seniors, and is easily changed according to future need.

There are three Rent Assistance Programs⁷³:

- **The Rental Assistance Program**
 - **The Shelter Aid for Elderly Renters (SAFER)**
 - **The Homelessness Prevention Program**
1. The **Rental Assistance Program** is designed to increase private rental housing affordability and help free up social housing units for those who need them most. This program provides eligible low-income working families with cash assistance to help with their monthly rent payments.

The Rental Assistance Program provides cash assistance to help with monthly rent payments in private market rental units for British Columbians who have:

- A gross household income of \$35,000 or less.
 - At least one dependent child.
 - Been employed at some point over the last year.
2. The **Shelter Aid for Elderly Renters (SAFER)** program provides low-income British Columbians age 60 or over who rent in the private market with direct cash assistance.

⁷³ <https://housingaction.gov.bc.ca/categories/rental-assistance/>

The cost of housing can pose challenges to British Columbian seniors who often live on a fixed income. The Shelter Aid for Elderly Renters (SAFER) program helps make rent affordable for seniors with low-to-moderate incomes.

SAFER provides monthly cash payments to subsidize rents for eligible B.C. residents who are age 60 or over and who pay rent for their homes. BC Housing provides SAFER subsidies to more than 17,000 senior households renting apartments in the private market, including singles, couples and people sharing a unit.

3. **Homelessness Prevention Program**⁷⁴

The intent of the Homelessness Prevention Program is to prevent at-risk British Columbians from becoming homeless. The program is focused on helping British Columbians in at-risk groups that are facing homelessness by providing portable rent supplements to help them access rental housing in the private market. The program assists:

- Youth transitioning out of foster care.
- Women that have experienced violence or are at risk of violence.
- People leaving the correctional and hospital systems.
- Individuals of Indigenous descent.

Support services are provided to ensure enhanced access to housing and community-based services. In many instances, the Homeless Prevention Program operates as an enhancement to the existing provincially funded [Homeless Outreach](#) and [Aboriginal Homeless Outreach Programs](#). It targets people at transition points that put them at great risk of homelessness.

The Province, through BC Housing, works with non-profit providers that meet specific program criteria to implement the program. The portion of funding allocated to enhance work with Indigenous non-profit organizations and individuals will be transferred to the [Aboriginal Housing Management Association](#).

The program is currently available in many communities around the province, including Kelowna

The Homeless Prevention Program is funded through the [Canada-BC Investment in Affordable Housing \(IAH\) Agreement 2014-2019](#).

⁷⁴ <https://housingaction.gov.bc.ca/tile/homelessness-prevention-program/>