



THE REAL ESTATE
FOUNDATION
OF BRITISH COLUMBIA



Housing Study – 1999/2000

An Exploration of Affordable, Special Needs and Rental Housing



**Department of Planning and Development Services
1999/2000**



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1 Introduction

1.1 Background

For more than a decade, the City of Kelowna has been moving towards a community development philosophy that takes a proactive role in responding to issues that relate to the provision of rental, affordable and special needs housing. Spurred on by low vacancy rates during the late '80s, the City of Kelowna, in partnership with the Regional District of the Central Okanagan, commissioned the Rental Housing Strategy (1990) and created the Rental Housing Implementation Committee to direct the report. The report reviewed rental housing assistance programs and provided a comprehensive assessment of the demand for rental housing at that time.

The recommendations of the Rental Housing Strategy were used to develop the housing policies set out in Kelowna's Official Community Plan, 1994-2013. The research and findings of the report have also been used for some time as a reference for City staff, Council, the Rental Housing Implementation Committee, non-profit societies, developers and other agencies involved in providing or making decisions related to affordable, rental and special needs housing.

Since the time the Rental Housing Strategy was conducted, much of the research of the report has been dated by changes in the rental and home ownership markets and initiatives taken by senior levels of government to redistribute responsibilities for non-market housing. Moreover, community agencies and the Community Housing Needs Committee – reformulated in 1996 from the Rental Housing Implementation Committee – have expressed a need for information not directly addressed by the Rental Housing Strategy.

Planning staff are also involved in making recommendations on a number of issue areas that are driven by the need for affordable, rental and/or special needs housing. Significant changes have been made to make the City's Zoning Bylaw more inclusive of alternative housing forms (i.e. boarding homes, group living homes, seniors' housing, secondary suites). Planning staff, the Community Housing Needs Committee, and other agencies involved in the provision of non-market housing have had to address these issues based on assumptions and information gathered through special interest groups.

In February of 1998, the City of Kelowna applied to Real Estate Foundation of British Columbia for a grant to support a study that would generate current and accurate information on the supply of, and demand for, rental, affordable and special needs housing in Kelowna. The Foundation approved the grant in May and the City of Kelowna Planning and Development Services Department launched this study in the summer of 1998.

1.2 Purpose

The purpose of this study is to establish a comprehensive source of accurate and relevant information on affordable, rental, and special needs housing in the City of Kelowna. The direction to undertake this study is provided for by Kelowna's Official Community Plan in Chapter 8 Section 8.29.2., as follows:

***Housing Study.** Direct that a housing study be undertaken to quantify the needs for housing in Kelowna. This will include an overview of the population distribution according to housing need, based on income, household type and other factors. It will also provide recommendations regarding the range and quantity of housing that is required.*

The current OCP provides policy direction for the work that is undertaken in this study, aside from the policy provided above. The complete list of policies from the



OCP is attached as Appendix 1, with policies of particular relevance highlighted in yellow.

The study will improve the ability of non-profit housing societies, developers, City Council and staff, advisory committees, and other stakeholders to make educated and strategic decisions to ensure the provision of suitable, adequate and affordable housing for current and future residents of the City.

The background text and objectives for housing that are provided in the Social Plan for the City of Kelowna, approved by Council in 1996, and in Chapter 8 of the Official Community Plan (OCP) contain much of the rationale for proceeding with this research. Specifically, it is stated, as in many publications dealing with housing needs, that access to adequate housing should be viewed as a basic human right. With it, it is virtually impossible for people to become contributing members of the community or to escape the need to seek assistance from service providers. Without secure and adequate housing, health issues, including addictions, cannot be addressed, employment cannot be secured and it is virtually impossible to provide a healthy family atmosphere. It is the lack of adequate housing that sends people with non-critical health issues into hospitals, simply because there is nowhere else to go. In terms of effective spending of public money, it is far more cost efficient to address housing needs than it is to pay for the costs of hospitalization, unemployment, and social assistance for families and individuals. Housing objectives in the Social Plan and Chapter 8 of the OCP include the following:

- To make every effort to ensure that all members of the community are able to obtain and secure affordable, accessible, and adequate housing;
- To ensure that all population groups are accommodated in the provision of housing;
- To broaden the range of housing alternatives available in the community so as to increase affordability, accessibility and availability of secure housing; and
- To involve and educate the community to support a broad range of housing alternatives.

Part of the problem of providing appropriate housing in Kelowna is a very clear affirmation of the idealization of single family homes that has been identified in housing research as a characteristic of the latter part of the 20th century. The emphasis on single detached homes has occurred at the expense of alternative forms of housing.

This study does not directly provide information in relation to the housing needs of those who do not qualify for affordable housing, are not limited to rental housing, or who do not have special needs that demand a particular housing type. For information on the demand for market housing see David Baxter's report [Housing Demand in the Regional District of the Central Okanagan 1991-2021](#), or contact the Canada Mortgage Housing Corporation, the Okanagan Mainline Real Estate Corporation, or the Economic Development Commission of the Regional District of the Central Okanagan. The City's Official Community Plan also addresses forecasted growth for low density and multi-unit housing by various sectors of the City.



1.3 Objectives

The specific objectives of the study are to:

- examine characteristics of the population and demographic trends that affect the current and future demand for housing in the City of Kelowna;
- assess the current rental market to identify specific areas of immediate need;
- assess the home ownership market and determine the minimum household income necessary to enter the housing market;
- determine the extent to which the housing demands of those constrained by low income or special needs are fulfilled;
- identify constraints to, and opportunities for encouraging the development of rental, affordable and or special needs housing to meet demands;
- Make recommendations for action to be taken by stakeholders to ensure the demands for rental, affordable, and special needs housing are met.

1.4 Methodology

Data generated from the 1986, 1991, and 1996, Statistics Canada Census forms a significant part of the housing review. Census information is reviewed on a city-wide and census tract basis to gain a detailed understanding of the characteristics of the population and the local economy and housing supply. Where appropriate, this information is compared to information generated for the province and the nation to assess how the City of Kelowna is progressing in relation to other areas. Data generated through the Statistics Canada Labour Force Survey (LFS) and Shelter Cost Survey (SCS) supplement provincial and national data.

Population projections through to 2020 are based on an update of the original projections made in the Kelowna's Official Community Plan: 1994:2013. The City of Kelowna Building Permit Tracking System provided detailed information on the number and type of housing units built on an annual basis. Business licence records at the City were used to complete information on the rental and special needs housing supply. Furthermore, the data provided by BC Assessment data base has been used to obtain accurate and complete information on property and home values, as well as actual sales figures.

Additional information has been obtained as necessary from the provincial Ministry of Municipal Affairs, the BC Housing Management Commission, the BC Assessment Authority, the Canadian Mortgage and Housing Corporation (CMHC), the Kelowna Health Unit, and the Multiple Listing Services of Okanagan Mainline Real Estate Board.

The Community Housing Needs Committee was updated on the progress of the work throughout the preparation of this study. Non-profit housing societies and other community organization also provided key information. As representatives of persons who require specific housing forms, these groups have relayed the desires of the people they represent, the challenges, and issues affecting their ability to attain suitable housing.



2 Population Growth

2.1 Historical

Growth

Kelowna has historically been one of the fastest growing cities in the Province. Between the Census years of 1986 to 1991, this growth was unprecedented, averaging 4.4% per year. Growth from 1991 to 1996 continued at a fast pace averaging 3.33% per year, with an additional 13,500 people within City boundaries during the 5-year interval. Growth is illustrated in showing household and population growth, respectively. Part of the reason for the active growth of the City has been in-migration. Kelowna is a desirable place to live, due to the climate and its attractive setting. One of the greatest difficulties faced by the City and all of the agencies involved in the provision of housing and services is provided for the needs of these new migrants. Of particular concern are the people who seek Kelowna as a retirement destination, and the sector of the population that arrives in the City without work. There is a limited employment base and limited resources, including adequate housing, to distribute. Future impacts on housing and servicing will be largely affected by the demographics and numbers of new migrants.

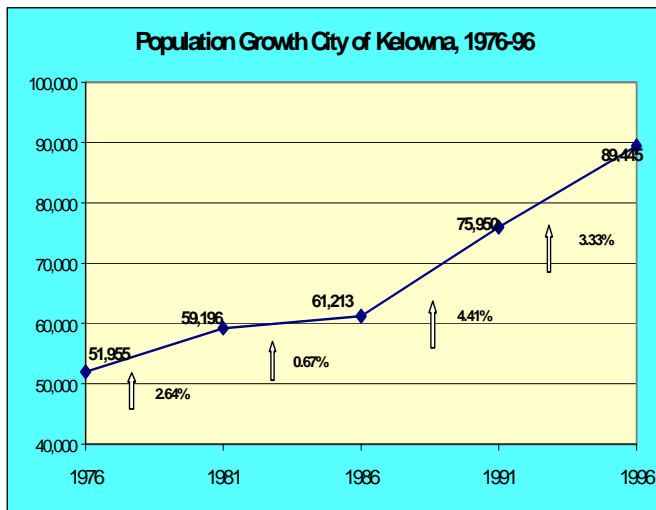


Figure 1 - Population Growth 1976-1996

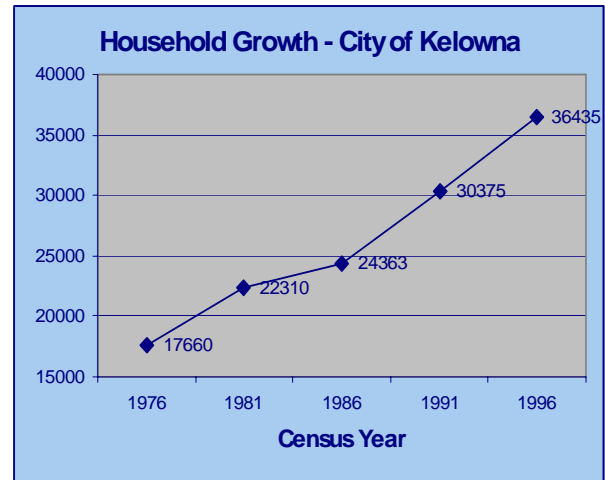


Figure 2 - Household Growth 1976-1996

Growth in Number of Households

Outpacing population growth has been the formation of households in Kelowna. This follows a national trend of decreasing household sizes, meaning more dwelling units are required per capita than ever before. While population between 1991 and 1996 grew by 17.8%, the number of households increased by 20% (6,060 households). The decrease in household size has been slower in Kelowna than in other areas, probably due to a lower than average household size over the last few decades. From 1986 to 1996, the decline has been from 2.48 to 2.42 average persons per households in the City.



2.2 Age Groups

The largest 5-year age cohorts in the City of Kelowna (as a proportion of the total population) in 1996 were those between 30 and 50 years of age - the baby boom generation. As a group they represent almost 30% of Kelowna's population.

High birth rates across North America in the two decades following World War II has resulted in those born during this period comprising the largest segments of the population at every stage in their life cycle. The province as a whole has an even larger proportion of baby boomers than does Kelowna. Approximately 33% of the B.C. population are baby boomers.

Kelowna has a large retirement base. The seniors population, 65 years and over, comprises approximately 18% (10.5% women, 8.5% men) of the population, while the provincial population is comprised of 12.7% seniors, 65 years and over. Part of the explanation for the large seniors population is that Kelowna offers an attractive environment to seniors and the market has therefore catered to seniors as immigrants to the community. Prince George, by comparison, only has 6.1 % of its population represented by those who are 65 and over.

The population who are nearing retirement or are in their early retirement years - those between 50 and 65 years of age - represent approximately 14% of Kelowna's population. This age cohort is equally represented at the provincial level.

Kelowna's school age population, those between 5 and 19 years of age, represents approximately 19% of Kelowna's population - slightly less than that of the province (20%).

Figure 3 outlines the distribution of the population in 1996 by five-year cohorts.

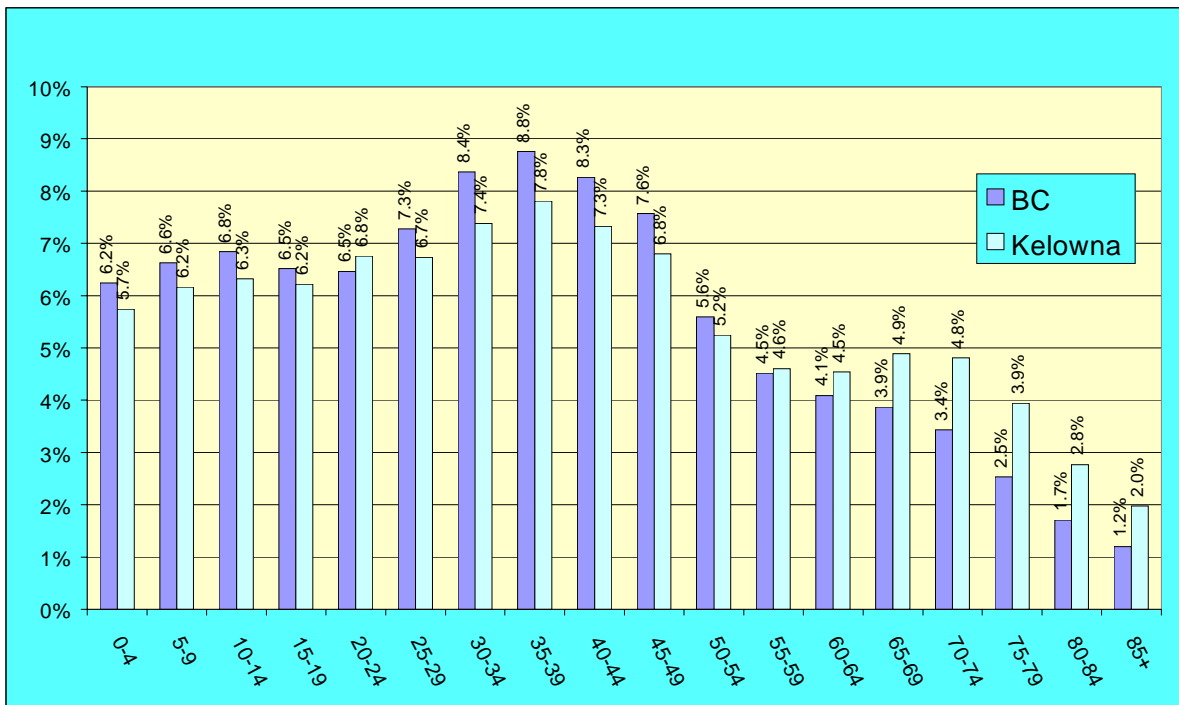


Figure 3: Percent Population by Age Cohort, BC, CORD, Kelowna, 1996

2.2.1 TRENDS IN AGE DISTRIBUTION

The proportion of seniors (65 years of age and over) in Kelowna has fluctuated slightly over the last 10 years. In 1986, seniors represented 18.0% of the population. By 1991, this increased to 19.1%,



and by 1996 their representation dropped and to 18.4% of the population. During this same period, there has been a steady decline in the proportion of residents between the ages of 55 and 64 years of age. Between 1986 and 1996, this age cohort declined as a proportion of the population by 2% - from 11.2% in 1986, to 9.2% in 1996.

The age cohorts of 35 to 44 and 45 to 54 years of age have both shown increases between 1986-96, as proportions of the population, of 2.1% and 1.4% respectively. However, during this same period there has been a decline of 2.2% in the proportion of population between 15 and 24 years of age (from 15.1% in 1986 to 12.9% in 1996). This may indicate that those between the ages of 35 and 44 had fewer children and/or children later in life than their counterparts did ten years earlier. The period between the late 1960s and the late 1970s has been termed the “baby bust”, as there was a marked decline in the birth rate following the baby boom era. (Mary Sue Devereaux Canadian Social Trends Winter 1987: pg. 38).

The proportion of the population less than 14 years of age has remained stable between 1991 and 1996 at approximately 18%. Figure 4 outlines age cohorts as a proportion of the total population between 1986 and 1996.

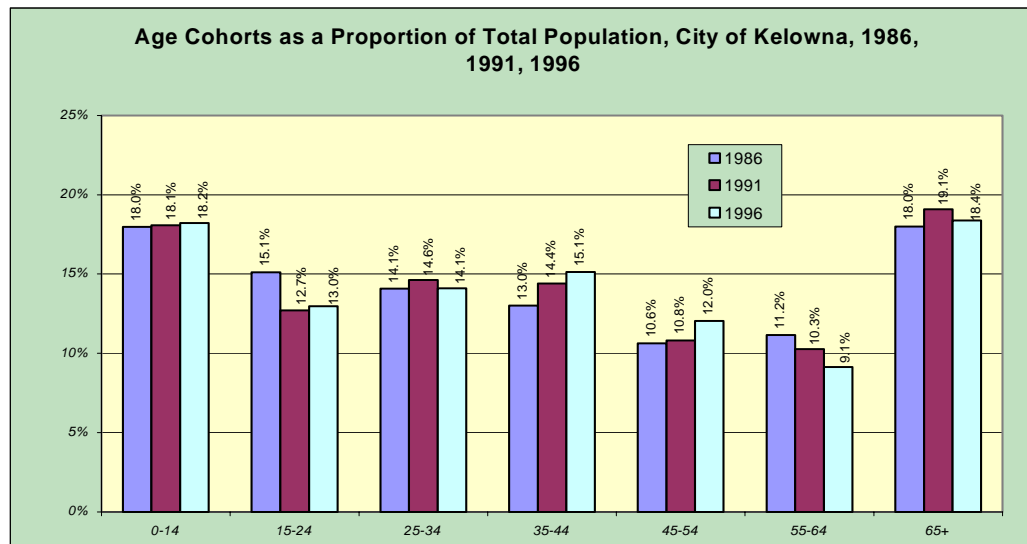


Figure 4: Age Cohorts as a Proportion of Total Population, City of Kelowna, 1986, 1991, 1996

(Source: Statistics Canada 1986, 1991, 1996)

2.3 Population Forecast

Between 1996 and 2026, the Central Okanagan Regional District population is projected to increase 86% from 141,000 people to 262,000.¹ The absolute growth in population will be accompanied by changing patterns of age distribution as the Boomers age through stages of their life cycle and are replaced by a smaller post-Boom generation.²

Projections done for the City of Kelowna OCP review process indicate a similar population growth rate and similar projected age distributions. The City of Kelowna population is projected to increase by 62%³, between 1999 and 2019, from 97,634 to 156,125 people.⁴

¹ E.Rosenber, Ramlo A., and Baxter D., Housing the Central Okanagan Regional District's Future Population: Demographics and Demand, 1996-2026, Report Number 6 (Urban Futures Institute , August 1998, p.4.

² (ibid:p.8)

³ This number is lower than that of the Regional District's because the time line is longer for the Regional District (1996-2026). Growth rates are similar over a comparable time frame.



Population growth will occur as a result of both natural increase and net migration of retirees and younger labour force migrants. Migration will be the most significant component of growth.

The senior’s population in Kelowna is expected to remain between 18% and 19% of the population up until 2011, when the oldest baby boomers begin to turn 65 years of age. In the years following 2011, it is estimated that those 65 and over will increase in total numbers and as a proportion of the population to 21% in 2016, and to almost 23% in 2021. If Kelowna is identified by migrants as a retirement destination, or as a centre for receiving specialized health care, the growth of the seniors population as a proportion of the total population could be even higher in future years than is projected by the above numbers.

Growth in the 40-64 age cohort will increase as proportion of the population until 2006, as the last of the baby boomers grow into this group. Growth in total numbers will still occur after 2006, bolstered by migration, but at a slower rate. Growth in the 20-39 age cohort will occur mostly in the 2006 –2014 time frame, primarily due to migration replacing retiring Baby Boomers. The 0-19 age group will grow after 2011 as those migrants have children.

Table 1 Projected Age Distribution at 2020⁵

Jurisdiction/Age	0-19	20-39	40-64	65+	Total
Regional	22.3%	24.0%	33.7%	20.0%	100%
City of Kelowna	20.0%	25.0%	32.5%	22.5%	100%
Kelowna (projected population)	30,425	38,031	49,441	34,228	152,125

3 Household Characteristics

3.1 Household Size

The discussion provided in 2.1.1.1 above, regarding the rate of growth of households in Kelowna relates directly to the small average household size and the decrease in household size over time. Since the size of households has been declining, and the variety of living arrangements seems to be diverse, the number of smaller households is dominant in Kelowna. In Kelowna, the trend to decreasing average household size has been slower than in other Canadian cities. From 1986 to 1996, the proportional distribution of households by size has not significantly changed. This reflects that fact that the average household size in Kelowna was smaller than in other cities in the last two decades. One and two person households account for more than half of all private households in 1996, shown in Figure 5.



⁴ This projection assumes an average annual growth rate of 2.60% between 2000-2004, 2.45% between 2005 and 2009, 2.3% between 2010 and 2014, and 2.15% between 2015-2019.

⁵ OCP population growth projections, 1999.



Figure 5 – 1996 Private Households by Size

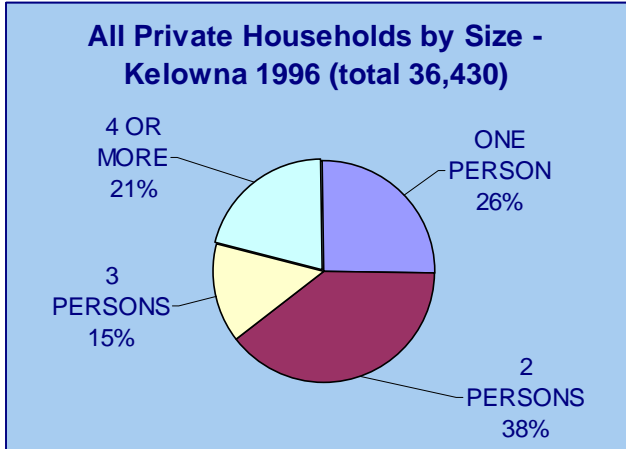


Table 2 - HOUSEHOLDS BY SIZE - CITY OF KELOWNA - 1996

HOUSEHOLDS BY SIZE - 1996 CENSUS - CITY OF KELOWNA				
	ALL PRIVATE HOUSEHOLDS	CENSUS FAMILIES	ECONOMIC FAMILIES	NON-FAMILY HOUSEHOLDS
ONE PERSON	9355			9355
2 PERSONS	14005	13705	13270	*300
3 PERSONS	5365	4790	4950	*415
4 OR MORE	7705	6655	7125	*580
TOTAL	36430	25150	25345	10650

*Estimated, based on private households not classified as economic families or Census Families

Source: Statistics Canada & BCSTAT

The Census makes distinction between census families, economic families and non-family households. Clearly there is significant overlap in meaning of economic families and census families. Definitions from the Census are as follows:

private household simply means a person or group of people who occupy a dwelling.

economic family refers to a group of two or more persons who live in the same dwelling and are related by blood, marriage, common-law or adoption.

Census families is a name for any household the Census has identified as a family and could be comprised of married couples with or without children at home; families of common-law couples with or without children at home and lone-parent families.

One interesting observation about the Table 2 is that 10,650 (29%) of the 36,430 private household total, is comprised of non-family households. In order to estimate the size distribution of non-family households, the larger of census or economic family totals was subtracted from the total household size distribution. Non-family households are 88% (9,355) single-person households.

3.2

Household Type

In order to better understand the composition of families and households and relate to the size distribution, it is important to look at the distribution of households by living arrangement. Table 3 and Figure 6 provide this distribution in tabular and graphic formats. To consider the majority of households as comprised of two parents with children at home does not reflect reality. In 1996, two parent households with children at home only accounted for 27% of all households. Aside from the



single person households identified in the previous section, it would seem that the remainder of non-family households is described as unattached individuals sharing a dwelling.

Table 3- 1996 HOUSEHOLDS BY TYPE - CITY OF KELOWNA

Type of Household	Number of Households	Proportion of Households
Couples with no children at home	11570	31.8
Households of Unattached individuals living alone or sharing	11295	31.0
Couples with children at home	9835	27.0
Single mothers with children at home	3250	8.9
Single fathers with children at home	490	1.3
<i>Total Households</i>	36440	

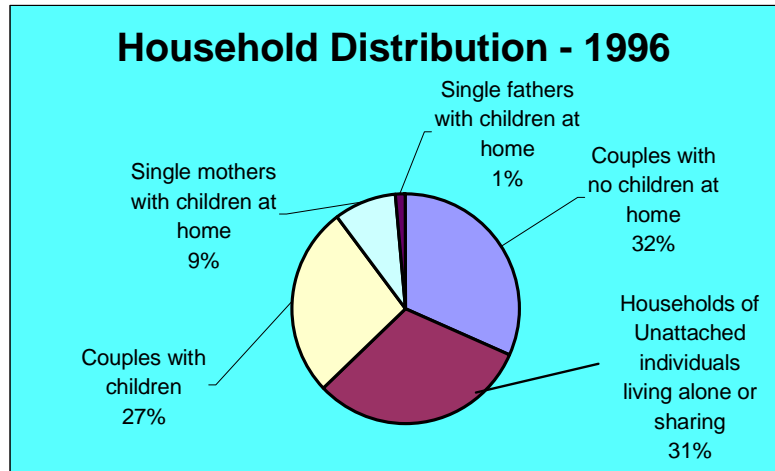


Figure 6 – Household Distribution by Type - 1996

3.2.1 LIVING ARRANGEMENTS OF SENIORS

The Census goes to the extent of tabulating data on the living arrangements of seniors. In 1996, over 4,500 seniors (65 year and over) were living alone. These households comprise approximately 12% of the total number of households in Kelowna. Only 1.6% of households houses a relative 65 years of age or over and less than 1% of households house a non-relative 65 or over.



3.3

Distribution of Households by Dwelling Type

The variety of household types and the concentration of small-sized households in 1996 do not seem to have been reflected in the distribution of households over dwelling type. Single detached houses still predominated in terms of the choice of residence in Kelowna in 1996 (Table 4 and Figure 7).

Figure 7 – Occupied Dwellings by Type

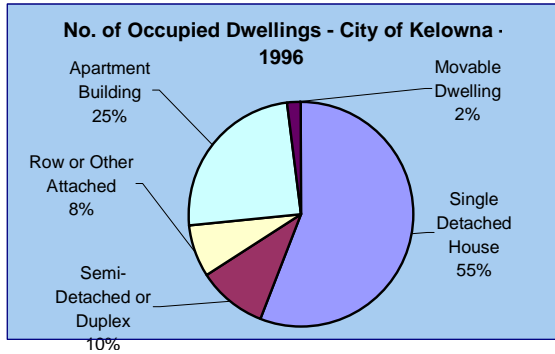


Table 4- 1996 DWELLINGS BY TYPE

Dwelling Structure Type	No. of Occupied Dwellings
Single Detached House	20305
Semi-Detached or Duplex	3635
Row or Other Attached	2785
Apartment Building	8975
Movable Dwelling	740
TOTAL DWELLINGS	36440

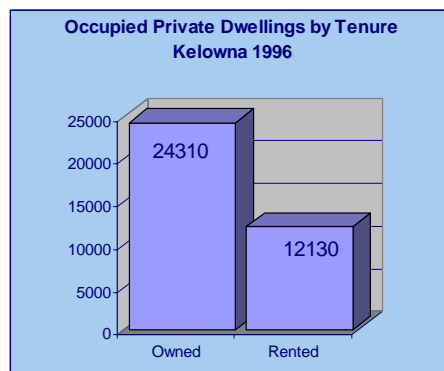
Source: Statistics Canada & BCSTATS

3.4

Tenure

Nearly 67% of all private dwellings were owned, according to the 1996 Census. The 1996 rental universe is comprised of 12,130 households. Information on the rental market, published by CMHC and provided later, shows that many of these households are not found in purpose-built rental dwelling structures, such as rental apartment buildings (The 1998 CMHC survey includes 4,212 dwellings). Instead people may be renting single detached homes, duplexes, secondary suites and other converted dwellings.

Figure 8 Occupied Dwellings by Tenure





3.4.1 Tenure by Age Group of Primary Household Maintainer

Further information about household distribution can be gained by looking at tenure according to the age of the person listed as household “maintainer” (i.e. who was identified as responsible for housing expenses). This information is summarized in Table 5.

Table 5- TENURE BY AGE GROUP OF PRIMARY HOUSEHOLD MAINTAINER

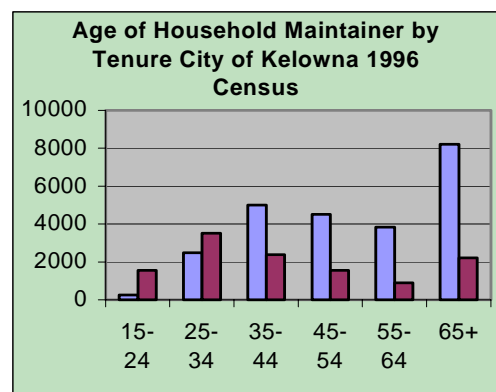
CITY OF KELOWNA – 1996 CENSUS							
Age of Maintainer	15-24	25-34	35-44	45-54	55-64	65+	TOTAL
Owner/Tenant Hhlds							
No of Owner Hhlds	255	2495	4990	4515	3835	8220	24310
% of age group	14	42	68	74	81	79	67
% of owner hhlds	1	10	21	19	16	34	100
No. of Tenant Hhlds	1565	3510	2380	1550	895	2225	12125
% of age group	86	58	32	26	19	21	33
% of tenant hhlds	13	29	20	13	7	18	100
Total Hhlds	1820	6005	7370	6065	4730	10445	36435
% of all hhlds by age of maintainer	5	16	20	17	13	29	100
Total Pop'n in Age Grp.	11605	12620	13535	10780	8175	16445	89442
Hhld Formation Rate %	15.7	47.6	54.4	56.3	57.9	63.5	40.7

Table 5, and Figure 9, shown below, confirm trends in terms of housing tenure. Observations from the table are as follows:

- Most owner-occupied households are run by people in the upper age groups, beginning at age 35;
 - Tenant households are concentrated in the 25-34 and 34-44 age groups for household maintainers;
 - In Kelowna, the 65 and over age group is a significant source of home ownership. Seniors 65 and over manage thirty-four percent, or 8,220, of owner-occupied households.
 - Generally speaking, most people have not formed their own households by the age of 24. Only 5% of all households in the City are headed by those within the 15-24 year age group. This means that the younger people are still living with their families or in other shared living arrangements where they do not contribute to maintenance responsibilities for the household.
 - The 65 and over age group becomes a larger tenant market

than those in the two younger age groups, probably due to lifestyle changes that come with aging.

Figure 9 – Age of Household Maintainer by Tenure





4

Affordability

4.1

Defining Housing Affordability

A generally accepted norm for housing affordability is to state that no more than 30% of gross household income should be spent on gross shelter costs, as a benchmark. Above 30% expenditure represents a housing affordability problem. If this approach is over-simplified, then assumptions would be skewed by those households with higher income levels which choose to live in housing that exceeds 30% of household income. In such cases, it is not an affordability issue, but a lifestyle choice that creates the situation. Therefore, the 30% norm needs to be combined with some way to define an upper income level whereby affordability is not considered to be an issue. Also, there is a need to be clear on what constitutes a housing expense and what does not (e.g. a heating bill is part of housing costs, but a phone bill is not). CMHC and BC Housing have set benchmarks for affordability as part of current and historical housing assistance programs.

Some defining factors for housing affordability are suggested, based on CMHC and BC Housing practices. Benchmarks, or ways to measure any environmental factor, including housing affordability, are not useful if there is not readily available data to put them to use. Based on the research, the following is suggested:

Maximum of 30% of gross income is spent on rent equivalent to average rents for Kelowna established by CMHC (Rental Market Report).

Maximum of 30% of gross income is spent on major owner payments equivalent to median housing prices for Kelowna.⁶

Gross Income is before taxes and deductions for the entire household.

Rent: equals rent plus utilities (water, fuel and electricity) (CMHC)

Owner Payments: inclusive of mortgage; principal and interest; property taxes; utilities (water, fuel and electricity) and; condominium, strata, mobile home pad rental, or like fees. (CMHC)

Affordability is only one part of the equation. There is a subset of households within the group identified as having an affordability issue whose needs are more acute. Literature on housing commonly refers to such households as having a “**core need**”. Core need is suggested as meeting one or more of the following parameters: Each will be explained in subsequent text.

Core Need:

- 1. Qualify as at or below core need income threshold (CNIT) developed by CMHC and used by BC Housing for Kelowna***
- 2. Household income falls at or below Low Income Cut-Off level defined by Statistics Canada for urban areas 30,000 to 99,999, based on household size (explained later).***
- 3. Household is receiving BC income assistance for Welfare to Work or Disability Benefits or qualifies for the Targetted Rent Subsidy Programs (TRSP) operated by BC Housing, or the dwelling is built with senior government funding to be affordable.***

⁶ To be re-considered following the analysis of the 1998 real estate market for Kelowna. See Section 4.4.2.2 of this report.



4.2

Core Need Income Thresholds

Core Need Income Thresholds (CNIT) are what the British Columbia Housing Management Commission (BCHMC) and CMHC use to determine core needs for housing. Each year, a chart defining these income levels, by the size of the dwelling (i.e. number of bedrooms) is produced, based on the CMHC rental market survey. The rent figures used to generate this information are CHMC interpretations of median rent levels, with utilities (explained earlier), factored in. For 1998, the information is provided in Table 6.

Table 6- 1998 CORE NEED INCOME THRESHOLDS

CITY OF KELOWNA		
UNIT SIZE	YEARLY HOUSEHOLD INCOME THRESHOLD	MONTHLY RENT BASED ON 30% OF INCOME
BACHELOR	18,000	450
1 BEDROOM	22,500	563
2 BEDROOM	28,000	700
3 BEDROOM	31,000	775
4+ BEDROOM	38,500	963

4.3

Households by Percentage of Income Spent on Housing

4.3.1 Rental Household Shelter Spending (Gross Rent)

Based on the 20% sample, the 1996 Census provides detailed tables indicated proportional classes of spending on housing costs (from less than 15% to more than 50% in 5% increments), by owner and tenant households, household type, and age and sex of household head⁷. It is clear that affordability problems are much more prominent for tenant households. Table 7 provides the information on households that are spending more than 30%, those that are spending more than 50% on rental housing, and average household income information by age and sex of household head. This isolates the information that suggests affordability issues for tenants.



⁷ Based on a special run obtained by BC Housing.



Table 7 - GROSS RENT AS A PERCENTAGE OF INCOME BY AGE OF HOUSEHOLD MAINTAINER AND SEX

		GROSS RENT AS A PERCENTAGE OF 1995 HOUSEHOLD INCOME BY AGE OF PRIMARY HOUSEHOLD MAINTAINER AND SEX CITY OF KELOWNA - 1996 CENSUS							
		TOTAL	PAYING 30% +		PAYING 50% +		Average	Average Income Updated to 1998	
			NO.	%	NO.	%	Hhld Income	using BC CPI	
All Households	Total	12085	6355	53	3180	26	\$ 30,390	\$ 31,028	
	Male	6265	2590	41	1100	18	\$ 35,616	\$ 36,364	
	Female	5820	3760	65	2080	36	\$ 24,767	\$ 25,287	
15-24 years	Total	1555	900	58	490	32	\$ 26,858	\$ 27,422	
	Male	710	320	45	135	19	\$ 31,903	\$ 32,573	
	Female	850	585	69	360	42	\$ 22,638	\$ 23,113	
25-34 years	Total	3505	1690	48	825	24	\$ 32,371	\$ 33,050	
	Male	1950	795	41	275	14	\$ 34,844	\$ 35,575	
	Female	1555	890	57	550	35	\$ 29,271	\$ 29,885	
35-44 years	Total	2370	1220	51	650	27	\$ 33,357	\$ 34,057	
	Male	1330	515	39	285	21	\$ 37,908	\$ 38,704	
	Female	1040	700	67	365	35	\$ 27,538	\$ 28,116	
45-54 years	Total	1545	685	44	395	26	\$ 36,626	\$ 37,395	
	Male	905	305	34	175	19	\$ 43,007	\$ 43,910	
	Female	645	380	59	220	34	\$ 27,692	\$ 28,273	
55-64 years	Total	880	400	45	190	22	\$ 34,529	\$ 35,254	
	Male	550	200	36	95	17	\$ 40,664	\$ 41,518	
	Female	330	180	55	95	29	\$ 24,332	\$ 24,843	
65 years &+	Total	2225	1445	65	625	28	\$ 20,617	\$ 21,050	
	Male	825	420	51	130	16	\$ 25,479	\$ 26,014	
	Female	1405	103	7	490	35	\$ 17,763	\$ 18,136	

In most cases, at least half the population group for each grouping of age of household head is already spending more than 30% of household income on rental housing. Some groups, including all female-headed households, at 36%, have a significant proportion, which are spending more than 50% of their household income on rental housing. Average income levels are also considerably less than they are for ownership households. Overall, average income is 74% more for owner-occupied households, than it is for tenant households.



Table 8 - NO OF TENANT HOUSEHOLDS PAYING MORE THAN 30% OF HOUSEHOLD INCOME ON GROSS RENT IN 1995

GROSS RENT AS %AGE OF INCOME HOUSEHOLD TYPE	TOTAL	PAYING 30% +		PAYING 50% +	
		NO.	%	NO.	%
One family Hhlds	6320	3105	49	1485	23
All couples	4315	1580	37	545	13
With never married children	2060	820	40	280	14
Lone Parent family hhlds	2005	1520	76	940	47
Multiple-family hhlds.	65	25	38	15	23
Non-family hhlds	5705	3225	57	1680	29
One person only	4295	2515	59	1345	31
2 or more persons	1405	705	50	335	24
Total	12085	6344	52	3180	26

Source 1996 Census and BC Housing

In terms of household type, 820 couples with children, 1520 lone parent families, and 2,515 one person households were spending more than 30% on rent. Households paying 50% or more of their gross income on rent included 940 lone parent families, 545 couples, and 1,345 one person households.

4.3.2 Owner Household Shelter Spending

Table 9 shows that the affordability issue with ownership housing is significantly less pronounced than it is in the rental housing environment. The information has been consolidated to show those owner-occupied households that are spending more than 30 % of household income on owner's major payments, compared against those that are spending less than 30% of their income on these payments. A much larger proportion of the ownership population is not experiencing difficulties with housing expenses. In fact, the original data source from the Census shows that 47 % of these households spend less than 15% on owner's major payments. Overall, 82% of all owner-occupied households are spending much less than 30%. This also means that, in 1996, 19,470 owner-occupied households (53% of all private households) were not experiencing affordability problems and were free to invest in the ownership market. These households have also acquired equity in their homes and are less affected by their income levels, in terms of their ability to purchase. By contrast, those who have not entered the ownership market cannot provide the equity required to compete.

Lone parent family households are experiencing a higher level affordability problem with ownership than other groups, with 35% or 540 households spending more than 30% in this category and more than half of these (i.e. 245 households) paying more than 50% of household income to maintain ownership. Another group experiencing some affordability difficulties with ownership expenses is one person households, where 28 % (1390 households) spend more than 30 % and 575 households are spending in excess of 50% on owner's major payments. As with the rental housing situation, the numbers of one-person households experiencing affordability difficulty are significant.



**Table 9 - OWNER'S MAJOR PAYMENTS AS A PERCENTAGE OF HOUSEHOLD INCOME
BY HOUSEHOLD TYPE**

OWNER'S MAJOR PAYMENTS AS A PERCENTAGE OF 1995 HOUSEHOLD INCOME CITY OF KELOWNA 1996 CENSUS								
PAYMENTS AS %AGE OF INCOME by HHLDS. TYPE	% Paying 30% +	# Paying 30% +	% Paying < 30 %	# Paying < 30%	TOTAL HHLDS	Average Household Income	Average Income Updated to 1998 using BC CPI	
One family Hhlds	16%	2790	84	14845	17645	\$ 59,828	\$ 61,084	
All couples	14%	2240	86	13845	16095	\$ 61,607	\$ 62,900	
With never married children	17%	1220	83	6100	7325	\$ 71,690	\$ 73,195	
Lone Parent family hhlds	35%	540	65	1000	1550			
Multiple-family hhlds.	18%	50	84	235	280	\$ 76,935	\$ 78,550	
Non-family hhlds	26%	1535	74	4380	5920	\$ 31,267	\$ 31,923	
One person only	28%	1390	72	3625	5010	\$ 27,625	\$ 28,205	
2 or more persons	16%	150	83	755	910	\$ 51,339	\$ 52,417	
Total - All Households	18%	4370	82	19470	23840	\$ 52,935	\$ 54,046	

Source: 1996 Census/ BC Housing & BC Statistics

4.4

Housing Costs

4.4.1 Rental Market

CMHC now produces a report on the rental market annually. In Kelowna, only buildings of 3 or more rental dwellings, that are not ground-oriented, are included in the apartment survey. Townhouse rentals refer to 3 or more ground-oriented rental dwellings. While the survey includes primarily privately initiated apartments, publicly initiated rental and co-op housing are examined as well. There were a total of 4,212 units in the 1998 survey. However, the Census indicated that there were 12,125 rental households in 1996. Evidently, the majority of the rental housing supply is not included in the CMHC survey. Information is limited to the scope of the survey and therefore cannot be relied upon to provide a complete picture of the rental housing supply in Kelowna. What the survey, summarized in Table 10, does appear to show is that the buildings that were surveyed are renting at levels that should be affordable, even at the core need income threshold levels, provided in Table 6, above. Also, although vacancy rates appear to be fairly high, there is an extremely limited supply of certain types of units, such as bachelor units, and the inventory only provides information for about one third of the rental supply market. Estimates of the nature of the rest of the market include all rental dwellings in buildings of less than 3 units, including rental single-detached homes, duplexes, semi-detached dwellings, secondary suites and some publicly funded housing that may not have been included in the CMHC survey. Further discussion on housing supply is provided later in this report.



Table 10- 1998 CMHC RENTAL MARKET SURVEY - CITY OF KELOWNA

	Bachelor	One Bedroom	2 Bedroom	3 + bedrooms	All Units
All buildings in CMHC Survey					
No. of Units	94	1646	2232	240	4212
No. of Vacant Units	0	70	98	16	184
Vacancy Rate	0	4.3	4.4	6.7	4.4
Private Apartments					
No. of Units	94	1628	1857	135	3714
No. of Vacant Units	-	70	69	8	149
Vacancy Rate	0	4.3	3.7	5.9	4.0
Average Rent	\$ 423	\$ 510	\$ 638	\$ 706	
Private Townhouses					
No. of Units	0	18	375	105	498
No. of Vacant Units	-	-	29	8	37
Vacancy Rate	0	0	7.7	7.6	7.4
Average Rent		\$ 412	\$ 615	\$ 732	

Table 11 gives average income by household type for tenant households from the 1996 Census. Calculations are made, based on the assumption that a maximum of 30% of household income should be spent on gross rent, of what an affordable rent might be at these average income levels. This table is actually very mis-leading since it uses average, as opposed to median income levels. Median income is a more accurate measure of affordability, since it indicates that half the population is at or below the median level and the other half is above. For Kelowna, average incomes are significantly higher than median incomes. A better indication of rental affordability is provided in Section 5.2 on incidence of low income, as well as by the statistics on households spending 30% and 50% or more on gross rent, in section 4.3.1.. Generally, lone-parent families, non-family households, and one person households have the least ability to afford market rent levels.





Table 11- GROSS RENT AS A PERCENTAGE OF INCOME

GROSS RENT AS A PERCENTAGE OF 1995 INCOME UPDATED TO 1998 USING THE B.C. CONSUMER PRICE INDEX						
HOUSEHOLD TYPE	# of Hhlds	Average Hhld Income	Average Income Updated to 1998 using BC CPI	Affordable Rent @ 30% of Average Income	Affordable Rent Updated to 1998 Using BC CPI	
One family Hhlds	6320	\$ 35,614	\$ 36,362	\$ 890	\$ 909	
All couples	4315	\$ 41,577	\$ 42,450	\$ 1,039	\$ 1,061	
With never married children	2060	\$ 42,908	\$ 43,809	\$ 1,073	\$ 1,095	
Lone Parent family hhlds	2005	\$ 22,807	\$ 23,286	\$ 570	\$ 582	
Multiple-family hhlds.	65	\$ 71,655	\$ 73,159	\$ 1,791	\$ 1,829	
Non-family hhlds	5705	\$ 24,129	\$ 24,635	\$ 603	\$ 616	
One person only	4295	\$ 20,708	\$ 21,143	\$ 518	\$ 529	
2 or more persons	1405	\$ 34,566	\$ 35,292	\$ 864	\$ 882	
Total	12085	\$ 30,390	\$ 31,028	\$ 760	\$ 776	

Source: 1996 Census, BC Housing and BC Statistics

4.4.2 Ownership Market

Canada Mortgage and Housing Corporation (CMHC) produces many publications and provides data on the affordability and availability of homes for ownership across Canada. Generally, such information is collected and produced for urban centres with a population of 100,000 or more. Kelowna *has not* been included in this research because it is not large enough to qualify. The local CMHC office, particularly prior to downsizing, did, however produce some of the same information for local use and in cooperation with BC Housing. Core Need Income Thresholds, for example, are still produced by the Kelowna office for the City. Information on the cost and availability of homes for purchase has not been provided since 1991. Staff at the CMHC office has been cooperative with the City in terms of explaining the methodologies that are used by CMHC to produce this information. What remains is to determine the most reliable sources of information to produce the equivalent of CMHC information on to home ownership market, so as to be able to compare Kelowna with other major urban centres across the country. Some of the variables include home prices, supply of homes in the real estate market, mortgage rates, property taxes, utility costs and income levels. This enables calculations of median home prices vs. income levels so as to determine how much of the population can access the existing real estate supply of homes (see CMHC publication CHME-0398 – Canadian Housing Markets).

CMHC advises that median home prices are a more realistic reflection of the market because the median value more accurately represents the middle home price, such that an equal number of homes would have sold for more or less than the median price. Average home prices, by contrast, can be skewed unrealistically high or low, depending on the extreme price levels in the market place. In Kelowna, the average home prices tend to be higher than the median due to the extremely high-priced homes at the top end of the market. For example, the information that is given later in this report shows that the most expensive home sold in 1998 was \$1,703,000, which drives up the average home price.



MLS listings from the real estate market are what the CMHC has used to develop information on home prices and availability in other urban centres. In cooperation with the B.C. Real Estate Foundation, which has partially funded this study, the Okanagan Mainline Real Estate Board was contacted to obtain similar information for Kelowna. Unfortunately, the Board's area is much larger than just the City of Kelowna, and the information on median home prices was limited to the entire sales area, and only given for single-detached homes. The Board did not have sales information for dwelling types other than single-detached for the City of Kelowna. MLS listings are available to the City, through its property department, however there was a problem with the MLS software at the time of writing, which creates difficulties in accessing the data.

4.4.2.1 SALES ANALYSIS FOR KELOWNA USING B.C. ASSESSMENT RECORDS

The City receives complete and accurate information on all properties that are taxed in the City on an annual basis from B.C. Assessment. This information includes annually updated assessed values of properties and improvements (i.e. buildings) thereto, as well as complete sales information for all properties that sold in any given year. The data is coded in various ways, including a code regarding the use of the property, and the type of sale of any property, as two examples. With the cooperation of the local B.C. Assessment office and the City's Information Services department, this information has been used to provide an accurate indication of the 1998 sales of residential properties in the City. Consultation of the coding systems for this data shows that Actual Use codes give the most detailed break-down of types of residential properties. For the purpose of this study, we are interested in what can be purchased as a home for a single household (i.e. not accumulation of several dwellings for investment purposes). Certain actual use codes were selected, as follows, for this purpose:

- 000 single family dwelling
- 030 strata-lot residence (condominium)
- 035 duplex – single unit ownership
- 037 manufactured home – (in manufactured home park)
- 039 row housing – single unit ownership

These codes have been chosen as the most representative for the purposes of looking at dwellings that are suited for purchase as a home for a single household. There are limitations created by the available Assessment coding system. Strata-lot / condominium residence (030) is a very broad category, which can include several housing forms including single-detached, townhouses and apartments which are owned as condominiums. Such homes would also be subject to strata or condominium fees, which increase the costs over what is shown in the tables that are provided. Manufactured homes in parks also pay a home pad rental fee, which is an additional cost.

The Assessment Data enables the calculation of all 1998 sales of these types of properties, along with the assessed value (land & improvements) for these properties and the provision of average, median, minimum and maximum values for all of this information. The information for the City, as a whole is provided in Table 12. Also, neighbourhood coding of the information by the BC Assessment Office allows for the same information to be compiled for various areas of the City. The Assessment information gives an accurate and fairly complete picture of the ownership housing market for the City. Not only are median home prices available for the dwelling categories outlined above, but the number of dwellings sold in the given year, the maximum and minimum price paid, the average home price and comparisons between assessed value and market price are given. The data is available on an annual basis, and its use over time will enable the City to understand what is happening in the housing market. Examples of the various uses of the data include the pinpointing of deficiencies, the characteristics by area, and the ability to relate this to household income information that will be available in Census Years.



To balance this information, a summary of other sources of 1998 sales information, primarily from the real estate industry, is provided in a subsequent section of this report. The 1998 prices from the B.C. Assessment records are consistent with the estimates provided by the real estate and appraisal industry.

Recognizing the limitations described elsewhere, use of this data represents a 100% data source that is accessible to every municipality and is capable of use for monitoring the local home ownership market on an annual basis (or as often as the Assessment records are revised).

Also of interest, are the numbers of sales by dwelling type and by area (provided later) and the comparisons against assessed values. Assessed land and improvement values are available as well and enable the City to explore the variation in land values as land affects property value. Average sales information is provided, but this tends to be skewed higher or lower than the median depending on the extremes in the market.





Table 12- 1998 RESIDENTIAL SALES - CITY OF KELOWNA
ALL INFORMATION RELATED TO PURCHASE OF SINGLE-DWELLINGS

DWELLING TYPE & ACTUAL USE CODE SALES & ASSESSMENT DATA	SINGLE DETACHED DWELLING (000)	STRATA LOT CONDOMINIUM RESIDENCE (030)	DUPLEX - SINGLE-UNIT OWNERSHIP (035)	MANUFACT'D HOME IN MFD. HOME PARK (037)	ROW HOUSING SINGLE - UNIT OWNERSHIP (039)
NO. OF 1998 SALES	1257	784	57	148	6
MEDIAN SALE PRICE	\$ 166,750	\$ 130,000	\$ 122,000	\$ 40,000	\$ 111,026
AVERAGE SALE PRICE	\$ 187,271	\$ 140,125	\$ 125,210	\$ 55,382	\$ 107,851
MINIMUM SALE PRICE	\$ 50,000	\$ 50,000	\$ 89,700	\$ 5,675	\$ 98,000
MAXIMUM SALE PRICE	\$ 1,703,000	\$ 475,000	\$ 188,000	\$ 142,000	\$ 111,026
ASSESSED VALUES					
AVERAGE LAND	\$ 80,598	\$ 42,035	\$ 50,765	\$ 3,368	\$ 36,467
MEDIAN LAND	\$ 70,600	\$ 35,600	\$ 46,700	\$ -	\$ 30,000
MAX. LAND	\$ 863,000	\$ 273,000	\$ 88,100	\$ 24,600	\$ 30,000
MIN. LAND	\$ 34,500	\$ 4,500	\$ 36,600	\$ -	\$ 49,400
AVERAGE IMPROVEMENTS					
MEDIAN IMPROVEMENTS	\$ 99,876	\$ 93,313	\$ 70,107	\$ 49,147	\$ 62,000
MAX. IMPROVEMENTS					
MEDIAN IMPROVEMENTS	\$ 89,100	\$ 90,100	\$ 62,100	\$ 34,350	\$ 70,000
MIN. IMPROVEMENTS					
MEDIAN IMPROVEMENTS	\$ 664,000	\$ 290,000	\$ 109,000	\$ 135,000	\$ 70,400
MIN. IMPROVEMENTS					
MEDIAN IMPROVEMENTS	\$ 5,000	\$ 400	\$ 34,500	\$ 7,000	\$ 43,500
TOTAL AVERAGE					
MEDIAN	\$ 180,474	\$ 135,228	\$ 120,872	\$ 52,514	\$ 98,467
ASSESSED MEDIAN	\$ 159,700	\$ 124,500	\$ 118,400	\$ 45,550	\$ 100,000
ASSESSED MAX.	\$ 1,317,000	\$ 455,000	\$ 193,100	\$ 135,000	\$ 100,400
ASSESSED MIN.	\$ 84,900	\$ 51,900	\$ 86,300	\$ 7,000	\$ 92,900
DIFF. BETWEEN ASSESSED VALUE & SALE PRICE					
AVERAGE	\$ 6,797	\$ 4,897	\$ 4,338	\$ 2,868	\$ 9,384
MEDIAN	\$ 7,050	\$ 5,500	\$ 3,600	-\$ 5,550	\$ 11,026
MINIMUM	-\$ 34,900	-\$ 1,900	\$ 3,400	-\$ 1,325	\$ 5,100
MAXIMUM	\$ 386,000	\$ 20,000	-\$ 5,100	\$ 7,000	\$ 10,626
% OF LAND VS. IMP'TS VALUE					
AVERAGE LAND	44.7	31.1	42	6.4	37
MEDIAN LAND	44.2	28.6	39.4	0	30
AVERAGE IMPROVEMENTS	55.3	69	58	93.6	63
MEDIAN IMPROVEMENTS	55.8	72.4	52.4	75.4	70

Source: B.C. Assessment Records, special data run.



4.4.2.1.1 Residential Sales by City Sector

Table 13 – MEDIAN HOME PRICES, AND NUMBER OF SALES BY SECTOR
CITY OF KELOWNA – 1998 – DERIVED FROM ASSESSED RECORDS

DWELLING TYPE	SINGLE - DETACHED		STRATA/CONDO		DUPLEX/SINGLE UNIT		MFD. HOME IN PK		TOWNHOUSES	
	MEDIAN	#	MEDIAN	#	MEDIAN	#	MEDIAN	#	MEDIAN	#
SECTOR	SALE PRICE	SALES	SALE PRICE	SALES	SALE PRICE	SALES	SALE PRICE	SALES	SALE PRICE	SALES
GLENMORE/CLIFTON/DILWORTH	\$ 178,660	344	\$ 145,000	153	\$ 114,250	4				
RUTLAND	\$ 146,000	279	\$ 95,000	90	\$ 123,500	35	\$26,500	5	\$111,026	4
CITY CENTRE	\$ 135,000	192	\$ 128,000	296	\$ 112,625	6	\$13,250	6		
SOUTH PANDOSY	\$ 163,250	132	\$ 136,900	177	\$ 170,750	8	\$72,500	74		
NORTH MISSION	\$ 201,000	120	\$ 177,067	23						
SOUTH MISSION	\$ 221,000	72	\$ 310,000	3						
SOUTHEAST	\$ 195,000	47	\$ 275,900	24			\$30,990	27		
BELGO/BLACK MOUNTAIN	\$ 148,000	47			\$ 96,000	3				
HIGHWAY 97	\$ 227,000	11	\$ 115,900	17			\$42,250	36		
MCKINLEY	\$ 198,250	11								
CITY OF KELOWNA	\$ 166,750	1255	\$ 130,000	783	\$ 122,000	56	\$40,000	148	\$111,026	4

Table 13 shows the differences in supply, in terms of sales and prices by the various sectors of the City. Map No. 1 shows the delineation of the various City sectors. Due to the older, re-sale home market in the City Centre, Rutland and Belgo-Black Mountain appear to offer a much lower single-detached home price. With the exception of Belgo-Black Mountain, the number of sales of such homes is also quite high in these areas, indicating the desirability of lower home prices in these areas.

Sales activity for single-detached homes was highest in the Glenmore/Clifton/Dilworth areas, although the median house price was significantly higher at \$178,660. There is a greater supply of newer homes in this part of the City.

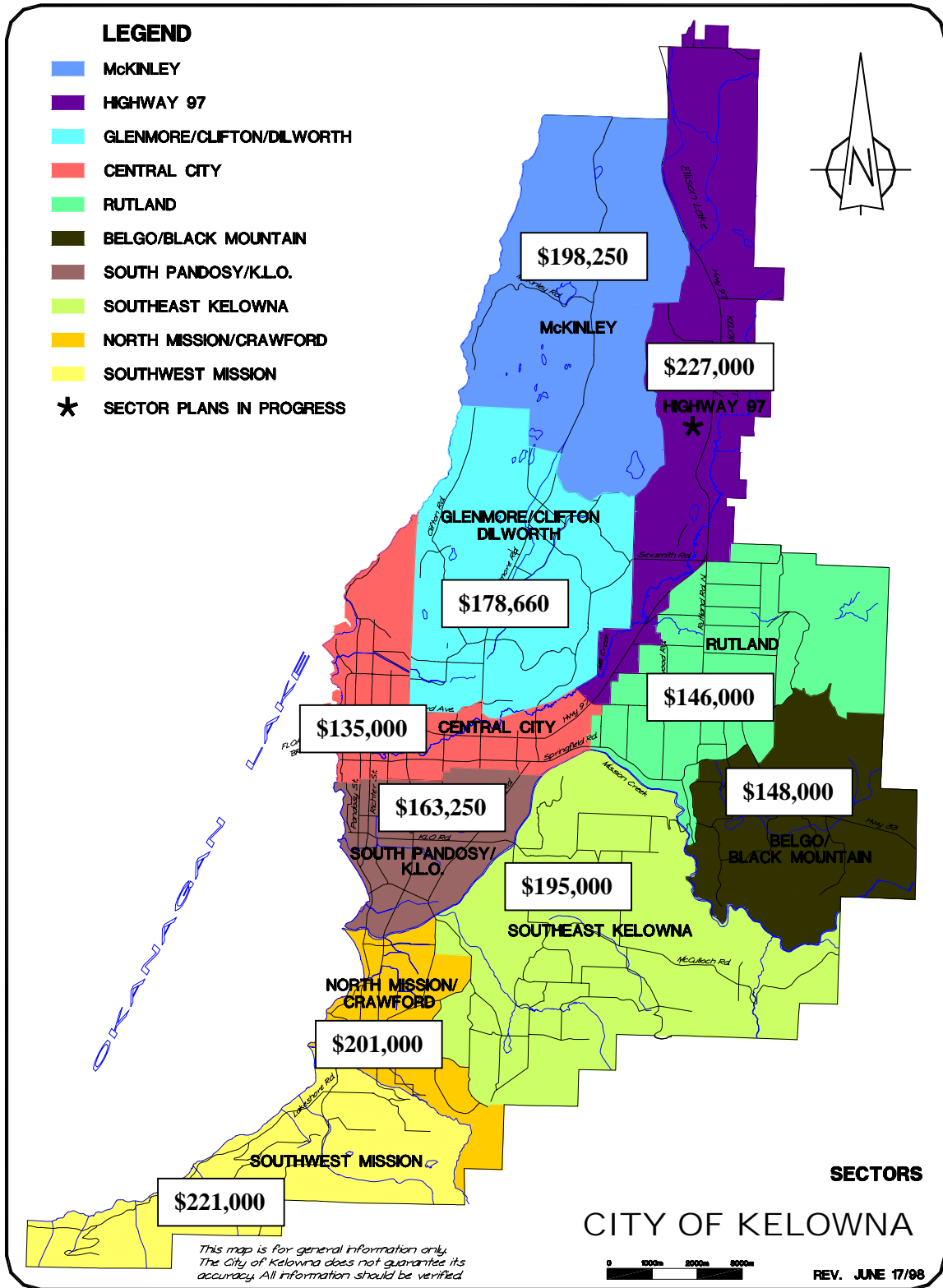
Strata/condominium style units enjoyed active sales in 1998, particularly in South Pandosy, City Centre and Glenmore/Clifton/Dilworth areas. They also were characterized by lower prices than single-detached homes. Strata fees must be remembered in assessing the affordability of these dwelling types.

4.4.2.1.2 Land Value and Housing Cost

The 1998 sales information generated from B.C. Assessment records also allows the opportunity to examine land values as they affect housing costs. In order to determine the variations in land values across the City, data was extracted from the Assessment records to show lot size information versus land values. This enabled calculations of land values per acre by Sector to show where land is worth more throughout the City, and how this affects the land value of the lots. In order to simplify the process and ensure that the data was readily comparable, only single detached properties were investigated from 1998 sales information. Any records that did not give reliable lot size information were rejected. What Figure 10 shows is that median lot sizes vary such that properties sold in the Rutland, City Centre and South Pandosy areas are generally smaller. The actual value of the land for individual properties varies a little, but not significantly across the City.



Map 1 - Median Price for Single Detached Home by Sector - 1998





However, the value of the land on a per acre basis shows a distinctive pattern confirming that the more urbanized, serviced areas have much greater median land values per acre. Due to the variation in lot sizes by Sector, land values on a per acre basis may not be a great factor in affecting the affordability of a single-detached home. For example, Southeast Mission is a more expensive areas for single detached home, even though the value per acre is lower than in other areas.

The value per acre will, however, affect the re-development potential of land for higher density or intensity of use. However the factors that affect value, such as level of servicing, and land use designations, are also required for higher levels of development.

This information has also been generated to show averages, but average information is generally skewed higher or lower, depending upon the extreme highs and lows in the market place. The data analysis included a look at maximum and minimum values of lots, per acre information and lot sizes throughout the City. Check with the Planning Department for more detailed information.

Tables 14 and 15 give the numeric information for median and average land values that were generated from 1998 single detached property sales. Several observations and comparisons can be made:

- ◆ The City Centre and South Pandosy Sectors show the highest land values on a per acre basis at \$462,500 and \$449,375 median values, respectively.
- ◆ Lower median land values per acre (\$211,120 to \$258,750) were found in the South Mission, Black Mountain and McKinley Sectors;
- ◆ Average per acre land values seem to be relatively consistent with median land values on a per acre basis.
- ◆ Median lot sizes are larger in the North Mission, South Mission and McKinley areas. Average lot sizes are slightly higher yet in these areas. A third to half an acre property with a single detached dwelling can be expected as the norm in these areas
- ◆ Data for Highway 97 and McKinley will be affected by the small number of 1998 sales in these areas; 11 and 10 sales, respectively. For example, the average lot size for Highway 97 is much larger than the median lot size for Highway 97, whereas, these numbers are fairly consistent elsewhere in the City.

Figure 10 - Land Values for 1998 Single Detached Property Sales by Sector

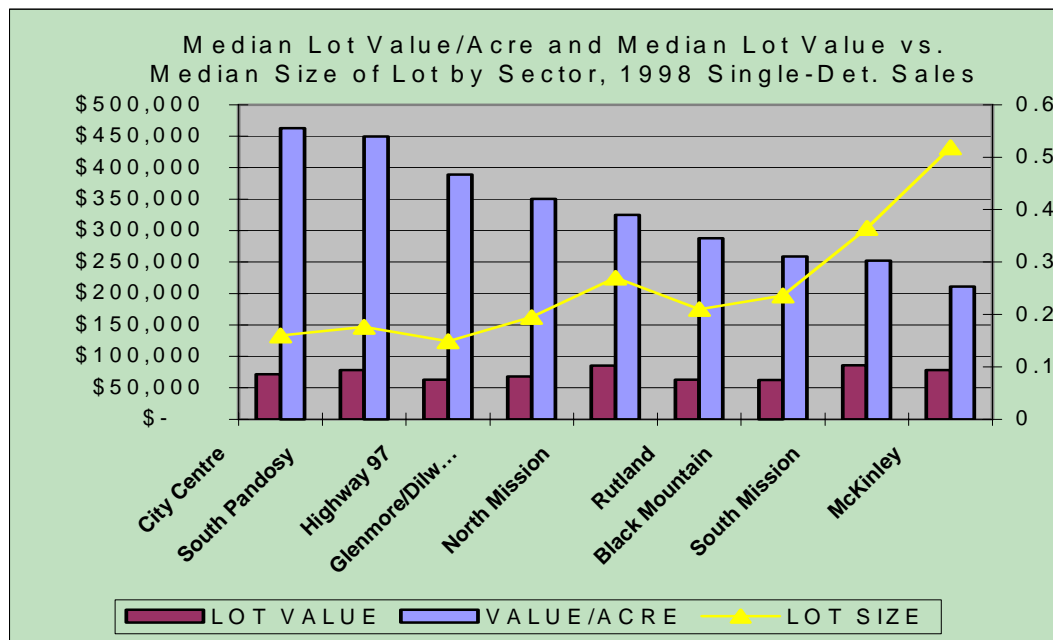




Table 14 - Median Lot Values - Single-Detached Sales - 1998

MEDIAN INFORMATION SINGLE- DETACHED LOT VALUES - 1998 ASSESSMENT RECORDS			
(acres)			
SECTOR	LOT VALUE	VALUE/ACRE	LOT SIZE
City Centre	\$ 71,800	\$ 462,500	0.16
South Pandosy	\$ 78,400	\$ 449,375	0.1763
Highway 97	\$ 63,000	\$ 388,889	0.149
Glenmore/Dilw...	\$ 68,200	\$ 350,639	0.195
North Mission	\$ 85,300	\$ 325,000	0.27
Rutland	\$ 63,300	\$ 287,356	0.21
Black Mountain	\$ 62,500	\$ 258,750	0.236
South Mission	\$ 85,600	\$ 252,437	0.365
McKinley	\$ 78,450	\$ 211,120	0.519

Table 15 - Average Land Values and Lot Sizes by Sector - 1998 Single Detached Sales

AVERAGE INFORMATION SINGLE-DETACHED LOT VALUES - 1998 ASSESSMENT RECORDS				
(acres)				
SECTOR	LOT VALUE	VALUE/ACRE	LOT SIZE	# LOTS
City Centre	\$ 77,996	\$ 448,912	0.1843	185
South Pandosy	\$ 98,419	\$ 484,237	0.2028	181
Highway 97	\$ 109,236	\$ 345,665	0.5382	11
Glenmore/Dilw...	\$ 68,316	\$ 360,630	0.2143	335
North Mission	\$ 102,760	\$ 322,387	0.3499	121
Rutland	\$ 64,162	\$ 287,930	0.2453	543
Black Mountain	\$ 65,460	\$ 258,979	0.3115	47
South Mission	\$ 119,079	\$ 298,005	0.437	72
McKinley	\$ 105,530	\$ 215,833	0.5986	10

4.4.2.2 Affordable Ownership Housing

The CMHC methodologies for calculating income required to buy a home are focused on the purchase abilities of a first-time home buyer. Calculations are made based on 5% and 10% down-payments only. Assumptions regarding affordability for homeowners with equity are not conducted. Instead, an attempt is made to estimate what proportion of the rental market could afford to enter the ownership market. Methodologies used are consistent with CMHC wherever possible, in order to ensure comparability of the Kelowna situation with other Canadian cities.

Recognizing that the focus is on entry into home ownership, Appendix 2 calculates the income required to afford the median home prices identified in Table 12, based on the methodologies and assumptions of CMHC, current mortgage rates⁸, 1998 property tax (and mill rates) and

⁸ The mortgage source www.mortgagesource.bc.ca



utility costs⁹. The calculation of that sector of the population that can afford the median home price is based on these assumptions. The median home prices against the household income required to afford these prices are summarized in the Table 16, derived based on the methodology described:

Table 16 - 1998 MEDIAN HOUSE PRICES & HOUSEHOLD INCOME REQUIRED - CITY OF KELOWNA

	townhouse	single family	Duplex	mfd home	strata
1998 median home price	\$ 111,026	\$ 166,750	\$ 122,000	\$ 40,000	\$ 130,000
gross income required with 5% down	\$ 42,029	\$ 59,225	\$ 45,415	\$ 32,111	\$ 51,084
gross income required with 10% down	\$ 40,442	\$ 56,841	\$ 43,671	\$ 31,539	\$ 49,226

What the above table shows is that single family home prices (as starter homes) for the City, as a whole, are not affordable for the median income level of most households. Income information is described in more detail in Section 5 of this report. However, for comparison persons, median household income levels from the 1996 Census are provided in Table 17 and updated, using the BC consumer price indices to bring the 1995 income values, used in the Census, to 1998. Duplex units, townhouse, manufactured homes and strata-titled units are more available from a cost perspective to most households, based on the 1998 sales information. From a supply perspective, however, only 57 1998 sales were duplex units and only 6 townhouse were sold.

Table 17- MEDIAN ANNUAL INCOME BY HOUSEHOLD TYPE

HOUSEHOLD TYPE	MEDIAN INCOME FROM '96 CENSUS (1995 DATA)	1998 ESTIMATED MEDIAN HHLD INCOME USING CPI
All Private Households	\$36,582	\$37,350
Census Families	\$44,070	\$44,995
Husband & Wife Families	\$48,426	\$49,443
One Person Households	\$18,373	\$18,759
2 or More Person Households	\$45,126	\$46,074

The 1998 median income prices show that most household types would have difficulty affording to purchase what the market has to offer as a first home buyer. More than half of most household types make less than what is necessary to purchase strata-type (or condominium) homes and median single detached home prices are out of reach for in excess of half of all household types as well. The calculations that were used to determine income required, at 30% expenditure on shelter costs, with a 10% down-payment, indicate that Kelowna's estimated 1998 median income for all private households would permit the purchase of a \$100,500 home. This means more than half of all households cannot afford to purchase their first home for market prices. The highest median income level is for husband and wife families, and at \$49,443, there is still a significant disparity from the median income required to afford a median-priced single-detached home (i.e. \$56,841 with 10% down). As expected, home ownership seems well out of reach for one-person households, due to much lower income levels. Duplexes, manufactured homes and town-houses seem to be the most accessible, from a price perspective, for a first time or lower income home buyer. However, here the limitation seems to be in the availability of these alternative housing forms. Some of these types of units are part of the inventory that was classified as strata/condominium sales.

A parameter of affordability was offered in the form of median home prices. Since the 1998 median home prices would eliminate more than half the market in most household types (for entry level purchases), it would be a better measure of affordability to use median income levels,

⁹ Shelter costs for ownership housing include mortgage payments, property tax, utility bills (not including phone or television) and heating costs.



instead of home prices. Recognizing that home ownership is not affordable for the majority of one-person households, the median income for all private households is lowered by lower incomes of one-person households. In Kelowna, entering the ownership market will require more than one income for the majority of households. Therefore, it would be reasonable to look at the median income levels of 2 or more person households. The 1996 Census gave a median income of \$45,126 for 2 or more person households, compared against a median income of \$36,582 for all private households. Adjusted to 1998, this two or more person household median income level (\$46,074 in 1998) would allow the purchase of a single-detached home, or attached home (e.g. duplex or townhouse) of approximately \$130,000¹⁰. Table 18 gives the distribution of 1998 sales at assumed entry level prices, based on the median 2 or more person household income:

Table 18 - 1998 Sales by Structure Type and Entry-Level Price

	1998 Kelowna Home Sales by Proportion of Sales at or Below Starter Home Price by Dwelling Type		Starter Priced Homes		
	total sales	No.	% of starter- priced homes	% of dwelling type sales	starter price ¹¹
single detached	1257	178	27%	14%	\$130,000
duplex	58	35	5%	60%	\$130,000
townhouse	6	6	1%	100%	\$130,000
mfd home	148	114	18%	77%	\$89,000
Strata	784	317	49%	40%	\$119,000
TOTAL	2253	650	100%	29%	

Table 18 shows that homes at or below these entry level prices represent 29 % of all sales activity. Strata homes provide the largest supply of entry-level homes, based on the classifications of B.C. Assessment data. Due to the single-detached home market being the largest proportion of all sales, 178, or 27% of the entry-level home sales were single-detached homes, primarily older homes in central areas of the City and Rutland.

Based on the discussion provided above, the following definition for ownership affordability is recommended:

Maximum of 30% of gross household income is spent on major owner payments based on the median income level for all two or more person households from the most recent Census, updated using the B.C. CPI subject to:

Gross Income is before taxes and deductions for the entire household.

Owner Payments: inclusive of mortgage; principal and interest; property taxes; utilities (water, fuel and electricity) and; condominium, strata, mobile home pad rental, or like fees. (CMHC)

CMHC provides an estimated starter home price in its housing market analysis, and does not base affordability on the general housing market. The next task, therefore is to determine a reasonable starter home price for Kelowna.

4.4.2.3 The Single-Detached Housing Market

¹⁰ For strata dwellings, the affordable price would be \$119,000 and for a mobile home in a park, it would be \$89,000, due to strata fees and mobile home pad rental fees. See Appendix 3 for calculations.

¹¹ See footnote 10.



The preceding discussion concludes that a newer single-detached home is not an affordable entry-level home for well over half of the households in the City. It also shows that the Kelowna ownership market includes a large segment with equity in their homes and the ability to purchase more than their income level would suggest. This is part of the explanation for the higher median home prices, compared against median income levels.

If a median income for a 2 or more person household is accepted as a benchmark, this would permit the purchase of a \$130,000 home (approximately). The median single-detached house price is \$166,750. This is 28 % or \$36,750 more than a median income level, two or more person household could afford. An argument that may arise to the effect that the high cost of newer single detached homes is due to the cost added by Development Cost Charges (DCCs). However, even if DCCs were eliminated for single detached homes, they would still be out of reach for the majority of households. The most common DCC for a single-detached home in the City is about \$10,147, with the most expensive DCC at \$11,879 (Gallaghers area). This represents about 6% of the median price for a single-detached dwelling. Even if the median home price were brought down by the cost of a DCC to \$156,603, this is still \$26,603 or 20% more than a median income two or more person household could afford¹² as an entry-level home.

Like many other cities, entry-level affordability for a single-detached home is only available in the re-sale market, and, in this case, the buyer is taking a risk on the costs of maintenance and repairs, which will add to his/her housing cost over time. This trend is confirmed in Kelowna by the sales activity and median single-detached home prices in the more urbanized city sectors, like the City Centre and Rutland area, outlined in section 4.4.2.1.1 of this report.

The single-detached home market is found in move-up buyers and the upper household income levels. Kelowna has a lower median income level than some other cities, but it also has huge disparities in income between the lowest and highest income categories. Households at the upper income levels have few income restrictions in terms of their purchase options. Figures indicating proportion of income spent on housing show that out of all owner-occupied households in Kelowna, 82% are spending less than 30% of their income on shelter costs.



¹² Based on 2 or more person households.



Table 19 - Income Distribution for Two or More Person Households, Kelowna, 1996 Census

Household income of two or more person households (20% sample data)			
	No. Households	% distr.	cumulative %
<i>total 2 or more person households</i>	27085	100	
Under \$10,000	960	3.5	3.5
\$ 10,000 - \$19,999	2685	9.9	13.5
\$ 20,000 - \$29,999	4400	16.2	29.7
\$ 30,000 - \$39,999	3660	13.5	43.2
\$ 40,000 - \$49,999	3480	12.8	56.1
\$ 50,000 - \$59,999	3190	11.8	67.8
\$ 60,000 - \$69,999	2290	8.5	76.3
\$ 70,000 - \$79,999	1815	6.7	83.0
\$ 80,000 - \$89,999	1365	5.0	88.0
\$ 90,000 - \$99,999	995	3.7	91.7
\$100,000 and over	2245	8.3	100.0
Average household income \$	\$	52,870	
Median household income \$	\$	45,126	
Standard error of average household income \$	\$	515	

Table 19, above, shows that even though 56 % of 2 person households make less than \$50,000, there are significant numbers of households in the higher income brackets. Over 8%, or 2,245 households made in excess of \$100,000, for example, and there were between approximately 1,000 and 2,500 households in each \$10,000 income bracket from \$60,000 upwards. These are also 1995 figures, which would need to be adjusted upwards to represent 1998 levels, using the consumer price index. The conclusion, therefore, is that the single detached housing market is found in within the existing ownership market and in the upper income levels of two or more person households. Since this study is looking at affordable housing issues, further elaboration of this issue will be avoided. Instead, ownership housing will focus on starter home requirements.

4.4.2.4 COMPARISON OF STARTER HOME COST WITH OTHER CANADIAN CENTRES

A starter home price of \$130,000 has been suggested, based on the median income level of a 2 or more person household and the purchase of a “fee simple” single-detached or attached home (e.g. duplex or townhouse). This section will examine available real estate market information to ensure that this is a reasonable assumption.

In order to compare the Kelowna situation with other Canadian centres, accepted starter home prices are needed. B.C. Assessment provides a report on real estate, but, as with the other real estate information from REMAX and Okanagan Mainline Real Estate, the Kelowna information includes areas outside the City’s boundaries. The Lindsay-Salton information was produced specifically for this study and therefore does represent City of Kelowna sales. The summary from these sources is provided below:

The Real Estate Foundation of B.C. (in cooperation with the Okanagan Mainline Real Estate Board)

- ◆ Entry level starter house \$125,000 - \$130,000



- ◆ Entry level condominium home \$70,000-\$75,000
- ◆ Average house price \$176,090
- ◆ Average condominium price \$124,870

Okanagan Mainline Real Estate Board:

- ◆ Average annual (1998) median house price (single detached) for Central Okanagan (Peachland-Westbank-Kelowna-Lake Country) \$164,252
- ◆ Inventory of 1998 MLS listings for Central Okanagan 4,246 (not equivalent to number of sales)

RE/MAX Trends Survey 1999

- ◆ Most active price range \$130,000 - \$150,000 (first-time and move-up buyers)
- ◆ Mostly single-detached homes

Lindsay-Salton Appraisals – Residential Market Values - Kelowna, April, 1999

- ◆ Resale single-detached homes (acceptable condition) \$161,000
- ◆ Newer average-quality single-detached homes \$177,500
- ◆ Resale town-homes; well-maintained \$100,000 (includes strata or condominium townhouse)

B.C Assessment Office – Real Estate View Summer/Fall 1998 Kelowna Area

- ◆ Fair quality single-detached built 1910-1955; 1998 first quarter – median sale price \$120,000
- ◆ Typical single-detached, built 1955-1998; median sale price - \$159,000
- ◆ Semi custom home 1970-1998 – median sale price \$280,000

In terms of newer homes, the B.C. Assessment research shows that the median sale price of a typical single-detached home, built 1955-1998 is \$159,000, close to the median sale price for single-detached homes across the City. This price is out of reach, based on median incomes, for most household types, as demonstrated earlier. The B.C. Real Estate Foundation gave a starter home price of \$125,000 - \$130,000 for single detached homes and \$70,000-\$75,000 for condominium units. These figures seem a little low, and are based on a broader area. ReMax said that the most active sales activity is within the \$130,000 to \$150,000 price range, with first-time and move-up buyers.

From a City sector perspective, the most active¹³ sales areas are the City Centre, Rutland, Glenmore /Clifton/Dilworth, South Pandosy and Rutland. Median single-detached house prices ranged from \$135,000 (City Centre), to \$178,660 (Glenmore/Clifton/Dilworth). In the latter area, the Dilworth and Clifton neighbourhood, with the large, newer homes, would have shifted the median price levels higher. Median home prices for strata sales ranged from \$95,000 (Rutland) to \$145,000 (Glenmore/Clifton/ Dilworth). Strata home sales are hard to pin down according to structure-type, due the coding used by B.C. Assessment. Strata homes might include single-detached, town-house and apartment homes. Sales of town-houses and duplexes and manufactured homes demonstrate that these are much more affordable housing forms for Kelowna, but the market supply is very limited, as shown by the number of 1998 sales. These prices are therefore not as reliable in terms of an available housing form in an affordable range.

A review of the real estate market information shows that a home that would represent 30% of the median income of a 2 or more person household is consistent with market trends. As noted earlier, such a home would be priced at about \$130,000¹⁴, using the CMHC methodology for calculating income levels required for the purchase of a home. Based on all the information that is available, it is considered reasonable to use \$130,000 as a representative starter home price for Kelowna. This price

¹³ Based on number of sales by area

¹⁴ Assuming a 10% down-payment, a 6.95% mortgage over 25 years (5 year renewal) and adjusting the 2 or more person median income level upwards to 1998, using the BC consumer price index.



would include older single-detached homes in the City Centre and would also be representative of town-house, semi-detached or duplex unit and condominium / strata type sales.

Table 20 provides the calculations made by CMHC to determine starter home prices across the country and the income required to purchase these homes. Kelowna information has been inserted into the Table, based on the research conducted for this study. The CMHC calculations factor in mortgage, property tax and heating costs to determine monthly total carrying costs for a home. Utility costs, however, were not included by CMHC. Since utilities, such as water, sewage disposal and electricity are a necessary housing cost, the same assumption of \$150/month that was used for Kelowna to represent these costs has been added into the table to improve comparability. Also to improve the comparability of the data against Kelowna, the assumption by CMHC that housing carrying cost account for 32% of income, has been used for Kelowna in this Table.

Table 20 provides the surprising observation that Kelowna appears to fall right in the middle of housing costs for first-time home buyers, based on a starter home price, across the country. The **Table 20 reveals that a lower house price does not always make one area more affordable than the next.** Some areas with lower starter home prices than Kelowna show a higher income required to carry the housing costs (e.g. Sudbury, Montreal, Windsor, and St. Catharines-Niagara). Cost factors that influence the income requirements, and are measured by CMHC, include mortgages, heating costs and property taxes. Property taxes vary widely across the country and in some areas where home prices are low, property taxes are quite high (e.g. Regina, annual property taxes are \$2,347 for a \$93,128 home). Kelowna's property taxes are fairly low compared to most areas, combined with reasonable heating costs for this country.

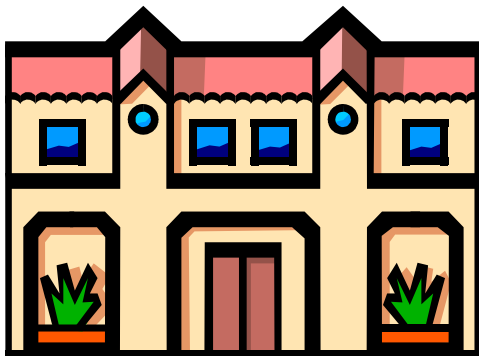




Table 20: A Comparison of 1998 Starter Home Prices and Income Required to Purchase of Kelowna and Canadian CMAs

Starter House Price and Income Required to Purchase						
1998 - CMHC						
Kelowna - Compared to Canadian Census Metropolitan Areas (CMA)						
CMA	STARTER	CARRYING	INCOME	Utilities	Included	
(or City of Kelowna)	AVERAGE	MONTHLY	REQUIRED	MONTHLY	INCOME	
	HOUSE PRICE	COSTS	TO CARRY	CARRYING	REQUIRED	
			HOUSING COSTS	COSTS	TO CARRY	HOUSING COSTS
Vancouver	\$ 234,739	\$ 1,745	\$ 65,421	\$ 1,895	\$ 71,063	
Toronto	\$ 201,337	\$ 1,729	\$ 64,838	\$ 1,879	\$ 70,463	
Ottawa	\$ 153,231	\$ 1,452	\$ 54,450	\$ 1,602	\$ 60,075	
Oshawa	\$ 163,708	\$ 1,424	\$ 53,389	\$ 1,574	\$ 59,025	
Hamilton	\$ 161,110	\$ 1,370	\$ 51,367	\$ 1,520	\$ 57,000	
Victoria	\$ 185,068	\$ 1,354	\$ 50,780	\$ 1,504	\$ 56,400	
Kitchener	\$ 147,164	\$ 1,286	\$ 48,233	\$ 1,436	\$ 53,850	
London	\$ 139,703	\$ 1,197	\$ 44,906	\$ 1,347	\$ 50,513	
Windsor	\$ 131,521	\$ 1,134	\$ 42,527	\$ 1,284	\$ 48,150	
Calgary	\$ 152,731	\$ 1,131	\$ 42,420	\$ 1,281	\$ 48,038	
St. Catherines/Niagara	\$ 120,766	\$ 1,118	\$ 41,923	\$ 1,268	\$ 47,550	
Montreal	\$ 116,415	\$ 1,076	\$ 40,350	\$ 1,226	\$ 45,975	
Sudbury	\$ 124,744	\$ 1,056	\$ 39,588	\$ 1,206	\$ 45,225	
City of Kelowna	\$ 130,000	\$ 1,037	\$ 38,903	\$ 1,150	\$ 46,025	
Winnipeg	\$ 95,053	\$ 1,026	\$ 38,478	\$ 1,176	\$ 44,100	
Thunder Bay	\$ 125,694	\$ 1,018	\$ 38,161	\$ 1,168	\$ 43,800	
Edmonton	\$ 123,157	\$ 997	\$ 37,397	\$ 1,147	\$ 43,013	
Hull	\$ 103,892	\$ 990	\$ 37,125	\$ 1,140	\$ 42,750	
Halifax	\$ 115,476	\$ 985	\$ 36,938	\$ 1,135	\$ 42,563	
Regina	\$ 93,128	\$ 975	\$ 36,562	\$ 1,125	\$ 42,188	
Saskatoon	\$ 108,098	\$ 961	\$ 36,035	\$ 1,111	\$ 41,663	
Sherbrooke	\$ 88,074	\$ 821	\$ 30,788	\$ 971	\$ 36,413	
Charlottetown	\$ 88,646	\$ 803	\$ 30,113	\$ 953	\$ 35,738	
St. John's	\$ 97,500	\$ 796	\$ 29,850	\$ 946	\$ 35,475	
Chicoutimi/Jonquiere	\$ 78,094	\$ 761	\$ 28,538	\$ 911	\$ 34,163	
Trois Rivieres	\$ 75,253	\$ 708	\$ 26,550	\$ 858	\$ 32,175	
Saint John	\$ 75,900	\$ 677	\$ 25,388	\$ 827	\$ 31,013	

Notes to Table 20

- ◆ Source is Canadian Housing Markets – 3rd Quarter – 1998 produced by CMHC
- ◆ Kelowna information is calculated by Kelowna planning staff to be comparable
- ◆ CMHC did not include costs for utilities (i.e. electricity, water, sewage), so the numbers have also been adjusted to show \$150/month for utilities, which was used for Kelowna
- ◆ Centres have been sorted based on level of income required to purchase a starter home, from the highest to the lowest
- ◆ Based on 10% down-payment plan.



4.4.2.5 Percentage of Renters Who Can Afford to Buy a Starter Home

CMHC's housing market analysis relies on indicators that measure what proportion of the rental market can afford to buy a starter home. The definition that CMHC uses to determine this is as follows¹⁵:

***Percentage of Renters Who Can Afford:** - Represents renter households in the prime home buying group of 20 – 44 years who have income at least equal to the amount required to purchase an average starter home. Include all households in the 20 – 44 age group, irrespective of their income.*

Based on reliable data, we have determined that \$130,000 is a reasonable representation of a starter home price for Kelowna, and that this requires an income of about \$46,000. It is therefore questionable to assume that all Kelowna renters in the 20 – 44 age group should be included as eligible to buy, given the average incomes for these age groups of renters, shown in the extract of a former Table, as Table 21. Clearly, income levels are quite low. An additional problem is incomplete information to properly determine the percentage of renters who can afford to buy a starter home. Information is not available for 20 to 24 year old maintainers to give a comparable age group. By simply using the proportion of renters in the 25 to 44 year age group of primary household maintainers, this represents about 49 % all tenant households. This indicator does not seem to be accurate. The 49% figure on its own would suggest the Kelowna rates among the four most affordable centres for the renters able to purchase, according to CMHC. Rather, the 49% is representing a higher proportion of renters in the 20-44 age group for Kelowna in comparison to other centres. A better approach is needed. Using available data without attaching complex assumption would be preferable for this exercise, since income and tenancy information from the Census is already based on a 20% sample. Complex assumptions would distort the reliability of the data.

Table 21- Gross Rents by Age of Primary Household Maintainer – 15 to 44 Age Groups Only

GROSS RENT AS A PERCENTAGE OF 1995 HOUSEHOLD INCOME BY AGE OF PRIMARY HOUSEHOLD MAINTAINER AND SEX CITY OF KELOWNA – 1996 CENSUS										
		TOTAL	PAYING 30% + NO. %		PAYING 50% + NO. %		Average Average Hhld Income		Average Income Updated to 1998 using BC CPI	
All Households	Total	12085	6355	53	3180	26	\$	30,390	\$	31,028
	Male	6265	2590	41	1100	18	\$	35,616	\$	36,364
	Female	5820	3760	65	2080	36	\$	24,767	\$	25,287
15-24 years	Total	1555	900	58	490	32	\$	26,858	\$	27,422
	Male	710	320	45	135	19	\$	31,903	\$	32,573
	Female	850	585	69	360	42	\$	22,638	\$	23,113
25-34 years	Total	3505	1690	48	825	24	\$	32,371	\$	33,050
	Male	1950	795	41	275	14	\$	34,844	\$	35,575
	Female	1555	890	57	550	35	\$	29,271	\$	29,885
35-44 years	Total	2370	1220	51	650	27	\$	33,357	\$	34,057
	Male	1330	515	39	285	21	\$	37,908	\$	38,704
	Female	1040	700	67	365	35	\$	27,538	\$	28,116

Table 22 is a repetition of Table 11, provided earlier, and calculating gross rent by household type for tenant households. Although none of these households approach the \$46,000 income required to buy a \$130,000 starter home, certain household types have higher average household incomes. A further note is

¹⁵ Canadian Housing Markets, Third Quarter, 1998, CHME-0398, CMHC



that average and median incomes are not the same and median income information is not available at this level. Couples with or without children, and multiple family households have higher average incomes than other household types. Couples with never married children have a slightly higher average income than all couples. They are also a subset of couple households. Assuming that a \$42,450 BC CPI 1998 updated income for couple households approaches the income required to purchase a starter home, couple households and multiple family households (average 98 income of \$73,157) can be included as renters who can afford to buy a starter home. This provides a total of 4,380 tenant households that would qualify, about 36% of all tenant households. The 36% figure seems to compare more reasonably with the numbers provided by CMHC. Urban CMAs with a similar proportion of rental households that are considered able to buy a starter home include Regina, Calgary, Montreal and Saskatoon. Vancouver, Toronto, and Victoria have considerably lower proportions, at between 19 and 29%. Centres with greater affordability for renters to buy a starter home include Halifax, Saint John, Edmonton and St. John's¹⁶

Table 22 - (Table 11 Repeated) Gross Rents by Household Type

GROSS RENT AS A PERCENTAGE OF 1995 INCOME UPDATED TO 1998 USING THE B.C. CONSUMER PRICE INDEX						
HOUSEHOLD TYPE	# of Hhlds	Average Hhld Income	Average Income Updated to 1998 using BC CPI	Affordable Rent @ 30% of Average Income	Affordable Rent Updated to 1998 Using BC CPI	
One family Hhlds	6320	\$ 35,614	\$ 36,362	\$ 890	\$ 909	
All couples	4315	\$ 41,577	\$ 42,450	\$ 1,039	\$ 1,061	
With never married children	2060	\$ 42,908	\$ 43,809	\$ 1,073	\$ 1,095	
Lone Parent family hhlds	2005	\$ 22,807	\$ 23,286	\$ 570	\$ 582	
Multiple-family hhlds.	65	\$ 71,655	\$ 73,159	\$ 1,791	\$ 1,829	
Non-family hhlds	5705	\$ 24,129	\$ 24,635	\$ 603	\$ 616	
One person only	4295	\$ 20,708	\$ 21,143	\$ 518	\$ 529	
2 or more persons	1405	\$ 34,566	\$ 35,292	\$ 864	\$ 882	
Total	12085	\$ 30,390	\$ 31,028	\$ 760	\$ 776	

Source: 1996 Census, BC Housing and BC Statistics

4.5

Adequate & Suitable Housing

Housing research and the development of standards for assessing availability of housing often refer to the adequacy and suitability of housing. While some dwellings in Kelowna may be in a less than desirable living condition, there is not the problem of inadequate housing, due to its condition, that might be found in larger cities. The Census only provides general measures of age and condition of housing.

¹⁶ Canadian Housing Markets, Third Quarter, 1998, CHME-0398, CMHC



4.5.1 Condition of Dwellings

The 1996 Census provides some limited information regarding the condition of dwellings. It is not detailed enough to know if there is a significant maintenance problem in Kelowna. However, based on the way the Census information is categorized, most dwellings appear to be in good condition.

Table 23 - 1996 Dwellings by Condition - Kelowna

CITY OF KELOWNA DWELLINGS BY LEVEL OF REPAIR 1996 CENSUS		
LEVEL OF REPAIR	NO. OF DWELLINGS	% DISTRIBUTION
Regular Maintenance Only	27,440	75.3
Minor Repairs	7,300	20.0
Major Repairs	1,695	4.7
<i>TOTAL</i>	36,435	100

The Census provides the above categories for maintenance of dwellings. Only 4.7% of the housing stock is considered in need of major repair. This is shown by Figure 12, as well. The majority, 75.3 % of dwellings, is considered to need regular maintenance only.





Table 24 - 1996 Dwellings by Condition and Tenure

CONDITION OF DWELLING BY STRUCTURAL TYPE AND TENURE CITY OF KELOWNA - 1996 CENSUS						
		TOTAL	Regular Maintenance	Minor Repairs	Major Repairs	Major as % of Total
TOTAL	TOTAL	36435	27440	7300	1695	5%
	Owned	24310	18650	4740	915	4%
	Rented	12125	8785	2560	780	6%
Single-Detached	TOTAL	20300	14480	4715	1105	5%
	Owned	17230	12795	3715	715	4%
	Rented	3070	1685	1000	385	13%
Apartment 5 or more	TOTAL	450	430	20	0	
	Owned	165	160	0	0	
Storeys	Rented	280	265	15	0	
Movable Dwelling	TOTAL	745	465	215	55	7%
	Owned	670	435	200	40	6%
	Rented	70	35	20	20	29%
Other	TOTAL	14940	12065	2345	535	4%
	Owned	6245	5265	815	160	3%
	Rented	8700	6795	1525	375	4%

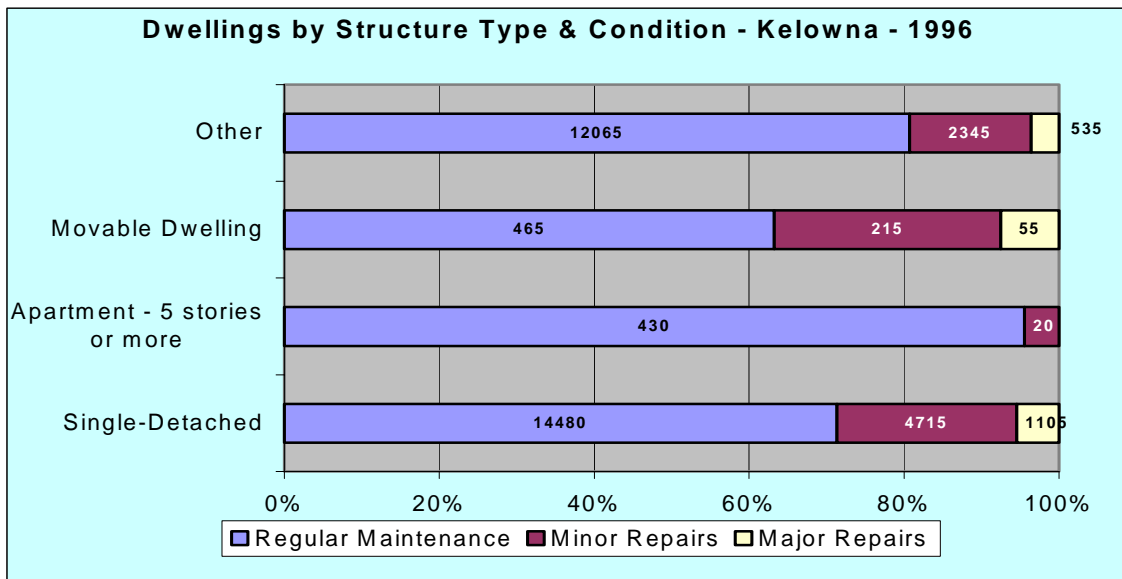
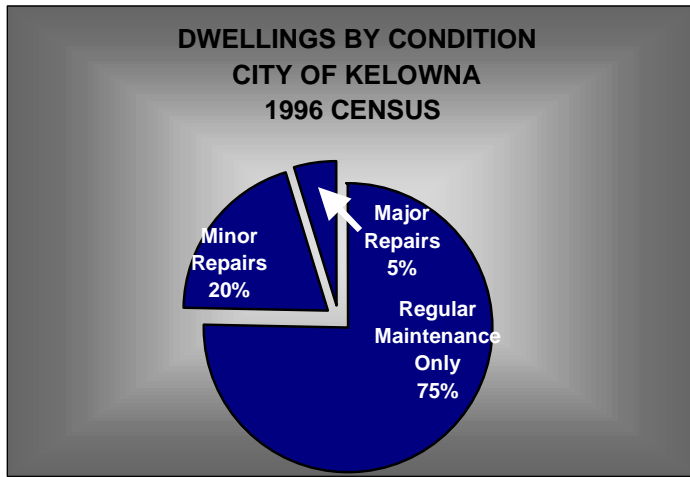


Figure 11 – Dwellings by Structure Type & Condition – Kelowna – 1996 (Census)

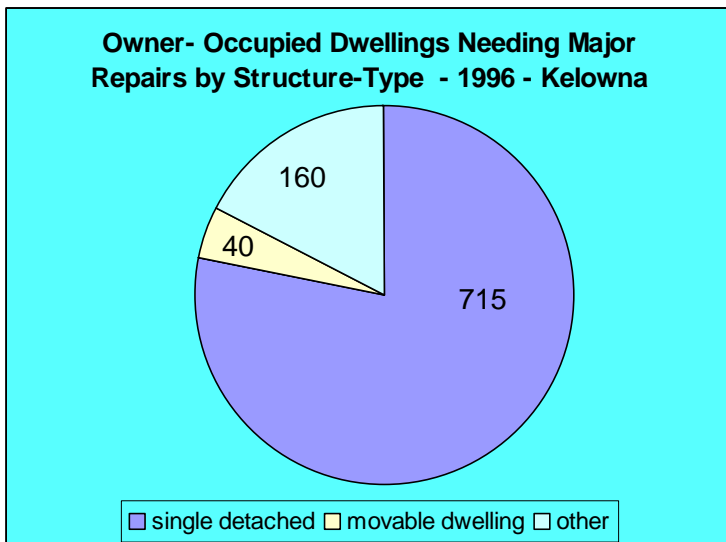


Figure 12 - Condition of Dwellings



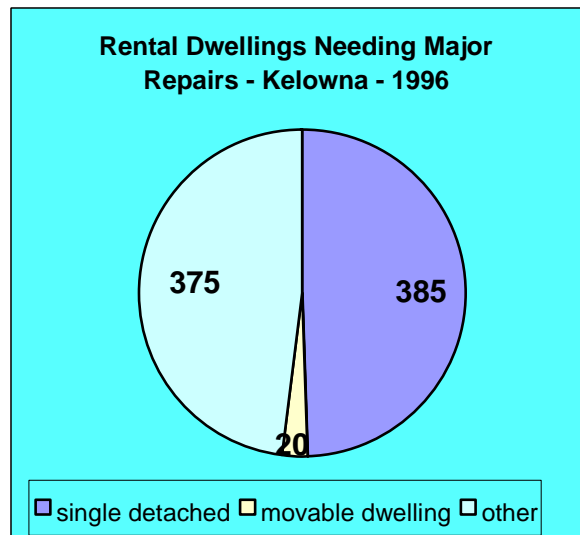
The next two pie charts (Figures 13 and 14) show the distribution of owner-occupied and rental dwellings that were considered to be in need of major repairs in 1996. In the ownership sector, 715 single-detached dwellings were considered to be needing major repairs, 40 “movable” dwellings were classified as in need of major repairs, and 160 dwellings in the “other” structure category also fell into this classification, for a total of 915 owner-occupied dwellings needing major repairs. For rental dwellings needing major repairs, 385 were single-detached homes, 375 were classified as “other” (explained earlier), and 20 were movable dwellings, for a total of 780 rental dwellings considered as needing major repairs.

Figure 13 - Owner-Occupied Dwellings



Needing Major Repairs

Figure 14 - Rental Dwellings



Needing Major Repairs



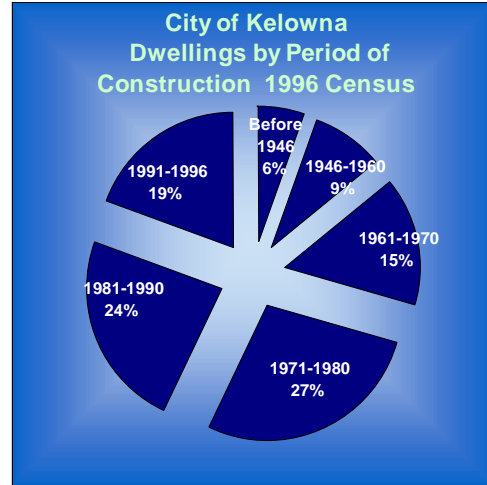
4.5.2 Period of Construction

Period of Construction may or may not point to maintenance issues, depending on whether older buildings have been neglected or maintained. Most dwellings in the City were located in buildings built between 1971 and 1996.

Table 25 - Kelowna - Period of Construction of Dwellings - 1996 Census

Period of Construction of Dwellings City of Kelowna – 1996 Census		
Period of Construction	No. of Dwellings	% Distribution
Before 1946	2015	5.5
1946-1960	3160	8.7
1961-1970	5540	15.2
1971-1980	10000	27.4
1981-1990	8655	23.8
1991-1996	7065	19.4
TOTAL	36435	100

Figure 15 - Residential Period of Construction



5

Income

5.1

Low Income Cut-Offs

A nation-wide accepted measure of income levels required in order to afford basic necessities, including food and shelter, is referred to a Low Income Cut-Offs (LICO). LICOs are not intended to be poverty measures, but are based on a consistent and well-defined methodology, which identifies those who are substantially worse off than the average. LICOs are updated annually, based on the consumer price index, and assume a situation whereby a household is spending 20 percentage points more than the national average on basic necessities. For example, in 1992, Canadian families spent an average of 34.7% on basic necessities. The LICO would be set at 54.7% of income spent on basic necessities in 1992 (1992 is the base year for calculating LICOs).

A Statistics Canada report on LICOs provides income levels by household size that would fall within LICO definitions. The information is organized according to population size of urban areas. Separate information is available for rural areas. Kelowna fits within the 30,000 –99,999- population range for LICO distributions according to Statistics Canada. The next size category for urban areas is for populations of between 100,000 and 499,999. LICOs for this group are only slightly higher than for the 30,000 to 99,999 population category. The most recent Statistics Canada report provides 1995 information. LICOs for 1996 and 1998 have been estimated by planning staff using the B.C. consumer price indices. The table of what this looks like is provided below. It compares quite closely with the core need income threshold information for Kelowna that was calculated by CMHC. It would therefore be a reasonable assumption to include those people who are at or below LICO income levels as within “core need” for housing.

Table 26 - LOW INCOME CUT-OFFS (LICO)

LOW-INCOME CUT-OFFS (LICO) OF FAMILY UNITS, 1995 FOR URBAN AREAS OF POPULATION 30,000-99,999 (1992 BASE) 1996 & 1998 ADJUSTED BY ANNUAL B.C. CONSUMER PRICE INDEX						
	1995 LICO	1995 \$/month for	1996 LICO	1996 \$/month for	1998 LICO	1998 \$/month for
HHL D SIZE	ANNUAL \$	shelter (30% income)	ANNUAL \$	shelter (30% income)	ANNUAL \$	shelter (30% income)
1 person	14372	359.30	14501	362.53	14647	366.17
2 person	17965	449.13	18127	453.17	18308	457.71
3 person	22343	558.58	22544	563.60	22770	569.25
4 person	27046	676.15	27289	682.24	27563	689.07
5 person	30233	755.83	30505	762.63	30811	770.27
6 person	33420	835.50	33721	843.02	34059	851.47
7 person	36607	915.18	36936	923.41	37307	932.67

Source: Statistics Canada & BCSTATS

5.2

Incidence of Low Income



The Statistics Canada report on Low Income Persons also provides the distribution of low-income households by certain types of family living arrangements according to national averages. The similarity between LICOs and CNITs, as calculated by Statistics Canada and Canada Mortgage and Housing, respectively, has already been noted. Therefore, it is a reasonable assumption that these distributions of low-income people are also representative of people who have significant housing affordability problems, or can be considered to be at “core need” for housing. An advantage offered by the Statistics Canada distribution is that it provides a comparison factor for known local situations and also gives a way to measure what a typical core need housing situation is liable to be, based on the population group, in terms of the family living situation. Unfortunately, we are always dealing with incomplete information. In order to understand what the distributions provided by Statistics Canada look like, they are provided in the table below. Immediately, it becomes evident that some groups, such as single parent families or elderly unattached individuals, have significant income limitations, which will also limit their housing options. Wherever the information is available, figures from the 1996 Census for comparable information for Kelowna are given. This enables us to see that, where the information is available, the Statistics Canada averages are very close to actual Kelowna figures. In fact, Kelowna actual situations show a slightly lower proportion of low-income households in most situations.

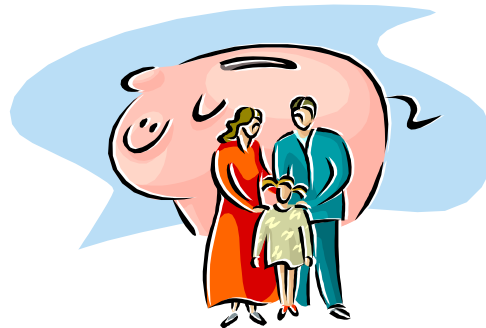




Table 27 - Application of Incidence of Low Income for Selected Family Unit Types

	1996 national	1996 actual Kelowna	1996 Total # Kelowna Hhlds	# low income Kelowna hhlds
ECONOMIC FAMILIES, 2 PERSONS OR MORE	14.5	13.6	25340	3450
Elderly families	8.7			
Married couples only	7.9			
All other elderly families	10.7			
Non-elderly families	15.5			
<i>Married couples only</i>	10.0		9910	991
One earner	12.8			
Two earners	4.0			
<i>2-parent families with children - Total</i>	11.8		9835	1161
One earner	25.0			
Two earner	6.6			
3 or more earners	3.4			
Married couples with other relatives	5.3			
<i>Lone- parent families - Total</i>	56.8		3740	2129
Male lone-parent families	31.3		490	153
Female lone-parent families - Total	60.8		3250	1976
<i>No earner</i>	96.9			
One earner	45.4			
All other families	17.8			
UNATTACHED INDIVIDUALS	40.2	39.2	14885	5840
<i>Elderly – Total</i>	47.9	47.9	4530	2170
Male	33.3			
Female	53.4			
<i>Non-elderly</i>	37.1	35.4	10355	3670
Male	34.0			
Female	41.7			

The above table begins to give information on the numbers of certain types of households, which have affordability limitations in Kelowna. Unattached individuals form a significant group of people who have always had a high proportion of low-income levels. These people will have limited housing options, and a number of them will be forced to share housing in some manner. Not all of the 5,840 low income unattached individuals in Kelowna will be able to form one-person households due to affordability limitations.

Looking at average and median income levels for various types of households can generate more information. Median income is a truer indication of the income characteristics of a particular group because it provides a benchmark whereby half the population group makes more than the median income level and half falls at or below this figure. By contrast, average income statistics can be misrepresentative due to the extremes in income levels at the high or low end. In Kelowna, average incomes will be higher than median incomes in most situations due to the extremity of the high-end income households.



Information on low-income distributions, average and median incomes and numbers of households by various living arrangements can be combined to give a more complete indication of income distribution in Kelowna. Table 28 provides this combined image of lower income information:

Table 28 - Households And Family Types, City Of Kelowna – 1996 Average, Median Incomes and Incidence of Low Income

HOUSEHOLD TYPE	AVERAGE INCOME	MEDIAN INCOME	NO. OF HOUSEHOLDS	Incidence (%) of Group Considered Low Income*	Estimated Or Actual # of Low Income Households
All Private Households [^]	\$45,546	\$36,582	36,435	18.3	6,668
Two or More Person Households~	\$52,870	\$45,126	27,085	12.7	3,450
Census Families	\$51,786	\$44,070	25,145	13.6	3,423
<i>Economic Families - 2 persons or more[^]</i>		N/A	25,340	13.6	3,450
Husband & Wife Families~	\$56,110	\$48,426	21,410	10.1	2,152
Married Couples – no children at home	N/A	N/A	9,910	10	991
2 parent families with children	N/A	N/A	9,835	11.8	1,161
Male Lone Parent Families	\$38,401	N/A	485	31.3	152
Female Lone Parent Families	\$25,302	N/A	3,250	60.8	1,976
<i>Non-Family Households~</i>	N/A	N/A	11670	27.9	3,252
Unattached individuals	N/A	N/A	14885	39.2 [^]	5,840
One Person Households	\$24,335	\$18,373	9,355	42.3~	3,960
Elderly Living alone	N/A	N/A	4,530	47.9	2,170
Non-Elderly one person households	N/A	N/A	4,825	37.1	1,790

*Based on National Rates - Statistics Canada

[^]Actual Kelowna figure

~Low Income information estimated, based on available data

The above table begins to give an indication of the numbers of households that have income limitations that would also make them likely to qualify as having a core need for housing. There were an actual 3,450 economic families considered to be low income in 1996. By applying national averages of low-income people to Kelowna household statistics it would seem that the following family households have income limitations:

- 2,152 husband and wife families with children;
- 1,976 female lone parent families;
- 991 married couples with no children, and;
- 152 male lone parent families.

In terms of non-family households the table indicates the following:

- 3,252 one person households were considered low income;
- a median income of \$18,373 for one person households suggests that housing would be difficult for nearly half of this group, with the core need income threshold set by CMHC being \$18,000 for a bachelor unit;
- based on Statistics Canada low income incidence information, up to 2,170 elderly people living alone would have income limitations;
- non-elderly one person low income households were estimated at 1,790;

The median income for all private households at \$36,582 suggests that many households may have limitations for housing affordability. For larger household sizes, this income level approaches CNIT and LICO levels.

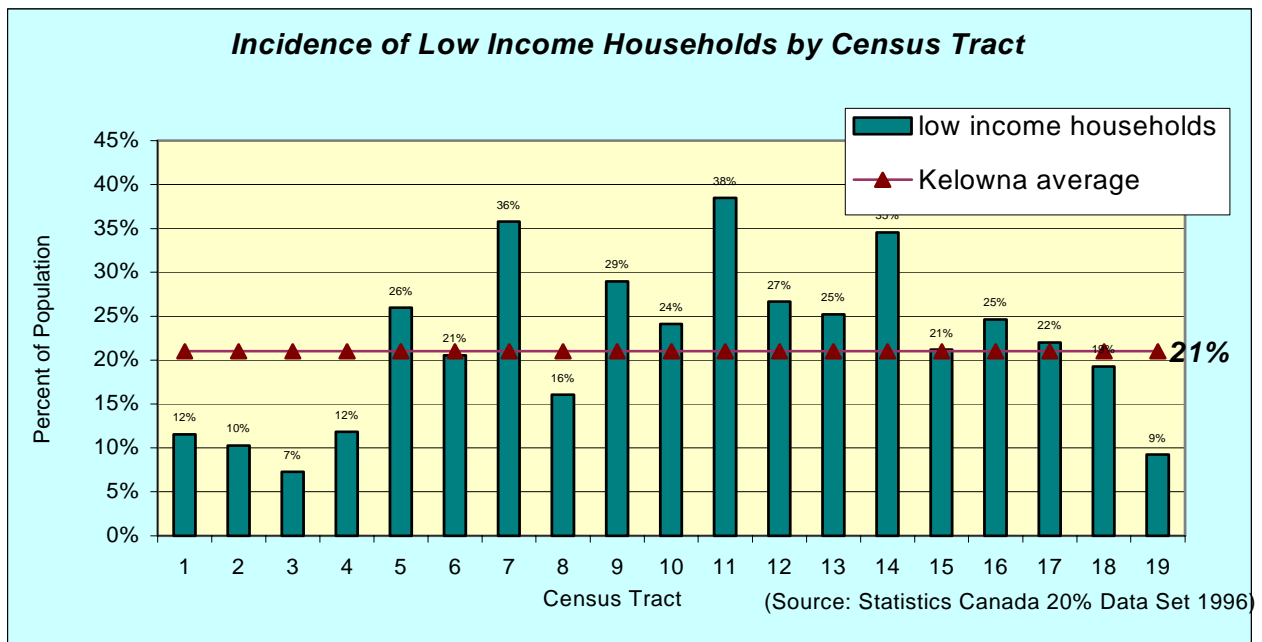


5.2.1 Incidence of Low Income by Area

The incidence of low-income information provided by the 1996 Census enables us to observe which areas of the City have higher concentrations of low income households. There are 19 census tracts that comprise the City area. Enumeration areas provide smaller, sub-area bread-downs. However, since income information is based on a 20% sample, enumeration area level statistics are probably not as representative as the data by census tracts. Census tracts are also fairly representative of recognizable sub-areas of the City.

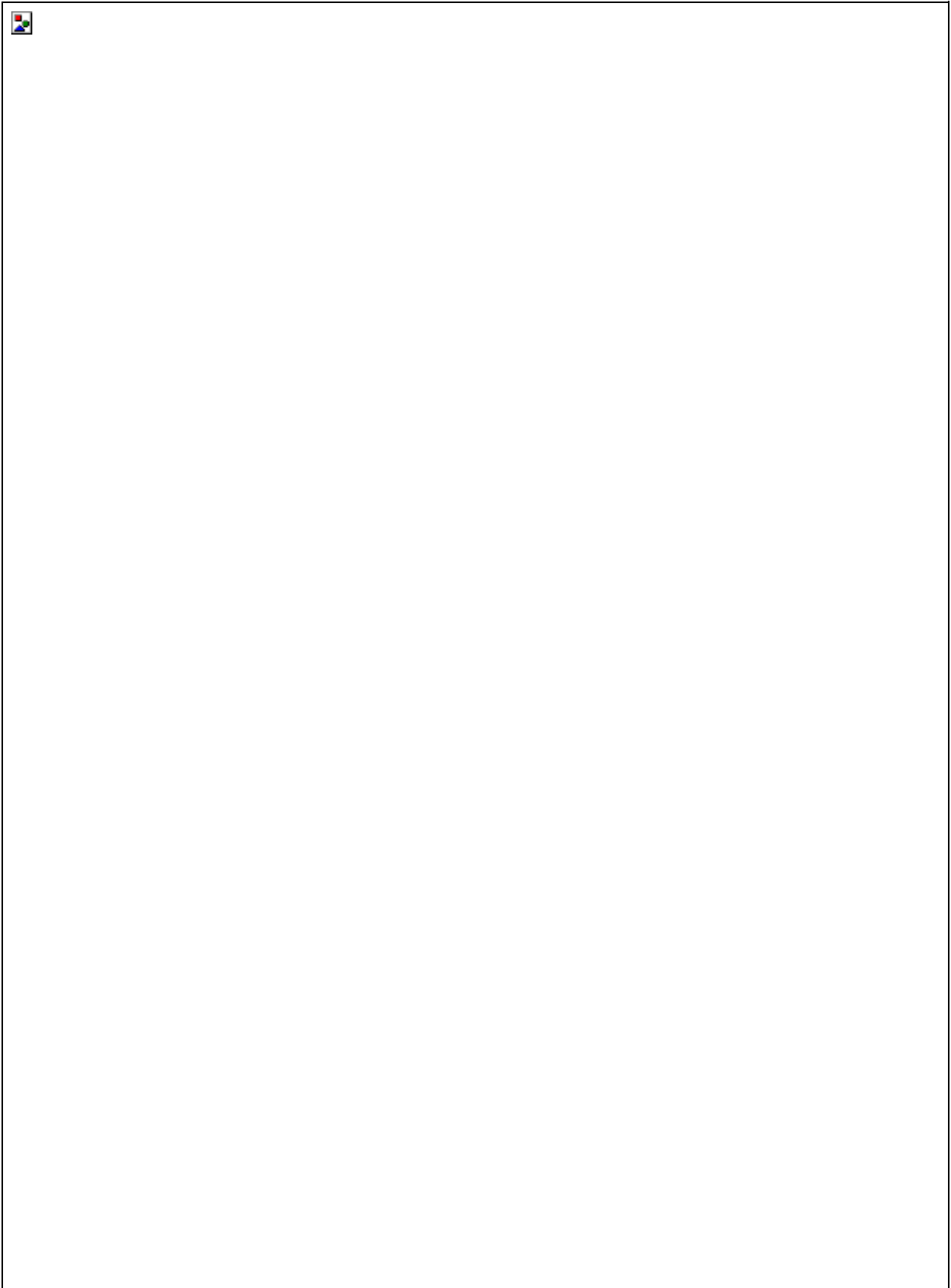
Looking at incidence of low income households for all private households in the City by consulting Map 2, the highest concentrations of low income are in the downtown areas of Rutland and Kelowna. This reflects the same areas that would offer more choices of dwelling types and are closer to services, including transit. Complete information for low-income households by census tract is provided in Appendix 4. Low-income information by census tract is also depicted on Figure 16 and Map 2.

Figure 16 Incidence of Low Income by Census Tract 1996 Census





Map 2: Incidence of Low Income Households by Census Tract





By contrast, the rural areas of the City all show the lowest concentration of low-income households, with less than 15% of households in these areas considered to be low income. The Mission area, south of Mission Creek, also has a very low concentration of low-income households. This information is not surprising. From one perspective, it is good that households needing proximity to urban services due to income limitations are concentrated closer to downtown areas. From the other point of view, lower income households should have opportunities for housing in all areas of the City.

This may mean that there should be a means of encouraging a greater mix of housing choices in some parts of the City. Using available means to ensure that developments do include a proportion of more affordable dwelling types is one approach. Another example is by providing more flexible and less expensive zoning and development processes so as to encourage alternative forms of housing. One example is the procedures for secondary suites (the City's revised procedures provide most areas of the City that are zoned for single-detached dwellings, with the ability to re-zone, in order to add a secondary suite, for a reduced cost and time frame, compared to other forms of re-zoning).

5.3 Average Income Compared to Other B.C. Centres

Although housing costs, for both rental and owner-occupied housing, are high in Kelowna, average incomes are generally less than for other urban centres in the Province. Table 29 gives the average incomes of all private households for some key urban centres in B.C.. Kelowna shows lower average incomes to comparable centres like Kamloops and Prince George. Some of the reasoning for this is related to the higher incidence of part-time and seasonal work in Kelowna than other areas, the low wages for un-skilled labour and the more people receiving income from government transfers (shown in Table 30).

Table 29 - Average Income of All Private Households, 1996 Census; B.C. Centres

Centre	Average Income of All Private Households
Kelowna	\$45,546
Kamloops	\$49,341
Prince George	\$54,267
Victoria	\$56,577
Vancouver	\$60,158

5.4 Sources of Income

In determining housing affordability issues, it is important to understand what the sources of income are. The 1996 Census showed that there are higher proportions of people receiving income from sources other than employment in Kelowna than for B.C. as a whole, as shown in Table 30. Some of the government transfer payments and other income sources may be attributable to retirement incomes.

Table 30 - SOURCE OF INCOME

Income Source	City of Kelowna	B.C.
Employment	68%	76%
Government Transfers	17%	13%
Other	15%	12%

Also in Kelowna, incomes are affected by the proportion of part-time versus full-time jobs. Overall, 54% of all jobs in Kelowna were part-time. Men were employed approximately half and half in full-time versus part-time jobs. For women, 60% of employment was found in part-time work. This



information is summarized in Table 31. The Table also shows that part-time work pays considerably less than full-time employment, and the high percentages of part-time work tend to bring down total average income levels. When compared against the provincial situation, Kelowna consistently shows higher percentages of part-time versus full-time work for men and women. Income levels are also notably less for both sexes, as well as for the population as a whole. This information indicates that it is more difficult to find full-time work in Kelowna, and that incomes are generally lower for the working population than the provincial norms.

Table 31 Part-Time versus Full-Time Employment – City of Kelowna – 1996 Census

Part-time Versus Full-Time Work for Men and Women					
City of Kelowna 1996 Census					
All Working People	JOBS		Average Income	Province of B.C.	
	NO.	%		% of Jobs	Average Income
Full-Time	19865	43	\$ 35,772	46	\$ 39,414
Part-Time	24890	54	\$ 15,936	51	\$ 17,379
<i>Total</i>	46285	97	\$ 24,279	97	\$ 27,480
Males					
Full-Time	11785	48	\$ 40,669	52	\$ 44,784
Part-Time	11810	49	\$ 19,255	45	\$ 21,071
<i>Total</i>	24315	97	\$ 29,424	97	\$ 33,366
Females					
Full-Time	8080	37	\$ 28,585	39	\$ 31,218
Part-Time	13080	60	\$ 12,940	57	\$ 14,034
<i>Total</i>	21970	96	\$ 18,586	97	\$ 20,722

Note: Apparent Errors are due to Census rounding. Numbers are based on a 20% population sample.

5.5 *SIZE OF THE LABOUR MARKET AND UNEMPLOYMENT RATE*

The labour market of the City of Kelowna has shown significant growth over the last 10 years. In 1986, the labour force was made up of 29,215 people.¹⁷ By 1996, the labour force had grown by 16,450, to 45,665 people. During the same period, approximately 16,500 new jobs were created, matching the growth in the labour force and pulling 50 people out of unemployment. Despite a high population growth rate, there were actually fewer unemployed people in total numbers in 1996, than there were in 1986, and 1991. This has been reflected in a consistent decline in the unemployment rate from 15.3% in 1986, to 12.1% in 1991, and 9.7% in 1996.

Over 42,800 people in Kelowna were not in the labour force in 1996. Approximately 16,300 of those people are under the age of 15. The remaining 26,500 people may be retired, stay at home parents, or unable to work due to physical or mental challenges. When we compare this number to the number of people that are over the age of 65 (approximately 16,500), the majority of those over 15 years of age and not in the labour force, are likely to be retired.

5.6 *EMPLOYMENT TO POPULATION RATIO AND PARTICIPATION RATE*

The employment to population ratio and the participation rate in Kelowna have been steadily increasing over the last twenty years. In 1976, the participation rate was 54.3%. By 1986, the

¹⁷ The labour force includes the non institutional population, fifteen years of age or older who are employed or unemployed and actively seeking work.



participation rate increased to 59.1% and by 1996 it reached 63.3%.¹⁸ The employment to population ratio also increased between 1991 and 1996 from 54.3% to 57.1%.¹⁹

Table 32: Labour Force Composition, City of Kelowna, 1976-1996

Labour Force	1976	1981	1986	1991	1996
Total in Labour Force	21,610	27,530	29,215	37,765	45,665
Employed	19,265	25,570	24,740	33,210	41,225
Unemployed	2,355	1,965	4,475	4,555	4,435
Not in Labour Force	18,160	19,545	20,180	23,415	26,515
Unemployment Rate	10.9%	7.3%	15.3%	12.1%	9.7%
Participation Rate	54.3%	58.5%	59.1%	61.7%	63.3%

Table 33: Job Creation in Kelowna, 1976-1996

Period	Number of Jobs Created
1976-81	6,305
1981-86	- 830
1986-91	8,470
1991-96	8,015
Total 1976-96	21,960

Increases in the participation rate and the employment to population ratio suggest that a large portion of the population growth between 1991 and 1996 had been made up of people who have become part of the labour force. Changing demographics during this same period support this assumption. The proportion of people between 35 and 54 years of age increased between 1991 and 1996 (from 25.2% to 27.1%) while the proportion of person 65 years of age and over declined during this period (from 19.1% to 18.4%). The age cohort between 55 and 64 also declined as percentage of the population (from 10.3% in 1991 to 9.1% in 1996).

5.7

DIVERSIFICATION OF THE KELOWNA ECONOMY

The service sector continues to lead in Kelowna as the industry division where the most people are employed and the industry where the most new jobs are being created. In 1991, approximately 29% of the Kelowna's labour force, or 10,755 people, were part of the service sector labour force. By 1996, the service sector labour force increased to 13,290 people, or 30% of the labour force.²⁰ Approximately 34% of the 8000 additional jobs created between 1991 and 1996, were created in the service sector.

Goods producing industries employed the second largest number of residents in 1996. Approximately 11,100 people, or 25% of the labour force is employed in goods producing industries. The primary sources of employment for this industry division were in manufacturing (4500) construction (4400), and agriculture (1700); while fishing, logging and mining together employed only 700 people.

Approximately 20% of the labour force, 8800 people are part of the government, health and social service, and education sector. Just less than 4700 people are employed or actively looking for work in

¹⁸ The participation rate is equal to the total number of people 15 years of age and over in the labour force divided by the total number of persons 15 years of age and over.

¹⁹ The employment to population ratio is equal to the total number of employed people 15 years of age and over divided by the total number non-institutionalized people, 15 years of age and older. The availability of data on the employment to population ratio prior to 1991 limits

²⁰ The service sector as defined here includes the following Statistics Canada Census categories: finance, real estate, and business services as well as accommodation, food, and beverage services, and "other" services.



the health and social service industry division alone. Another 2600 people are part of the education labour force and 1550 are part of the government labour force.

The wholesale and retail sector includes approximately 19.3% of the labour force. When all industry divisions are considered separately, the retail sector leads as the industry division where the most people are employed. In 1996, approximately 6550 people or 14.7% of the labour force, was employed or looking for work in the retail industry. Just more than 2000 people were employed or looking for work in the manufacturing industry.

Only 7.1% of the total proportion of the labour force, or 2565 people were employed in the transportation and communication sector.

The government, health and social service, and education sector is the fastest growing of all the industries sectors. This sector grew by 27% between 1991 and 1996. The service sector grew by 23%, the wholesale and retail sector grew by 21%, the goods producing sector grew by 13% and there was a decline in the number employed in the transportation/communication sector.

Table 34: Distribution of Jobs and Job Growth by Sectors, Kelowna, 1991-1996

Distribution of Jobs and Job Growth by Sectors, Kelowna, 1991-1996 (20% Data)²¹

Sector	Total Labour Force		No. of Jobs Created	Prop. of New Jobs	Prop. of Total Labour Force	
	1991	1996	1991-96	1991-1996	1991	1996
Goods Producing	9730	11075	1,345	17.0%	26.2%	25.0%
Transportation / Communication	2630	2565	-65	-0.8%	7.1%	5.8%
Wholesale and Retail	7055	8565	1510	19.1%	19.0%	19.3%
Services	10755	13290	2535	32.1%	29.0%	30.0%
Gov'n't, Health, Social Serv., Educ.	6915	8805	1890	23.9%	18.6%	19.9%
Total ²²	37085	44300	7215			

²¹ Labour force categories have been consolidated into sectors as follows. The Goods Producing Sector is made up the Agriculture, Fishing, Logging, Mining, Manufacturing and the Construction labour force. The Transportation and Communication Sector includes only the Transportation and Communications labour force. The Wholesale and Retail Sector includes only the Wholesale and Retail labour force. The Service Sector is made up of the Financial, Real Estate, Business, Accommodation, Food and Beverage labour force and the labour force classified as "other" by Statistics Canada. The Government, Health, Social Services and Education Sector is made up of only the Government, Health, Social Services and Education labour force.

²² Totals do not always add up to the accumulative of the above due to the fact that the Sector based numbers are rounded up or down to the nearest five.



Figure 17 Jobs by Sector – 1996

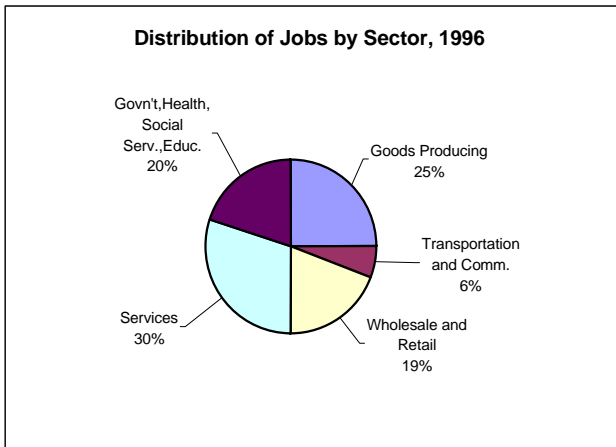
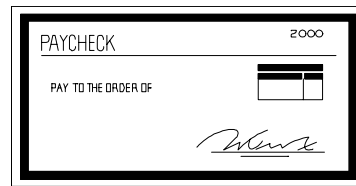
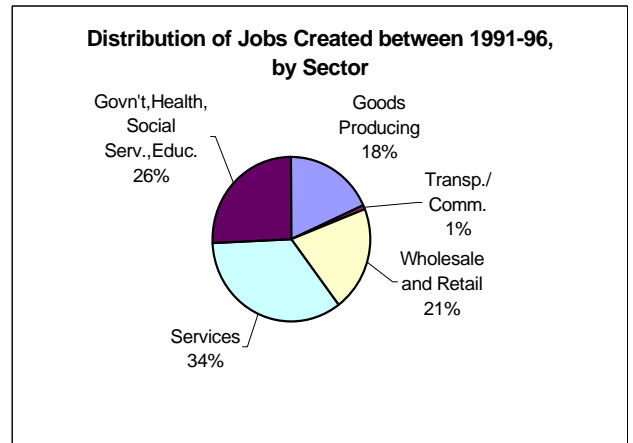


Figure 18 Jobs Created by Sector '91-'96





6

Supply

In the summer of 1999, the City of Kelowna embarked on a quality of life research report, as a joint venture between the planning department and the RCMP. Many social indicators were weighted and measured against crime statistics, both as an exercise to enable monitoring of the effects of planning policy on the City's neighbourhoods, and to enable the RCMP to more effectively plan for crime prevention at the neighbourhood level. Housing was one of the components that were measured. Owner and tenant affordability, based on percentage of households spending more than 30% of income on housing, owner/tenant ratios, and condition of dwellings were measured and weighted against the City-wide norms. The disparities in the provision of housing then become clear. The housing component of the quality of life study is attached as Background Report No. 2. Map 6 shows that the urbanized areas of the City, including downtown Rutland, have affordability issues, a higher ratio of renters to owners and more substandard housing. By contrast, rural and outlying areas have little affordability problems and a higher incidence of home ownership. The rest of the City, including the Mission area, falls somewhere in the middle, where the higher costs of housing presents more of a challenge to ownership.

6.1

Rental

When looking at the rental housing supply presently existing in Kelowna, the various sources of information indicate that it isn't so easy to provide a complete inventory. The 1996 Census confirmed that the 1996 rental universe was comprised of 12,130 households, one third of all households in the City. However, from the various data sources, it seems that only half of these households can actually be identified by structure type. The CMHC Survey of the Rental Market, produced annually in October, and the City's business licence records supplements census information. Most buildings providing rental dwellings require a business licence in Kelowna.

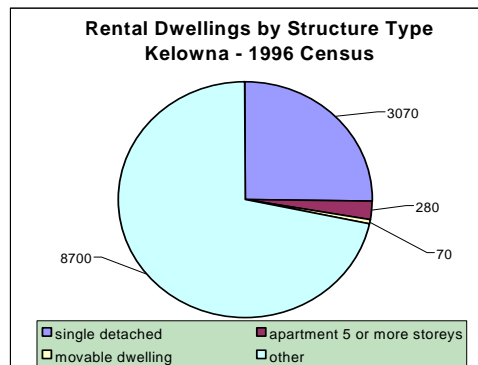
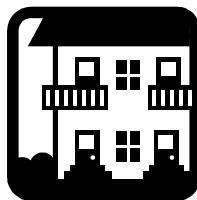


Figure 19 - Rental Dwellings by Structure-Type

The 1996 Census categorizes rental dwellings by structure type. However, the categories that were used do not seem to accurately reflect the Kelowna supply of rental accommodations. More than 70% of the rental units (8,700 dwellings) are simply classified as "other" by the Census. Most of the rental supply in other centres would fall into the category of apartment structures of 5 storeys or more. Buildings of five storeys or more are uncommon in Kelowna.





6.1.1 SURVEY OF THE RENTAL MARKET – CMHC – OCTOBER 1998

Table 35 – CMHC Survey of the Rental Market – October, 1998 (repeated)

	Bachelor	One Bedroom	2 Bedroom	3 + bedrooms	All Units
All buildings in CMHC Survey					
No. of Units	94	1646	2232	240	4212
No. of Vacant Units	0	70	98	16	184
Vacancy Rate	0	4.3	4.4	6.7	4.4
Private Apartments					
No. of Units	94	1628	1857	135	3714
No. of Vacant Units	N/A	70	69	8	149
Vacancy Rate	0	4.3	3.7	5.9	4.0
Average Rent	\$ 423	\$ 510	\$ 638	\$ 706	
Private Townhouses					
No. of Units	0	18	375	105	498
No. of Vacant Units	N/A	N/A	29	8	37
Vacancy Rate	0	0	7.7	7.6	7.4
Average Rent		\$ 412	\$ 615	\$ 732	

Table 35 is repeated from earlier in this report to show that the inventory of rental units included by CHMC in its annual survey only represents one third of the rental households in Kelowna, at 4,212 rental dwellings included in total.

6.1.2 Rental Dwellings Included in The City's Business Licences

The City requires a business licence and assigns fees based on several types of rental accommodation. The categories of interest to this study are included as follows:

LICENCE NO.	DESCRIPTION
7310	Apartment
7312	Suite in Residence
7320	Apartment, owned & operated by non-profit-societies providing rooms for rent for senior citizens and/or low income families
7325	Rooming Housing, private nursing home and rest home

As shown in Table 36, the City's business licences show a total of 6,066 rental units in 1999, 719 of these being individual rooms in boarding homes. Some of the boarding homes are actually seniors' rest homes or nursing homes. Seniors' housing was inventoried in 1998 and will be discussed later. Licensed suites include converted residences with up to 6 rental units. The non-profit apartments include some low-income family housing, special needs housing and seniors' housing. Summary tables for each of the business licence categories are provided for more detail. Appendix 5 gives the listings by address of rental buildings. Suite licences (#7312) have not been included, since the list of 817 addresses is very lengthy, as well as to protect the privacy of the owners and tenants of these buildings, most of which are private, single-detached dwellings with a suite.

The distribution of active rental business licences is shown on Maps 3 and 4. Map 4 shows only licences for suites in residence. These maps confirm that the distribution of rental dwellings is largely concentrated in the most urbanized areas of the City.



Table 36 –Summary of 1999 Rental Business Licences – City of Kelowna

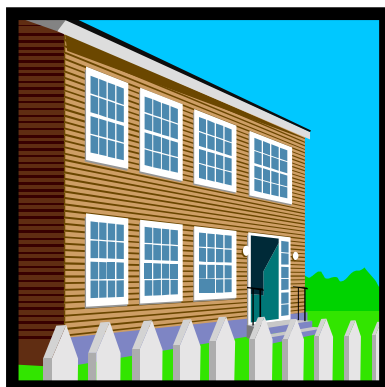
SUMMARY OF 1999 RENTAL BUSINESS LICENCES - CITY OF KELOWNA			
LICENCE NO.	DESCRIPTION	NO. BUILDINGS	NO. DWELLINGS /ROOMS
7310	Apartment buildings	111	3161
7320	Non-profit Apartments	27	1110
7312	Suites	817	1092
7325	Boarding homes	32	719
<i>TOTAL</i>		987	6082

Table 37 Apartment Buildings – Licence # 7310

Apartment Buildings with Licence No. 7310		
City of Kelowna - 1999		
Building Size (# units)	No. of Buildings.	% distr. buildings
4 units & under	8	7.2
5-9 units	14	12.6
10-19 units	30	27.0
20-39 units	30	27.0
40-59 units	22	19.8
60+ units	8	7.2
Total buildings	111	100.0

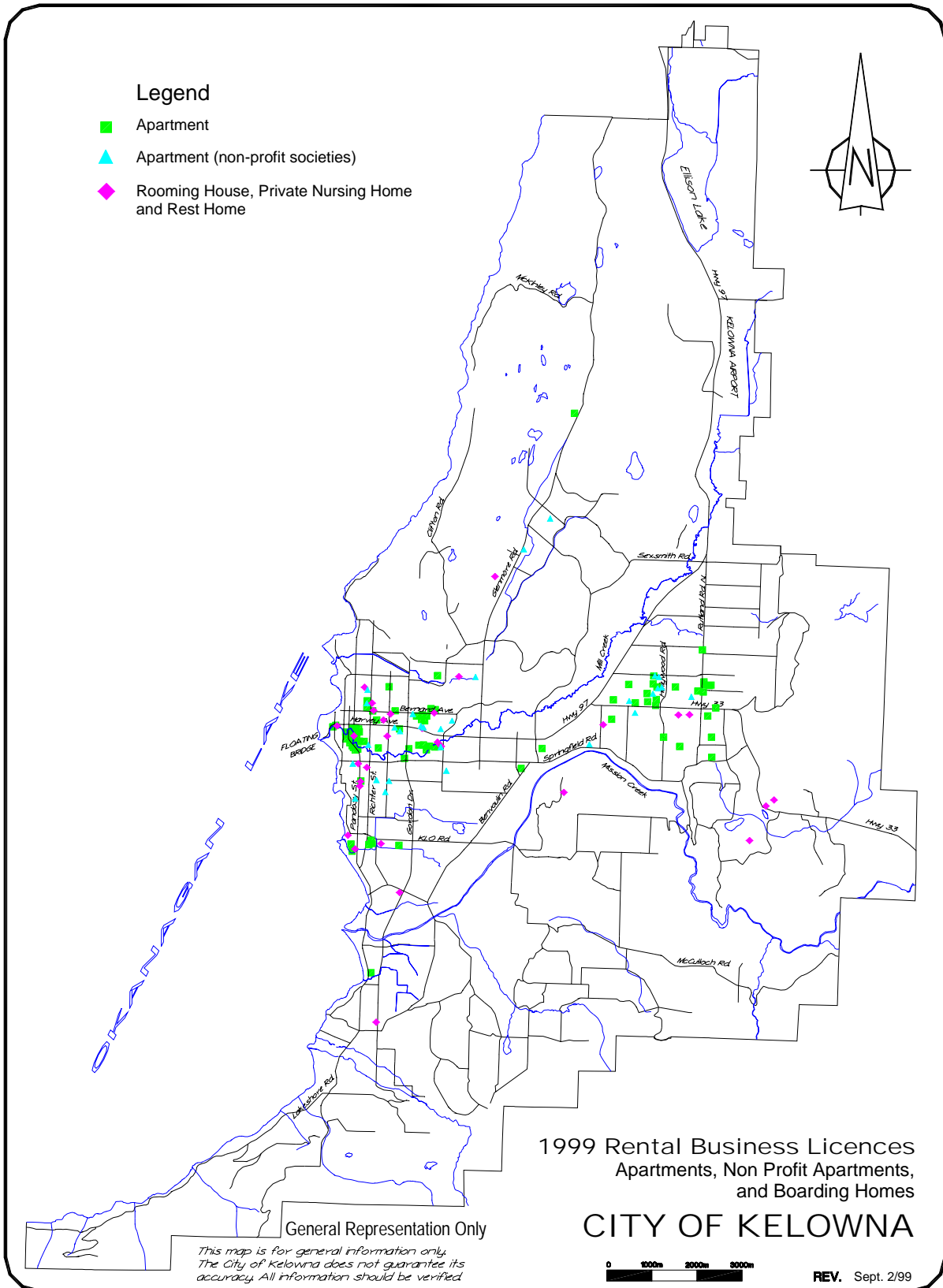
Table 38 Licence No. 7312 – Suites in Residence

Suites in Residence - Licence No. 7312		
# units in Building	# buildings	# dwellings
single suite (one)	705	705
duplex (2)	38	76
tri-plex (3)	14	42
4-plex	45	180
5-plex	7	35
6-plex	6	36
more than 6	2	18
<i>Total</i>	817	1092



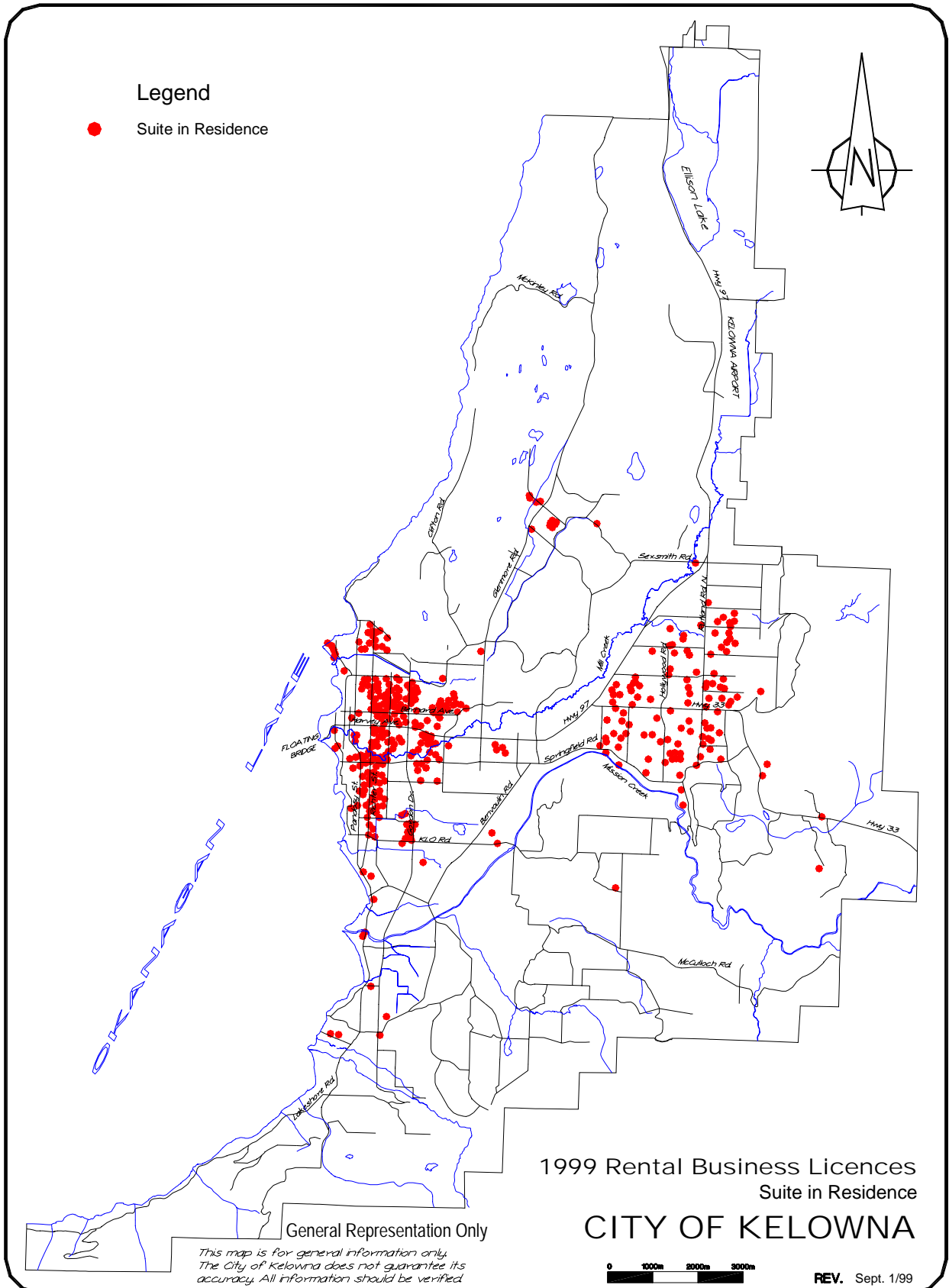


Map 3 - Active Rental Licences





Map 4 - Active Rental Licences - Suites in Residence





Non-Profit Apartments – Licence No. 7320	
Building Size (# units)	No. of Buildings
4 units & under	1
5-9 units	3
10-19 units	3
20-39 units	6
40-59 units	8
60+ units	6
total buildings	27
total units	1110

Boarding Homes - Licence No. 7325	
No. of Rooms	No. of Buildings
5 or less	8
6-10 room	12
11 to 50 room	8
more than 50	4
total homes	32
total rooms	719

Table 40 Licence 7325 – Boarding Homes

**Table 39 – Licence 7320 – Non-Profit
Apartments**

The City’s business licences still miss about half of the 12,130 rental households that were counted in the 1996 Census. Some of these might be accounted for by single-detached homes that are rented, but do not require a business licence. Others will be found in illegal suites, which the City’s new re-zoning and enforcement procedures should include more consistently as legal rentals in future years (or shut them down if they don’t meet health and safety standards).

In 1998, planning staff conducted an inventory of hotels and motels with units that were being used for year-round accommodation. At that time, 185 motel units served as rental dwellings. Since 1998, some of the motel properties are in the process of being converted for other uses. The City introduced a notice procedure for motel re-development intended to ensure that all parties are aware of the requirements of the Residential Tenancy Act when a motel serving as low cost housing is re-developed.

What the various sources of information on rental dwellings are indicating is that small-scale buildings are an important part of the rental supply in Kelowna. Conventional apartment buildings provide about one quarter of the rental accommodation, and even these are primarily modest buildings of 4 stories or less, containing less than 30 units. Single detached homes and conversions of homes to create secondary suites or other small-scale apartments evidently comprise a large proportion of the rental supply. Assuming that the rental households from the Census that are not picked up by the CMHC rental survey, or by the City’s business licences, are comprised of single-detached homes and conversions, this accounts for an estimated 60% of the rental supply (over 7,000 dwellings), including the 1,092 licensed suites in 1999. Growth between 1996 and 1999 is a factor as well. Between 100 and 200 units are in motels, which is a temporary, affordable form of rental accommodation. Permanent rental supply needs to address the affordable housing supply function currently provided by motels.

Part of the explanation for the distributions of rental households being found in non-conventional rental buildings (compared with other municipalities) may be related to a lifestyle choice. When research was conducted for the City regarding secondary suites in 1996, survey respondents indicated that access to outdoor living space was a consideration in choosing to live in a secondary suite. Conventional apartment buildings existing in the City have not been designed to provide outdoor living areas, aside from a small balcony. Kelowna’s moderate climate is conducive to spending time outdoors. Rental households should not be forced to leave home, simply to spend times outdoors. Similar to the owner-oriented housing supply, it seems apparent that ground-oriented, smaller-scale rental buildings would more appropriately meet the characteristics and requirements of the rental housing market.



6.2

Special Needs

B.C. Housing is the provincial agency that provides public funding for housing. B.C. is one of the only two provinces that fund housing projects (the other is Quebec). A member of the City's Community Housing Needs Committee is a representative of B.C. Housing and provides assistance and advice to the City through this Committee. During the review of the City's zoning by-law, the Committee developed a definition of special needs housing, with the assistance of B.C. Housing. The definition, now contained in the City of Kelowna Zoning by-law No. 8000, is as follows:

Special Needs Housing means housing for people that have limited shelter options; that fall below a household income required to afford market housing; and includes seniors or persons with or without children who lack safe and secure housing or are leaving an abusive relationship, single parents and children who are at risk, street youth or homeless persons, or people with mental or physical disabilities, illnesses or dependencies.

The above definition, accepted and approved by the City by adoption into zoning by-law no. 8000, is very broad, aside from being consistent with the approach of B.C. Housing. One difference is that the City's definition does not exclude owner-occupied housing, whereas programs and funding offered by B.C. Housing only address rental housing.

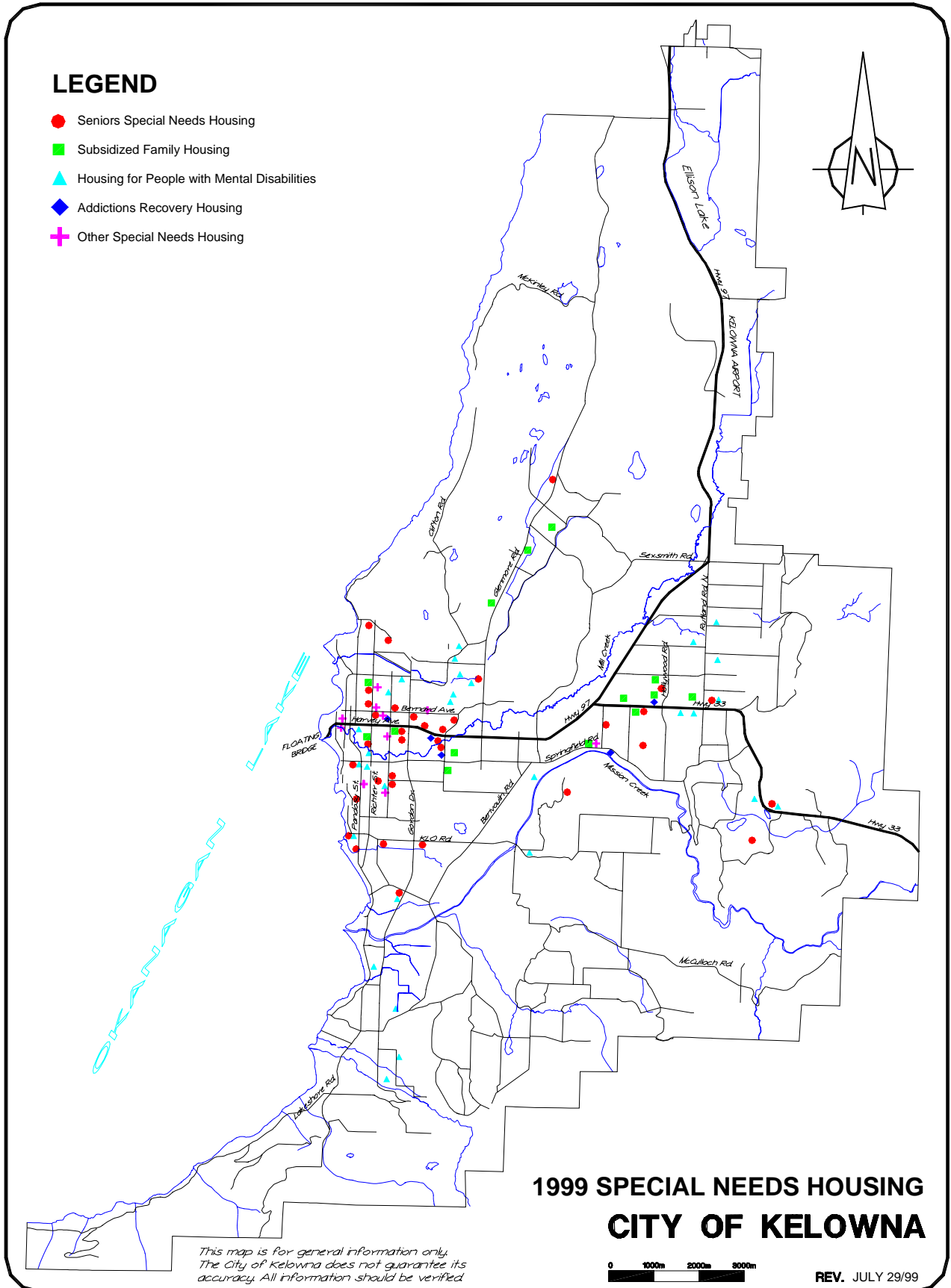
B.C. Housing has provided an inventory of housing that has received public funding through B.C. Housing. This is summarized in Appendix 6.

The list provided by BC Housing does not include the complete inventory of special needs housing in Kelowna. Some of this housing is hard to locate. One of the reasons for this is that zoning in Kelowna provides a definition of household, which allows up to 5 un-related people to live together as a single housekeeping unit. Many homes that would fit the definition of special needs housing are therefore found in conventional single dwellings. They may not need a business licence and do not need specific zoning. In addition, the Community Care Facilities Act has the authority to over-ride zoning to permit a group home licensed for up to 6 people receiving care in any single detached dwelling. Zoning By-law 8000 has already been changed to be consistent with this. Accordingly, additional special needs housing is provided throughout the City in the form of small-scale group living homes, licensed under the Community Care Facilities Act. Other existing facilities have not been included in the BC. Housing list, likely because they have not received funding from this agency (although funding has likely been obtained from elsewhere). Special needs housing will be identified according to the need served, in the next sections of the report. Locations of special needs housing that are known throughout the City are shown on Map No. 5.

Compared to other communities around the province, Kelowna has a large and varied supply of assisted and special needs housing. The 1999 inventory that has been assembled by planning staff counts a total of approximately 2,030 beds or units around the City. The BCHMC project listing for the Central Okanagan Regional District includes only 7 out of 75 listings that are not located within the City of Kelowna. The BCHMC list, summarized in Appendix 6 counts 1,368 assisted housing units. This compares very favourably with other B.C. centres. For example, a 1994 inventory of non-market housing provided by the Province showed 1,358 housing units in Kelowna, 892 in Prince George and 776 units in Kamloops, the other two larger interior B.C. cities.



Map 5 – Special Needs Housing – City of Kelowna





6.2.1 Seniors

In 1998, City planning staff conducted a thorough inventory of seniors housing. Not all seniors housing would also be considered as “special needs” housing (according to the City’s definition of “special needs”). Only those buildings or facilities where a special need is also being served for the seniors are of interest to this study. Low income housing or housing for seniors with illnesses, dependencies or disabilities is therefore the focus. Appendix 7 gives a complete inventory of special needs seniors’ housing, while Appendix 8 shows cost information for all non-profit seniors’ housing, based on the 1998 survey conducted by the City’s planning department. Three types of seniors’ housing have been included and considered as special needs:

Independent Living – Non-Profit / Low Cost: is housing for seniors with no physical or mental limitations, with no services provided. The issue is affordability and the housing is geared to income or subsidized.

Congregate or Boarding Style (Supportive Seniors Housing); Non-Profit / Low Cost and For Profit: Sometimes referred to as “assisted living” or “supportive seniors’ housing”, this form of housing is not licensed for any form of health care (usually in the form of a licence under the Community Care Facilities Act). Some services, such as meals or minor transportation and housekeeping services are offered to residents. This is a popular form of new development proposals. The supply is shown according to whether it is non-profit (low cost) or for profit.

Licensed Care or Nursing Home; Non-Profit / Low Cost and For Profit: Many seniors live in facilities where some level of licensed, medical care is provided. The facilities that have been included range from intermediate care, specialized care and extended care in terms of the licence under the Community Care Facilities Act. No personal care level licensed housing for seniors was found in Kelowna. Instead, room and board operations for seniors that are managed without a health care license are more common.

Table 41 gives the summary of special needs housing for seniors. It is evident that when the housing is serving a particular need for seniors, as opposed to being marketed at seniors demographic, there is an inadequate supply. All areas of special needs for seniors show a zero vacancy rate, with the exception of the congregate or boarding style housing that is operated at a profit. The latter is probably due to the fact that not all seniors can afford this type of housing if it isn’t subsidized. Accommodation with services, such as meals and transportation, can be very expensive. Affordability of seniors’ housing is an issue that has been inadequately addressed in Kelowna. Also, housing offering health care is filled to capacity and more housing with licensed medical care is needed.





Table 41 – Summary of Special Needs Housing for Seniors

Seniors Special Needs Housing - Summary 1999			
City of Kelowna			
Housing Type	No. of Units	Unit Type	No. of Vacancies
Independent Living - non Profit (low cost)	665	apartment	0
Congregate or Boarding Style			
Non-Profit/Low Cost	54	room & brd.	1
For Profit	206	room & brd.	12
Licensed Care or Nursing Home			
Non-Profit/Low Cost	485	beds	0
For Profit	489	beds	0

In recent years, the City of Kelowna has experienced a recognition in the market place of a demand for seniors housing. The market response has been in the form of numerous proposals being presented and submitted through the application processes to the City. These proposals range from independent living options for seniors, to congregate or “supportive” housing, to licensed, medical care, some with all three types of housing on one site. The flurry of development proposals generated a need for the planning department to revise its zoning to be better able to handle the numerous requests. Considerable research was undertaken to gain an understanding of the seniors’ housing market, and this research was used to revise residential zones, and other regulations, so as to be able to accommodate these new forms of housing. Changes were enacted with the approval of the City’s new Zoning By-law 8000 in the Fall of 1998. To date, the new regulations appear to be working well. In fact the provincial Ministry of Municipal Affairs looked to Kelowna as an example in the activity level and reception to seniors housing proposals. A workshop was held in Kelowna with the assistance of local staff, by the Ministry to examine the world of “supportive” seniors housing. A publication has been subsequently issued by the Ministry entitled “Supportive Housing for Seniors – A Policy and By-law Guide” (July 1999). The Kelowna experience and research on seniors housing was used to contribute to this publication.

To illustrate the types of activity that have been proposed, at the end of 1998, there were 917 beds proposed for supportive or congregate seniors’ housing. Unfortunately, none of these proposals was geared to seniors with income limitations, and “supportive”, or congregate, housing forms can be an expensive housing option, due to the additional services that are provided. Another 1300 seniors units were proposed as part of a development project that was under revision. It is doubtful that all of these development proposals will be completed in the near future, depending on the market place. In 1999, funding for 100 beds of licensed care for seniors was awarded by the Province (Ministry of Health) to a new development proposal, which is part of a multi-level development, with independent living as well, totaling 220 beds.

Need for seniors’ housing will be affected by population growth over the next 20 years. Population aged 65 and over is expected to double, and so will the number of households headed by seniors. However, growth in households headed by people aged 40-64 are expected to grow even faster. For example, if the 63.5 % (in 1996) household formation rate for people aged 65 and over is applied to an estimated 65 and over population of 34,228 in 2019, compared to 16,445 people in 1996, households headed by this group will increase from 10,445 to 21,735. However, if a household formation rate of about 57% (estimated, based on 1996) is applied to a forecast group of 49,441 people aged 40-64 in 2019, then households in this group will number 28,181. The need for seniors housing will increase more substantially as this baby-boom aged population ages between the years 2020 and 2040.



6.2.2 Subsidized Family Housing

Appendix 9 gives a complete list of subsidized family housing in Kelowna. In order to qualify for such housing, a household (family) would have to be at or below core need income thresholds and meet the criteria of BC Housing. The list shows that a total of 620 units of this type of housing is funded by BC Housing in Kelowna. Table 42 summarizes the subsidized family housing by unit type. Units include a fairly high percentage of townhouses, as well, which are more suited to families, particularly where there are children who would benefit from direct access to the outdoors. Generally, most of the subsidized housing is of high quality, much of it is fairly new, and it is indistinguishable from other housing in the neighbourhoods where it is located.

Table 42 Subsidized Family Housing Units by Type – Kelowna -1998

UNIT TYPE	NO. OF UNITS
apartment	303
townhouse	225
Co-op. housing	92
TOTAL	620

Aside from the inventory of publicly-funded family housing units, some assistance is offered in the form of rent subsidies, which may be applied to whatever rental unit the family is able to secure. This form of assistance does not show up in the housing inventory.

Table 43 provides caseload information from the Ministry of Human Resources. Information is not separated into Kelowna City boundaries by the Ministry, but an estimated 82.6% of the caseload was located in the City according to Ministry staff. Assistance with housing costs is a primary area of assistance. It is difficult to break the caseload information into numbers of households that are affected. Assuming that single people also represent one-person households, the information indicates that single people form about 20.5% (2,600 people) of the caseload, re-affirming other parts of this report that identify singles as having housing affordability problems. Of these singles, 1,540 were identified as unemployable, meaning that they will continually need to rely on assistance. Another group, which relies more heavily on income assistance includes members of one-parent families, which are acknowledged as having income limitations, compared to other household types. In fact, Table 43 shows that 3,950 of the people receiving assistance as part of a lone-parent family were also unemployable.





Table 43 – People receiving B.C. Income Assistance - 1998

People Receiving B.C. Income Assistance in Kelowna		
Type of Assistance Population group served	Kelowna & Westbank	Kelowna est. *
Total Income Assistance Cases	6755	5580
Total # of People Unable to Work	2651	2190
Of these: singles	1283	1060
Couples	164	134
People in 2 parent families	131	108
People in 1 parent families	605	500
Total # of People who are employable	8596	7100
Of these: singles	1864	1540
Couples	363	300
people in 2 parent families	1574	1300
people in 1 parent families	4782	3950
other	133	110
No. of people in long term care	226	187

6.2.3 Mental Disabilities

Provision of housing for those with mental disabilities is varied, largely due to the wide variety of mental disabilities. According to the Canadian Mental Health Association in Kelowna, many of their clients live relatively independently in rental housing of various forms. Facilities that are licensed for health care are known through the Health Unit. There is an extremely wide variety of mental disabilities, ranging from life-long mental illnesses to disabilities resulting from accidents, such as brain injury. Severity varies widely as well, with some people capable of a large degree of independence and others requiring constant supervision. In addition, while some people with mental impairment are physically healthy, some are physically disabled, as well with varying degrees of severity. A further complication arises when people with mental disabilities become older, and begin to acquire the physical limitations that are associated with advanced age. Finally, there are mental illnesses, such as Alzheimer's and other forms of dementia, that are associated with aging. Therefore, there will be overlapping of need for these types of housing.

Appendix 10 provides a complete listing of the housing facilities that are specifically for those with mental disabilities. There are a total of 35 known buildings, and several smaller, scattered facilities, with capacity for 269 residents in total. Few are not licensed for health care. The largest of the unlicensed buildings is managed by Canadian Mental Health Association and partially funded through BC Housing. This building provides 26 furnished units for relatively independent clients.

It is not feasible to track the numbers of other people with mental disabilities who are living with relative independence in housing that is not identified as serving a special need. The fact that such people are living independently provides another reason why it is imperative to ensure that rental housing in the City of Kelowna meets health and safety standards, since these people are vulnerable and liable to be taken advantage of. In much of the research that is available on housing in other municipalities and through the knowledge of local agencies, it is often people with mental disabilities



who are homeless or who are living in sub-standard housing. At the provincial level, such people fall into the “at risk” and “homeless at risk” categories of housing need.

6.2.4 Physical Disabilities

There is very little housing designated specifically for those people with physical disabilities who are not also classified as seniors or possessing multiple disabilities, requiring a licence for care (CCFA). The Society of Hope has a total of 4 units that are handicapped accessible, while Columbian Centennial Housing has 7 two-bedroom handicapped-accessible units.

There is one excellent facility funded by the Knights of Columbus, known as McGivney Manor, which provides 6 apartments for those with physical disabilities. Meals are also provided, if requested and services are brought to the facility.

Provision has been made in the City’s zoning by-law for “congregate housing”. While the model of congregate housing is most commonly designed for seniors, this housing form is well suited to any population group requiring some assistance, but not necessarily needing medical care. McGivney Manor, is an outstanding example of congregate, or “supportive”, housing which is not restricted to seniors.

Need for housing for those with physical disabilities is little understood and not specifically addressed by many publications. There is no information that was uncovered to estimate what proportion of the population is in need of housing designed to address disabilities, especially for the non-elderly. In fact, those with chronic illnesses characterized by physical disability, often find that the only suitable facilities are designated for the elderly. Housing providers often say that the expense of building units to address physical disabilities does not allow them to offer such units at an affordable price. Adaptable housing is a popular focus of those interested in special needs housing. Although not retrofitted for physical disabilities, such housing has built-in design features that would allow for such retrofitting should the need arise. Simple features like one floor living areas, and wider hallways and doorways are often enough to prevent housing from becoming inadequate when a physical disability is encountered. It also makes sense for an aging population.

6.2.5 At Risk

Most types of housing that are designated “at risk” consist of temporary housing situations for people dealing with some crisis or difficulty in their lives. Shelters for the homeless are an obvious example and take the form of a place to sleep, where some meals may be provided, for those who have no where else to go. The majority of the time shelters serve the homeless, but in the case of a local disaster, (e.g. fire, earthquake, etc.) may serve as emergency accommodation. Some “at risk” housing may consist of homes where people are in need of assistance to help them through a difficult stage in their lives. For example; people recovering from addictions; escaping abusive home situations; or trying to learn to re-integrate into the community after serving time in a penitentiary; provide illustrations of temporary housing for those “at risk”.

6.2.5.1 Temporary Shelters

The Gospel Mission is the only agency operating a temporary shelter for those lacking accommodation of any sort. It can accommodate up to 65 men at its location on Leon Ave.. Criticisms of the Kelowna shelter provision include that there is no equivalent shelter for women.

Also, there is inadequate accommodation for seasonal workers (e.g. fruit pickers) and for the low income traveler (e.g. hostels). The latter have been more adequately accommodated in recent years by the conversion of a motel on Harvey Ave. to a hostel, and by the renovation of an existing hostel facility on Pandosy Street. Ten units are available for hostel use at 245 Harvey Ave., while there are 9 rooms with a capacity of 28 persons on Pandosy St.. A third hostel is located at 730 Bernard Ave.,



where 8 rooms are provided. All of these facilities hold business licences for boarding homes (licence no. 7325).

6.2.5.2 Children & Youth

There are two designated homes that are licensed under the Community Care Facilities Act for children and youth at risk. One is the Lawrence Avenue residence, which houses 4 children, and the other is Penny Lane, designed for street youth, where 6 youth are housed. Another home for children is known as Bernard House where 4 children are housed, but no CCFA licence is in effect.

6.2.5.3 Addictions Recovery

There are 81 spaces provided in 8 facilities in Kelowna for people recovering from alcohol and drug addictions. Three facilities are designed for women, where 25 women can be accommodated. Four smaller facilities are designated for men, while the largest recovery home, Crossroads, takes both women and men. Appendix 11 lists the facilities involved in the provision of addictions recovery. The social service providers involved in issues of addictions advise that Kelowna is lacking proper facilities to deal with this very serious problem. Before a person can begin the recovery process, it is often necessary to go through detoxification. There is no detoxification facility in Kelowna. Patients must be transported to Kamloops to use the detoxification centre there. Funding is being sought, through the Ministry of Children and Families, to secure a detoxification facility in Kelowna, but a decision has not been forthcoming. At the time of writing, the Crossroads facility has indicated that it will attempt to provide a 16-bed detoxification centre by fund-raising instead of waiting for a decision on provincial funding.

Addictions to drugs and alcohol are related to many other social problems, including poverty, family-related abuse and problems with the law. The linkages between the problems need to be more closely recognized and resources should be allocated accordingly. To date, it seems apparent that the importance of addressing substance addiction has been under-recognized.

6.2.5.4 Escaping Abuse

There is an emergency shelter for women escaping abusive relationships with their children. Generally 16 women and children can be accommodated there, with a maximum capacity of 20. Aside from this, the Society of Hope operates two temporary homes for women and their children, one with 7 units and one with 5. Each would accommodate at least double the number of units, since women and children are using the facilities. Both the Society of Hope homes were funded with the assistance of BC Housing and both hold business licences as boarding homes (no. 7325) from the City. Other abusive situations include the home for youth and children that were mentioned previously. In addition to these, the Ministry of Children and Families places children in foster homes in order to deal with situations where children are “at risk”. The number of children and location of homes in these situations are not known. In terms of zoning, these situations would fall under the definition of a household and fit within any dwelling throughout the City.

6.2.5.5 Correctional rehabilitation

The Okanagan Halfway House Society operates two homes for male offenders in conflict with the law. Programs for re-integration into the community are offered in each and each can house up to 10 people. These uses are classified as boarding homes within the City’s zoning by-law and are funded and operated jointly by federal and provincial agencies, under contract with a non-profit society. Within the definition of “household”, up to 5 people can live in a home that serves as a halfway house. Although the Provincial Corrections Branch advises that this is a common way to provide halfway homes, there has been no confirmation of 5-person halfway homes in Kelowna.



6.3

Affordable

Detailed discussions on affordability and income have been provided in previous sections of this report. These previous sections have dealt with defining “affordability” for Kelowna and identifying incomes levels, with the corresponding income available for housing. A recent report published through the Federation of Canadian Municipalities to measure quality of life across the country allows a comparison of Kelowna housing characteristics with other large centres in Canada. The specifics of the Kelowna rental and ownership markets will then be examined.

6.3.1 A Comparison Against Other Canadian Centres

Table 44 summarizes the housing affordability and suitability measures used in the FCM report for the major Canadian cities that were used in the report, compared against Kelowna. Median family income as a percentage of the average value of a dwelling provides a comparison of housing prices. A higher percentage of income against the price of the home indicates a greater affordability of housing. Kelowna rates lower than the national level of affordability to buy a home, but is a little more affordable than key cities like Toronto, Vancouver and Burnaby. Compared to other mid-sized Canadian cities, median household income offers limited ability to purchase. Centres such as London, Regina, Saskatoon, Edmonton and Calgary offer greater opportunities to purchase, based on median income and average home prices.

The table confirms the Kelowna trend across the country that non-family households are less able to afford housing, based on rent, than family households. A much greater proportion of income is represented by rent, based on average rent of a 2 bedroom unit, for non-family households than for family households. Again Kelowna is comparable to larger centres, including Toronto, Vancouver and Burnaby with these indicators.

Rental housing in Kelowna is significantly more expensive to tenants than in any other area that was included in the FCM Quality of Life report. It is the only centre that shows well over 50% of the tenant households spending more than 30% of income on rent and this compares against a 43% figure for Canada as a whole.

The fact that Kelowna is a newer city shows in the percentage of substandard housing units as a percentage of all occupied dwellings. The 4.63% figure is much lower than any of the Canadian centres that were used in the FCM report. The national figure is 8.3%. Going back to the age and condition of dwellings information covered earlier in this study, the lower percentage of substandard units in Kelowna is primarily due to the fact that most of the housing stock has been built in the last three decades. This means that there is little older housing falling into a state of disrepair, compared to larger and older cities.

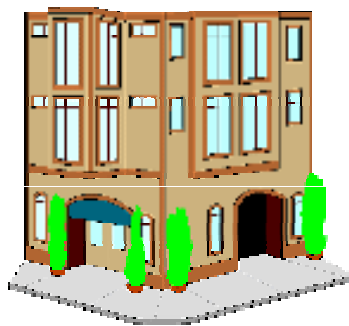




Table 44 - Housing Affordability Measures - Canadian Centres

Centre	Median Family Income as a %age of Average Value of Dwelling	Median Non-Family Hhld. Income as a %age of Avg. Rent of 2 Brdm. Apt	Avg. Rent of a 2 Brdm. Apt. as %age of Median Family Income	Gross Rent: % of Tenant Hhlds Spending More Than 30% of Hhld. Income on Shelter Costs	Substandard Units as %age of Total Occupied Private Dwellings
Kelowna	24.8	48.2	17.4	52.3	4.63
Canada	30.3	N/A	N/A	43	8.3
Vancouver	10.1	56.3	24.7	47.2	8.4
Burnaby	13	51.6	22.03	44.7	7.1
Edmonton	35.2	35.9	13.9	40.9	6.4
Calgary	34.1	36.6	13.9	37.9	5.5
Saskatoon	46.7	34.6	12.4	44.1	5.8
Regina	57.2	32.9	11.8	39.6	7.2
Winnipeg	47.9	40.9	14.9	43.5	8.9
Toronto	19.8	52.5	20.4	44.8	9.1
London	31.7	40.8	5.7	47	N/A

6.3.2 Rental

Affordability is likely to be a key factor affecting the rental supply. As shown in Table 8 (page 21), 3,180 households were paying more than 50% of their income on gross rent according to the 1996 Census. This means that in a ten year period, since the 1986 Census, the situation has worsened. In 1986, 20% of all tenant households spent more than 50% of their income on gross rent and in 1996, this figure was 26%. Of these, the majority was led by 25-34 year olds, 35-44 year olds and 65 and over household maintainers. Female-led households twice as likely to experience rental affordability problems in the form of paying more than 50% of household income towards gross rent. According to household type, one-person households are having the greatest affordability difficulties with rental housing. In total, 1,345 single person households paid 50% or more of their income for gross rent and 3,225 were paying 30% or more in one-person households. Lone-parent family household households are also having considerable affordability problems with rental housing (940 were paying 50% or more and 1,520 paid 30% or more of household income on gross rent). Couples with no children also showed significant numbers with 1580 paying 30% or more, and of these, 545 paid 50% or more.

Tables 26 and 27 (pages 45 & 46), provided earlier in this report, show the incidence of low income and provide an estimate of the low income cut-off levels (LICO) provided as a measure of affordability hardship by Statistics Canada. Unattached individuals in the City included 5,840 who were considered to be low income by the 1996 Census. There were 2,129 lone-parent families, 1,976 of which were female-led, and considered to be low income. Nine hundred and ninety-one married couples and 1,161 two-parent families with children were also considered to be low income. Estimated LICO numbers that can be applied to Kelowna are actually comparable to the Core Need Income Thresholds provided by CMHC and used by BCHMC to determine housing need. The types of households identified in this discussion will be the ones having difficulty securing affordable and adequate rental housing.

Table 45 gives the 1998 average rent information for various sized units in urban centres across B.C.. The information has been sorted in ascending order based on the average rent for a one-bedroom unit. This ranking places Kelowna as the fourth most expensive centre for rents in B.C., following behind Vancouver, Victoria and Squamish. Compared against the weighted averages for the Province, Kelowna shows lower rents, probably because the higher end rents tend to pull the weighted average upward. When considering the fact that incomes in Kelowna are lower than the B.C. average, rental



accommodation becomes even less affordable. The FCM report (Section 6.3.1, Table 44) referred to earlier, confirms that Kelowna has a much more acute affordability problem with rental housing than most larger urban centres in the country. This appears to be a combination of very low incomes and higher rents.

Table 45 - Average Rents for Urban Centre in B.C. – 1998 - CMHC

Average Rents for 1998				
Average Rents in Market Rental Apartment Units by Bedroom Type,				
Urban centres in British Columbia				
Centre	Bachelor	1 Bedroom	2 Bedroom	3+ Bedroom
Port Alberni	\$ 347	\$ 394	\$ 509	\$ 556
Quesnel	\$ 334	\$ 394	\$ 464	*
Dawson Creek	\$ 381	\$ 438	\$ 535	\$ 591
Cranbrook	\$ 352	\$ 441	\$ 524	\$ 558
Williams Lake C.A.	\$ 340	\$ 444	\$ 526	\$ 651
Powell River	\$ 357	\$ 451	\$ 515	\$ 568
Kitimat	\$ 393	\$ 453	\$ 476	*
Penticton	\$ 360	\$ 455	\$ 558	\$ 595
Duncan C.A.	\$ 403	\$ 456	\$ 554	\$ 658
Chilliwack	*	\$ 459	\$ 589	*
Campbell River	\$ 396	\$ 464	\$ 546	\$ 635
Courtenay C.A.	\$ 397	\$ 468	\$ 568	\$ 659
Vernon	\$ 380	\$ 474	\$ 558	\$ 599
Prince Rupert	\$ 386	\$ 479	\$ 585	\$ 645
Nanaimo	\$ 380	\$ 481	\$ 585	\$ 681
Terrace	*	\$ 486	\$ 575	\$ 647
Kamloops	\$ 420	\$ 487	\$ 595	\$ 699
Salmon Arm	\$ 367	\$ 495	\$ 606	\$ 614
Prince George	\$ 444	\$ 499	\$ 585	*
Abbotsford C.A.	\$ 411	\$ 501	\$ 633	*
Fort St. John	\$ 435	\$ 507	\$ 604	*
Kelowna	\$ 423	\$ 510	\$ 638	\$ 706
Squamish	\$ 425	\$ 526	\$ 604	\$ 627
Victoria C.M.A.	\$ 464	\$ 569	\$ 722	\$ 820
Vancouver C.M.A.	\$ 590	\$ 675	\$ 870	\$ 1,005
Weighted Average	\$ 544	\$ 626	\$ 746	\$ 852





6.3.3 Owner-Occupied

Supply of housing available for purchase that might be considered as “affordable” is based on the work that was done using 1998 sales information from the City’s database of property information provided by the BC Assessment office. Earlier discussion provided an assumption that a starter price for a household to enter the ownership market in Kelowna was \$130,000, based on real estate market information. The median home prices were generally much higher than this, depending on the dwelling structure-type.

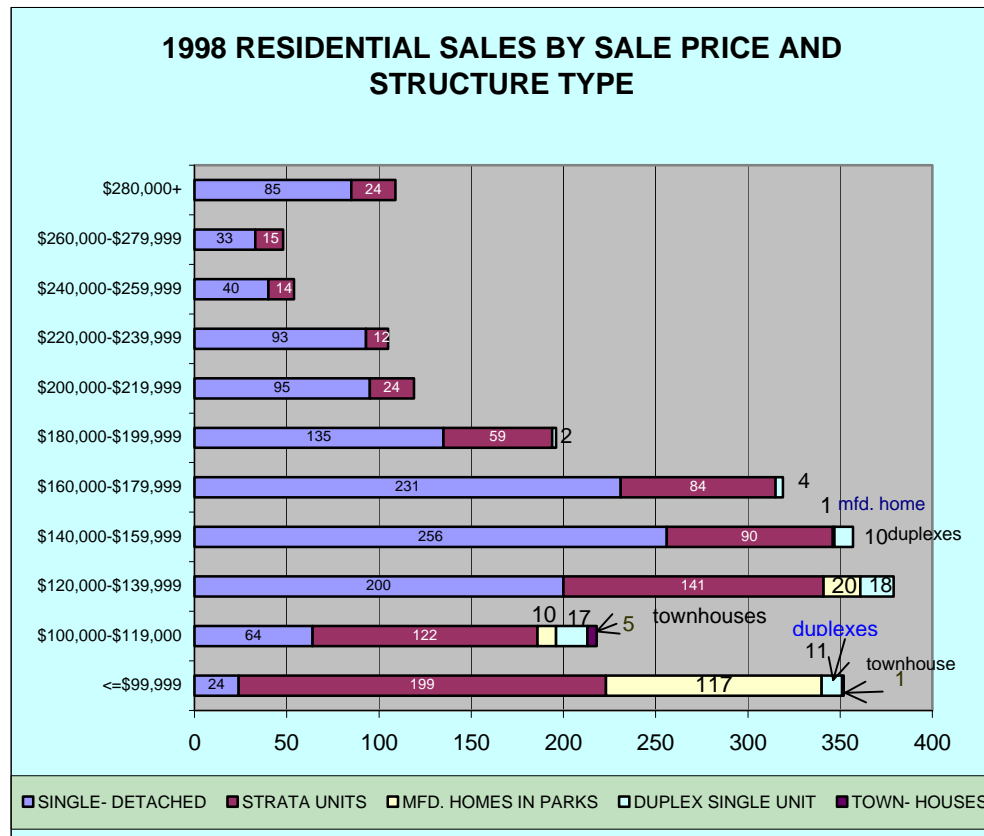


Figure 20: 1998 Residential Sales by Sale Price and Structure Type

Source: B.C. Assessment – Special Run by the City of Kelowna

Figure 20 categorizes the 1998 sales information by purchase price classes. Within the range of starter home availability (based on \$130,000 purchase price), 200 single-detached homes, 141 strata-titled dwellings, 20 manufactured homes and 18 single-unit duplexes were sold. This was at a sale price of between \$120,000 and \$139,999. This price category also was the most active sales area for 1998. Most homes that were sold in 1998 sold for less than \$180,000, and there was a marked reduction in the number of sales of homes at \$180,000 or more. Single-detached homes and strata-titled dwellings formed the majority of the supply in most price ranges, probably due to availability in the market place. Many of the less expensive single-detached homes were also the older housing stock in the City. This suggested that new housing should provide alternative dwelling forms to single detached within a starter home and median home price range. The overall median price for a single-detached home in Kelowna was \$166,750, which is not affordable for the majority of rental households,



wishing to enter the ownership market. Current homeowners are having less acute affordability problems than tenants, as shown by the fact that only 18% of all owner-occupied households are spending more than 30% of household income on major owner's payments. Lone-parent families and one person households experience a higher level of affordability issues in the ownership market, according to the 1996 Census.

A review of the ownership market shows that new single-detached dwellings are not affordable for first-time home-buyers in Kelowna. Only the older re-sale single-detached homes in the central areas of the City and Rutland offer some affordability in this market. It is also evident that there is a very limited supply of alternative housing forms, which offer some of the benefits of a single-detached home. Ground-oriented units, such as semi-detached or townhouse developments are examples that are suited to the ownership market.

7

Demand

The various housing needs is hard to measure. Other reports and studies have relied on vacancy demand for the rates and waiting list information (e.g. Edmonton Joint Housing Commission, 1997).

7.1

Vacancy Rates

In Kelowna, we now know that the total rental housing supply is only partially represented by the CMHC survey of the rental market. Table 46 shows the number of units, vacancies and vacancy rates for the various dwelling types in public and private rental buildings in Kelowna. Of the total 12,130 rental households in Kelowna, 5,472 are represented. Bachelor units appear to be the most scarce, with 0 vacancies overall. This coincides with the affordability limitations already discussed for single-person households. It also indicates a shortage of these units in the market place. There are only 339 bachelor units in the CMHC inventory, 245 of which are in publicly-subsidized units. A total of 1,260 publicly funded units are represented, which corresponds reasonably with the total numbers of subsidized seniors and family housing, given earlier.





Table 46 - Vacancy Rates for Public and Private Units / No. of Units 1998 - Kelowna

1998 CMHC Vacancy Rates - City of Kelowna			
Unit Type	PUBLIC	PRIVATE	COMBINED
Bachelor			
# units	245	94	339
# vacancies	0	0	0
<i>Vacancy. Rate</i>	0	0	0
1 bed			
# units	424	1646	2070
# vacancies	7	70	77
<i>Vacancy. Rate</i>	1.7	4.3	3.7
2 bed			
# units	362	2232	2594
# vacancies	2	98	100
<i>Vacancy. Rate</i>	0.6	4.4	3.9
3+ bed			
# units	229	240	469
# vacancies	10	16	26
<i>Vacancy. Rate</i>	4.4	6.7	5.5
TOTAL			
# units	1260	4212	5472
# vacancies	19	184	203
<i>Vacancy. Rate</i>	1.5	4.4	3.7

Higher vacancy rates for Kelowna than what has been seen for the last several years reflects a provincial trend. Table 47 shows that on a province-wide level, Kelowna had the fourth lowest overall 1998 vacancy rate for market rental dwellings. Vacancy rates around the province soared to a high of 30% for Quesnel in 1998. Some of the explanations given in the [CMHC Rental Market Report – British Columbia Highlights](#) include lower mortgage interest rates, and lower home prices, enabling more renters to enter the ownership market. In some areas, CMHC identified a “market oversupply”.

For Kelowna, CMHC noted strong competition among rental projects. It also pointed out that congregate or supportive-style rental housing for seniors is starting to compete with conventional rental units. These projects are not included in the privately-initiated market rental survey, and yet compete for the same pool of tenants. Finally, CMHC noted the increased popularity of secondary suites and other (under three-unit) ground-oriented rental housing as an attractive alternative to higher density housing for tenants. This trend suggests that a new approach to design of rental buildings which provides for ground orientation may be more attractive to the rental market.

It has been shown that the majority of the Kelowna rental supply is in non-conventional buildings of 3 units or under. Part of the reasoning for this is also a preference for a ground-oriented lifestyle, where the dwelling unit offers direct access to some landscaped open space. Other issues surround the cost of conventional rental units being beyond the means of tenants. No vacancy information is available for this source of rental housing and therefore, demand, determined by vacancy rates is mis-leading. Ground-oriented multi-unit development is also consistent with the directions outlined in the OCP and, in particular, with some more recent



documents such as the Multi-Family Design Guideline documents for the Rutland Town Centre and for the South Pandosy / KLO area.

Table 47 - CMHC Vacancy Rates for B.C. Urban Centres - 1998

Vacancy Rates in Market Rental Apartment & Row Units by Bedroom Type					
Urban centres in British Columbia - CMHC Survey					
Centre	Bachelor	1 Bedroom	2 Bedroom	3+ Bedroom	Total
Vancouver C.M.A.	1.5	2.7	3.3	2.7	2
Fort St. John	2.8	3.6	0.5	3.4	2.2
Victoria C.M.A.	3.3	5.0	1.9	2.0	3
Kelowna	0.0	4.3	4.4	6.7	4.4
Abbotsford C.A.	2.7	6.8	8.5	0.8	7.2
Penticton	9.6	8.4	7.1	4.3	7.7
Salmon Arm	11.8	10.3	8.2	4.5	8
Squamish	14.0	7.0	7.1	10.4	8
Kamloops	9.9	10.4	8.3	6.1	9.1
Dawson Creek	6.6	10.4	12.2	11.9	11.0
Vernon	15.0	10.2	11.5	17.2	11
Prince George	12.9	12.0	9.5	20.1	12
Terrace	*	11.4	12.2	5.5	12
Williams Lake C.A.	16.0	13.2	12.0	10.3	12.2
Cranbrook	4.3	8.2	15.1	11.4	12.5
Chilliwack	*	15.3	12.9	*	13.7
Nanaimo	6.3	14.5	18.3	14.8	15
Duncan C.A.	25.4	17.7	13.4	16.7	16
Campbell River	11.1	18.7	16.5	13.0	16.7
Powell River	0.0	19.6	16.1	42.1	19
Courtenay C.A.	22.4	14.1	22.3	26.3	20.5
Port Alberni	21.3	22.4	22.6	16.5	21
Kitimat	9.7	25.2	20.4	31.5	23
Prince Rupert	21.9	21	30	34.5	27
Quesnel	14.3	22.1	34.8	35.2	30
Weighted Average	3.1	4.6	6.6	8.1	5.3

Notes: 1. includes privately initiated structures with 3 or more units; 2. CA = Census Agglomeration; CMA = Census Metropolitan Area





7.2 *Waiting Lists*

In February of 1998, Kelowna planning staff conducted a survey of waiting lists for some key non-market housing agencies around the City. The report and findings are provided attached as Background Report 1. Many difficulties were found with the use of waiting lists, including the following:

- Contact information on a waiting list was unreliable, for example:
 - Anywhere from 20 to 75% of the people on waiting lists will actually still be in need of housing or can be contacted, according to housing providers.
- Waiting lists include repeat listings of people who may be on several lists.
- Seniors housing waiting lists often include out-of-town people who have been placed on the list by relatives, but who have not confirmed their intention to seek housing in Kelowna.
- No consistency was found in terms of how waiting lists are kept by the various housing providers;
- The size of a waiting list varied anywhere from 1 to 750 people.

Planning staff factored all of the above difficulties against the waiting list information to arrive at the following rough estimates of demand:

- 846 families looking for non-market housing
- 138 seniors looking for non-market housing

The 846 “families” may include one or two person households looking for assisted housing. Columbian Centennial Housing in Kelowna confirms that many of the people on its waiting lists are looking for bachelor or one-bedroom units. These estimates are conservative and cannot be viewed as an accurate reflection of need.

7.3 *Estimating Low-Income Housing Needs Using Census and Supply*

Not all people in need of low-income housing will seek to put their names on waiting lists. Many don't hope to find anything that way. More may be tolerating sub-standard or even illegal housing situations because that is all they can find and they may not have the ability or the desire to find better accommodation. Some may be receiving other types of assistance, like rent subsidies.

Simply by using Statistics Canada and Census information to estimate the numbers and types of household that have been identified as low income (based on LICO calculations); and comparing this information against the current publicly-funded housing supply, it is easy to see that there are numerous households, of various types, with a critical housing affordability problem. This is illustrated in Table 48, which estimates that 3,660 family type households (including lone-parent families, 2 parent families and childless couples) that may need assistance.

In terms of non-elderly one-person households, there were an estimated 1,568 households that are not being served outside the private marketplace. Motel units or temporary shelters are often the last resort for these people and they represent a temporary solution, at best. The housing that does exist is primarily in the form of housing for people with mental disabilities. As previously noted, this group is referred to provincially as Lower Income Urban Singles (LIUS).



Table 48 – Estimated Low-Income Housing Need Versus Publicly-Funded Housing Supply

HOUSING NEED GROUP	NO. OF HHLDS ²³	PUBLICLY-FUNDED HOUSING UNITS	OTHER HOUSING RESOURCES	DEFICIENCY (PERMANENT HOUSING)/ NUMBER UNITS
female lone-parent families	1,976	620 units to serve all these groups	approximately 22 temporary "emergency" style units	3,660 family-oriented
male lone-parent families	152			
married couples/ no children	991			
2 parent families with children	1,161			
elderly living alone	2,170	1,204	includes 485 beds in nursing homes; & 2-person or more units	364 ²⁴ units
non-elderly, one person hhlds	1,790	222 units or beds for those with mental or physical disabilities (Appendices 10 & 12)	<ul style="list-style-type: none"> ➤ approximately 180 motel units in 1998 (not counted / considered temporary) ➤ 88 temporary shelter beds (Appendix 12) ➤ 81 beds of addictions recovery (Appendix 11) 	1,568 non-elderly one-person units (temporary housing is not included)

7.4

Public Demand

In March of 1999, a public opinion survey was conducted through a random sample of the City’s population as part of the review work to update the Official Community Plan (OCP) for Kelowna. The survey had a 30% return rate, out of 2,500 questionnaires that were mailed out. Using deliverable (not those that were returned by Canada Post) surveys, the 30% response rate is equivalent to 748 responses that were used and are considered to accurately reflect public opinion within five percent. For the summary of the responses to the survey, see the City’s web site within the development services documents section. Some of the key responses relevant to housing are summarized below:

- 44% felt that policies to address affordable and special needs housing were important for the City;
- 65% were living in single-detached dwellings;
- 51% identified a desirable neighbourhood as the most important factor in selecting a place to live;
- 34% felt the cost of housing was one of the 3 most important housing choice factors;
- 18% of respondents stated that rent or mortgage payments were causing financial hardship;
- 83% of respondents would still prefer to live in a single detached home;
- 49% stated that a townhouse dwelling would be a second choice;
- 54% stated that changes in health or physical ability would be most likely to cause consideration of alternative housing forms to single detached housing;
- 50% said that changes in life patterns (e.g. maintenance) would be a factor in choosing a higher density housing form;
- 41% identified financial considerations as a factor in leaving a single detached home;
- 76% of respondents wanted to remain in their current neighbourhood for the next 5 years.

The high preference for single-detached homes, with townhouses as a distance second, shows a preference for a “ground-oriented” lifestyle, whereby the dwelling occupant also has access to ground-

²³ Based on Low Income Household Information from the 1996 Census.

²⁴ Based on assigning half of the publicly funded units to 2 person households, assuming some elderly will be able to share.



level outdoor living space, as part of the dwelling. With the growth rate of the City and the limitations on availability of land to build new housing, it will be critical to provide viable alternatives to single detached homes in the form of ground-oriented multiple housing.

Eighteen percent of respondents identified themselves as having affordability hardships with rent or mortgage payments. This is consistent with the 18.3 percent figure identified by the Census of the incidence of low income in Kelowna. This translates to 6,668 out of 36,435 households in 1996.

A sense of neighbourhood is an important consideration for most people, as confirmed by the 75% of respondents who planned on staying in the same neighbourhood for the next five years. This means that adequate housing choices should exist in every neighbourhood to address the changing needs of the population. A range of housing forms is one approach to this need. Another is to promote adaptable housing forms, which would allow a household to address significantly different needs over time. "Sprout" homes promoted by CMHC is one version of adaptability, whereby the home design allows for expansions and changes to the floor plan as a family grows and its needs change. When additional space is no longer needed, it can be converted as a rental unit, likely a secondary suite. Another version of adaptability is to ensure that the home will continue to serve the needs of its occupants should one or more people begin to lose some mobility, most likely during the aging process. Without creating units designed for the physically-disabled, it is possible to build flexibility into the design that will allow adaptation of the dwelling, should the need arise. Examples include wider doorways and halls, electrical outlets located higher up the wall than ground level, a maximum of living space on one floor level, elevators in multi-storey apartment buildings, and entrances that can be adapted to wheelchair accessibility.

Although only 34% of respondents seemed to place a high priority on affordability for their own housing choices, 44% is a significant segment of the population that recognizes affordable and special needs housing issues as important to the City.

8 *Roles of Government*

8.1 *FEDERAL*

The federal government has been withdrawn from its former leadership role in housing for nearly a decade now. The following federal programs are still in operation through the Canadian Mortgage and Housing Corporation.

8.1.1 Residential Rehabilitation Assistance Program (RRAP)

Residential Rehabilitation Assistance Program (RRAP) allows housing providers to apply for financial assistance under three categories: Rental RRAP, Rooming House RRAP, and RRAP for Persons with Disabilities. The program assistance is provided in the form of a fully forgivable loan of \$18,000, \$12,000, and \$18,000 respectively.

Both Rental and Rooming House RRAPs require the assistance to be directed to major repairs or the provision of basic facilities and dictate that rents be at or below the median market rent for the area, both prior to the application for assistance, and after the repairs are completed. In addition, eligibility for the Rental RRAP also requires the household income of tenants to be below Core Need Income Thresholds (CNIT) established by CMHC.

Financial assistance is also available through this program to undertake accessibility work to modify dwellings occupied by, or intended for occupancy by, persons with disabilities. Homeowners may apply if the value of their house is below a specific figure, and if their household income is below the CNIT. Landlords may apply for modification to units occupied by tenants with incomes below the income thresholds.



8.1.2 Partnerships

CMHC has established the Centre for Public-Private Partnerships in Housing. The Centre provides a network of housing partnership experts to help communities make decisions about affordable housing development. Information resources are available on potential project partners, proposal development, fund raising, financing, construction, and project management.

The Centre also offers interest-free **Proposal Development Loans** to help non-profit organizations prepare proposals for affordable housing for seniors, persons with disabilities and low-income households. Loans of up to \$75,000 dollars are available to develop each proposal – depending on the size and complexity of the housing project and how much proposal development work needs to be done.

8.1.3 Mortgage Loan Insurance for Housing Projects

Mortgage loan insurance is also offered by CMHC to lenders to encourage them to make financial assistance available to non-profit groups providing affordable housing (fees and premiums vary). In many cases, lenders can provide lower mortgage rates to borrowers because their lending risk is lowered by the mortgage insurance.

8.1.4 Mortgage Loan Insurance for Home Buyers

CMHC Mortgage Loan Insurance program for home buyers is designed to improve the chances of home ownership by providing insurance to lenders to permit them to offer mortgages with a down payment of less than 25% of the housing price. Any buyer now has the option of a 5% down payment in the purchase of their principle residence. (This option was originally only available to first time buyers.) Those taking advantage of this service are required to pay an insurance premium of up to 3.75% (in the case of a 5% down payment) of the mortgage amount, on the day of the closing or added to the mortgage. Insurance premiums are lower where buyers are able to contribute a higher percentage of the down payment.

8.1.5 Homegrown Solutions Maison

Homegrown Solutions Maison is a grant program funded by CMHC and administered by Canadian Housing Renewal Association (CHRA). Funding of up to \$20,000 is available through Homegrown Solution Maison to those who can demonstrate an innovative idea to provide affordable housing that does not depend on on-going federal assistance. The objective of the initiative is to both help locally-based community organizations to meet housing needs by identifying and harnessing new and existing resources available to their communities; and to demonstrate and share the ideas and approaches used to respond to local housing need. The Housing Federation of Canada, Canadian Home Builders' Association, and the Federation of Canadian Municipalities are partners in the initiative, participating in the steering and selection committees for the initiative.



8.2

PROVINCIAL

8.2.1 BC Housing

BC Housing is the provincial agency responsible for the delivery of social housing in the province. It manages 8,000 units of public housing, administers 29,000 units of housing managed by non-profit and co-operative societies and provides support to sponsors to build and manage new units.

8.2.2 Homes B.C.

Homes B.C. is the provincial Housing program delivered by B.C. Housing. The objectives of the program are to build community support for, improve access to, and develop affordable housing for low and moderate income British Columbians. The program includes three components: Housing for families, disabled persons and seniors; second stage housing for the Homeless At Risk; and demonstration projects for lower income urban singles.

On July 26th, 1999, Homes B.C. held an information workshop session in Kelowna regarding its expanded programs for assisting in the cost of subsidized housing. The B.C. government has doubled its allocation for funding housing over the next two years to 2,400 units, province-wide. Fifty percent of these units will be allocated to the Lower Mainland municipality, where the majority of the B.C. population is located. The Southern Interior is the provincial planning area, which Kelowna falls into and 560 units have been allocated for this entire region.²⁵

Unit Allocations for Homes BC 1999 and 2000 (two year period)

By Region

Southern Interior – 560

Vancouver Island – 375

Northern Region - 275

Lower Mainland – 1200

By Client Group

Families, Including Single Parents – 960

Independent Seniors 55 years & up – 200

Homeless at Risk (e.g. mentally disabled / fleeing abuse) -180

Lower Income Urban Singles (LIUS) - 700

Supportive Seniors - 200

Second Stage – Emergency Shelter - 170

²⁵ See Homes BC – Non-Profit Housing Application Guidelines 1999-2000 for details.



8.2.2.1 Financial Assistance for Projects

Financial support in the form of **operating subsidies** is available to non-profit societies, or non-profit cooperatives. In general terms, the operating subsidy makes up the difference between the actual cost of the development and the affordable rents the residents pay. **Proposal Development Funding, Interim Financing** during construction, and **Mortgage Loan Insurance**, are also available subject to some restrictions.

8.2.2.2 Community Housing Initiative (CHI)

Homes BC also offers the **Community Housing Initiative (CHI)** program. CHI is a grant program aimed at assisting non-profit community housing groups to identify and address their community's particular housing issues. The majority of funding is used to support nine regional housing centres throughout the province, but some money is available to community-based housing organizations to promote community development, public education and advocacy, research initiative and training activities. Most of the housing resource centres received about \$50,000 for a one-year period, while the City of Victoria received \$75,000 in 1999.

8.2.2.3 Targetted Rent Subsidy Programs (TRSP)

BC Housing provides rent assistance to low income tenants living in private rental housing through a number of **Targetted Rent Subsidy Programs (TRSP)** to meet specific needs, as follows:

8.2.2.3.1 Shelter Aid For Elderly Renters (SAFER)

This consists of support for seniors (60 years of age or older) on low-to moderate-incomes, and pay more than 30% of their gross income on rent.

8.2.2.3.2 Other TRSP Programs:

Other programs include support for those diagnosed with mental illness and those living with HIV/ AIDS. The assistance which is provided reflects the difference between the market rent and the amount which the individual can afford to pay based on 30% of their gross household income.

8.3 *Municipal Alternatives for BC*

Upper levels of government are now looking to municipalities to take the initiative to more effectively address the housing needs of all segments of society. Traditionally, municipalities have not had significant influence over the housing market. Resources and responsibilities at the municipal level have not allowed for an influential role in the housing supply beyond the pressures of the private market and the actions of other public or non-profit agencies. A primary reason for this is that municipal resources are limited to property tax revenues, development cost charges and fee revenues. Transfers from upper levels of government have consistently dwindled over the last few decades, further reducing municipal capabilities to provide additional services.

Housing needs of the less fortunate now create the necessity to take a more serious look at what can be done. There is a variety of approaches used by different municipalities to address housing affordability. In Ontario, the Province set norms in the 1980s by area for affordable housing prices, then stipulated that all new housing developments had to include an affordable component equivalent to 20% of the total development. Some other regions and municipalities across the country have adopted similar approaches. This approach may be over-simplifying the issue and not effectively responding to a need.



In B.C., the Provincial government has invested time and resources to defining actions that are available to municipalities, and then approaching municipalities in various ways to encourage the implementation of these strategies. Publications have been developed by the Province to advise of the various options available to municipalities. Funding has even been given through the Community Housing Initiatives fund (CHI) to community groups to lobby municipalities to become more active in the provision of affordable, rental and special needs housing. Lobbying by such groups has varying degrees of effectiveness, but does not increase resources available to municipalities to achieve new directions. The various options that *are* available are described below. In Kelowna, several of these alternatives have been implemented.

8.3.1 Technical Support and Housing Information: Inventories and Monitoring

Assembling accurate and relevant information on the current housing situation allows for a clear understanding of housing needs. Such information may include: demographic, planning or housing studies, land inventories, residential capacity studies, housing registries or demonstration projects. Housing starts, conversion and demolitions can be tracked in order to provide a current and accurate picture of the housing stock in the community. While some of the outlined information is routinely collected and published by the City, this Study is a first step towards understanding the City's affordability, rental and special needs housing situation.

8.3.2 Official Community Plans, Neighbourhood and Area Plans

The policies of the Official Community Plan guide political decision-making and communicate the local governments' intentions for future action to the private sector, other government agencies, and the public. The Municipal Act requires local governments to include affordable, rental and special needs housing policies within their OCP. Each community may define these terms in a way that reflects local conditions and sentiments as the terms are not defined by the act.

Sector, Neighbourhood, and Area Plans provide guidelines for change in specific areas of the City. Through the preparation of these plans the Municipalities can identify potential sites for affordable and special needs housing.

Present housing policies in the Official Community Plan for Kelowna were derived during its preparation prior to adoption in 1995, and others were added as part of social policies in 1996. A complete copy of the existing housing policies in the OCP is attached as Appendix 1. Policies of particular relevance to this study are highlighted in yellow and many of them relate to ensuing sections of this report.

Background work to the OCP and social policies included, but were not limited to, the Kelowna Area Rental Housing Strategy of 1990, the Strategic Plan for the City in 1992, and the 1993 Social Needs Assessment. Other policies have been amended or added as part of the Sector Plan approval processes for various areas of the City. Some of these policies have particular relevance to affordable, special needs and rental housing. Many of these will be in need of up-dating, as part of the OCP review process underway in 1999 and 2000. This study can contribute to the OCP review process.

8.3.3 Zoning

Zoning to encourage affordable housing often involves techniques to increase densities, provide alternative housing options for renters and new homeowners, and reduce the costs of the provision of housing. Density Bonusing and Comprehensive Development Zoning are examples of how affordable housing can be encouraged through zoning.



Other examples of the use of zoning to encourage affordable or special needs housing include:

- Zoning for Multiple Family Housing
- Zoning for Manufactured Home Parks
- Increased Density in New Neighbourhoods
- “Small Lot” Zoning
- Zoning for Secondary Suites or Duplexes
- Relaxation of Parking Requirements

All of these exist in the City’s zoning by-law.

The City of Kelowna has already taken the initiative through zoning to encourage many options for housing. A new zoning by-law, no. 8000, was approved for the City in October of 1998 and this by-law included many changes to improve the options for rental, affordable and special needs housing. Uses, such as temporary shelters, boarding homes and group living homes were permitted in any zone where such uses could be accommodated, including most residential zones for the latter two and town centre commercial areas for the temporary shelters. Forms of housing suited to seniors were maximized by including congregate housing, revising parking requirements for specific housing forms, allowing small boarding homes which would include Abbeyfield housing, and improved provisions for secondary suites. A definition of special needs housing, referred to earlier, is provided in the by-law to be applied to any housing form where a special need may be served. Regulations governing housing agreements are also included in the event that special needs housing is being provided and such an agreement would resolve a disagreement with the by-law.

Prior to adoption of By-law 8000, the City had pursued zoning measures such as small lot residential zones and the use of comprehensive development zones to increase the range of housing options and to allow for affordable housing choices. The review of secondary suites and adoption of new regulations and procedures also preceded By-law 8000.

8.3.3.1 Density Bonusing

The Municipal Act authorizes local governments to increase the allowable density on a site in exchange for amenities. The term amenity includes public goods such as affordable and special needs housing. As stated earlier, the City’s zoning by-law no. 8000 makes provision for the use of density bonusing through the use of housing agreements. Automatic bonuses are provided for amenities such as underground parking, open space or special needs housing, provided for by a housing agreement.

8.3.3.2 Comprehensive Development (CD) Zoning

The Municipal Act gives local government the ability to design a custom development zone and in so doing allows local governments the flexibility to negotiate with developers in relation to large, complex, multi-use sites. Affordable housing or site amenities can be ensured through this process by local governments allowing a relaxation of the building envelope or an increase in density of development on the site in exchange for these public goods. CD zones have been used in several instances in Kelowna to enable the construction of innovative housing development projects. It is anticipated that the new zoning by-law should reduce the need to employ CD zones, with its increased flexibility, use of housing agreements, density bonusing and more responsive parking provisions. However, if the need arises, the City of Kelowna does pursue this option.



8.3.4 Housing Agreements

Section 905 enables local governments to enter into a legal agreement with a land owner that would bind the land owner to provide affordable rental, cooperative, or ownership housing units. These agreements are usually proved in conjunction with the use of density bonusing. The terms of the agreement can address: who may occupy the units, the administration and management of the units; and rents or prices that may be charged and how these might increase over time. The agreement is passed by bylaw and registered on the title of the subject property. Regulations are in place in the City's zoning by-law to use housing agreements to encourage the provision of special needs housing, as defined in the by-law (definition provided earlier).

8.3.5 Streamlining/Fast Tracking

The Municipal development approval process may be streamlined to cut costs to the developer. For instance zoning and development permit applications may be reviewed simultaneously. Another tool at local governments' disposal is to give priority to proposals that include rental, special needs or non-market housing. By accelerating the approval of one project over another, municipalities can reward developers who include these housing types.

Examples of fast-tracking and streamlining in Kelowna are the processes introduced for secondary suites and 10 person boarding homes. In order to encourage and facilitate these housing forms, which are addressing definite needs in Kelowna, a new zoning category consisting of an overlay to the existing zone, denoting an additional use in the form of a secondary suite or a boarding home has been created. This is indicated by the addition of a "B" or an "S" to the existing zone (e.g. RU1-S or RU6-B). Application fees for "S" or "B" zones are less than one third of a conventional re-zoning and this is achieved by eliminating portions of the City's normal re-zoning process, i.e. referral to the Advisory Planning Commission. Since such re-zonings are relatively minor and should not change the overall visual character of the neighbourhood, the applications are forwarded directly to Council and the process is thereby shorter and less costly to the applicant.

Generally, the City of Kelowna operates on the basis of streamlining every development proposal to the best of the ability of staff and Council. City Council meets weekly and development items monopolize the agenda. Delays in the development process are most frequently caused by the need for additional information from the developer or applicant (i.e. properly prepared plans, background studies on servicing or traffic impact). On a weekly basis, staff from planning, building, and engineering meets to discuss all new proposals and applications to get an early indication of any matters that need clarification and to give a general direction to the proponent on any changes that need to be made. This way, the applicant is given comprehensive feedback at the earliest stages as to the feasibility and requirements for the project. The Advisory Planning Commission is available to provide early public feedback for development proposal and to advise Council. Staff also meets with applicants prior to the application stage to advise of the requirements of the City's policies, zoning and applicable regulations. Applicants are always encouraged to consult with the neighbourhood, including the residents associations, to identify any concerns at the outset of a project and find ways to address such concerns. In most cases, OCP amendments, zoning amendments and development permit applications are dealt with simultaneously, wherever feasible, by the City of Kelowna.

8.3.6 Maintenance and Protection of Rental Stock

The conversion of rental stock to strata title condominium units has become a problem in some communities. Some municipalities ask for a one-to-one replacement in situations where developers displace rental accommodation with new strata title units.



In Kelowna, Council introduced a Council policy in 1989, which stated that Council would;
“not approve conversions from rental to strata title units for those rental projects assisted within the terms of the Rental Supply Program for a minimum of 20 years, and thereafter, until the City of Kelowna’s vacancy rate has increased to at least 4.0%” (policy No. 179).

The above policy was part of the requirements for the Provincial Rental Supply Program of the time, which offered development incentive grants to municipalities for rental-oriented multiple family housing. The program set out the conditions and gave grants of \$1,500 or \$2,500 per unit, depending on the nature of the development, to the municipality. At that time, the Province also provided funding to municipalities to derive a rental housing strategy. Such a grant was obtained by the City of Kelowna to prepare the Rental Housing Strategy published in 1990. By comparison, in 1998 and 1999, the City was unable to locate any provincial-level funding to conduct research that would enable a better understanding of rental or other housing needs. There is also no money available directly to municipalities to help in the provision of housing from the Province. Instead, the province spends efforts to remind municipalities of what they could or should be doing in the provision of affordable, rental or special needs housing, with no financial assistance.

Additionally, the conversion of rental units to strata-titled units has not proved to be the negative issue for Kelowna that it has been for other municipalities. Conversion in larger buildings has been minimal, as shown in Table 49²⁶. Rather, conversion of duplex dwellings to strata ownership has been more popular, but the numbers have been modest, as confirmed by building department staff. The conversion of duplexes for ownership in Kelowna is not seen as negative trend. Rather, the supply of affordable homes for purchase is limited, and duplex home prices are more affordable for the ownership market.

Table 49 - Residential Stratification from Rental - 1995-1999, City of Kelowna

Summary of Residential Stratification Applications				
City of Kelowna 1995-1999				
Year	Building Type			Total # Units
	Duplex	4-plex	Multi-Unit	
1995	9			18
1996	8	2	3	46
1997	14	2	1	50
1998	3		1	38
1999	3			6

The 1989 City of Kelowna Council policy is also out-of-date, since the vacancy rate has risen above 4%, although this does not necessarily indicate a well-supplied rental housing market, as stated previously.

8.3.6.1 Lower Income Urban Singles and Single Room Occupancy Housing

One of the housing needs that is clearly identified in this study is that of the lower income single-person household. Terminology that is commonly used to refer to this population group is Lower Income Urban Singles (LIUS). A strongly advocated housing form to address the needs of this group is Single Room Occupancy Housing (SROs). Much of the

²⁶ A complete listing of stratifications is provided in Appendix 13.



literature on this topic indicates that most urban areas have an inventory of multi-level buildings, most frequently older hotels, in the downtown or older urbanized parts of the City that would be suited to provision of SRO housing with various levels of renovation and improvement. *It is absolutely critical to recognize that this resource is virtually non-existent in Kelowna.* Any multi-level hotels that do exist in the downtown (and there are few) are in a good state of repair and are highly unlikely to be used for SRO housing anytime in the near future. As stated elsewhere, a review of housing in hotels and motels in the City, conducted in 1998 uncovered about 180 motel units that are providing permanent low-cost housing. Without exception, however, all of these buildings are proposed for redevelopment for commercial or tourist commercial purposes. Several are located on or near the waterfront and are worth far too much to be available for SRO housing. Additionally, this is a very small housing resource and does not address the needs of at least 1,790 households of non-elderly lower income singles in Kelowna. Finally, there are some older apartment buildings in the core areas of Kelowna, but the units are likely too large to be used for SRO housing.

More permanent solutions need to be found and these are likely to be in newer housing. Secondary suites are one alternative, which is being pursued with new regulations and procedures. Residential units above commercial uses in town centres would be suited to this use. Conversion of student residences may be an option. Boarding homes are encouraged by the provision for this housing form in the zoning by-law. Many of the projects currently proposed for congregate housing could be either wholly or partially converted for SRO housing. Such options need to be encouraged through the use of public/private partnerships; housing agreements; housing reserve funds, and/or the leasing of municipally-owned land which has been acquired for housing purposes with the use of a housing reserve fund; and a revised DCC calculation process. These options are described elsewhere

8.3.6.2 Standards of Maintenance By-law

The condition of rental stock can be regulated through a *standard of maintenance bylaw* to set minimum health, safety and comfort standards for rental accommodation. In a standards of maintenance by-law, the municipality sets out criteria for acceptable rental housing, according to local community standards. In Kelowna, the statistics show that it is a small percentage of residential housing stock that can be considered to sub-standard or in need of major repairs. The proportion is much less than in larger and older urban centres. However, this does not mean that any level of sub-standard housing or living condition is acceptable for any sector of the population.

The determination of whether to proceed with a standards of maintenance by-law will have to depend on the level of community support for the City proceeding with such a by-law. Preparation and enforcement of such a by-law requires a commitment of time and resources that will necessitate additional staff, which must be approved as part of the City budget procedure. The cost would have to be borne by the City and supported by the taxpayer. A public forum was held on September 21st, 1999. Although the event was widely advertised, it was poorly attended by tenants. Landlords, however, did attend the workshop and indicated significant opposition to the idea of the City proceeding with a Standard of Maintenance By-law (a report is available at the City). Following this event, the Community Housing Needs Committee continued its review of this issue. By February of 2000, it became evident to the Committee that the Standards of Maintenance By-law would not present the right solution for concerns regarding the condition of rental dwellings at this time. Better ways of working with existing by-laws and legislation need to be sought.

At present, the Residential Tenancy Act is available to settle disputes between tenants and landlords regarding conditions of rental dwellings. However, the Act is evidently not solving all situations, since poor rental housing conditions do exist. Other avenues of addressing sub-standard dwelling conditions exist through the Fire Code, the Building Code and health issues that would be addressed by the Regional Health Unit. The City of Kelowna deals with a few complaints regarding the condition of rental, most frequently from tenants of illegal



suites. In such cases, the enforcement of the zoning by-law and building code must proceed. Presently, four B.C. municipalities have adopted a standards of maintenance by-law: the District of North Vancouver, the City of North Vancouver, the City of Vancouver and the Township of Esquimalt (for details, see Appendix 14).

In the City of Kamloops, the issue of whether to proceed with a standards of maintenance by-law has also been considered. Similar to Kelowna, Kamloops was concerned about the cost and manpower required to introduce and enforce such a by-law. Staff also was aware that the majority of complaints regarding the condition of dwellings was in relation to rooming houses. In such cases the situation was often more complex than the condition of the dwelling, but also involved other behaviour of both landlords and tenants. To effectively deal with the rooming house situation, Kamloops established a Rooming House Task Group consisting of staff from fire prevention, RCMP, building inspection, health unit and planning departments. Complaints relating to the condition of rooming houses are directed to the Task Group, who then investigate the problem and determine the appropriate action.

By-law enforcement staff for Kelowna advises that complaints regarding the standards of dwellings make up a very minor proportion of the complaints received. Very little problems with rooming houses have been identified and most of these are handled through implementation of the fire code. Most frequent complaints, regarding the condition of dwellings, are made by tenants of illegal secondary suites, and staff must then also deal with the illegal dwelling through the City's enforcement processes.

Some key points about Standards of Maintenance By-laws are set out below:

- *Only rental dwellings are affected, including any dwelling subject to a tenancy agreement under the Residential Tenancy Act;*
- *Outdoor areas and parts of the building external to living areas are not usually covered by a Standards of Maintenance By-law;*
- *Hotels used as residential premises can be included;*
- *Administration of the by-law would be done by a municipal building inspector;*
- *Enforcement of the by-law must be consistent with other local regulations and municipal by-laws, including zoning, the building code; noise & nuisance by-laws, unsightly premises by-laws and refuse by-laws;*
- *Enforcement of the by-law may result in legalization or closing down of illegal residential premises, since the City may also be required to enforce its other by-laws;*
- *The by-law can be customized for local community needs;*
- *The standards set out in the by-law can be used to settle issues under dispute through the arbitration process under the Residential Tenancy Act;*

The usual tools of enforcement available to municipalities would be the means of enforcing the by-law, e.g.:

- *Notice to comply;*
- *Penalty under the Offence Act of up to \$2,000;*
- *Municipal tickets under the Municipal Act;*
- *Suspension of business licence to rent;*
- *Registration of notice on title of the property;*
- *By-law contravention notice;*
- *Remedial action by the municipality and collection of cost by adding to property taxes;*
- *Appeal process to City Council*

8.3.7 Partnerships

Non-Profit Societies, Churches, the private and public sectors and other community organizations are all players that may be involved in a partnership to facilitate the financing, purchasing, building, or maintenance of housing. Local government can take a role as partner. A legal agreement would be necessary to set out the terms of the partnership. The municipal



role in such a partnership may be in the form of some financial assistance, through a housing reserve fund, or the leasing of municipally-owned land, as two examples. These measures are explained in greater detail elsewhere.

The Municipal Act was revised in 1998 (Bill 31) in several areas, one being public-private partnerships. Essentially, partnerships can be achieved, through the use of partnering agreements, for a wide range of local government “activities, works, and services”. Under the new section 176(1)(c) of the Act, local governments are able “to provide assistance for the purpose of benefiting the community or any aspect of the community”. There are several prohibitions regarding affecting the ability to provide assistance, as follows:

Prohibitions against:

- Assisting business (with certain exceptions);
- Waiving or reducing the amount of a development cost charge;
- Tax exemptions.

8.3.8 Utilizing Municipal Land

A Municipality may lower the cost of a housing development by leasing or selling municipal land at or below market value, to a non profit society or a private partner (through a Partnering Agreement). The lack of municipal land, lack of legal or political support, or market conditions that don't lead to a requirement for leased land are reasons given by Municipalities for not using this as a tool for implementing affordable housing (MOA 1997:7).

Most municipalities are unable to invest in land for the purpose of housing, but instead must acquire land for purposes that are clearly within the municipal mandate. Examples include land for new roads, road realignments or widenings, utilities, or parks. Land only becomes available for other purposes when the original intent changes (e.g. land no longer required for a road). The lands then become surplus. However, the original intended purpose often means that such lands are not well-suited for housing, due to the size and configuration of the parcel, the location of the property, or the ability of the land to be developed. In rare cases, a parcel may be useable for housing. Some municipalities, such as Kamloops, have been able to achieve some housing projects by leasing such parcels on a long-term basis back to a non-profit group or private developer.

Municipalities may also acquire land when property tax payments become delinquent. Often, such land is sold as a “tax sale” to enable the municipality to address the shortfall in property tax. In Kelowna, this practice has not been undertaken, since it is not politically-favoured. The City normally pursues other means of addressing the property tax delinquency.

8.3.8.1 Sale of Surplus Municipal Lands

When lands become surplus to the municipality by one of the means described above, the municipality may sell the land at fair market value. Some municipalities use a portion of the proceeds of municipal land sales to go into a housing reserve fund. (Saskatoon contributes 10% of the proceeds of municipal land sales to a such a fund).

8.3.9 Housing Reserve Funds

Housing reserve funds have been used in a limited number of BC Municipalities. Contributions charged during the development approval process are put in a fund used to reduce the cost of specific housing projects in the community. The City may purchase the required land and lease it at a discount to a non-profit housing developer. (Examples include the Affordable Housing Statutory Reserve in Richmond and the Employee Housing Service Charge in Whistler.) For a summary of housing reserve funds used in other municipalities, consult Appendix 15.



8.3.9.1 Sources of Money for Housing Reserve Funds

One of the issues with creating a housing reserve fund is determining where the money is to come from. Under the Municipal Act, a city has a few options, as follows:

Budget:

Council can budget a certain amount of money to go into a reserve fund for housing from general revenues (e.g. tax revenues), either annually or once or periodically to either establish the fund initially or to keep it going. The City of North Vancouver began its reserve fund with an amount budgeted by the City.

Gifts for the Fund:

It is possible for people to will money to the City to be used specifically for housing, as determined by the housing reserve fund. There is no known example of this happening, but the opportunity may have also not been made known in the few municipalities that are using housing reserve funds.

Also, the City of Richmond encouraged developers to make gifts towards a housing reserve fund. Such suggestions were made by the City, in particular, when new development would remove existing rental housing. Within 6 months after establishing the fund in Richmond in 1989, there were \$1.5 million available.

Sale of Surplus Municipally-Owned Land

A portion of the proceeds from the sale of surplus municipally-owned land can be assigned to a housing reserve fund. The City of Saskatoon commits 10% of the proceeds of such sales to the fund.

Sale of Land as Tax Sales

When property tax payments become delinquent, the municipality can sell the property to help offset the money that is owed to the municipality. Any money that is collected in this manner must first go to pay the debt owed. Surplus funds can then be assigned to a reserve fund for housing (or other specified purposes). As noted elsewhere, property tax sales are not commonly used in Kelowna.

Land –Lease Revenues

In municipalities that have entered into lease agreements to allow non-profit groups to build housing on municipally-owned land, revenues from the rental payments on the lease can be used to put into a housing reserve fund. In Kamloops, a social housing reserve fund was established in 1996, using revenues from land leases that were made for housing projects by the City. The City began with 2 parcels of land that were leased for seniors' housing projects at market value over a 60 to 80 year period. Lease revenues are then put into a housing reserve fund, which has been used for the first time in 1999 to assist non-profit housing projects. The City of Kamloops will also collect 15% of the equity from the sale of market housing units on the land that is being leased from the City.

8.3.9.2 Use of Housing Reserve Funds

Use of funds accumulated in a Housing Reserve by a municipality needs to be clearly defined. In other municipalities (e.g. the City of North Vancouver), a grant program is sometimes established, whereby applications are invited to assist projects that support particular housing needs and are consistent with the City's housing policies. In the City of North Vancouver, the grants program is funded solely by the interest earned by the housing reserve fund. Grants are therefore rather small: only one or two grants of \$10,000 are awarded annually. Other uses of the North Vancouver reserve fund refer to capital projects and land relating to the provision of projects or units of affordable or special needs housing. Other municipalities, such as Richmond, have used the money in



the housing reserve fund to buy land suitable for housing and then lease the land back to developer in order to achieve a desired housing mix in an appropriate area.

The idea of using the reserve fund to buy land is an attractive one. Changes to the Municipal Act in 1998 (Bill 31) have expanded municipal ability to acquire and dispose of land. By using the fund to buy land, the City would have control, not only over the type of housing that would be constructed on the land, but also the location of such housing developments. Developers or non-profit groups would be invited to build projects on land the City has acquired for housing purposes that would be leased to the housing builder or provider on a long term basis. Since land costs are a major part of the cost for new housing, this would offer significant assistance. Some proposed conditions for the use of City-owned land for housing to be leased to another agency would be as follows:

- That land be acquired within, or in proximity to Town Centres;
- That land be acquired within multi-housing designations in the OCP or within mixed residential commercial designations or commercial designations which allowed a housing component;
- That a proportion, equivalent to 10-15% (to be confirmed after review by staff) of the sale of existing City-owned land be contributed to a the housing reserve fund;
- That if a private developer wishes to lease city-owned land for housing, a proportion of the units be for special needs, affordable or rental housing, subject to the City's definitions of affordable and special needs housing;
- That if a proportion of housing to be developed on City-owned land consists of market, owner-occupied housing, the City receive a percentage of the equity from the sale or re-sale of such units;
- That any development on land leased from the City be such to a private-public partnering agreement, to the satisfaction of the City's solicitor;
- That target housing needs groups the City would like addressed include:
 - ✓ Lower income urban singles;
 - ✓ Single parent families;
 - ✓ Low-income families at or below core need income thresholds;
 - ✓ Any group identified as in core need, as defined by the City;
 - ✓ People with physical disabilities;
 - ✓ Special needs seniors;
 - ✓ Other special needs groups, meeting the City's definition;
 - ✓ First time home-buyers in attached, ground-oriented housing forms.
- Housing structure types the City would like to encourage with the use of leased-back City-owned land include:
 - ✓ Bachelor or one-bedroom apartments for one-person households;
 - ✓ Residential above commercial;
 - ✓ Ground –oriented multiple housing forms, including semi-detached houses, townhouses and apartments;

8.3.10 Development Cost Charges

Development cost charges (DCC) are governed by Division 10 of the Municipal Act. Often seen as an impediment to development or the ability to build affordable housing (by the development industry), the province has set out DCCs as the means by which a local government must finance costs of new development. DCCs offset the costs of providing, constructing or expanding sewage, water, drainage and highway facilities (not including parking areas), and providing and improving parkland. In Kelowna, these types of services have not kept pace with rapid and recent growth occurring over the last couple of decades. Older municipalities, such as some in the Lower Mainland, had infrastructure installed with federal infrastructure funding, which no longer exists. Provincial transfer payments to municipalities also used to pay some of the servicing costs of roads and other infrastructure. Both of these upper-level government sources of assistance to



municipalities have either been eliminated, or drastically reduced. Federal assistance no longer exists and provincial transfer payments have been cut in the order of millions of dollars in recent years. Kelowna is forced to rely on DCCs in order to provide the services that new growth demands. DCCs are calculated carefully, based on the services that are needed in each sector of the City, and therefore, vary widely across these areas. Compared to older municipalities, where services have been established with the assistance of federal or provincial expenditures, Kelowna cannot compete in terms of offering comparable DCC rates. Even with the rates that are considered high in comparison with other areas, not enough financing is available, based on DCCs alone, to pay for all of the works that will be required, according to finance staff.

Exemptions²⁷ from DCCs that might affect new housing are limited and consist of the following:

- The development does not impose new capital cost burdens on the municipality;
- The DCC has previously been paid for the same development, unless new capital cost burdens will be imposed;
- Construction, alteration or extension of a building or part of a building that is exempt from taxation because it is a building, including the land on which it is located, set aside for public worship;²⁸
- The construction, alteration, or extension of a building that will contain fewer than 4 self-contained dwelling units on an existing lot, zoned and used for residential purposes only.

8.3.10.1 Distribution of DCCs

Section 934 (3) of the Municipal Act provides for variation of development cost charges under certain conditions. These are:

1. For different zones or different defined or specified areas;
2. Different uses;
3. Different capital costs as they relate to different classes of development;
4. Different sizes or different numbers of lots or units in a development.

The City proposes to completely revise its development charges by-law in the near future (targeted for adoption January 1, 2001) and has sought outside assistance in order to do so. Presently, variations in DCCs, based on dwelling type are limited, primarily due to the complexities of forecasting the needs for services that are tied to DCC charges. Locations around the City have very different servicing requirements, and these are reflected by the different area charges. As shown below, however, changes in the housing market have necessitated new categories for DCC charges. Generally speaking, DCCs in the South Mission area are higher due to the cost of bringing arterial roads and other services to this part of the City, to give an example of disparity by area. In terms of the unit break-down, different charges are applied based on the following classifications:

- I. Single family and multi-family low density residential:
 - All unit-types not identified elsewhere
 - Costs vary only based on the servicing required by City sector.
- II. Multi-family High Density Residential
 - includes apartments, mobile homes or secondary suites (new development);
 - costs per unit are lower for municipal water, sanitary sewer trunk main charges and sanitary sewage treatment facilities for these types of units
- III. Group Home or Lodging House

²⁷ Section 933 of the Municipal Act.

²⁸ Section 933(4)(a) of the Municipal Act



- Arterial roads charges are lower than for single family-type charges

IV. Congregate (Supportive Housing)

- A change was made in 1998 to more effectively deal with congregate or supportive housing developments;
- A building that qualifies as congregate housing where the units are not provided with a kitchen (i.e. no stove and no full sized fridge are provided) is charged based on an institutional rate, which is on building area basis, and represents a significant cost saving;
- A building where each unit contains a full kitchen will be charged on a per unit basis, at the multi-family rate described under “2”, above.

8.3.10.1.1 Other Municipalities

A comparison of the treatment of DCCs in other B.C. municipalities was made to help assess the different approach to the collection of these charges. It is difficult to make a reasonable comparison with larger municipalities located in the lower mainland, since these areas already have infrastructure in place and do not have a comparable need to collect DCCs to pay for basic municipal services. In Burnaby, for example, DCCs are only collected for parkland. Larger centres around the Province were contacted by planning staff and certain observations can be made.

- Most municipalities had simplistic, if any, distinctions between different types of dwelling units. Prince George had the most variety of units with classifications ranging from single family, two family, and mobile home, to low density multi-family and medium density multi-family;
- Simple unit break-downs only made a distinction between single family and multi-family (e.g. Nanaimo, Penticton, Vernon)
- Some areas charge a per lot rate, primarily for single family development and a per unit rate for multi-family (e.g. Penticton, District of North Vancouver).
- Some areas used different rates based on densities of development (e.g. Kamloops, Prince George);
- Several municipalities are charging residential DCCs at a floor area rate (i.e. per sq. ft. or m²), similar to industrial or commercial rates. In Victoria, all DCCs are collected in this manner. Others collect at a floor area rate for multi-family development and on per new lot basis for single family (e.g. Nanaimo, District of North Vancouver).
- The District of Salmon Arm offered lower rates to one-bedroom and bachelor units accessory to commercial or industrial uses.

8.3.10.1.2 Recommended Changes for Kelowna

At present, minimal distinction is available for the various types of multiple-unit development. This provides little incentive to build smaller units that might be more suitable to the large proportion of one and two person households in the City (64% of all households in 1996). For example, a shortage of smaller, bachelor-sized units for low-income singles has been determined. Some means of encouraging the construction of ground-oriented attached housing forms is also needed.

At the time of writing of this report, the City has been reviewing alternative methods of calculating and collecting DCCs. Not only is it important to come up with a method that would be more effective, from the perspective of encouraging affordable housing. The method must also be accurate in allowing the City to recover the cost of servicing new development, and must be straightforward to implement in terms of forecasting growth. Additionally, it needs to allow for unforeseen changes in growth patterns.

The City has been investigating new methods of calculating and collecting DCCs with all of these objectives in mind. An approach that offers a “best fit” for growth and development patterns in



Kelowna is sought. Techniques used in other municipalities have been examined, some of which are summarized above. As well, a review of the DCC Best Practices Guide has been undertaken. With the use of water consumption data from the City's metered water system, it has been demonstrated that higher density development, and smaller residential units do demonstrate lower rates of water usage. This rate of decrease is dramatic in the transition from low density single-detached development to smaller-lot lower density development, but decreases much less rapidly as higher densities are achieved. There is also research to support changes to road service charges and other utilities, based on density. In view of the need to be able to accurately forecast growth, a unit-based approach is seen as preferable to a floor area distribution of DCC rates. The research shows that applying a density gradient to residential growth appears to be the most reasonable solution. The density gradient would propose different rates be applied on a per unit basis to development, depending on what range of density the development would propose. Based on the research that has been undertaken, following is recommended:

That the City implement a density gradient approach to the calculation and collection of DCCs, which is sensitive to housing forms, servicing demands and long range planning techniques for reviewing development and forecasting growth. The density gradient would help to encourage increased densities and smaller residential units, while being a more equitable way to collect DCCs, and more accurately reflect the service demands of various types of development.

8.3.11 Combat NIMBY Strategies

The NIMBY (not in my back yard) syndrome can slow and even prevent the construction of badly needed affordable housing. Municipalities may need particular attention directed to educate the public on the issues of housing needs and housing affordability through demonstration projects and public open houses. There are federal and provincial publications available to assist in addressing the NIMBY syndrome. Public meetings dealing with specific affordable housing proposals could also be held prior to the formal Public Hearing of Council to facilitate communication between the public and the applicant.





9 Summary of Findings

9.1 Population Growth (section 2)

1. Population growth continued at a steady pace from 1991 to 1996, averaging 3.33% per year, compared to 4.4 % per year from 1986 – 1991 (Section 2.1, page 10).
2. Part of the reason for the active growth of the City has been in-migration. Kelowna is a desirable place to live, due to the climate and its attractive setting (Section 2.1, page 10).
3. Of particular concern is the sector of the population that arrives in the City without work, and the people who seek Kelowna as a retirement destination. There is a limited employment base and limited resources, including adequate housing, to distribute. Future impacts on housing and servicing will be largely affected by the demographics and numbers of new migrants (Section 2.1, page 10).
4. Household growth outpaced population growth due to a gradual decrease in household size (an average of 2.42 persons per household in 1996) (section 2.1, page 10).
5. The largest 5-year age cohorts in the City of Kelowna (as a proportion of the total population) in 1996 were those between 30 and 50 years of age - the baby boom generation. As a group they represent almost 30% of Kelowna's population (by comparison, 33% of the B.C. population are baby boomers) (section 2.2, page 11).
6. Kelowna has a large retirement base. The seniors population, 65 years and over, comprises approximately 18% of the population, while the provincial seniors population adds up to 12.7% of the total (section 2.2, page 11).
7. The population who are nearing retirement or are in their early retirement years - those between 50 and 65 years of age - represent approximately 14% of Kelowna's population. This age cohort is equally represented at the provincial level (section 2.2, page 11).
8. The proportion of seniors (65 years of age and over) in Kelowna has fluctuated slightly over the last 10 years, actually decreasing from 19.1% of the population in 1991 to 18.4% in 1996. During this same period, there has been a steady decline in the proportion of residents between the ages of 55 and 64 years of age (declining from 11.2% of the population in 1986 to 9.2% in 1996). Increases in the proportion of seniors in the near future will therefore be affected by in-migration of seniors (section 2.2.1, page 12).
9. The age cohorts of 35 to 44 and 45 to 54 years of age have both shown increases between 1986-96, as proportions of the population. However, during this same period there has been a decline in the proportion of population between 15 and 24 years of age (from 15.1% in 1986 to 12.9% in 1996). This may indicate that those between the ages of 35 and 44 had fewer children and/or children later in life than their counterparts did ten years earlier. It also may indicate a lack of educational or employment opportunities for youth, while the older employment base is attracted to Kelowna (section 2.2.1, page 12).
10. The City of Kelowna population is projected to increase by 62% between 1999 and 2019, from 97,634 to 156,125 people (section 2.3, page 13).
11. Population growth will occur as a result of both natural increase and net migration of retirees and younger labour force migrants. Migration will be the most significant component of growth (page 2.3, page 13).



12. In the years following 2011, it is estimated that those 65 and over will increase in total numbers and as a proportion of the population to 21% in 2016, and to almost 23% in 2021 (depending on the level of migration) (section 2.3, page 13).

9.2 Household Characteristics (section 3)

11. One and two person households account for more than half of all private households in 1996 (section 3.1, page 13).
12. In 1996, 10,650 (29%) of the 36,430 private household total was comprised of non-family households. Of these, 9,355, or 88%, are single-person households (section 3.1, page 14).
13. Aside from the single person households, the remainder of non-family households is described as unattached individuals sharing a dwelling (section 3.2, page 14).
14. In 1996, two parent households with children at home only accounted for 27% of all households (section 3.2, page 14).
15. Seniors living alone comprise approximately 12% of the total number of 1996 households in Kelowna. Another 14% of households, or 5,100 households were made up of seniors living with their spouse (section 3.2.1, page 15).
16. Single detached houses still predominated in terms of the choice of residence in Kelowna in 1996; 55% of all dwellings were single detached houses (section 3.3, page 16).
17. Nearly 67% of all private dwellings were owned, according to the 1996 Census (section 3.4, page 16).
18. The 1996 rental universe was comprised of 12,130 households (section 3.3, page 16).
19. The CHMC annual rental market survey (for 1998) only provides information for about one third of the rental supply market (4212 of 12,130 households) (section 4.3.1, page 19).
20. Most owner-occupied households are maintained by people in the upper age groups, beginning at age 35 (section 3.4.1, page 17).
21. Tenant households are concentrated in the 25-34 and 34-44 age groups for household maintainers (section 3.4.1, page 17).
22. In Kelowna, the 65 and over age group is a significant source of home ownership. Thirty-four percent, or 8,220, of owner-occupied households are managed by seniors 65 and over (section 3.4.1, page 17).
23. Most people have not formed their own households by the age of 24. Only 5% of all households in the City are headed by those within the 15-24 year age group. This means that the younger people are still living with their families or in other shared living arrangements where they do not contribute to maintenance responsibilities for the household (section 3.4.1, page 17).
24. The 65 and over age group becomes a larger tenant market than those in the two younger age groups, probably due to lifestyle changes that come with aging (section 3.4.1, page 17).

9.3 Affordability (section 4)

25. At least half the tenant household group for each grouping by age of household head is already spending more than 30% of household income on rental housing (section 4.3.1, page 20).



26. All female-headed households, are experiencing higher proportions of rental affordability problems: 36% are spending more than 50% of their household income on rental housing (section 4.3.1, page 20).
27. In terms of household type, 820 couples with children, 1520 lone parent families, and 2,515 one-person households were spending more than 30% on rent. Households paying 50% or more of their gross income on rent included 940 lone parent families, 545 couples, and 1,345 one-person households (section 4.3.1, page 21).
28. Gross rents, calculated according to average household income levels, indicate that lone-parent families, non-family households, and one person households have the least ability to afford market rent levels in Kelowna (section 4.4.1, page 23).
29. In 1996, 19,470 owner-occupied households (53% of all private households) were not experiencing affordability problems and were free to invest in the ownership market. These households had also acquired equity in their homes and were less affected by their income levels, in terms of their ability to purchase (section 4.3.2, page 21).
30. Overall, 82% of all owner-occupied households are spending much less than 30% on housing costs. In fact, the original data source from the 1996 Census shows that 47 % of these households spend less than 15% on owner's major payments. Some of this may be due to the fact that a proportion of owner-occupied households does not have a mortgage (particularly for older households) (section 4.3.2, page 21).
31. Lone parent family households are experiencing a higher level affordability problem with ownership than other groups, with 540 households spending more than 30% in this category and more than half of these (i.e. 245 households) paying more than 50% of household income to maintain ownership. Another group experiencing some affordability difficulties with ownership expenses is one person households, where 28 % (1,390 households) spend more than 30 % and 575 households are spending in excess of 50% on owner's major payments (section 4.3.2, page 21).
32. Canada Mortgage and Housing Corporation (CMHC) produces many publications and provides data on the affordability and availability of homes for ownership across Canada. Generally, such information is collected and produced for urban centres with a population of 100,000 or more. Kelowna *has not* been included in this research because it is not large enough to qualify (section 4.4.2, page 24).
33. Land values are the highest in the City Centre and South Pandosy Sectors, due to the fact that these areas provide the most urban services, accessibility to conveniences like shopping and services, and have the most potential for higher density development due to the OCP designations and zoning. To compensate, lot sizes are much smaller, meaning that the cost of individual single-detached homes is not affected by the land value (section 4.4.2.1.2, page 30).
34. Based on 1998 sales data and income information from the Census, single detached home prices (as starter homes) for the City, as a whole, are not affordable for the median income level of most households (section 4.4.2.2, page 32).
35. More than half of all households could not afford to purchase their first home for market prices, based on income levels (section 4.4.2.2, page 32).
36. Duplexes, manufactured homes and town houses seem to be the most accessible, from a price perspective, for a first time or lower income homebuyer. However, here the limitation seems to be in the availability of these alternative housing forms (section 4.4.2.2, page 32).



37. If a median income for a 2 or more person household were accepted as a benchmark²⁹, this would permit the purchase of starter homes³⁰ as follows:
 - \$130,000 for a single detached or attached home³¹;
 - \$119,000 for a strata home; or
 - \$89,000 for a mobile home in a mobile home park (section 4.4.2.2, page 33, Appendix 3).
38. In 1998, 29% (2,253 sales) of all single-unit home sales were at or below estimated starter home prices (section 4.4.2.2, page 33).
39. The median single-detached house price is \$166,750. This is 28 % or \$36,750 more than a median income level, two or more person household could afford *as a starter home price* (section 4.4.2.3, page 34).
40. Development cost charges represent about 6% of the median price for a single-detached dwelling. Even if the median home price were brought down by the cost of a DCC to \$156,603, this is still \$26,603 or 20% more than a median income two or more person household could afford *as an entry-level purchase* (section 4.4.2.3, page 34).
41. The single-detached home market is found in move up buyers and the upper household³² income levels. There are significant numbers of two or more person households in the higher income brackets. In 1995, over 8%, or 2,245 households, made in excess of \$100,000, for example, and there were between approximately 1,000 and 2,500 households in each \$10,000 income bracket from \$60,000 upwards. The single-detached housing market (with the exception of re-sale, older homes) is therefore not the focus of this study (section 4.4.2.3, page 34).
42. Based on an analysis of real estate appraisers' research, the 1998 Kelowna residential sales analysis and the median income level for a 2 or more person household in Kelowna, \$130,000 is proposed as a representative starter home price for Kelowna. This price would include older single-detached homes in the City Centre and would also be representative of town house, semi-detached or duplex unit and condominium / strata type sales (section 4.4.2.4, page 37).
43. The income required to buy a starter home in Kelowna (@ \$130,000 in 1998) places the City right in the middle of affordability ranges for all Canadian centres, based on CMHC information. Lower property taxes and heating costs, compared to larger Canadian cities, help to increase affordability in Kelowna (section 4.4.2.4, page 37).
44. Assuming that tenant households comprised of couples, with or without children, and multiple family households, have an income level closer to that required to purchase a starter home, 4,380 tenant households (36% of all tenant households) may be considered able to buy a starter home. Based on CMHC information, this proportion compares to Regina, Calgary, Montreal and Saskatoon. Vancouver, Toronto and Victoria are less affordable from this perspective, and centres including Halifax, Saint John, and Edmonton are most affordable (section 4.4.2.5, page 40).
45. The 1996 Census showed that only 4.7% of the housing stock in Kelowna was considered in need of major repair. The majority, 75.3 % of all dwellings, was considered to need regular maintenance only (section 4.5.1, page 41).
46. In the ownership sector, the 1996 Census identified 715 single-detached dwellings as needing major repairs, 40 "movable" dwellings, and 160 dwellings in the "other" structure category also fell into this

²⁹ On the basis that more than one income per household is necessary to purchase a first home.

³⁰ CMHC provides an estimated starter home price in its housing market analysis, and does not base affordability on the general housing market.

³¹ At 30% expenditure on shelter costs, with a 10% down-payment.

³² All of this information is for 2 or more person households.



classification, for a total of 915 owner-occupied dwellings needing major repairs (section 4.5.1, page 43).

47. For rental dwellings needing major repairs, according to the 1996 Census, 385 were single-detached homes, 375 were classified as “other” and 20 were movable dwellings, for a total of 780 rental dwellings considered as needing major repairs (section 4.5.1, page 43).

48. More than 70 % of the City’s housing stock has been built since 1970 (section 4.5.2, page 44).

9.4 *Income (section 5)*

49. Overall, average income is 74% more for owner-occupied households, than it is for tenant households (section 4.3.1, page 20).

50. Statistics Canada Low Income Cut-Offs (LICO), as they would apply to Kelowna, compare quite closely with the core need income threshold information for Kelowna that was calculated by CMHC. LICO statistics are therefore a reasonable representation of households experiencing affordability problems (at core need) (section 5.1, page 44).

51. The 1996 Census tabulations of incidence of low income, based on households that are at or below LICO levels shows that 3,450 economic families were considered to be low income. By applying national averages of low-income people to Kelowna household statistics it is estimated that the following family households have income limitations: (section 5.2, page 47).

- 2,152 husband and wife families with children;
- 1,976 female lone parent families;
- 991 married couples with no children, and;
- 152 male lone parent families.

52. In terms of non-family households the following information is provided regarding incidence of low income (Section 5.2, page 48):

- 3,252 one person households were considered low income;
- a median income of \$18,373 for one person households suggests that housing would be difficult for nearly half of this group, with the core need income threshold set by CMHC being \$18,000 for a bachelor unit;
- based on Statistics Canada low income incidence information, up to 2,170 elderly people living alone would have income limitations;
- non-elderly one-person low-income households were estimated at 1,790.

53. The median income for all private households at \$36,582 suggests that more than half of all Kelowna households may have limitations for housing affordability. For larger household sizes, this income level approaches CNIT and LICO levels (section 5.2, page 48).

54. There are significant inequities in income over various areas of the City. The downtown, urbanized areas show a much higher incidence of low income by households, than do rural areas, and large residential areas of the Mission and Glenmore (section 5.2.1, page 45).

55. Incidence of low income by census tracts shows that the urbanized, core areas have the highest concentration of low-income households, whereas rural and outlying areas of the City have negligible low-income problems. In one sense, it is good that households needing proximity to urban services, due to income limitations, are concentrated closer to downtown areas. From the other point of view, lower income households should have opportunities for housing in all areas of the City (section 5.2.1, page 48).

56. Although housing costs, for both rental and owner-occupied housing, are high in Kelowna, average incomes are generally less than for other urban centres in the Province (section 5.3, page 50).



57. When compared to the provincial norm, the 1996 Census indicates a higher proportion of income is obtained from government transfers and less from employment for Kelowna (section 5.4, page 50).
58. There is a greater incidence of part-time versus full-time work in Kelowna compared to the provincial norm and average income levels for both part-time and full-time work are lower than provincial averages (section 5.4, page 51).
59. The labour market of the City of Kelowna has shown significant growth over the last 10 years. In 1986, the labour force was made up of 29,215 people.³³ By 1996, the labour force had grown by 16,450, to 45,665 people (section 5.5, page 51).
60. There has been a consistent decline in the unemployment rate in Kelowna from 15.3% in 1986, to 12.1% in 1991, and 9.7% in 1996 (section 5.5, page 51).
61. The labour force participation rate has continued to increase in Kelowna. In 1976, the participation rate was 54.3%. By 1986, the participation rate increased to 59.1% and by 1996 it reached 63.3%. This is partially explained by the increased participation of women in the labour force, by the overall decrease in unemployment, and by the growth in the working age proportion of the population (section 5.6, page 52).
62. The employment to population ratio increased between 1991 and 1996 from 54.3% to 57.1%. This suggests that the City's employment sector is in a better position to support its population through employment, and is also due to the proportion of working age population (section 5.6, page 52).
63. The service sector continues to lead in Kelowna as the industry division where the most people are employed and the industry where the most new jobs are being created. The service sector accounted for 8000 new jobs, and grew to 30% of the labour force (13,290 jobs) (section 5.7, page 52).
64. Approximately 11,100 people, or 25% of the Kelowna labour force is employed in goods producing industries (section 5.7, page 53).
65. Approximately 20% of the Kelowna 1996 labour force, 8,800 people, are part of the government, health and social service, and education sector. This sector is the fastest growing of all the industries sectors, increasing by 27% between 1991 and 1996 (section 5.7, page 53).

9.5 Supply (section 6)

66. Urbanized areas of the City, including downtown Rutland, have housing affordability issues, a higher ratio of renters to owners and more substandard housing. By contrast, rural and outlying areas have little affordability problems and a higher incidence of home ownership. The rest of the City, including the Mission area, falls somewhere in the middle, where the higher costs of housing present more of a challenge to ownership (section 6, page 55, Background report 2).
67. An estimated 60% of the rental supply (over 7,000 dwellings) is found in single-detached dwellings and small-scale apartment conversions, including secondary suites (between 2 and 6 dwellings in a building). This suggests that ground-oriented, smaller-scale rental buildings more appropriately meet the characteristics and requirements of the Kelowna rental housing market. (Section 6.1.2, page 56).
68. Compared to other communities around the province, Kelowna has a large and varied supply of assisted and special needs housing. The 1999 inventory that has been assembled by planning staff counts a total of approximately 2,030 publicly funded beds or units around the City (6.2, page 61).

³³ The labour force includes the non institutional population, fifteen years of age or older who are employed or unemployed and actively seeking work.



69. There were 1,899 units in the form of beds, rooms or apartments that qualify as special needs housing for seniors, based on a 1998 survey by planning staff. Special needs seniors' housing must be either low cost, or providing some services (e.g. congregate or supportive housing) or be licensed for medical care (section 6.2.1, page 63).
70. Need for seniors' housing will be affected by population growth over the next 20 years. Population aged 65 and over is expected to double, and so will the number of households headed by seniors. However, growth in households headed by people aged 40-64 is expected to grow even faster. For example, if the 63.5 % (in 1996) household formation rate for people aged 65 and over is applied to an estimated 65 and over population of 34,228 in 2019, compared to 16,445 people in 1996, households headed by this group will increase from 10,445 to 21,735. However, if a household formation rate of about 57% (estimated, based on 1996) is applied to a forecast group of 49,441 people aged 40-64 in 2019, then households in this group will number 28,181. The need for seniors housing will increase more substantially as this baby-boom-aged population ages between the years 2020 and 2040 (section 6.2.1, page 64).
71. There is a total of 620 units of subsidized family housing funded by BC Housing in Kelowna in 1999 (section 6.2.2, page 65).
72. Rental housing in Kelowna is significantly more expensive to tenants than in any other area that was included in the FCM Quality of Life report. It is the only centre that shows well over 50% of the tenant households spending more than 30% of income on rent and this compares against a 43% figure for Canada as a whole (section 6.3.1, page 69).
73. In comparison to other B.C. centres, Kelowna ranks the fourth highest, in terms of rent for a one-bedroom apartment. Compared against lower median income levels, rental housing is more expensive (Section 6.3.2, page 70).
74. In a ten-year period, since the 1986 Census, the situation has worsened for affordability of rental units. In 1986, 20% of all tenant households spent more than 50% of their income on gross rent and in 1996, this figure was 26% (3,180 households) (Section 6.3.2, page 70).
75. Of rental households paying in excess of 50 % of income on rent, the majority was led by 25-34 year olds, 35-44 year olds and 65 and over household maintainers. Other descriptions of rental households experiencing this type of difficulty include:
 - ✓ Twice as many female-led households, compared to male household maintainers;
 - ✓ One-person households; 1,345 single person households paid 50% or more;
 - ✓ Lone-parent family household households; 940 were paying 50% or more;
 - ✓ Couples with no children; 545 paid 50% or more (section 6.3.2, page 70).
76. Based on 1998 rents for a one-bedroom apartment, Kelowna was the fourth most expensive centre for rents in B.C., following behind Vancouver, Victoria and Squamish (section 6.3.2, page 70).
77. Within the range of starter home availability (based on a \$130,000 purchase price), 200 single-detached homes, 141 strata-titled dwellings, 20 manufactured homes and 18 single-unit duplexes were sold in 1998. This was at a sale price of between \$120,000 and \$139,999. This price category also was the most active sales area for 1998 (section 6.3.3, page 72).
78. Current homeowners are having less acute affordability problems than tenants, as shown by the fact that only 18% of all owner-occupied households are spending more than 30% of household income on major owner's payments (section 6.3.3, page 70).
79. A review of the ownership market shows that new single-detached dwellings are not affordable for first-time homebuyers in Kelowna. Only the older re-sale single-detached homes in the central areas of the City and Rutland offer some affordability in this market. It is also evident that there is a very limited supply of alternative housing forms, which offer some of the benefits of a single-detached



home. Ground-oriented units, such as semi-detached or townhouse developments are examples that are suited to the ownership market (section 6.3.3, page 70).

9.6 Demand (section 7)

80. The 1998 CMHC rental survey indicates a shortage of bachelor units in the market place. There were only 339 bachelor units in the CMHC inventory, 245 of which were in publicly subsidized units and there were no vacancies for bachelor units (section 7.1, page 73).
81. Higher rental vacancy rates for Kelowna in 1998 than what has been seen for the last several years reflects a provincial trend. On a province-wide level, Kelowna had the fourth lowest overall 1998 vacancy rate for market rental dwellings (section 7.1, page 73).
82. CMHC gave several reasons for higher 1998 rental vacancy rates, both provincially and for Kelowna (section 7.1, page 73):
- Provincially:
 - ✓ Lower mortgage rates;
 - ✓ Lower home prices;
 - ✓ Market over-supply in some areas.
 - For Kelowna:
 - ✓ strong competition among rental projects;
 - ✓ congregate or supportive-style rental housing for seniors is starting to compete with conventional rental units;
 - ✓ the increased popularity of secondary suites and other (under three-unit) ground-oriented rental housing as an attractive alternative to higher density housing for tenants.
83. In February of 1998, Kelowna planning staff conducted a survey of waiting lists for some key non-market housing agencies around the City. The report and findings are provided attached as a background report. Many difficulties were found with the use of waiting lists, making them an unreliable indicator of need (section 7.2, page 76, Background Report 1).
84. Planning staff factored all of the difficulties against the waiting list information to arrive at the following rough estimates of demand:
- 846 families looking for non-market housing;
 - 138 seniors looking for non-market housing (section 7.2, page 76).
85. By using estimates of low income households by type from the 1996 Census and knowledge of the existing non-market housing supply the following needs are not being provided outside the private marketplace³⁴ (section 7.3, page 78):
- 1,568 one-person units for non-elderly households;
 - 364 low-income elderly one-person households;
 - 3,660 family-oriented units (includes one parent families, couples with no children and couples with children).
86. Eighteen percent of respondents to the March 1999 public opinion survey for the OCP review identified themselves as having affordability hardships with rent or mortgage payments. This is consistent with the 18.3 percent figure identified by the Census of the incidence of low income in Kelowna. This translates to 6,668 out of 36,435 households in 1996 (section 7.4, page 77).
87. A sense of neighbourhood is an important consideration for most people, as confirmed by the 75% of respondents to the 1999 public opinion survey, who planned on staying in the same neighbourhood for the next five years (section 7.4, page 77).

³⁴ Some of these are assisted through B.C. benefits / income assistance, although information on these benefits is difficult to isolate at the household level.



10 Recommendations

10.1 Defining Affordability

1. That the following definitions of housing affordability in Kelowna be accepted as benchmarks, where those at or below the benchmark are considered to have an affordability issue (section 4.1, page 18, and section 4.4.2.2, page 31).

Rental:

Maximum of 30% of gross household income is spent on rent payments; where rent payments are no more than the average rent identified by the annual CMHC Rental Market Report, subject to unit size (no. of bedrooms); or;

Owner-Occupied:

Maximum of 30% of gross household income is spent on major owner payments based on the median income level for all two or more person households from the most recent Census, updated annually using the B.C. CPI, subject to:

Gross Income is before taxes and deductions for the entire household.

Rent: equals rent plus utilities (water, fuel and electricity) (CMHC)

Owner Payments: inclusive of mortgage; principal and interest; property taxes; utilities (water, fuel and electricity) and; condominium, strata, mobile home pad rental, or like fees. (CMHC)

2. That the following criteria be accepted to identify a **core need** for housing affordability (section 4.1, page 18).

Core Need:

- **Qualify as at or below core need income threshold (CNIT) developed by CMHC and used by the British Columbia Housing Management Commission (BCHMC) for Kelowna, and/or;**
 - **Household income falls at or below Low Income Cut-Off level defined by Statistics Canada for urban areas 30,000 to 99,999, based on household size, and/or;**
 - **Household is receiving BC income assistance for Welfare to Work or Disability Benefits or qualifies for Targetted Rent Subsidy Programs (TRSP) operated by BC Housing, or dwelling is built with senior government funding to be affordable.**
3. That the City of Kelowna adopt the Core Need Income Thresholds, used and produced annually for BCHMC, to determine core need housing situations (section 4.2, page 19).
 4. That \$130,000 be accepted as a representative 1998 starter home price for Kelowna, based on 30% expenditure on housing, with a 10% down-payment by a median-income, two or more-person household; and that this figure be updated between Census years, using the B.C. Consumer Price Index (section 4.4.2.4, page 35).

10.2 Housing Indicators

5. That the City of Kelowna forward a Council resolution to CMHC to include Kelowna within its housing research, in particular for owner-occupied housing, on the basis that Kelowna is a city with a population of close to 100,000 as the year 2000 approaches (section 4.4.2, page 24).
6. That the City of Kelowna forward a Council resolution to BC Housing to make its housing data readily available to municipalities, either through its web-page or by mailing. During the research for this



study, it was only by specific requests that staff was able to access the information used by BC Housing to determine housing needs (e.g. Core Need Income Thresholds, proportion of income spent on housing by household type) (section 4.1, page 18, section 4.3, page 19).

7. That the B.C. Assessment database be used on a regular basis to monitor residential sales activity and that the use of this data for this purpose serve as a model to other municipalities (section 4.4.2.1, page 25).
8. That the CMHC vacancy rates for rental units not be regarded as a realistic reflection of the availability of rental housing, since this survey only measures 35% of the rental housing supply in Kelowna. Affordability of rental housing is the greater influence of availability (section 6.3.2, page 70 and section 7.1, page 73).
9. That the information from the Census and Statistics Canada which identifies incidence of low income by household type, using Low Income Cut-Offs be compared against non-market, or publicly-funded housing supply to generate estimates of demand and deficiencies for low-income housing (section 7.3, page 76).
10. That the City of Kelowna provide information on housing needs and development activity through public distribution of this report and department information on development activity on the City's web page, through the planning and development services department and the Community Housing Needs Committee. The key information in the report from the Census, sales information from the assessment records, rental market reports from CMHC, and publicly funded housing will be kept up-to-date, as the information becomes available. The Census is available every 5 years, but the other data can be updated annually (section 8.3.1, page 82).

10.3 General Policy

11. That policy direction and innovative zoning be used by the City to encourage more rental, special needs and affordable varieties of housing in the North and South Mission, McKinley, Southeast Mission, Black Mountain and Glenmore areas, in order to address income and housing price inequities. (Section 4.4.2.1.1, page 28, Section 5.2.1, page 48, Section 6, page 55, Background Report No. 2).
12. That ground-oriented, attached housing forms, including town-houses, duplexes, semi-detached, four-plexes and others, be encouraged as an affordable alternative to older single-detached homes for first-time buyers (section 4.4.2.2, page 31).
13. Similar to the owner-oriented housing supply, ground-oriented, smaller-scale rental buildings should be encouraged, as these structures represent the characteristics and requirements of the rental housing market in Kelowna (section 6.1, pages 55-60).
14. That the policies in the OCP that are affected by the findings of this report be updated accordingly (section 8.3.2, page 82, Appendix 1).
15. That the City of Kelowna continue to monitor the effectiveness of zoning regulations affecting housing in the zoning by-law and update the by-law to improve effectiveness, whenever the need arises. The City should also promote and publicize the flexibility of the zoning that exists for housing options to developers and agencies involved in the provision of housing (section 8.3.3, page 82).
16. That the City of Kelowna raise awareness of the opportunity to use density bonusing, which exists in the zoning by-law, for the provision of special needs housing (section 8.3.3.1, page 83).
17. That the City delete the Council policy introduced in 1989, quoted below, since the Rental Supply Program no longer exists, the conversion of strata-titled units has not proved to be a threat to the rental housing supply, and the 4.0% vacancy rate threshold is not a realistic indicator of need.



“That the City of Kelowna not approve conversions from rental to strata title units for those rental projects assisted within the terms of the Rental Supply Program for a minimum of 20 years, and thereafter, until the City of Kelowna’s vacancy rate has increased to at least 4.0%” (policy No. 179). (section 8.3.6, page 85)

18. Due to the income limitations of single person households, the shortage of bachelor units in the City of Kelowna, and the lack of opportunities for conversion of existing older buildings, any available means of providing Single Room Occupancy (SRO) housing, or other housing, for Lower Income Urban Singles (LIUS) must be pursued. The following are recommended (section 8.3.6.1, page 86):
 - Secondary suites must continue to be facilitated;
 - Residential units above commercial uses in town centres;
 - Conversion of student residences, wherever feasible;
 - Boarding homes;
 - The conversion of projects currently proposed for congregate housing, either wholly or partially, for SRO housing;
 - Such options need to be encouraged through the use of public/private partnerships; housing agreements; housing reserve funds, and/or the leasing of municipally-owned land which has been acquired for housing purposes with the use of a housing reserve fund; and a revised DCC calculation process. These options are described elsewhere.
19. That the City of Kelowna not proceed to prepare and adopt a Standards of Maintenance By-law at this time, based on the results of a public forum that was held on September 21st, 1999, showing significant opposition from the community on this issue (section 8.3.6.2, page 87).
20. That the City of Kelowna use federal and provincial publications to help combat the NIMBY (Not In My Back Yard) syndrome as it affects housing projects. Also, that information regarding the needs for and benefits of providing rental, affordable and/or special needs housing be provided at the Advisory Planning Commission public meeting stage for projects that are providing such housing, in particular, when a public/private partnership with the City is involved (section 8.3.11, page 93).

10.4 Referral to Other Government Assistance

21. That the City of Kelowna help to promote knowledge of the Federal Residential Rehabilitation Assistance Program (RRAP) program that allows housing providers to apply for financial assistance under three categories: Rental RRAP, Rooming House RRAP, and RRAP for Persons with Disabilities. The program assistance is provided in the form of a fully forgivable loan of \$18,000, \$12,000, and \$18,000 respectively, to be used for major repairs or renovations for low income housing, or for adaptation for people with disabilities (section 8.1.1, page 78).
22. That the City of Kelowna raise awareness of the Homegrown Solutions Maison grant program funded by CMHC and administered by Canadian Housing Renewal Association (CHRA). Funding of up to \$20,000 is available through Homegrown Solution Maison to those who can demonstrate an innovative idea to provide affordable housing that does not depend on on-going federal assistance (section 8.1.5, page 79).
23. That by the means of education and information sharing, the City of Kelowna help to promote the housing programs that are offered through BC Housing and Homes B.C. (section 8.2.2, page 80).

10.5 Housing Reserve Fund

24. That the City of Kelowna establish a housing reserve fund using one or a combination of the following sources of revenue, depending on availability (section 8.3.9, page 89):



- A portion of the proceeds from the sale of surplus municipally-owned land with the amount to be determined by City Council ³⁵;
 - Voluntary gifts from the community through wills or donations from business. The City should publicize the opportunity to make a contribution to the future housing needs of our residents;
 - Land lease revenues and a proportion of the sale of market units on City-owned lands (based on the Kamloops example);
 - Annual budget allocations, whenever there is adequate money available to contribute.
25. That the City of Kelowna use housing reserve fund solely for the purpose of acquiring lands for the purpose of housing to lease back to non-profit groups or developers by the means of public / private partnership agreements, subject to the following (section 8.3.9, page 89):
- That land be acquired within, or in proximity to Town Centres;
 - That land be acquired within multi-housing designations in the OCP, or within mixed residential commercial designations, or commercial designations which allowed a housing component;
 - That if a private developer wishes to lease city-owned land for housing, a proportion of the units be for special needs, affordable or rental housing, subject to the City's definitions of affordable and special needs housing;
 - That if a proportion of housing to be developed on City-owned land consists of market, owner-occupied housing, the City receive a percentage of the equity from the sale or re-sale of such units;
 - That any development on land leased from the City be such to a private-public partnering agreement, to the satisfaction of the City's solicitor;
 - That target housing needs groups the City would like addressed include:
 - ✓ Lower income urban singles;
 - ✓ Single parent families;
 - ✓ Low-income families at or below core need income thresholds;
 - ✓ Any group identified as in core need, as defined by the City;
 - ✓ People with physical disabilities;
 - ✓ Special needs seniors;
 - ✓ Other special needs groups, meeting the City's definition;
 - ✓ First time homebuyers in attached, ground-oriented housing forms.
 - Housing structure types the City would like to encourage with the use of leased-back City-owned land include:
 - ✓ Single room occupancy (SRO) , bachelor or one-bedroom apartments for one-person households;
 - ✓ Cooperative housing projects (added after housing workshop on November 30, 1999);
 - ✓ Residential above commercial;
 - ✓ Ground –oriented multiple housing forms, including semi-detached houses, townhouses and apartments;

10.6 Development Cost Charges

26. Based on the research on DCC practices that has been undertaken, following is recommended for the City of Kelowna (section 8.3.10, page 91):

That the City implement a density gradient approach to the calculation and collection of DCCs, which is sensitive to housing forms, servicing demands and long range planning techniques for reviewing development and forecasting growth. The density gradient would help to encourage increased densities and smaller residential units, while being a more equitable way to collect DCCs, and more accurately reflect the service demands of various types of development.

³⁵ The City of Saskatoon contributes 10%.





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12 Appendices

Appendix 1 - Housing Policies from the City of Kelowna Official Community Plan

Chapter 4 – Housing

4.6 HOUSING POLICIES

The City of Kelowna will:

- .1 **Growth Pattern.** Guide residential development in accord with the projected growth pattern as outlined in the Housing chapter of the Official Community Plan;
- .2 **Plan Preparation.** Continue to prepare, Sector Plans, Neighbourhood Structure Plans, and Concept Development Plans prior to or in conjunction with consideration of major development or redevelopment projects;
- .3 **Housing Forms.** Encourage the integration of different housing forms to create neighbourhood diversity;
- .4 **Services.** Encourage development to proceed in a logical, sequential order, concurrently with the availability of required urban services;
- .5 **Mixed Use.** Encourage mixed use (commercial/residential) development in selected areas, especially in Town Centres;
- .6 **Town Centres and Residential Urban Villages.** Support the creation of Town Centres and Residential Urban Villages, with an emphasis on mixed use and higher density forms of residential development;
- .7 **Housing Mix.** Support a gradual increase in multiple family development toward a 33% single family / 67% multiple family share of new residential development, particularly ground oriented multiple family housing;
- .8 **Housing Choice.** Encourage the development of a comprehensive supply of new housing to satisfy a range of life cycle and lifestyle choices;
- .9 **Compact Urban Form.** Develop a more compact urban form, that maximizes the use of existing infrastructure, by increasing densities through infill, conversion, and redevelopment within existing areas and by providing for higher densities within future urban areas;
- .10 **DCCs.** Refine the Development Cost Charge (DCC) system to reflect major off-site costs of development projects and the demand placed on the infrastructure by different types and sizes of residential units;
- .11 **Development Permits.** Continue to require Development Permits for all multiple family developments to ensure the sensitive integration of new developments into existing and developing neighbourhoods;
- .12 **Design Guidelines.** Prepare design guidelines that address the form and character of buildings, landscaping, and fencing requirements to assist in the enhancement and preservation of neighbourhood character and/or heritage values;
- .13 **Committee on Housing.** Continue and expand the role of the Rental Housing Implementation Committee to pursue investigation of potential solutions for the provision of affordable, rental, and



special needs housing such as density bonuses and other incentives, comprehensive development zoning, and housing agreements;

.14 **Housing Partnerships.** Encourage the development of partnerships among community groups, non-profit organizations, the business community, professionals and all levels of government to provide affordable and special needs housing;

.15 **Special Housing Needs.** As part of the community social planning initiatives, identify which groups in Kelowna experience special housing needs and provide appropriate initiatives to encourage development of housing for these groups;

.16 **Federal and Provincial Involvement.** Continue to encourage the Provincial and Federal governments to increase housing allocations to special needs housing;

.17 **Cluster Housing.** Encourage cluster forms of housing to maximize amenity space and lessen environmental impact;

BL8081 Adopted on May 12th, 1997 and B/L8223 Adopted on June 15th, 1998 both replaced Policy No. 18:

.18 **Secondary Suites.** Encourage secondary suites and conversions as a form of rental or affordable housing and as an effective tool to increase densities in existing neighbourhoods without major impacts on the form and character of the neighbourhood. A rezoning will be required to permit a secondary suite on a property with a single family dwelling. Such properties will be identified with an "S" designation as part of the zone classification on the Zoning Map of the City of Kelowna Zoning Bylaw. Secondary suites will not be permitted in bareland strata developments;

.19 **Manufactured Homes.** Continue to support manufactured home parks as viable affordable housing options for the City;

BL7809 Adopted on December 5th, 1995 replaced Policy No. 20

BL8278 Adopted on October 19th, 1998 deleted Policy Nos. .20 and .21 in their entirety.

BL7809 Adopted on December 5th, 1995 and BL8245 Adopted on June 29th, 1998 replaced Policy No. 22:

.22 **Wildland Fire.** Determine if the registration of a Section 219 Restrictive Covenant under the Land Title Act is required, by the Applicant against the title of the subject property at the time of subdivision, for all areas determined by the Fire Department to be at risk of wildland fire. The Restrictive Covenant should incorporate the recommendations of a professional proficient in wildland fire management assessment and save harmless the City of Kelowna in the event of damage to individual homes as a result of the spread of wildfire. The City will also require that a fire hazard risk assessment be presented by those landowners pursuing Area Structure Plans that deal with lands that are determined by the Fire Department to be at risk of wildland fire. Furthermore the City will require that, where fire hazard mitigation measures are necessary, such measures be undertaken on the subject property;

BL8081 Adopted on May 12th, 1997 added Policy Nos. 23 and 24:

.23 **Fencing and Landscaping.** Require that new residential developments in areas adjacent to existing or future industrial areas include appropriate fencing and landscaping to assist in reducing potential conflicts;

.24 **Buffering.** Require that new developments adjacent to or abutting agricultural areas provide sufficient on-site fencing and vegetative buffering to mitigate potential conflicts.

8.29 HOUSING POLICIES

The City of Kelowna will:



- .1 **Information Package.** Prepare an information package concerning the City's development approval process, as well as information on Provincial and Federal Government Housing Programs to assist non profit housing groups in preparing successful proposals. (Taken from the Strategic Plan, City of Kelowna, 1992.)
- .2 **Housing Study.** Direct that a housing study be undertaken to quantify the needs for housing in Kelowna. This will include an overview of the population distribution according to housing needs, based on income, household type and other factors. It will also provide recommendations regarding the range and quantity of housing that is required.
- .3 **Definition of Affordable Housing.** Define affordable housing to the satisfaction of Council and the business and local community.

BL8278 Adopted on October 19th, 1998 deleted Policy No. .4 in its entirety.

- .5 **Low Income Housing.** Review its policies, procedures, and implementation of such policies and procedures for re-development to derive a procedure whereby low income housing is not removed unless alternate housing is provided for the residents that are displaced. A specific example is a policy for demolition of motels which provide longer term accommodation used by lower income people. A similar policy is in place to deal with the removal of mobile homes.
- .6 **Community Housing Needs Committee.** Collaborate with a Community Housing Needs Committee which shall report to Council on matters dealing with rental, special needs and affordable housing.
- .7 **Shared Accommodation.** Encourage agencies, such as the Downtown Inter-Agency Network and Kelowna Community Resources, to develop and maintain a list of persons seeking shared accommodation to facilitate the search for affordable housing.
- .8 **Discrimination.** Advocate to appropriate agencies to ensure that housing is not denied to those in need due to discriminatory policies (e.g. those which restrict pets or children or on the basis of age).
- .9 **Data and Information.** Work to make data and information relevant to housing more available to the community.
- .10 **Provision of Housing.** In consultation with the development community and other interested parties, explore, examine and implement ways to ensure the provision of adequate rental, special needs and affordable housing in the community. Examples may include:
 - density bonusing;
 - re-examination of development cost charges and servicing charges by dwelling type or for specific housing developments;
 - review of development and design standards which increase the cost of housing;
 - proportion of development to consist of specific housing types;
 - leasing of municipal land (where feasible).
- .11 **Educate.** Seek to educate, and raise awareness and increase acceptance of low-income housing and special needs housing situations in the community.
- .12 **Housing Standards.** Advocate to senior government levels to re-examine minimum building and dwelling standards so as to increase the variety of suitable housing alternatives. An example of this is the changes to the Building Code (effective November, 1995) to facilitate alterations required for secondary suites.



.13 Housing Forums. Through the Community Housing Needs Committee and in co-operation with other agencies involved in the provision of housing, hold biannual public housing forums to educate and inform the community regarding housing needs and issues in the City. A particular focus of these forums will be to counteract local negative reactions ("NIMBYism") to housing projects in the community.

.14 Social Housing. Work with the development community, the British Columbia Housing Management Commission, local housing societies and other agencies to ensure that the provision of social housing is meeting local demand.

Appendix 2– Sales Information and Assessed Values by Sector – 1998 – City of Kelowna

SALES INFORMATION VS. ASSESSED VALUES BY SECTOR - 1998							
SECTOR DWELLING TYPE	SOUTH MISSION		NORTH MISSION		CITY CENTRE		
	ACTUAL	ASS'D VALUE	ACTUAL	ASS'D VALUE	ACTUAL	ASS'D VALUE	
SINGLE -DETACHED	MEDIAN	\$ 221,000	\$ 222,200	\$ 201,000	\$ 196,150	\$135,000	\$129,000
	AVERAGE	\$ 285,316	\$ 268,953	\$ 237,462	\$ 226,640	\$150,686	\$145,974
	MAX	\$1,175,000	\$1,007,000	\$1,703,000	\$1,317,000	\$620,000	\$588,000
	MIN	\$ 125,000	\$ 122,600	\$ 126,500	\$ 133,900	\$ 50,000	\$ 84,900
	NO. SALES	72	72	120	120	192	192
STRATA/CONDO	MEDIAN	\$ 310,000	\$ 299,000	\$ 177,067	\$ 169,400	\$128,000	\$123,550
	AVERAGE	\$ 323,333	\$ 312,667	\$ 180,972	\$ 170,400	\$127,862	\$123,831
	MAX	\$ 360,000	\$ 348,000	\$ 350,000	\$ 260,000	\$338,000	\$335,800
	MIN	\$ 300,000	\$ 291,000	\$ 107,000	\$ 104,900	\$ 58,000	\$ 61,700
	NO. SALES	3	3	23	23	296	296
DUPLEX (SINGLE UNIT)	MEDIAN					\$112,625	\$111,700
	AVERAGE					\$110,658	\$106,067
	MAX					\$139,200	\$118,500
	MIN					\$ 89,750	\$ 88,000
	NO. SALES					6	6
MOBILE HOME (IN PARK)	MEDIAN					\$ 13,250	\$ 13,750
	AVERAGE					\$ 13,417	\$ 13,067
	MAX					\$ 20,500	\$ 15,800
	MIN					\$ 8,000	\$ 8,300
	NO. SALES					6	6



SALES INFORMATION VS. ASSESSED VALUES BY SECTOR - 1998

SECTOR		SOUTHEAST		SOUTH PANDOSY		RUTLAND	
		ACTUAL	ASS'D VALUE	ACTUAL	ASS'D VALUE	ACTUAL	ASS'D VALUE
DWELLING TYPE	SINGLE -DETACHED						
	MEDIAN	\$ 195,000	\$ 192,300	\$ 163,250	\$ 161,350	\$146,000	\$142,600
	AVERAGE	\$ 207,787	\$ 195,253	\$ 193,286	\$ 192,082	\$151,200	\$146,779
	MAX	\$ 595,000	\$ 346,000	\$ 860,000	\$ 873,300	\$352,000	\$338,000
	MIN	\$ 75,000	\$ 106,300	\$ 61,250	\$ 93,000	\$ 90,000	\$ 93,400
	NO. SALES	47	47	132	132	279	279
STRATA/CONDO	MEDIAN	\$ 275,900	\$ 263,000	\$ 136,900	\$ 129,500	\$ 95,000	\$ 93,500
	AVERAGE	\$ 271,218	\$ 259,667	\$ 141,951	\$ 135,314	\$ 95,608	\$ 93,068
	MAX	\$ 360,000	\$ 332,000	\$ 475,000	\$ 455,000	\$162,710	\$152,100
	MIN	\$ 210,030	\$ 191,600	\$ 63,300	\$ 62,100	\$ 50,000	\$ 51,900
	NO. SALES	24	24	177	177	90	90
DUPLEX (SINGLE UNIT)	MEDIAN			\$ 170,750	\$ 151,850	\$123,500	\$120,500
	AVERAGE			\$ 155,719	\$ 149,488	\$125,731	\$121,929
	MAX			\$ 188,000	\$ 193,100	\$150,000	\$152,200
	MIN			\$ 98,000	\$ 99,800	\$ 90,000	\$ 96,800
	NO. SALES			8	8	35	35
MOBILE HOME (IN MOBILE HOME PARK)	MEDIAN	\$ 30,990	\$ 27,500	\$ 72,500	\$ 66,150	\$ 26,500	\$ 14,500
	AVERAGE	\$ 30,669	\$ 26,748	\$ 72,001	\$ 65,869	\$ 29,984	\$ 25,140
	MAX	\$ 61,500	\$ 63,600	\$ 142,000	\$ 135,000	\$ 58,922	\$ 49,900
	MIN	\$ 2,000	\$ 4,000	\$ 7,000	\$ 7,000	\$ 17,500	\$ 14,400
	NO. SALES	27	27	74	74	5	5
TOWNHOUSES	MEDIAN					\$111,026	\$100,400
	AVERAGE					\$111,026	\$100,200
	MAX					\$111,026	\$100,400
	MIN					\$111,026	\$ 99,600
	NO. SALES					4	4



SALES INFORMATION VS. ASSESSED VALUES BY SECTOR - 1998

SECTOR	DWELLING TYPE	HIGHWAY 97		GLENMORE/CLIFTON/DILWORTH		BELGO/BLACK MOUNTAIN	
		ACTUAL	ASS'D VALUE	ACTUAL	ASS'D VALUE	ACTUAL	ASS'D VALUE
SINGLE -DETACHED	MEDIAN	\$ 227,000	\$ 215,900	\$ 178,660	\$ 173,250	\$148,000	\$148,000
	AVERAGE	\$ 245,430	\$ 228,127	\$ 190,300	\$ 182,905	\$170,004	\$164,415
	MAX	\$ 395,000	\$ 382,800	\$ 444,000	\$ 397,500	\$332,000	\$321,700
	MIN	\$ 130,000	\$ 129,000	\$ 108,000	\$ 105,500	\$119,000	\$188,800
	NO. SALES	11	11	344	344	47	47
STRATA/CONDO	MEDIAN	\$ 115,900	\$ 112,500	\$ 145,000	\$ 138,600		
	AVERAGE	\$ 137,959	\$ 139,459	\$ 157,360	\$ 153,663		
	MAX	\$ 260,000	\$ 236,600	\$ 352,500	\$ 323,000		
	MIN	\$ 70,000	\$ 69,800	\$ 62,000	\$ 61,500		
	NO. SALES	17	17	153	153		
DUPLEX (SINGLE UNIT)	MEDIAN			\$ 114,250	\$ 99,900	\$ 96,000	\$ 86,300
	AVERAGE			\$ 110,375	\$ 102,450	\$ 95,067	\$ 89,967
	MAX			\$ 122,000	\$ 121,100	\$ 99,500	\$ 97,300
	MIN			\$ 91,000	\$ 88,900	\$ 89,700	\$ 86,300
	NO. SALES			4	4	3	3
MOBILE HOME (IN MOBILE HOME PARK)	MEDIAN	\$ 42,250	\$ 52,100				
	AVERAGE	\$ 47,829	\$ 52,800				
	MAX	\$ 105,000	\$ 90,300				
	MIN	\$ 15,000	\$ 35,200				
	NO. SALES	36	36				
TOWNHOUSES	MEDIAN						
	AVERAGE						
	MAX						
	MIN						
	NO. SALES						

MCKINLEY

		ACTUAL	ASS'D VALUE
SINGLE -DETACHED	MEDIAN	\$ 198,250	\$ 203,450
	AVERAGE	\$ 225,950	\$ 220,719
	MAX	\$ 408,000	\$ 372,000
	MIN	\$ 150,000	\$ 149,300
	NO. SALES	11	11



**Appendix 3 - HOME OWNERSHIP & MORTGAGE CALCULATIONS BASED ON CMHC
METHODOLOGY AND 1998 MEDIAN HOME PRICES USING CITY OF KELOWNA
ASSESSMENT DATABASE**

TABLE 1 – 5% DOWN PAYMENT

	Townhouse	single family	duplex	mfd home	strata
1998 median home price	111026.00	166750	122000	40000	130000
95% financing	105474.70	158412.50	115900.00	38000.00	123500.00
2.5 % insurance	2636.87	3960.31	2897.50	950.00	3087.50
total financing	108111.57	162372.81	118797.50	38950.00	126587.50
Mortgage Rate (5 yr /25 yr term)	0.0695	0.0695	0.0695	0.0695	0.0695
payment/month	753.90	1132.28	828.41	271.61	882.73
yearly payments	9046.75	13587.31	9940.92	3259.32	10592.76
mill rate	0.0110958	0.0110958	0.0110958	0.0110958	0.0110958
property tax	1231.93	1850.23	1353.75	443.83	1442.46
Strata fees or mobile home pad rental			69	3600	960
yearly heating costs	1000	1000	1000	1000	1000
utility bills	1800	1800	1800	1800	1800
less homeowner grant	470	470	470	470	470
yearly housing cost	12608.68	17767.54	13624.61	9633.15	15325.22
gross income required with 5% down	42028.93	59225.14	45415.37	32110.51	51084.06

Property tax based on 1998 residential mill rate and value of property

Gross income required based on 30% of income for shelter costs

TABLE 2 – 10% DOWNPAYMENT

	townhouse	single family	duplex	mfd home	strata
1998 median home price	111026.00	166750	122000	40000	130000
90% financing	99923.40	150075.00	109800.00	36000.00	117000.00
2.5 % insurance	2498.09	3751.88	2745.00	900.00	2925.00
total financing	102421.49	153826.88	112545.00	36900.00	119925.00
Mortgage Rate (5 yr /25 yr term)	0.0695	0.0695	0.0695	0.0695	0.0695
payment/month	714.22	1072.68	784.81	257.32	836.27
yearly payments	8570.64	12872.16	9417.72	3087.84	10035.24
mill rate	0.0110958	0.0110958	0.0110958	0.0110958	0.0110958
property tax	1231.93	1850.23	1353.75	443.83	1442.46
				3600	960
yearly heating costs	1000	1000	1000	1000	1000
utility bills	1800	1800	1800	1800	1800
less homeowner grant	470	470	470	470	470
yearly housing cost	12132.57	17052.39	13101.41	9461.67	14767.76
gross income required with 10% down	40441.89	56841.35	43671.37	31538.91	49225.66

Property tax based on 1998 residential mill rate and value of property

Gross income required based on 30% of income for shelter costs



Table 3

Purchase Opportunities for a 1998 Median Income 2 or more person Household (Gross Income \$46,074 with 10% Down)			
	single detached/ attached home	strata	mobile home
house price	130000	119000	89000
<i>90% financing</i>	117000.00	107100.00	80100.00
<i>2.5 % insurance</i>	2925.00	2677.50	2002.50
<i>total financing</i>	119925.00	109777.50	82102.50
Mortgage Rate (5 year renewal for 25 year term)	0.0695	0.0695	0.0695
payment/month	836.28	765.51	572.53
<i>yearly payments</i>	10035.30	9186.16	6870.32
<i>mill rate</i>	0.0110958	0.0110958	0.0110958
<i>property tax</i>	1442.46	1320.40	987.53
<i>strata fees or mobile home pad rental</i>		960	3600.00
<i>yearly heating costs</i>	1000	1000	1000
<i>utility bills</i>	1800	1800	1800
<i>less homeowner grant</i>	470	470	470
<i>yearly housing cost</i>	13807.76	13796.56	13787.85
<i>gross income required</i>	46025.85	45988.53	45959.49

Appendix 4 – Low Income Household Information by Census Tract – Kelowna - 1996

Number of Low Income Households by Size
and Census Tract

Census Tracts	No. of low-income hhlds by hhld. size					Total Low Inc. HH.	Total HH	Incidence of Low inc.	Avg. HH Size
	1	2	3	4-5	6+				
1	41	31	13	29	3	117	1005	12%	2.4
2	53	48	24	45	6	176	1705	10%	3.0
3	45	40	21	41	6	153	2120	7%	3.0
4	33	36	20	36	5	132	1095	12%	3.0
5	94	115	61	71	12	354	1365	26%	3.1
6	107	105	66	95	13	386	1895	21%	2.7
7	428	340	142	126	15	1054	2995	38%	2.9
8	157	117	21	18	3	315	2020	16%	2.2
9	773	335	87	70	5	1269	4535	29%	2
10	460	321	90	73	5	951	4070	24%	1.9
11	467	158	44	30	4	701	1940	38%	2
12	135	44	7	7	0	194	745	27%	1.7
13	57	33	11	7	0	109	450	25%	1.6
14	278	131	45	33	2	488	1495	35%	2.1
15	151	100	45	64	6	366	1775	21%	2
16	91	80	41	54	7	273	1125	25%	2.6
17	110	75	39	56	6	287	1320	22%	2.7
18	88	16	7	7	1	118	1150	19%	2.8
19	149	112	46	79	6	393	4275	9%	2.5
KEL TOT.	3717	2236	830	941	104	7834	37080	21%	2.8



Appendix 5 – 1999 Rental Business Licences for the City of Kelowna

APARTMENT BUILDINGS LICENSED - 7310	RENTAL UNITS	DESCRIPTION
address	6 APARTMENT (6 SUITES)	
ABBOTT ST 1749	10 APARTMENT (10 UNITS)	
ABBOTT ST 1770	17 APARTMENT - 17 SUITES (36 ROOMS)	
BADKE RD 765	11 APARTMENT (11 SUITES)	
BADKE RD 875	2 APARTMENT (10 SUITES) (8 OWNER OCCUPIED)	
BADKE RD 880	62 APARTMENT (62 UNITS)	
BARON RD 2360	106 RETIREMENT RESIDENCE (106)	
BENVOULIN RD 2100	6 APARTMENT (16 SUITES)	
BERNARD AVE 1181 1191	13 APARTMENT (13 SUITES)	
BERNARD AVE 1255	13 APARTMENT (13 SUITES)	
BERNARD AVE 1283	13 APARTMENT	
BERNARD AVE 722	20 APARTMENT (20 SUITES)	
BERNARD AVE 960	80 APARTMENT (80 SUITES)	
BERTRAM ST 1425	26 APARTMENT (26 SUITES)	
BERTRAM ST 1469	25 APARTMENT (25 SUITES)	
BERTRAM ST 1475	6 APARTMENT (6 SUITES)	
BRIARWOOD RD 120	16 APARTMENT (16 SUITES)	
BRIARWOOD RD 215 205	11 APARTMENT (11 SUITES)	
BRIARWOOD RD 245	32 APARTMENT (32 SUITES)	
BUCKLAND AVE 445	48 APARTMENT (48 SUITES)	
BUCKLAND AVE 460	51 APARTMENT (51 SUITES)	
BUCKLAND AVE 510	48 APARTMENT (48 SUITES)	
BUCKLAND AVE 540	4 APARTMENT (4 SUITES)	
CLARISSA RD 295	21 APARTMENT (21 SUITES)	
DELL RD 665	10 APARTMENT (10 SUITES)	
ELLIOTT AVE 784	42 APARTMENT (42 SUITES)	
ELLIS ST 1760	62 APARTMENT (62 SUITES)	
FILUK CT 401	46 APARTMENT (46 SUITES)	
FRANKLYN RD 395	46 APARTMENT (46 SUITES)	
FRANKLYN RD 435	7 APARTMENT (7 SUITES)	
GIBBS RD W 110	13 APARTMENT (13 UNITS)	
GLENMORE RD N 1425	16 APARTMENT (16 SUITES)	
GORDON DR 1951	50 APARTMENT BUILDING (50 SUITES)	
GORDON DR 1961	48 APARTMENT (48 SUITES)	
GORDON DR 2040	36 APARTMENT (36 SUITES)	
HARVEY AVE 1019	9 APARTMENT BUILDING (9 UNITS)	
HARVEY AVE 451 - 455	4 APARTMENT - 4 UNITS	
HEIN RD 400 - 406	57 APARTMENT (57 SUITES)	
HILLCREST ST 1103	5 APARTMENT - 5 SUITES	
HOLLYWOOD RD 520 528	118 APARTMENT (18 SUITES)	
HUSCH RD 235	12 APARTMENT - 12 UNITS TARA HILL	



HWY 33 W 760	8 APARTMENT (8 SUITES)
KELGEN CRES 1260	12 APARTMENT (12 SUITES)
KELGLEN CR 1220	12 APARTMENT (12 SUITES)
KELGLEN CRES 1240	38 APARTMENT (38 UNITS)
KLO RD 1051	38 APARTMENT (38 UNITS)
KLO RD 1057	38 APARTMENTS (38 UNITS)
KLO RD 1063	38 APARTMENTS (38 UNITS)
KLO RD 1069	52 APARTMENT (52 SUITES)
LAKE AVE 331	17 APARTMENT (17 SUITES)
LAKESHORE RD 4131	8 APARTMENT (8 SUITES)
LAKESHORE RD 4131	16 APARTMENT (16 SUITES)
LAWRENCE AVE 1180	12 APARTMENT (12 SUITES)
LAWRENCE AVE 1221	20 APARTMENT (20 SUITES)
LAWRENCE AVE 1228 - 1230 - 1232	12 APARTMENT (12 SUITES)
LAWRENCE AVE 1251	8 APARTMENT (8 SUITES)
LAWRENCE AVE 1281	16 APARTMENTS (16 SUITES)
LAWRENCE AVE 1292 / BERNARD AVE 1291	46 APARTMENT (46 SUITES)
LAWSON AVE 1310	13 APARTMENT (13 SUITES)
LAWSON AVE 1314	51 APARTMENT - 51 UNITS
LEATHEAD RD 815	30 APARTMENT (30 UNITS)
LEON AVE 780	36 APARTMENT (36 SUITES)
MCINTOSH RD 160 140	12 APARTMENT 12 UNITS
MCKINLEY RD 1304	17 APARTMENT - 17 UNITS
MILLS RD 175	37 APARTMENT (37 SUITES)
PACIFIC CT 1912	108 APARTMENTS (108 SUITES)
PACIFIC CT 1950 1955 1960	14 APARTMENT (14 SUITES)
PANDOSY ST 1761	30 APARTMENT (30 SUITES)
PANDOSY ST 1779	4 4 UNIT APARTMENT
PANDOSY ST 1826	34 APARTMENT (34 SUITES)
PANDOSY ST 1831	4 RESIDENTIAL - APARTMENT (4)
PANDOSY ST 1836	4 APARTMENT (4 SUITES)
PANDOSY ST 1848	45 APARTMENT (45 SUITES)
PANDOSY ST 1855	17 APARTMENT - 17 SUITES
PANDOSY ST 1860	21 APARTMENT (21 SUITES)
PANDOSY ST 1880	65 APARTMENT (65 SUITES)
PANDOSY ST 1910	38 APARTMENT (38 SUITES)
PANDOSY ST 1919	31 APARTMENT (31 SUITES)
PANDOSY ST 1922	57 APARTMENT (57 SUITES)
PANDOSY ST 1938	47 APARTMENT (47 SUITES)
PANDOSY ST 1946	26 APARTMENT (26 SUITES)
PANDOSY ST 1958	26 APARTMENT (26 SUITES)
PANDOSY ST 1966	27 APARTMENT - 27 SUITES
PANDOSY ST 1979	44 APARTMENT (44 SUITES)
PANDOSY ST 1980	21 APARTMENT RENTAL - 21 UNITS
PRIOR RD S 165	5 APARTMENT (5 UNITS)
PRIOR RD S 250	45 APARTMENT (45 SUITES)



ROSEMEAD AVE 510	42 APARTMENT (42 SUITES)
ROSEMEAD AVE 511	6 APARTMENT (6 SUITES)
ROSEMEAD AVE 535	10 APARTMENT (10 SUITES)
ROSEMEAD AVE 545	6 APARTMENT (6 SUITES)
ROSEMEAD AVE 552	24 APARTMENT (24 SUITES)
ROWCLIFFE AVE 523	30 APARTMENT (30 SUITES)
ROWCLIFFE AVE 543	17 APARTMENT (17 SUITES)
ROWCLIFFE AVE 575	6 APARTMENT (6 SUITES)
RUTLAND RD N 350	6 APARTMENT (6 UNITS)
RUTLAND RD N 445 - 455	3 APARTMENT - 3 SUITES
RUTLAND RD N 930	16 APARTMENT (16 SUITES)
SUTHERLAND AVE 1231	36 APARTMENT BUILDING (36 SUITES)
SUTHERLAND AVE 1247	4 APARTMENT (4 SUITES)
SUTHERLAND AVE 1333	59 APARTMENT (59 SUITES)
SUTHERLAND AVE 1421	47 APARTMENT (47 SUITES)
SUTHERLAND AVE 1431	47 APARTMENT (47 SUITES)
SUTHERLAND AVE 1441	62 APARTMENT (62 SUITES)
SUTHERLAND AVE 534	39 APARTMENT (39 SUITES)
SUTHERLAND AVE 560	24 APARTMENT (24 SUITES)
WALNUT ST 3165	52 APARTMENT (52 SUITES)
WALNUT ST 3193	23 APARTMENT (23 SUITES)
WALNUT ST 3195	30 APARTMENT (30 SUITES)
WATER ST 1777	12 APARTMENT (12 SUITES)
WATER ST 1797	16 APARTMENT (16 SUITES)
WILSON AVE 894	16 APARTMENT (16 SUITES)



NON-PROFIT APARTMENTS LICENCE 7320		
ADDRESS	UNITS	DESCRIPTION
BERTRAM ST 1349	58 APARTMENT (58 SUITES)	
BERTRAM ST 1439	43 SENIOR CITIZENS APARTMENT (43 SUITES)	
BURTCH RD 1620 110	90 APARTMENT (90 SUITES)	
BURTCH RD 1920	20 APARTMENT (20 SUITES)	
BURTCH RD 2175	41 NON-PROFIT (TOWNHOMES)(41 UNITS)	
CENTENNIAL CR 1241	1 GROUP LIVING HOME FOR SENIORS - NON PROFIT SOCIETY	
CENTENNIAL CR 1261	GROUP LIVING HOME FOR SENIORS - NON PROFIT SOCIETY	
FRANCIS AVE 882	7 APARTMENT - 7 SUITES - NON-PROFIT SOCIETY	
FRANKLYN RD 525	68 APARTMENT (68 SUITES)	
FRANKLYN RD 530	38 APARTMENT - 38 UNITS	
GERSTMAR RD 115 (HWY 33 W 1150)	28 APARTMENTS - 28 UNITS	
GLENWOOD AVE 434	7 ROOMS FOR RENT (7)	
GUISACHAN RD 919	10 GROUP HOME - 10 ROOMS	
HARVEY AVE 969	64 APARTMENT (64 SUITES)	
HOUGHTON RD 720	80 LOW INCOME HOUSING - (80 UNITS) SENIORS & HANDICAPPED	
HOUGHTON RD 799	22 TOWNHOUSE DEVELOPMENT	
HWY 33 W 1045	44 NON-PROFIT TOWNHOMES - (44 UNITS)	
KELGLEN CR 1449	80 INTERMEDIATE CARE FACILITY (80 ROOMS)	
LAURIER AVE 1024	10 SENIOR ROOMING HOUSE - NON-PROFIT SOCIETY (10 ROOMS)	
LAWRENCE AVE 1110	146 APARTMENT (146 SUITES)	
MORRISON AVE 453	10 LOW INCOME ROOMS FOR SENIORS (10)(ROSE COTTAGE CARE HOME SOCIETY)	
MOUNTAINVIEW ST 1212	44 SENIOR CITIZENS APARTMENT (44 SUITES)	
PARKVIEW CR 1898	46 NON-PROFIT TOWNHOMES (46 UNITS)	
RICHTER ST 1920	31 APARTMENT (31 SUITES)	
ROSE AVE 785	8 SENIOR CITIZENS GROUP HOME - 8 BEDROOMS WITH A MAXIMUM OF 10 PEOPLE	
SHEPHERD RD 252	40 TOWNHOUSES (40)	
VERNA CT 124	42 APARTMENT - NON PROFIT SOCIETY	
WHITMAN RD 333	32 TOWNHOUSES - NON-PROFIT SOCIETY	



boarding homes - business licence 7325 - 1999		
business_address	capacity	Description
PANDOSY ST 2124	9	rooming house
BERNARD AVE 1344	5	rooming house
BAND RD RR5	14	rest home
SUTHERLAND AVE 1460	31	private nursing home
HALL RD 3081	100	rest home
BLONDEAUX CRES 1658	16	private nursing home
BERTRAM ST 1322	5	rooming house
WALBURN RD 1979	11	rest home
BERNARD AVE 911	7	rooming house
GRAY RD 265	12	rest home
CASORSO RD 3728	12	rest home
VALLEYVIEW RD 195	5	rooms for rent
TERAI CT 355	142	seniors care home
LAKESHORE RD 3200	75	rooming house
RICHTER ST 1441	9	rooms for rent
BAND RD 1160	7	private care facility
Hawthorne Park	128	private rest home
GORDON DR 4360	3	rooms for rent
LEON AVE 844	4	rooming house
BERNARD AVE 730	8	hostel
ETHEL ST 1810	6	rooming house
SUTHERLAND AVE 1471	5	boarding for recovery males
PANDOSY ST 2319	10	rooming house
RUSTON RD 660	2	seniors rooming care
WALNUT ST 3091	8	nursing home
PRIOR RD N 210	6	group living home
CENTENNIAL CR 1251	6	senior care home
PANDOSY ST 2343	28	rooming house
GLENPINE CT 452 - 30	4	rooming house
GLENMORE RD N 400	22	nursing home
HARVEY AVE 245	10	youth hostel
MARSHALL ST 1820	9	seniors boarding home



Appendix 6- Housing That Has Received Public Funding in the City of Kelowna - 1999

**PUBLICLY- FUNDED HOUSING UNITS -
CITY OF KELOWNA - 1999**

HOUSING TYPE AGENCY	SENIORS	FAMILY	SPECIAL NEEDS				NATIVE	TOTAL	
			mental illness	addiction	halfway	at risk			total
HOUSING SOCIETIES (TOTAL)		441				12	12	37	490
Columbian Centennial		260					0		260
Kelowna Native Housing							0	37	37
Society of Housing Opportunities & Progressive Employment		181					0		181
National Society of Hope						12	12		12
COOPERATIVE HOUSING (TOTAL)		92					0		92
Okanagan Housing Cooperative Housing Society		58					0		58
Southgate Manor Co-operative Association		34					0		34
SENIORS' SOCIETIES	452						0		452
Brookside Senior Citizens Housing Societies	44						0		44
Central Okanagan Kiwanis Community Service	146						0		146
Kelowna Japanese Canadian Senior Citizens	20						0		20
Orchard Valley Senior Housing Society	90						0		90
Pleasantvale Homes Society	50						0		50
Father de Lestre Senior Citizens	102						0		102
SPECIAL NEEDS SOCIETIES (TOTAL)	0	0	80	38	21	16	155	0	155
Central Okanagan Emergency Shelter Society							9		9
Central Okanagan Child Care Society							7		7
CMHA - Kelowna & District Branch			23					23	23
Kamloops & District Elizabeth Fry				2	1			3	3
The Howard Fry Housing Society					20			20	20
Kelowna & District Society for Community Living			21					21	21
Crossroads Treatment Centre Society				36				36	36
Okanagan Independent Living Society			28					28	28
Kelowna Community Development			8					8	8
CHRUCHES (TOTAL)	68	64					0		132
Evangel	42	64					0		106
B.C. Confederation of Seventh Day Adventist	26						0		26
PRIVATE NON-PROFIT		2	3				3		5
PROVINCIAL RENTAL HOUSING CORP.			42				42		42
TOTAL NON-PROFIT HOUSING	520	599	125	38	21	28	212	37	1368



Appendix 7 Inventory of Seniors' Special Needs Housing

Description	Project/Agency	Address	No. of Units	Unit Type	CCFA licence	city Bus. Licence	Funding Agency	owned	vac rented
Low Cost	Pleasant Vale Homes	605-631 Cambridge Ave.	50	townhouse			CMHC	rented	0
Indep't non-profit	Brookside Seniors	1212 Mountainview St.	44	apartment		7320	BCHMC	rented	0
	Columbus Manor	1349 Bertram St.	58	apartment		7320	BCHMC	rented	0
	Evangel Senior Apts.	1449 Bertram St.	43	apartment		7320	BCHMC	rented	0
	Kiwanis Tower	1110 Lawrence Ave.	146	apartment		7320	BCHMC	rented	0
	The Burtches	1620 Burtch Rd.	90	apartment		7320	BCHMC	rented	0
	Columbus Villa	1920 Richter	31	apartment		7320	BCHMC	rented	0
	Hinode Home	1920 Burtch Rd.	20	apartment		7320	BCHMC	rented	0
	Father Delestre Homes	720 Houghton Rd.	80	apartment		7320	BCHMC	rented	0
	BC Conf. Of 7 th Day Adventists	845 Jones St.	26	townhouse			CMHC	rented	0
	Gordon Park Village	1319 KLO Rd.	36	apartment				owned	0
	Gordon Park Village	1329 KLO Rd.	67	apartment				owned	0
			665						0
Congregate or Rm & Brd. non-profit	Centennial Senior	1241 Centennial Cres.	5	rm. & brd		7320		rented	0
	Centennial Senior	1261 Centennial Cres.	3	rm. & brd		7320		rented	0
	Capri Seniors Home	1024 Laurier	10	rm. & brd		7320		rented	1
	Borden Manor	1035 Borden	9	rm. & brd				rented	0
	Abbeyfield Hses. Soc.	434 Glenwood Ave.	7	rm. & brd		7320		rented	0
	Twin Maples	919 Guisichan Rd.	10	rm. & brd		7320		rented	0
	Rose Cottage	453 Morrison Ave.	10	rm. & brd		7320		rented	0
			Total	54					1
Congregate or Rm & Brd. Profit	Hawthorne Park	867 KLO Rd.	83	apartment		7325		rented	0
	Lakeshore Place	3200 Lakeshore Rd.	75	apartment		7325		rented	5
	Kelowna Senior Care	1251 Centennial Cres.	5	rm & brd		7325		rented	1
	Sinclair Home	795 Lawrence Ave.	4	rm. & brd				rented	2
	Rose Garden Senior	785 Rose Ave	8	rm. & brd		7320		rented	1
	Gateway Home	660 Ruston Rd.	2	rm. & brd		7325		rented	2
	Country Living / Mtn. V.	1160 Band Rd.	7	rm. & brd		7325		rented	1
	Country Village	400 Glenmore Rd.	22	rm. & brd		7325		rented	0
			206						12
Licensed Care / Nursing Home non-profit	David Lloyd-Jones Home	934 Bernard Ave.	79	beds	Int.		Min. Hlth?	rented	0
	Three Links Manor	1449 Kelglen Cres.	80	rooms	Int.	7320	Min. Hlth?	rented	0
	Three Links Manor	1449 Kelglen Cres.	2	rooms	Int.		Min. Hlth?	rented	0
	Cottonwoods	2255 Ethel St.	300	beds	Ext.		Min. Hlth?	rented	0
	May Bennett Home	965 W. Highway 33	24	beds	Int.		Min. Hlth?	rented	0
			485						0
Licensed Care / Nursing Home profit	Joseph Benjamin Res.	1460 Sutherland Ave.	38	beds	Int./Ext	7325		rented	0
	Stillwaters Private Hosp.	1450 Sutherland Ave.	79	beds	Int	4000		rented	0
	Gordon House	3091 Walnut St.	8	beds	Spec.			rented	0
	Hawthorne Park	867 KLO Rd.	46	beds	Int.	7325		rented	0
	White Heather Manor	3728 Casorso Rd.	24	beds	Spec.	7325		rented	0
	Sutherland Hills	3081 Hall Rd.	100	beds	Int.	7325		rented	0



Windsor Manor	355 Terai Crt.	149 beds	Int.		rented	0
Prior Place	212 Prior Rd. N.	3 beds	Spec.		rented	0
Grandview Care Home	1170 Band Rd.	22 beds	Spec.	7325	rented	0
Whispering Pines Lodge	1979 Walburn Rd.	20 beds	Int.	7325	rented	0
Total Licensed Care for Profit		489				0
Total Specialized		57				
Total Other Nursing		432				

Source: 1998 City of Kelowna Seniors Housing Inventory

Appendix 8 – 1998 Kelowna Seniors Housing Inventory – Non-Profit Only, With Cost Information

1998 Kelowna Seniors Housing Inventory –
Non Profit Only, With Cost Information

Project	# Assist ed Units	bach.	1-bed	2-bed	beds	Cost	
						Va ca nc ies	Monthly Purchase
Pleasant Vale Homes	50		12	38	0	\$119-\$159	
Brookside Senior Citizens' Housing	44	26	17		0	based on 30 % of income	
Columbus Manor	58		40	18	0	based on 30 % of income	
Evangel Senior Apartments	43	0	42	1	0	based on 30 % of income	
Kiwanis Tower	146	110	36	0	0	based on 30 % of income	
The Burtches	90	0	90	0	0	based on 30 % of income	
Columbus Villa	31	0	24	7	0	based on 30 % of income	
Hinode Home	20	5	15	0	0	based on 30 % of income	
Gordon Park Village	36	0	3	33			\$69,000 and up
Gordon Park Village	67	0	4	63	0		\$69,000 and up
Father Delestre Homes	80	45	35	0	0	based on 30 % of income	
David Lloyd Jones Home	79				79	0	\$25-38/day
Three Links Manor	80				80	0	\$24.70/day
Cottonwoods	300				300	0	\$30/day
May Bennett Home	24				24	0	\$24.70/day
Centennial Senior Home Society (rm & brd)	5				5	0	\$900
Centennial Senior Home Society (rm & brd)	3				3	0	\$900
Capri Seniors Home (rm & brd)	10				10		\$1,400
Borden Manor	9				9	0	\$1,350
Abbeyfield Houses Society of Canada	7				7	1	\$850-900
Twin Maples	10				10	0	\$1,300
Rose Cottage	10				10	0	\$1,200-1,500
Total Non-Profit Seniors Units/beds	1202	186	318	160	537	1	



Appendix 9:- Subsidized Family Housing

Subsidized Family Housing - City of Kelowna - 1999

Source: BCHMC

Agency	Location	# Units	Bus. Lic.	Description
Columbian Centennial Housing Society	1349 Bertram St.	58	7320	apartment
Columbian Centennial Housing Society	1920 Richter St.	31	7320	apartment
Columbian Centennial Housing Society	252 Shepherd Rd.	40	7320	townhouses
Columbian Centennial Housing Society	1898 Parkview Cr.	46	7320	townhouses
Columbian Centennial Housing Society	1065 Highway 33	44	7320	townhouses
Columbian Centennial Housing Society	2175 Burtch Rd.	41	7320	townhouses
Evangel Family Rental Housing Society	969 Harvey Ave.	64	7320	apartment
Father Delestre Senior Citizens Housing Society	799 Houghton Rd.	22	7320	townhouse
Okanagan Co-operative Housing Society	192 Kneller Rd.	20		coop
Okanagan Co-operative Housing Society	205 Nickel Rd.	20		coop
Okanagan Co-operative Housing Society	205 Nickel Rd.	18		coop
Private Landlord		1		
Society of Housing Opportunities & Progressive Employment	530 Franklyn Rd.	39	7320	apartment
Society of Housing Opportunities & Progressive Employment	525 Franklyn Rd.	68	7320	apartment
Society of Housing Opportunities & Progressive Employment	142 Verna Cr.	42	7320	apartment
Society of Housing Opportunities & Progressive Employment	333 Whitman Rd.	32	7320	townhouses
Southgate Manor Co-operative Association	1961 Dunn St.	34		coop
		17	620	



Appendix 10: Housing for People with Mental Disabilities - 1999

NAME OF FACILITY	ADDRESS	UNITS OR BEDS	DESCRIPTION	BUS. NOTES / LICE OTHER NCE DISABILITY
Rosemead *	540 Rosemead Ave.	23	Independent living / mentally challenged	
Darin Court*	4661Darin Crt.	4	Mentally challenged	
Avonlea House	1658 Blondeaux Cres.	13	brain injured	7325 Bus. Lic - 16
Bethesda East Kelowna Home	2209 Mayer Rd.	4	brain injured	
Bethesda Kelowna Home	1010 Coronation Ave	4	multiple disabilities	physical
Bethesda North Kelowna Home	1010/1011 Clement Ave.	4	multiple disabilities	physical
Okanagan Independent Living Society*	875 Fuller Ave.	4	Mental illness	
Okanagan Independent Living Society*	851 Grenfell Ave.	4	Mental illness	
Okanagan Independent Living Society*	Scattered Addresses	17	Mental illness	
Provincial Rental Housing Corp*.	1396 –1398 Elm St.	4	Mentally challenged	Physical
Carlson Residence	1401 Lewis Rd.	3	mentally challenged	
Coronation House	1009 & 1011 Coronation Ave.	4	mentally challenged	
Eso Court	4225 Eso Court	4	multiple disabilities	physical
Felix Rd.	295 Felix Rd.	3	multiple disabilities	physical
Glengarry House	980 Glengarry St.	4	mentally challenged	
Glenwood Place Society	643 Glenwood Ave.	8	head injured	
Gordon House	3091 Walnut St.	8	mental illness	elderly
Grandview Care Home	1170 Band Rd.	22	psychiatrically disabled	
Highland Drive Home	1341 Highland Dr. S.	4	mental disabilities	
Kel. & Dist. Society for Community Living	Scattered Addresses	12	Mentally challenged	
Mariposa Group Home	3419 Mariposa Crt.	4	mentally handicapped	
Oak Lodge Centre	2124 Pandosy St.	14	psychiatrically disabled	7325 Bus. Lic. for 9
Parkside Residence	265 Gray Rd.	23	psychiatrically disabled/rest home	7325 Bus. Lic. For 12
Prior Place*	210 Prior Rd. N.	3	Mentally challenged	
Raymer Rd. Group Home	4547 Raymer Rd.	4	mentally challenged	
Richter St. Residence	1976 Richter St.	4	mentally challenged	
Richter St. Residence	1976 Richter St.	1	mentally challenged	respite bed
Roslin House	1733 Highland Dr. N.	5	mentally handicapped	
Smithson Place	1615 Smithson Pl.	4	mentally challenged	
Solly Crt.	810 Solly Crt.	4	mentally handicapped	
Villa Vista Lodge 1986	195 Valleyview Rd.	10	psychiatrically disabled/rooms for rent	7325 Bus. Lic. for 5
Villeneuve House	644 Lequime Rd.	6	brain injured	
Wallace Rd. Duplex	250/254 Wallace Rd.	4	brain injured	Physical
White Heather Manor	3728 Casorso Rd.	24	mental health/rest home	7325 Bus lic. for 12/elderly
TOTAL facilities – 34+		263		

* not licensed under Community Care Facilities Act



Appendix 11 – Addictions Recovery Housing

Facility Name	Location	No. of Beds	Notes
Crossroads Treatment Centre	123 Franklin Rd.	36	Licensed under CCFA
Harmony House	3260 Ethel St.	10	Women / Gospel Mission
Argyle Recovery House Society	1400 Creekside	5	Men (as of September, 1999)
Belaire Women's Society	1350-135 Belaire Ave.	10	Women
New Attitudes Recovery & Prevention Society	1471 Sutherland Ave.	5	Men / Bus Lic. 7325
Decisions Recovery House Society	2 homes	10	men
New Attitudes Recovery & Prevention Society	845 Lawrence Ave	5	Men
	Total units	81	

Appendix 12 Other Special Needs Housing

Facility	Location	Description	Units / Beds	Notes
Gospel Mission	251 Leon Ave	Men's temporary shelter	65	Christian-based / meals available
Women's' Emergency Shelter	unknown	Shelter for women & their children escaping abuse	16	
Hope House	1810 Ethel St.	Temporary home for women & children	5	
Hope House 2	882 Francis St.	Temporary home for women & children	7	
International Youth Hostel	2343 Pandosy St.	Low cost travel accommodation	9	Capacity 28/ Bus. Lic. 7325
Samesun International Travel Hostels Ltd.	245 Harvey Ave.	Low cost travel accommodation	10	Bus. Lic. 7325
Samesun International Travel Hostels Ltd.	730 Bernard Ave.	Low cost travel accommodation	8	Bus. Lic. 7325
McGivney Manor	1898 Parkview Cres.	Independent living for physically disabled	6	Congregate housing / not seniors
C. O. Child Care Society	821 Lawrence Ave.	Children's shelter	7	CCFA licence for 4/ BCHMC funded
Bernard House	1290 Bernard Ave.	Children's shelter	4	
Penny Lane	765 Wilson Ave.	Youth shelter	6	



Appendix 13 - Stratifications from Rental 1995-1999 - City of Kelowna

Application #	Location	Legal Description	Use	# of Units	Status	Plan
ST95-01	1296 Kelglen/1610 Richmond	Lot 42, Plan 10689	Residential	2	Approved	K1593
ST95-02	2600 Acland Rd	Lot 2, Plan 44205	Industrial	14	Approved	K1629
ST95-03	439 Wallace Rd	Lot 4, Plan 51596			Closed	
ST95-04	690 692 Hollydell	Lot 81, Plan 19846	Residential	2	Approved	K1748
ST95-05	680 Wardlaw Ave	Lot 29, Plan 3249	Residential	2	Approved	K1661
ST95-06	812 814 Morrison Ave	Lot 3, Plan 5196	Residential	2	Approved	K1704
ST95-07	819 821 Saucier Ave	Lot 10, Plan 7117			Closed	
ST95-08	365 367 Mugford Rd	Lot 9, Plan 20255			Cancelled	
ST95-09	285 Aurora Cres	Lot 7, Plan 46961	Commercial	9	Approved	K1592
ST95-10	714 724 Patterson Ave	Lot 2, Plan 13840	Residential	2	Approved	K1728
ST95-11	144 Old Vernon Rd	Lot A, Plan 7301			Closed	
ST95-12	864 868 Wardlaw Ave	Lot 13, Plan 4855	Residential	2	Approved	K1783
ST95-13	460 462 Rutland Rd	Lot 23, Plan 18044			Closed	
ST95-14	170 172 Prior Rd N	Lot 6, Plan 25529	Residential	2	Approved	K1731
ST95-15	1658 1660 Lynrick Rd	Lot 4, Plan 25935	Residential	2	Approved	K1816
ST95-16	1440 1448 Elm St	Lot 5, Plan 9684	Residential	2	Approved	K1773
ST96-01	420 422 Dougall Rd S	Lot 26, Plan 17160	Residential	2	Approved	K1790
ST96-02	1425 Glenmore Rd N	Lot 1, Plan 47448	Residential	9	Active	
ST96-03	1465 Ellis St	Lot A, Plan 27203	Commercial	4	Approved	K1809
ST96-04	1789 1791 Kloppenburg	Lot 15, Plan 21506	Residential	2	Approved	K1826
ST96-05	1423 1427 Gordon Dr	Lot 3, Plan 14393	Residential	2	Approved	K1848
ST96-06	1355 1361 Gordon Dr	Lot 5, Plan 15035	Residential	2	Approved	K1891
ST96-07	590 598 McCurdy Rd	Lot A, Plan 28757	Residential	5	Approved	K2142
ST96-08	1346 1348 Sutherland Ave	Lot 5, Plan 10011	Residential	2	Approved	K1858
ST96-09	445 Holbrook Rd	ST Lot 9, Plan K311	Residential	8	Active	
ST96-10	665 667 Patterson Ave	Lot 17, Plan 3249	Residential	4	Active	
ST96-11	1635 Abbott St	Lot A, Plan 20350	Commercial	8	Active	
ST96-12	1934 1938 Pasnak St	Lot 3, Plan 5042	Residential	4	Approved	K1961
ST96-13	736 738 Coopland Cres	Lot 135, Plan 22856	Residential	2	Approved	K2009
ST96-14	1433 1435 Cherry Cres	Lot 8, Plan 6908	Residential	2	Approved	K1882
ST96-15	115 117 Mallach Rd	Lot A, Plan 22793	Residential	2	Approved	K1867
ST97-01	461 463 Christleton Ave	Lot 1, Plan 7949	Residential	2	Approved	K2111
ST97-02	1761 Pandosy St	Lot A, Plan 2818	Residential	14	Approved	K1993
ST97-03	1610 1614 Leaside	Lot 3, Plan 14521	Residential	2	Approved	K2040
ST97-04	788 794 Patterson	Lot 1, Plan 5186	Residential	2	Approved	Pending
ST97-05	5173 5175 Chute Lake Rd	Lot 35, Plan 21834	Residential	2	Approved	K2061
ST97-06	320 322 Jade Rd	Lot 13, Plan 17975	Residential	2	Approved	K1939
ST97-07	1300 1302 Morgan Rd	Lot 4, Plan 21025	Residential	2	Approved	K2045
ST97-08	410 Holbrook Rd W	Lot 24, Plan 17260	Residential	4	Active	
ST97-09	740 744 McClure Rd	Lot 2, Plan 25298	Residential	2	Approved	K1965
ST97-10	155 157 Mallach Rd	Lot C, Plan 22793	Residential	2	Approved	K1956
ST97-11	1371 1373 Orchard Dr	Lot A, Plan 47075	Residential	2	Approved	K2038
ST97-12	1305 1307 Elwyn Rd	Lot 11, Plan 25371	Residential	2	Approved	K2080



ST97-13	155 161 Drake Rd	Lot 1, Plan 48973	Residential	2	Approved	K1985
ST97-14	795 797 Birch Ave	Lot B, Plan 20288	Residential	2	Approved	K1996
ST97-15	295 Hwy 33 E	Lot A, Plan 22600	Residential	4	Approved	K1997
ST97-16	1393 1395 Highland Dr S	Lot 4, Plan 15270	Residential	2	Approved	K2026
ST97-17	405 407 Mugford Rd	Lot 11, Plan 20255	Residential	2	Approved	Pending
ST98-01	1980 Windsor Rd	ST Lot 3 & 4, Plan K907	Commercial	lot line adjustment	Active	
ST98-02	124 Cambro Rd	ST Lot 1, Plan K1017	Industrial	14	Approved	K1017
ST98-03	817 Finns Rd	Lot 2, Plan 16944	Industrial	5	Approved	Pending
ST98-04	460 462 Rutland Rd	Lot 23, Plan 18044	Residential	2	Approved	Pending
ST98-05	143 147 Park Rd	Lot 4, Plan 4740	Commercial	5	Approved	K2126
ST98-06	150 170 Gray Rd					
ST98-06	2591 Springfield Rd	Lot 13, Plan 11186	Residential	2	Active	
ST98-07	780 Leon Ave	Lot A, Plan 38631	Residential	31	Approved	Pending
ST98-08	635 Hollydell/612 Hollywood	Lot 107, Plan 19846	Residential	2	Approved	K2144
ST99-01	1367 1371 Gordon Dr	Lot C, Plan 19527	Residential	2	Approved	K2155
ST99-02	1685 Pandosy St	ST Lot 1, Plan K668	Commercial	5	Active	
ST99-03	281 283 Woods Rd	Lot A, Plan 53095	Residential	2	Active	
ST99-04	1192 1196 Wilson Ave	Lot 58, Plan 15035	Residential	2	Approved	Pending

Appendix 14 - Summary of Standards of Maintenance By-laws - B.C. Municipalities

City of Vancouver

Population 547,000

Vancouver operates under the Vancouver Charter and has different powers than other B.C. municipalities.

The Vancouver Standards of Maintenance By-law is therefore much broader and governs owner-occupied as well as rental dwellings;

The Vancouver By-law was adopted in 1981 and was needed to deal primarily with hotels and lodging homes;

Four new staff were added to the by-law enforcement section in the last 15 years to make a total of 24 inspectors, but all by-laws affecting property are administered by these staff;

About 50-60 complaints a month are dealt with under the Standards of Maintenance By-law: 85%-90% compliance is achieved, while 10% of the cases end up in court;

Complaints increase in winter due to heating issues.

District of North Vancouver

Population 85,000

- Adopted a Standards of Maintenance By-law on March 17, 1997;
- The By-law follows the Provincial Model fairly closely, but includes a part on lodging houses and does not include hotels;
- A schedule of fines for offenses is also included;

Less than 10 complaints per year have been received since the By-law was adopted. Several of these were not valid;



- The provisions regarding lodging houses may need to be changed;
- Wording requiring buildings to be in “good repair” is considered to be not legally precise.

The City of North Vancouver

Population 44,000

- Adopted a Rental Premises Standards of Maintenance By-law in June of 1999;
- Only 4 or 5 outstanding dwelling standards issues have been resolved under the new By-law so far;
- Most rental accommodation is in good condition, but concerns were identified by tenants with lack of heat & hot water, electrical safety and structural issues;
- Given the good condition of the existing rental stock, the By-law is not expected to involve significant municipal expenditure, but this would increase, should rental housing deteriorate;
- The City of North Vancouver By-law is very similar to the District of North Vancouver By-law.

The Township of Esquimalt

Population 17,000

- Has a high rental rate; 40% of dwellings are rental;
- There is also a significant transient population due to naval base;
- Standards of Maintenance By-law can be effective for older dwellings where the Building Code cannot be applied;
- Deals with about 12 complaints per month under the Standards of Maintenance By-law – most are resolved and only two have gone to court;
- The Residential Tenancy Branch tends to defer tenancy issues to be resolved by the Township under this By-law;
- The Building Inspector makes his Standards of Maintenance reports public in the form of a letter to both the landlord & the tenant and the letter is used to resolve matters, even in a court situation.



REVIEW OF HOUSING RESERVE FUNDS (Oct. 1999)

City	Name of Reserve Fund	Objective	Priority Group	Funded by...	Fund Manager	Other
City of Richmond (pop. 148,867)	Affordable Housing Statutory Reserve Fund Est. 1989	<input type="checkbox"/> To facilitate affordable housing through the purchase of land for long term lease to non profit agencies at 75% of market value.	Low income, elderly and moderate income households.	1) An informal process of negotiating with developers on major rezoning to encourage gift donations. No guarantee is associated with rezoning. 2) 75% of the value of the land returns to the fund in the form of a non-profit land lease.		Constraints Irregular contributions due to lulls in the housing development market. There were \$1.5 million in the account by 1990.
City of North Vancouver (pop. 41,475)	Affordable Housing Reserve Bylaw	<input type="checkbox"/> To facilitate the provision of projects or units of affordable housing or housing for those with special needs. <input type="checkbox"/> Fund can be spent on capital projects and land, including extension or renewal of existing capital works, finishes, or fixtures. <input type="checkbox"/> Funds equal to the interest earned each year can be withdrawn on an annual basis for the purpose of funding the Housing Initiatives Grant Program. and Special needs	1) The original funds are generated through funds from the sale of municipal land, current revenue, general revenue fund surplus.		<ul style="list-style-type: none"> • Started with \$200,000 • Grants from interest fund was \$36,000 in 1997
City of Surrey (pop. 304,477)	Affordable Housing Statutory Reserve Fund	<input type="checkbox"/> To assist first time home buyers (individuals/families) who reside in Surrey and who would not typically be able to enter the housing market due to income constraints. <input type="checkbox"/> Facilitated through funding individuals/families with a second mortgage of 15% of the housing price to a maximum of \$15,000. Selection of those who are funded is based on a lottery approach following candidates meeting the minimum qualifications.	First time home buyers with incomes at least 10% below the median household income (42,500) of the City.	1) The principal of the fund was generated through a \$750 per lot or unit level on development projects and 5% of the profits from the sale of City owned lands. Both contribution forms have been discontinued. 2) The grant portion of the mortgage is fully repayable on upon the resale of any of the affordable housing units. 3) Only the revenue generated from the interest on the principle (5.7 million) used to finance the second mortgages.		The rationale for assisting home buyers was that Council believed that rental housing is the responsibility of the province and that they wanted to be able to assist Surrey residents to secure more stable housing (ownership) This approach does not dictate the location of the affordable unit and thus provides more choice and flexibility to those who will be assisted and thus as a result may offer a higher "quality" of housing. Concerns: No distinction is made between individuals and families in the qualifying criteria, despite the fact that an individual earning \$42,500 per year is probably in a better financial position to buy a home in comparison to a "family" on the same income

Appendix 15 - Housing Reserve Funds



REVIEW OF HOUSING RESERVE FUNDS (Oct. 1999) (continued)

City	Name of Reserve Fund	Objective	Priority Group	Funded by...	Fund Manager	Other
City of Kamloops (pop. 76,394)	Housing Reserve	<input type="checkbox"/> To facilitate the provision of social housing by lowering the up-front cost of development projects through the long term lease of city-owned land at a rate less than market value.		1) Land lease payments generate the housing reserve fund. 2) 15% of the equity, from the resale of any of the privately owned units within the land lease project, goes right into the fund. 3) "Donations" are also accepted from developers through major rezoning applications.		
City of Saskatoon (pop. CMA 226,000)	Saskatoon Housing Reserve Est. in 1989	<input type="checkbox"/> To facilitate the provision publicly owned social housing, and privately owned non-profit projects that have no public ownership. <input type="checkbox"/> The fund is divided into capital and operating accounts. The Capital account funds publicly owned housing projects. The Operating account funds capital expenditures for privately owned non-profit projects that have no public ownership at a rate of 5% of the total project cost, provided at the beginning of the project. There is no cap on the amount except that it should not exceed 30% of the total reserve fund. Implementation is very "hands off".		1) The original funds are from a Property Realized (Land Bank) Reserve. 2) When City land is sold for development 10% of profits (i.e. 10% of the return on investment) is contributed. 3) Net proceeds from current tax arrears sales are also dedicated.	Social Housing Advisory Committee Representatives of the Home Builders, Real Estate Board, CMHC, local non-profit housing agencies, Saskatoon Tribal Council, Coalition for the Homeless, City Council and the City Planning Dept.	<ul style="list-style-type: none"> • Started with \$5.2 million • In all \$7.2 million collected • \$5.5 million spent • \$1.7 million remaining • average contributions are \$350,000 per year



13 Background Reports

13.1 Survey of Non-Market Rental Housing in the City of Kelowna

Conducted and Summarized by Juliet E. Anderton
(February 1998)

PURPOSE

The survey was conducted in an attempt to gather quantifiable information on the need for non-market housing in Kelowna.

SAMPLE AND METHODS

Eleven non-market family and seniors' rental housing projects in Kelowna were surveyed by telephone in February of 1998. It should be kept in mind that these projects do not constitute all the non-market housing projects in Kelowna. This survey only includes those housing projects where the residents receive rent subsidies from BC Housing. Not all non-market housing projects were surveyed due to the fact that no complete list is available as yet.

Housing providers were asked questions about the number of people on their waiting lists and their view of what these numbers represent in terms of the true number of persons in need of non-market housing. Appendix One outlines a complete profile of the information attained through the survey.

RESULTS AND CONCLUSIONS

CAUTIONS

Caution must be taken in making conclusions about the need for non-market housing from a survey of waiting lists of existing non-market housing providers. In surveying non-market housing providers in Kelowna, it was discovered that waiting lists vary in terms their ability to reflect a need for non-market housing in Kelowna.

- Variation exists between housing providers in terms of how often the waiting list is purged of those who no longer need housing or simply can not be contacted at the given number. As a result, estimates given by the housing providers of the number of persons on their waiting list that are still in need of non-market housing and can be contacted range between 20 and 75%.
- Waiting lists include a number of people that are on more than one list. The larger non-market housing providers frequently refer those who register on their waiting list to other non-market housing providers to improve the chances of that person attaining housing.
- Non-market housing providers varying in terms of the levels of encouragement expressed to those looking for non-market housing to register on their waiting list. The non-market housing providers that have relatively few units and or little turnover are less likely to encourage those looking for housing to register on their waiting list. The housing projects that supply a large number of non-market units generally tend to have the longest waiting lists (i.e. Columbus Villa, Father de Lestre, and Society of Hope).
- Waiting lists kept by some of the non-market housing providers include out of town persons. This is more of a problem for waiting lists for senior's non-market housing than family non-market housing. Children living in Kelowna will often register their elderly parent(s)



on waiting lists for non-market housing in hopes of bringing their parent(s) closer to them as they age.

These problems are linked to the fact that no consistency was found between housing providers in terms of the number of people on their waiting lists. Waiting lists for non-market seniors' housing varied from 1 to 60 persons, and waiting lists for non-market family housing varied from 4 to 750 persons.

ESTIMATE OF MINIMUM HOUSING NEED

Due to the above factors, and because not all non-market housing projects are included Kelowna, this survey can not reveal an exact number of persons in Kelowna that are in need of, and currently do not reside in, non-market housing. However, a "best guess" of the minimum non-market housing needed for both seniors' and families, can be made where conservative assumptions are made in relation to the above factors.

If we apply the estimates given by the housing providers in terms of:

- how many people are on the waiting list,
- the percentage of people that will not be there if called on (i.e. found other housing or haven't updated their contact number),
- the percentage of people that are from out of town, and
- a factor which takes into account how many are on more than one list,

we get the following results:

Best guess of the minimum number of families in need of Non-Market Family Housing, over and above those who currently live in this housing type – 846

Best guess of the minimum number of persons in need of Non-Market Seniors' Housing, over and above those who currently live in this housing type – 138

The assumption made in relation to all the factors considered are outlined in Appendix Two. These numbers must be considered minimums as they are based on conservative assumptions; do not include numbers from waiting lists of all the non-market housing projects; and, do not include numbers on the persons in need who are not registered on any waiting list but are in need of non-market housing.

ADDITIONAL INFORMATION

A number of other conclusions can be reached from the results of the survey that are directly relevant to our understanding of the need for non-market rental housing in Kelowna.

- There is a 0% vacancy rate for both the seniors' and the family non-market housing. All of the non-market housing providers studied keep waiting lists.
- The need for family non-market housing is greater than the need for seniors' non-market housing. This conclusion is based on a comparison between seniors' and family non market housing in terms of the number of person who have non-market housing compared to those who are on waiting lists. Comparisons between seniors' and family non-market housing can be made despite the problems with surveying waiting lists as these problems are likely to occur equally between both groups.

For every 5 people in the seniors' non-market housing studied there was a minimum of 1 other senior who is on a waiting a list for this housing type. (A total of 652 units for seniors



were provided by the housing projects surveyed while at least another 138 seniors were in need of this housing type). For every family that is in a non-market unit, there was a minimum of 2 families on a waiting list for this housing type. (A total of 420 units for families were provided, while there are 846 families on the waiting list).

- *Preference for non-market seniors' housing units was somewhat greater for one bedroom units (and two bedroom units where they were available) than for bachelor units. Waiting lists for non-market family housing units greater for two bedroom units than one, three, or four bedroom units. Three bedroom units had the second highest number of persons on the waiting lists, and four and one bedroom units had about the same number of persons on the waiting list.*



APPENDIX ONE: Waiting List for Non-Profit Family and Seniors' Housing (Feb. 3, 1998)

Non Profit Housing	Is a waiting list kept?	Seniors Units		Family Units				Notes			
				No of bedrooms							
		E a c h	1 Bdrm	2	1	2	3	4	W h e l C h a i r	S h o r t T e r m	
Brookside Residence Seniors - 26 bach.; 17, 1 Bdrm	Yes	0	15	NA	NA	NA	NA	NA	NA	NA	Notes: most from Kelowna, not much interest in bach..
Burtches Orchard Valley Senior Housing Society Seniors – 90, 1 Bdrm.	Yes	NA	60	NA	NA	NA	NA	NA	NA	NA	Notes: the waiting list is about one year, 50% of those on the wait list will not be there when I phone.
Columbus Villa Columbian Centennial Housing Society Seniors 27 1bdrm, 7 2bdrm; Family 260.	Yes	NA	50	50	NA	250	250	250	NA	NA	Notes: Currently there is a waiting list of 3-4 months. The numbers here are the numbers of people who are on the list and would likely be there if they were phoned.
Evangel Family Manor Family 64 Units	Yes	NA	NA	NA	4	0	0	0	NA	NA	
Evangel Senior Citizens Society Seniors – 43, 1 Bdrm	Yes	NA	NA	1	NA	NA	NA	NA	NA	NA	
Father de Lestre Family Housing Society Family - 22 units, Seniors - 80 units (45 bach., 35 1bdrm)	Yes	12	13	NA	NA	100	75	30	10	2	Notes: 50% of the Seniors List is from out of town.
Hinode Home Kelowna Japanese Canadian Community Senior Citizens Society Seniors - 5 bach.; 15 1 Bdrm	Yes	6	6	0	NA	NA	NA	NA	NA	NA	Note: waiting list people generally don't care if it is 1 bdrm or bach..
Kiwanis Towers Central Okanagan Kiwanis Community Service Society Seniors – 110 bach.; 36, 1 Bdrm	Yes	12	0	NA	NA	NA	NA	NA	NA	NA	Notes: Units may come up every 3 months. 60-80% of the waiting list doesn't want the unit or have moved by the time they are called.
Okanagan Manor B.C. Confederation of Seventh Day Adventist Church Seniors - 10 bach.; 16, 1 Bdrm	Yes	0	4	NA	NA	NA	NA	NA	NA	NA	Notes: housing comes up so infrequently that the majority of people on the list have got housing by the time the are called. Either bach. or 1 bdrm.
Society of HOPE Long Term Families 74 Family Town Homes; Seniors 107, 1 and 2 Bdrms		NA	10	10	35	124	107	32	4	3	Notes: 25-40% on more than one list, 30% will not be there when they are called on.



**APPENDIX TWO: ASSUMPTIONS USED IN ESTIMATING “TRUE NEED”
FAMILY NON-MARKET HOUSING**

Housing Providers	Total on the Wait List	Estimate of % NOT there if called	Estimate of % of out of town persons	Estimate of % on 3 lists.	Estimate of True Need
Columbus Villa	750	0% i.e. 750-0	5% i.e. 750-(750x.05)	30% i.e. 712-((712x.3)x.66)	571
Evangel Family Manor	4	0%	5%	30%	3
Father de Lestre Housing	217	30%	5%	30%	110
Society of Hope	305	30%	5%	30%	162
Total					846

SENIORS' NON MARKET

Housing Providers	Total on the Wait List	Estimate of % NOT there if called	Estimate of % of out of town persons	Estimate of % on 3 lists.	Estimate of True Need
Brookside Residents	15	0%	5%	30%	11
Burtches	60	50%	5%	30%	23
Columbus Villa	100	0%	5%	30%	76
Evangel Senior Citizens Society	1	0%	0%	0%	1
Father de Lestre Housing Society	25	30%	50%	30%	7
Hinode Home	12	30%	5%	30%	6
Kiwanis Towers	12	70%	5%	30%	3
Okanagan Manor	4	0%	0%	30%	3
Society of Hope	20	30%	30%	30%	8
Total					132



13.2 Quality of Life Measures for Housing – City of Kelowna – 1999

The following is an extract from a quality of life report that has been prepared for Kelowna in 1999, to measure numerous social indicators at the census tract level. Nicole Noble worked for the City as a summer student and conducted all the data analysis and draft report for this study. Housing is an important quality of life indicator and this study looks at key housing indicators to assess the provision of housing for various areas of Kelowna:

The affordability of housing is a central issue when determining the social and economic health of a neighborhood. To assess housing as a factor in determining the quality of life in Kelowna, four dimensions were used. These dimensions include the percentage of tenants who spend 30% or more of household income on gross rent, and the percentage of owners who spend 30% or more of household income on mortgage principal, interest; taxes and utilities. The third dimension measures the adequacy and is the percentage of dwellings in need of major repair. The fourth factor was the percentage of residents who were owners of their dwelling. This information was taken from the 1996 Census based on a 20% sample.

Based upon a cumulative score on the affordability and adequacy of housing, four categories were created. These categories include stable, above average, average and fragile.

Stable: Stable areas show a very low percentage of owners and tenants who spend 30% or more of their income towards housing. Proportion of home ownership is higher than other areas. Furthermore, the number of dwellings that require major repair is minimal. It is likely that stable areas have social and economic advantages.

Above Average: Above average regions have relatively high standards of housing. This category also shows a low incidence of owners and tenants spending 30% or more of their income towards housing however, these percentages are slightly higher than stable areas. Dwellings that require major repair are very few.

Average: Average census tracts indicate a slightly higher percentage of owners and renters that spend 30% or more of their income towards housing. A higher proportion of tenants is found in these areas, compared to the previous categories. The adequacy of the dwelling, the need for major repair, is varied throughout this category.

Fragile: Fragile neighborhoods generally have a low score on all of the four dimensions when measuring housing. A fragile neighborhood may have a lower quality of life as a high percentage of resident's income is devoted to housing. There are a higher percentage of dwellings located in fragile areas that require major repair.

Stable housing areas may have fewer needs than other housing categories. Of the 22



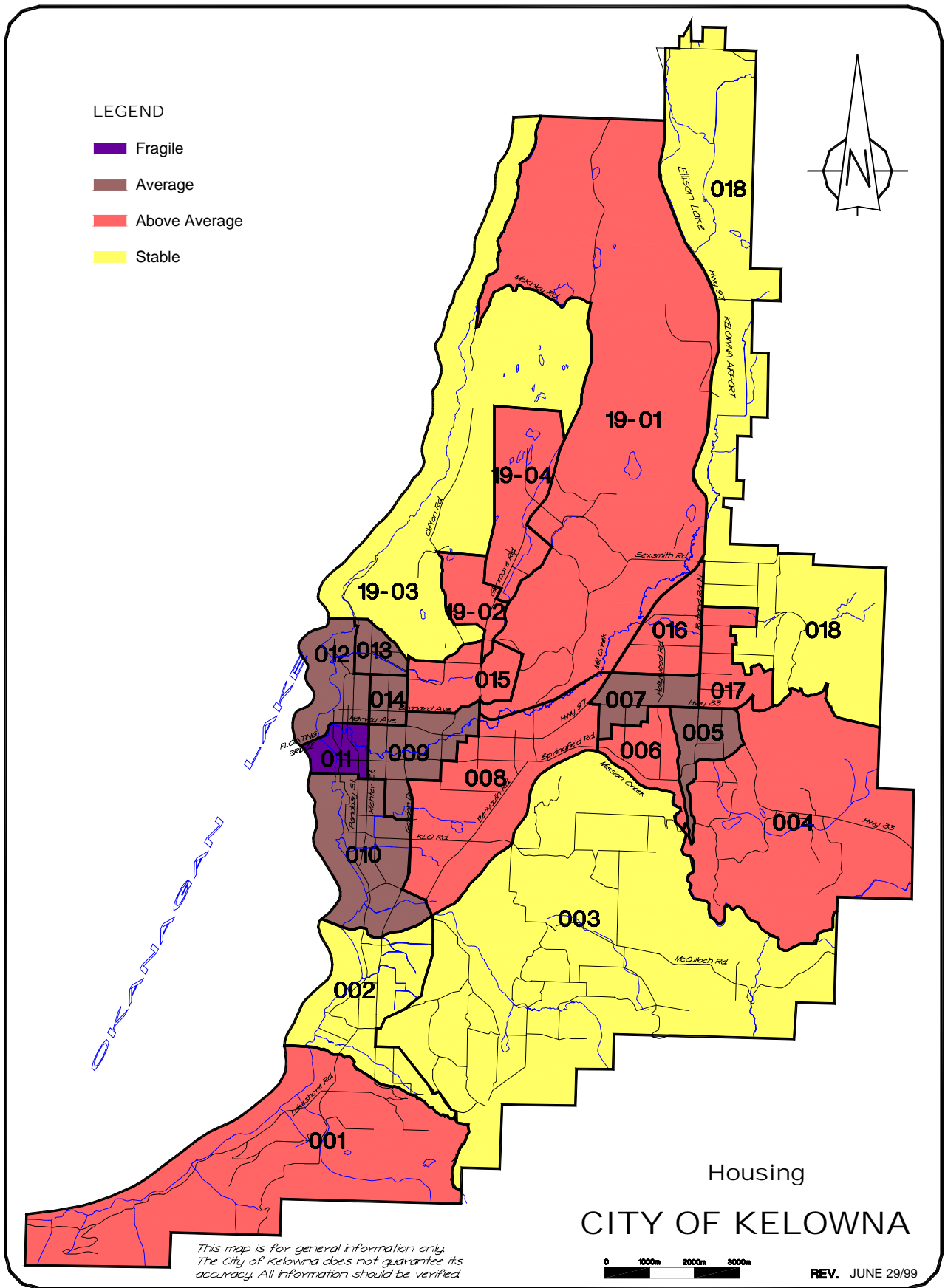
measured census tracts³⁶, 4 were stable, 10 were above average, 7 were average and 1 was fragile. Census tracts 2, 3, 18 and 19-03 were considered stable. Census tracts 2 and 3 are referred to as North Mission/Crawford and Southeast Kelowna. Census tract 18 is located in Rutland and continues north along Highway 97. Census tract 19-03 is a long strip of land located in both the Glenmore/Clifton/Dilworth and the McKinley areas.

Above average neighborhoods were the most prevalent in describing the majority of areas in Kelowna. This shows that Kelowna generally has a good standard of housing. Areas that were included in this category are census tract 1 which solely comprises Southwest Mission. Belgo/Black Mountain region also fits into this category (census tract 4). Parts of Rutland, including census tracts 6, 16 and 17 had above average housing. Census tract 8 stretches through both South Pandosy/K.L.O. and Central City sectors. The north end of Kelowna, including the Glenmore/Clifton/Dilworth and McKinley sectors, or census tracts 15, 19-01, 19-02 and 19-04, are also consider above average.

Several areas throughout Kelowna had average housing. Census tracts 5 and 7 located in Rutland were among this category. South Pandosy/K.L.O. region includes census tract 10 along the shoreline. Also included is census tracts 9, 12, 13 and 14 which are all located in Central City.

Fragile housing is considered unstable as it has poor affordability, a high rate of renters, as opposed to owners, and lower adequacy levels. Census tract 11, located in Central City was the only area that fit this category. This area is considered unstable, as income may not be sufficient to afford housing at a below 30% level, or to repair and maintain some of these dwellings.

³⁶ Census tract 19 is divided into 4 areas.



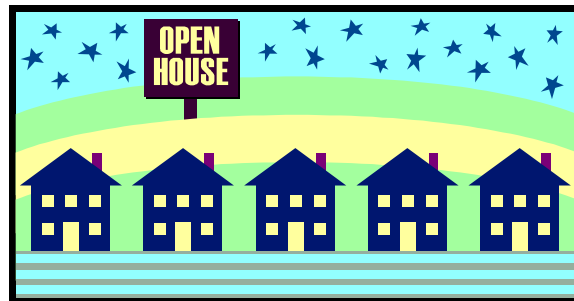
Map 6 – Housing as a Quality of Life Indicator by Census Tracts – City of Kelowna – 1996 Census



13.3 Background Report - Workshop Notes from November 30, 1999



Housing Workshop Notes, November 30, 1999 Discussion Groups for Key Recommendations





DISCUSSION GROUP 1

DEFINING MEASURE OF AFFORDABILITY AND CORE NEED

PARTICIPANT	AGENCY	COMMENTS
Warren Neufeld	Red & Gold Properties	Facilitator
E.R. (Ernie) Winter	Pleasantvale Homes Society	
Karen Wakal	Resident	
Mavis Richardson	Forensic Psychiatric Services	
Shirley Goerner	Resident	
Janet Wilson	Fernbrae Holdings Ltd.	Not Coming
Laura Daniel	O.K. Housing Co-op VP	

RECOMMENDATION 1

That the following definitions of housing affordability in Kelowna be accepted as benchmarks, meaning those households that are at or below the benchmark are considered to have an affordability issue:

Definitions are subject to the following:

Gross Income is before taxes and deductions for the entire household.

Rent: equals rent plus utilities (water, fuel and electricity) (CMHC)

Owner Payments: inclusive of mortgage; principal and interest; property taxes; utilities (water, fuel and electricity) and; condominium, strata, mobile home pad rental, or like fees. (CMHC)

Rental:

Maximum of 30% of gross household income is spent on rent payments; where rent payments are no more than the average rent identified by the annual CMHC Rental Market Report, subject to unit size (no. of bedrooms); or;

Owner-Occupied:

Maximum of 30% of gross household income is spent on major owner payments based on the median income level for all two or more person households from the most recent Census, updated annually using the B.C. CPI.

RECOMMENDATION 2

That the following criteria be accepted to identify a core need for housing affordability.

- *Qualify as at or below core need income threshold (CNIT) developed by CMHC and used by the British Columbia Housing Management Commission (BCHMC) for Kelowna, and/or;*



- *Household income falls at or below Low Income Cut-Off level defined by Statistics Canada for urban areas 30,000 to 99,999, based on household size, and/or;*
- *Household is receiving BC income assistance for Welfare to Work, Disability Benefits, qualifies for Targetted Rent Subsidy Programs (TRSP) operated by BC Housing, or the dwelling is built with senior government funding to be affordable.*

RECOMMENDATION 3

That the City of Kelowna adopt the Core Need Income Thresholds, used and produced annually for BCHMC to determine core need housing situations.

Group Discussion Notes

RECOMMENDATION 1

From a practical point of we need to stay within the main stream of opinion of the matter; re: bench mark.

Have to stay in line with accepted standards.

We agree that money should be made available at a very low interest rate to build these buildings at a rate of no more than 3 – 3.5%.

Would like to see telephone included in recommendation one for personal safety reasons.

RECOMMENDATION 2 AND 3

Suggest:

As a benchmark to chart progress both recommendation 2 and 3 be followed.

All types of rental housing should be encouraged.

Accept concept of core need and LICOs for non-market housing

Need a perception of community responsibility.

Be cautious about applying definitions of affordability. Definitions are fine – it's the interpretation that will be successful or negative.

(Warren Neufeld)

Planning Staff Comments - Group 1 Findings

The group was not comfortable with the accepted standards for measuring affordability. There was a fear that accepting benchmarks will limit opportunities for new development, especially in the area of market housing. There was general acceptance of the concept of core need. Overall, no one really disagreed with the definitions.



DISCUSSION GROUP 2

DETERMINING STARTER HOME PRICE

PARTICIPANT	AGENCY	COMMENTS
B. Ian Bazley	Architect CHBA	
Fred Lindsay	Lindsay Salton Appraisals	Facilitator
Debra Kereluk or Micki Smith	Kelowna Womens' Resource Centre	
Diane Klassen	Social Planning Board – Roslin House	
Richard Walters	Multiple Sclerosis Society – Kelowna Chapter	Recorder
A. Sam Neufeld	North Kelowna Residents Association	

RECOMMENDATION 4

That \$130,000 be accepted as a representative 1998 starter home price for Kelowna, based on 30% expenditure on housing, with a 10% down-payment by a median-income, two or more-person household; and that this figure be updated between Census years, using the B.C. Consumer Price Index.

Group 2 Notes.

RECOMMENDATION

The starter home price shall be set at a level which reflects the current level of ownership within the community. Further, that level shall be lowered by 1 percentage point every two years until we achieve a starter goal figure 5% higher than current ownership levels.

What is Affordable

Duplex in Rutland / used ≈ 25 year old \$110,000 - \$120,000
For single detached in southern YLW ≈ 130,000 with crawl space

Do we accept the basic premise of how to calculate the starter price. Predicated on the assumption that you buy a used home first.

Does a young couple have the right to expect a new home?

What about the income of 46,000/year?

Discussion on what is an average income is to work week realistic?



Difficulty with what is affordable and what assumptions are being made.

Is 130,000 a realistic starter home price?

We have to discuss those who will never be able to afford a home.

The figure of 40,000/year is not a realistic cost.

Discussions of what is an appropriate figure. What will happen to the community if we exclude people from entry level housing?

We have to look at a non-traditional type of housing.

We have to choose a starter price. The design contractor and government could meet that price.

Discussions on whether we should except the details that were presented.

The City of Kelowna should bring in a starter home ownership program.

The medium price should be set by what 2/3 could afford. We would like to say that $\approx 75\%$ of people could afford to buy a house.

How do we deal with household incomes less than \$46,000? What would we change? How do we achieve the surreal goal of cheaper housing? We either have to rise people's income or lower prices. (The group had a problem with accepting the median income of a 2 or more person household as a benchmark)

What is the goal of home ownership? Equity, pride in the community.

How do we maintain continuing status quo.

Affordability should be set at $\approx 2/3$ the population could afford (i.e. \$35,000).

Will need to change the attitude to housing density.

Do _____ to a single family home? Perhaps it should be a single family home.

Should lower the mean income for affordable house price. Need to build equity and by into the community. Change to include more people in the overall question. As a policy

Planning Staff Comments - Group 2 Findings

This group had significant difficulties with the concept of a starter home as an area upon which to focus home ownership affordability. The findings in the report are based on accepted approaches in housing research put forward by agencies including CMHC. The approach can be supported by the fact that data reveals that those already in the ownership market exhibit little difficulty with affordability. In fact 82% of all ownership households were not considered to have an affordability issue in 1996, according to the Census. The most significant barrier is in entering the ownership market. Hence the focus on starter homes in available housing research (i.e. the housing market analysis by CMHC).

The next difficulty was in accepting that starter homes in the current market are primarily in the form of older, smaller single-detached homes. This information is supported by several real estate market reports, including those from BC Assessment, ReMax, and Okanagan Mainline Real Estate Board. The point that may not have been recognized was that the housing study recognizes the



existing situation and also tries to offer suggestions around the need for a continued starter home market into the future for Kelowna. This market may be in the form of alternative dwelling forms, and it is important to forward this information to the housing industry.

Finally, accepting \$46,074, the median income level of a 2 or more person household as the income upon which to base the starter home price seemed to be difficult for the group. There is a wide disparity of income levels in Kelowna. The 1996 Census indicated that single person households' income levels were considerably lower than that of all other households by more than half, when looking at median incomes. Using accepted CMHC methodology for calculating income required to afford ownership shelter costs, it was evident that a median income of \$18,759, did not leave many possibilities, in terms of ownership, for a one-person household. A median income means that half of the population of single person households makes more than \$18,759, such that some of this group will afford to buy a home and does, in fact, make up a portion of the existing ownership market. Assumptions in the report, therefore do not exclude this group from ownership. They simply provide a reasonable benchmark.

Some of the suggestions put forward by the group were unclear and complex. Any assumptions around benchmarks for ownership have to be understandable, reproducible and clear enough to implement. Greater complexity threatens the ability to do these things.

Some of the comments around increasing the recognition and acceptance at the community level for higher densities and other housing forms than single-detached are consistent with the recommendations of the planning department and with approved housing policies in the OCP.



DISCUSSION GROUP 3

REVIEWING ESTIMATES OF DEMAND

PARTICIPANT	AGENCY	COMMENTS
K. Lois Marshall	Marona Estates Ltd.	
Chantelle Lozinski	Central Okanagan Brain Injury Society	
Dana Sarris	Central Okanagan Brain Injury Society	
Diane Klassen	Social Planning Board –Roslin House	
Sherri Lacey	Kelowna Gospel Mission	
Ken Webster	Webster Management	

RECOMMENDATION 9

That the information from the Census and Statistics Canada which identifies incidence of low income by household type, using Low Income Cut –Offs be compared against non-market, or publicly-funded housing supply to generate estimates of demand and deficiencies for low-income housing.

ESTIMATED LOW-INCOME HOUSING NEED VERSUS PUBLICLY-FUNDED HOUSING SUPPLY

HOUSING NEED GROUP	NO. OF HHLDS	PUBLICLY-FUNDED HOUSING UNITS	OTHER HOUSING RESOURCES	DEFICIENCY / NUMBER UNITS
female lone-parent families	1,976	} 620 units to serve all these groups	approximately 22 temporary "emergency" units	3,660 family-oriented
male lone-parent families	152			
married couples / no children	991			
2 parent families w/ children	1,161			
elderly living alone	2,170	1,204	includes 485 beds in nursing homes; & 2-person or more units	364 ³⁷ units
non-elderly, one person hhlDs	1,790		approximately 180 motel units in 1998	1,790 non-elderly one-person units

³⁷ Based on assigning half of the publicly funded units to 2 person households, assuming some elderly will be able to share.



Recognize and agree with the data provided; that there is a great housing deficiency for publicly funded homes for low income, sole parents and non-elderly 1 person households.

However, we wish to state that the number is produced to reflect client need and housing availability may not accurately represent what we feel is a greater need than recorded.

We agree that in spite of the above, that you have determined that there is a high degree of housing needs in these areas.

What Would We Change or Add

1. Community Housing Committee that all resources and service providers can access regarding vacancies, programs, housing facilities and client needs.
2. There are often too many community service groups duplicating services and pressing to meet their own agendas rather than the diversity of need in our community. We need to work together.
3. Too many service providers are not aware of all community resources available.
4. People in the private sector need to work in partnership with non-profit and service organization to meet housing demands. Service providers need to see the “community” of Kelowna as a valuable resource instead of relying solely on Government funding.
5. We agree in developing a Housing Reserve Fund – Kelowna needs to begin working as a “community” to meet the needs of our citizens.
6. We also recommend a better definition of “special needs” to insure it includes addictions, abused, mental/physical illness and those living in poverty.
7. Lobby Government of BC to insure that income assistant benefits provided for shelter reflect actual rental costs in each geographical area.

Definition of “special needs housing” from the City of Kelowna Zoning By-law 8000:
SPECIAL NEEDS HOUSING
means housing for people that have limited shelter options; that fall below a household income required to afford market housing; and includes seniors or person with or without children who lack safe and secure housing or are leaving an abusive relationship, single parents and children who are at risk, street youth or homeless persons, or people with mental or physical disabilities, illnesses or dependencies.

Planning Staff Comments - Group 3 Findings

This group included representatives who were very familiar with special needs clients for housing. The recommendation of a better definition of special needs does not seem to indicate that the existing definition from the zoning by-law (shown at left) was seen or understood. It is apparent that the existing definition addresses the points that were made.

The group accepted the identification of need identified on the basis of low income household estimates measured against housing supply, but were of the opinion that there is greater need within the community. Greater accuracy was sought as part of the study by contacting agencies including Community Care and agencies representing those with physical or mental disabilities. Numbers were not available from these agencies.

Since the workshop was held, a copy of a letter from Community Care was received. This letter was addressed to Jim Hammond, in response to questions about the need for low income elderly housing. The same information was requested earlier by the City, but not received. However, the numbers in the letter are very close to the estimates that have been provided for this study, using low income household estimates, versus assisted housing supply. In summary, Community Care estimates of low income housing need are provided in comparison to the estimates made in the study:



Low Income Elderly Singles

	Estimate for Kelowna, from 1996 Census & 1998 Subsidized Housing Supply	Community Care # for Central Okanagan (1999)
Total Low Income Singles	2170	2300
Elderly singles not in subsidized housing (based on subsidized housing supply)	1204	
Low income elderly receiving home support		1215
# of housing units needed (based on ½ units occupied by 2 people)	364	
Waiting list for housing (individuals)		608

What the above table shows is that numbers used by Community Care for estimating the housing needs of the low income elderly agree with the estimates generated by the housing study. If half the units proposed by the study numbers are occupied by 2 people, the study estimates that 546 elderly singles are in need of housing assistance, which is very close to the number on the Community Care waiting list. Community Care numbers are also not limited to the City of Kelowna, but for the entire Central Okanagan area. Community Care has provided additional estimates of the number of elderly by the specific type of care that is needed. This information will be useful to housing providers. It is likely that home support services can and do reduce the need for specialized housing for seniors.



DISCUSSION GROUP 4

ASSESSING GEOGRAPHIC INEQUALITIES

<u>PARTICIPANT</u>	AGENCY	COMMENTS
Mac Campbell	Social Planning Board	
Jean-Jacques Clermont Ferrand	Community Housing Needs Committee	
Allyson Fagan	Social Planning Board – YM-YWCA of Kelowna/Westbank	recorder
Hal Bottomley	Formerly CMHC – Social Planning Board & Housing Committee	
Alan Campbell	British Columbia Housing Management Commission	facilitator

RECOMMENDATION 11

That policy direction and innovative zoning be used by the City to encourage more rental, special needs and affordable varieties of housing in the North and South Mission, McKinley, Southeast Mission, Black Mountain and Glenmore areas, in order to address income and housing price inequities.

Group 4 Discussion Notes

RECOMMENDATION

Context behind recommendation 11? How was inequity perceived? (i.e. transportation and access to other services needed). RECOMMENDATION 11 address' the City's point of view of avoiding "ghetto-ization".

We are a young community; but in/on the crest of great growth, as boomers get older.

Will this recommendation have other changes complement it like – bus system – transportation.

Questions arose comparison between income and age. Demographics (income level vs. location of town: age; gender)

- Demographics (income level vs. location of Town).
- Define special needs – (“everything other than” non-single family unit) mental, physical, lower income, special requirements (seniors)

Despite zoning and age changes – individuals may not alter their home due to

Questions arose regarding the simplicity of the maps.

- How important is location of housing for the disenfranchised?



- Neighbourhood which is “desirable” to live in (i.e. Glenmore subsidized unit).
 - Resistance is limited to this kind of housing (subsidized complex).

Recommendation 11 must become part of the institutional way that bylaw, planning etc., makes decisions.

- Growth taking place within recommendation 11 will hopefully occur in a reasonable, natural manner.

How far – reaching is recommendation 11? What will the recommendation mean for decision making. For example; will it mean the altering of strip mall will include residential housing in it?

Will Geographic inequities affect to address price and income inequities – NO – probably not. But it will disperse housing and increase health of a community.

* Last part of sentence changed to:

reflect social planning priorities of the community and accommodate the diversity of needs of our neighbourhoods.

SUMMARY – TABLE 4

Recommendation 11 (revision)

That policy direction (policy direction needs to be defined – it is a little vague) and innovative zoning be used by the City to encourage more rental, special needs and affordable varieties of housing in the North and South Mission, McKinley, Southeast Mission, Black Mountain, and Glenmore areas to reflect social planning priorities of the community in order to accommodate the diversity of needs and geographic inequalities throughout the City.

- Promote inclusion not exclusion
- This recommendation must be valued and embraced by those who have an appointed leadership role, otherwise will it result in any changes?
- Our group needed assurance that there is a means of verifying demographic distribution as well as income (i.e. same could be asset rich but income poor)
- Must express a vision for the future to accommodate for these demographic changes – not just a vision for seniors, but a broader context.
- We recommend a brief/comprehensive – Info gets diluted each time the process is conducted.

Planning Staff Comments - Group 4 Discussion

The group appeared to be in basic agreement with the recommendation, but spent a lot of time intellectualizing it in an effort to clarify the wording and provide more precision. While the maps do illustrate inequities that are not necessarily without foundation, they show a very uneven housing distribution. Part of this is explained by the need for vulnerable and poorer groups to be close to community services found in the town centres. OCP policies support this concept. However the disparities in income and housing distribution can also serve to provide some validation towards encouraging more diverse neighbourhoods by providing a variety of housing choices, in all major sectors of the City. With the support of policy, and by continuing to work on more flexible zoning, planning staff will continue to work towards diversifying neighbourhoods, since this supports the concept of healthy communities, while also recognizing the spectrum of housing needs. This is accomplished by working with developers as new proposals are received by the City.



Planning staff agrees to clarifying wording consistent with some of the suggestions of the group. The following is suggested:

That policy direction and innovative zoning be used by the City to encourage more rental, special needs and affordable varieties of housing in the North and South Mission, McKinley, Southeast Mission, Black Mountain, and Glenmore areas in support of a “healthy community” concept and in order to accommodate the diversity of housing needs and reduce the geographic inequities throughout the City.

DISCUSSION GROUP 5

EVALUATING ALTERNATIVES TO SINGLE DETACHED HOUSING

PARTICIPANT	AGENCY	COMMENTS
Glenn Bowden	Community Housing Needs Committee	
Greg Dusik	Red & Gold Properties – Community Housing Needs Committee	Facilitator
Vi Sorenson	Community Housing Needs Committee – Seniors’ Outreach Services Society	
Sheri Wood	OSHR	
Brian Westers	Centennial Senior Housing Society	
Gary Stephen	Planning Department	Recorder

RECOMMENDATION 12

That ground-oriented, attached housing forms, including town houses, duplexes, semi-detached, four-plexes and others, be encouraged as an affordable alternative to older single-detached homes for first-time buyers.

RECOMMENDATION 13

Similar to the owner-oriented housing supply, ground oriented, smaller-scale rental buildings should be encouraged, as these structures represent the characteristics and requirements of the rental housing market in Kelowna.

DISCUSSION GROUP 5 - NOTES

RECOMMENDATION NO. 12

Definition of ground oriented.

- Each unit has access and ground by individual door, staircase etc.
- Stairs would be an access issue.



Manufactured home is neglected as an alternative – should not be lumped in as “other”.

Be more specific – manufactured homes, zero lot line.

- 1. Why focus on older homes? This has been established as the benchmark of affordability.**
- 2. Why first time buyer? Who qualifies?**

Recommend to remove references to “first time” buyer.

- This recommendation should also be encouraged in all neighbourhoods, not just those with older homes.**

RECOMMENDATION NO. 13

- 1. Perhaps we should include small single detached dwellings on small lots. And greater inclusion of suites within single detached dwellings in all neighbourhoods.**

Planning Staff Comments for Group 5

This group was trying to deal with the recommendations in isolation of some of the other areas of the Housing Study. A presentation of the overall report was given, and the complete study was in the room. However, when engaged in group discussion, it is sometimes difficult to leave the discussion to explore more information. This problem led to a lack of understanding of the starter home concept. Based on external research (e.g. CMHC) starter homes are the focus of identifying affordability of ownership housing. In Kelowna, the number of sales in the year 1998 revealed that home prices falling within the starter home range were concentrated in the former of older, re-sale single-detached homes. Other housing forms (i.e. duplexes, mobile homes, strata-titled homes in the form of townhouses and others) demonstrated more affordability, but lack the numbers in terms of sales, indicating that there was a lack of supply. This was part of the basis for recommendation 12. It is important to remember that these policy recommendations will be in addition to existing policy, which already encourages higher density, multiple housing forms.

The Study identified a need and preference for ground-oriented housing forms in Kelowna. These housing forms have the advantage of offering some of benefits of the single-detached housing lifestyle, while being more affordable. Presently, the older housing stock is addressing this need, but the existing housing supply has a limited life. This requires an examination of what alternative housing forms can fill this niche in the future. The need for secondary suites is well-supported in OCP policy and has been reviewed in detail for the zoning by-law. In addition, existing policy encourages all forms of multiple housing, and certain areas of the City are designated for higher densities.



DISCUSSION GROUP 6

SINGLE ROOM OCCUPANCY (SRO) HOUSING

PARTICIPANT	AGENCY	COMMENTS
Mary Chamberlain	Central Okanagan Emergency Shelter Society	
Jennifer Pfliger	Canadian Mental Health Association	
Barb DeGruf	B.C. Schizophrenic Society	Facilitator
Myles Bruckal	Comfort Living for Seniors Inc.	
Karen Neal	Comfort Living for Seniors Inc.	
Barb Penner	Resident	Recorder
Sue Hawrelak	Canadian Mental Health Association	

RECOMMENDATION 18

Due to the income limitations of single person households, the shortage of bachelor units in the City of Kelowna, and the lack of opportunities for conversion of existing older buildings, any available means of providing Single Room Occupancy (SRO) housing, or other housing, for Lower Income Urban Singles (LIUS) must be pursued. The following are recommended:

- Secondary suites must continue to be facilitated;
- Residential units above commercial uses in town centres;
- Conversion of student residences, wherever feasible;
- Boarding homes;
- The conversion of projects currently proposed for congregate housing, either wholly or partially, for SRO housing.

Such options need to be encouraged through the use of public/private partnerships; housing agreements; housing reserve funds, and/or the leasing of municipally-owned land which has been acquired for housing purposes with the use of a housing reserve fund; and a revised DCC calculation process.

GROUP 6 - NOTES

1. Agree – zoning be flexible accommodate integration.
2. Agree – providing safety issues addressed and standards are reasonable.
3. Feel this is a soft statement – feel it is hollow. Students are also low income what about increasing student residences?; would support people going back to school – not only University.



4. Boarding homes – flexible zoning i.e. Numbers of people allowed, provides a variety. Not really affordable - \$500.00/month cannot save. Can provide positive environment for folks with needs. Is this a viable permanent.
5. Agree – good luck convincing developers.

ADD – MONITOR OF STDS

Felt that we were addressing only needs of those subsidized.

Address – needs of people on minimum wage.

Barb Penner

November 30, 1999

Facilitator: Barb DeGraf

Congregate Housing

- People have own bedroom
- Common living and dining room
- Some share bathrooms
- Almost like communal living
- 9 rooms

SAFER program – Funding for Seniors

Needs at table similar.

Housing STDS Look at

Did not see any recommendations
? Regulations

ZONING?

STUDENT RESIDENCE – Nice to put down – feel it is hollow - ?Value. Wherever feasible – what is the plan – vague and unrealistic.

Problem

Poor people congregating in ghetto. Use development costs to ensure/purchase 1 bedroom/back suite in all apartments.

- Integration
- Lobby to manage

Concept

- Small single unit apartment.
- Hotel conversion / build-own
- Partnership with BCA 1/ 2 money be outside
- Example Rose Mead

Has to be a variety of solutions



Look at isolation issues

People are healthier when feel included

- Provide variety of choices
- Worried about a roof over the head
- Dumpy motels - converted

Flexibility – understanding – public sector / governments

- What is important
- Road blocks – re: putting up a care home
- No just cause
- Inconsistency – lower standards
- businesses that want to fill a need are being stonewalled.

Important to offer choices

TAKE A LOOK AT ZONE – FLEXIBLE ZONING

Group 6 – Planning Staff Comments

The reference to student residences may have created some confusion with the group. A specific reference may not be necessary. However, Kelowna lacks the inventory of older hotel structures that have been used in other cities to convert for SRO housing. Student residences are a structure that would be easily converted for this use and there have been inquiries to the City about the conversion of student residences for other uses. The statement was made more to identify such uses as an appropriate structure type, not to remove student housing that may still be needed. Clarification of the wording may be another approach.

The group was in strong agreement with the need for SRO housing.

The notes directing more flexible zoning may have been made with a lack of awareness of all the changes that have already been made to the zoning by-law. Certainly, in the area of congregate housing, the City is probably further ahead in terms of zoning than most other Cities. The level of development activity in this area necessitated zoning to address the demand. The Provincial government has recognized this in its publication regarding supportive housing for seniors. For those experiencing difficulties in gaining approval for care homes for seniors, there may be confusion between City requirements and licensing under the Community Care Facilities Act. Some changes to zoning have been made recently to ensure that proposals for boarding homes and care homes can be reasonably accommodated in a low density neighbourhood. The care home situation is complex, since many would-be operators are not aware of requirements or liability issues going into such a business. Continuing Care at the Health Unit is trying to address this problem by offering seminars on opening such a business. One of the main concerns is to ensure that seniors are properly cared for and not abused by inappropriate housing or care.

Conversion of motels may be inadequate to solve any problems. Most motels serving as SRO housing are located on prime tourism/commercial property which is unlikely to be used for low-cost housing. Existing housing in motels is only addressing a small portion of the need (less than 200 units in 1998), is primarily sub-standard and ready for conversion to another use. The City tackled this issue in 1998 and developed a notice procedure to ensure that all parties are aware of the requirements of the Residential Tenancy Act when converting or upgrading motels or hotels that are used for housing.



DISCUSSION GROUP 7

BRAINSTORMING TO GENERATE HOUSING RESERVE FUND

PARTICIPANT	AGENCY	COMMENTS
Michael Loewen	United Way	Has copy of materials
Jim Fenton	Regional Housing Resource Centre (Community Housing Needs Committee)	Facilitator
Al MacKenzie	Father Delestre Housing Society (Community Housing Needs Committee)	Recorder
Keith Funk	Newtown Planning – UDI	
Alice Mah Wren	Community Care – OSHR	
Linda Bowers	North End Residents Association	Not Coming
Charly Sinclair	BC Schizophrenia Society – Kelowna Branch	

RECOMMENDATION 24

That the City of Kelowna establish a housing reserve fund using the following sources of revenue:

- *A portion of the proceeds from the sale of surplus municipally-owned land with the amount to be determined³⁸;*
- *Voluntary gifts from the community through wills or donations from business. (The City should publicize the opportunity to make a contribution to the future housing needs of our residents);*
- *Land lease revenues and a proportion of the sale of market units on City-owned lands (based on the Kamloops example); and*
- *Annual budget allocations, whenever there is adequate money available to contribute.*

³⁸ The City of Saskatoon contributes 10%.



GROUP 7 - NOTES

1. Proportion of Sales
 - graduated return from sale of surplus lands
 - Year: 1-5 = 75%
 - 5-10 = 60%
 - 10-15 = 45%
 - 15-20 = 25%
 - Designate surplus lands as housing sites
 - Disclosure of inventory of city-owned land
 - Community land trust
2. Voluntary Gifts
 - Community Land Trusts – Vehicle
 - Donations in the form of land and money
 - Non-Profit Organizations
 - Voluntary gifts from developers
 - Service Organizations
 - N.G.O.
3. Land lease – sale of units.
4. Annual budget allocation ratio of budget fraction or percent; e.g. 1%
5. Borrow against City land equity, similar to how BC Housing funds can be borrowed against
6. Interest on pre-paid development servicing fees (Letters of Credit).
7. Lowered funds and equity supported mortgages to add to the fund.
8. New-development should not be sur-charged.

Planning Staff Comments – Group 7

There are some good ideas for funding in this discussion. However any of these ideas must be politically accepted, before there is any possibility of implementation. The idea of a graduated contribution from sales of surplus lands could be put forward as a suggestion from the workshop, and will then fall upon Council's intent to implement.

The idea of using City-owned land for housing has been discussed at length. At best, such lands may have marginal usefulness for low-cost housing due to their location or configuration. Lands currently owned by the City have been acquired with other purposes in mind, such as infrastructure or parks, and are not always often for housing.

Using the interest from letters of credit is an idea that can be forwarded to Council. Suggestions around borrowing money may need to be forwarded for comments to the Finance Department. Allocating a portion of the budget to the housing reserve fund will need to be forward for consideration by Council.

All opportunities for gifting from the community should be pursued. Sur-charges to developers to generate the fund are not being recommended.



DISCUSSION GROUP 8

ESTABLISHING PARAMETRES FOR FUNDING FROM RESERVE

<u>PARTICIPANT</u>	AGENCY	COMMENTS
Sherri Newcomen	British Columbia Paraplegic Association	Recorder
Sharon Wammer	Community Care – OSHR	
Marie Ferguson	North End Residents Association	
Colin Smith	Central Okanagan Child & Family Resources Society	
Janet Scotland	Community Housing Needs Committee	absent
Gene Yablonski	Habitat for Humanity	
Judy Neaves	Care & Share	Facilitator
Colleen Mackie	Okanagan Housing Co-operative	

RECOMMENDATION 25

That the City of Kelowna use the housing reserve fund solely for the purpose of acquiring lands for the purpose of housing to lease back to non-profit groups or developers by the means of public / private partnership agreements, subject to the following:

- That land be acquired within, or in proximity to Town Centres;
- That land be acquired within multi-housing designations in the OCP, or within mixed residential commercial designations, or commercial designations which allowed a housing component;
- That a proportion, equivalent to 10-15% (to be confirmed after review by staff) of the sale of existing, surplus City-owned land be contributed to a the housing reserve fund;
- That if a private developer wishes to lease city-owned land for housing, a proportion of the units be for special needs, affordable or rental housing, subject to the City’s definitions of affordable and special needs housing;
- That if a proportion of housing to be developed on City-owned land consists of market, owner-occupied housing, the City receive a percentage of the equity from the sale or re-sale of such units;
- That any development on land leased from the City be such to a private-public partnering agreement, to the satisfaction of the City’s solicitor;
- That target housing needs groups the City would like addressed include:
 - ✓ Lower income urban singles;
 - ✓ Single parent families;
 - ✓ Low-income families at or below core need income thresholds;
 - ✓ Any group identified as in core need, as defined by the City;



- ✓ People with physical disabilities;
 - ✓ Special needs seniors;
 - ✓ Other special needs groups, meeting the City's definition;
 - ✓ First time homebuyers in attached, ground-oriented housing forms.
- Housing structure types the City would like to encourage with the use of leased-back City-owned land include:
- ✓ Single room occupancy (SRO) , bachelor or one-bedroom apartments for one-person households;
 - ✓ Residential above commercial;
 - ✓ Ground – oriented multiple housing forms, including semi-detached houses, townhouses and apartments;

GROUP 8 – NOTES.

JUDY – FACILITATOR
SHERRI – RECORDER

Suggestions

27. City look at co-op housing. Residents are share holders governed by CMHC, housing co-ops, funded by CMHC (residents are the board – meetings take place). No stigma attached to co-op housing, compared to other “low-income” housing. Land is owned by CMHC, \$2,000 is initial “down payment”.
28. All agreed that land be close to Town Centres.
29. Four storey buildings are a comfort zone re: residential above commercial.
30. 10-15% is a low figure to be contributed to the reserve fund – recommend 20-25%.

Special needs, affordable (owned/rental) housing”

Recommend: 100 units – 10% special needs 20% rental, 70% owned (not everyone at the table agreed)

All agreed that a % of the equity from the sale of City owned land go back to the City.

* Recommendation

1. If a homeowner rents a unit – say a basement suite to a single parent – give the homeowner a tax break.
2. People with physical (or mental) disabilities.

Last Item

Focus on SRO households
Encourage residential above commercial.



Group 8 – Planning Staff Comments

The City has no problem with co-operative housing. It is up to the community to bring forward proposals and pursue assistance from CMHC or BC Housing setting up a coop. Co-operative housing can be added to the list of housing solutions the City would support on City-owned lands. Sources of information on this type of housing can be made available.

The amount to designate from surplus City-owned land sales to a reserve fund was also discussed by the previous group. Both groups felt that 10% was too low.

A proportional break-down requirement for the types of housing to be sought met with discord among the group. Research has shown that proportional requirements for affordable housing do not work effectively.

Regarding tax breaks for suites rented to certain types of households, there are already tax benefits through Revenue Canada for having a rental unit. The homeowner gets an automatic reduction in property tax if he/she lives in the home. There are also property tax breaks for those who have disabilities and live in their own home. Providing further incentives may be difficult, but could be offered as a means of rewarding suites that are legal and meet all the City's requirements.

Other comments offered by the group indicate general agreement with the recommendation.



DISCUSSION GROUP 9

ALTERNATIVE DEVELOPMENT COST CHARGE CALCULATIONS

<u>PARTICIPANT</u>	AGENCY	COMMENTS
Grant Gaucher (Absent)	Gaucher Holdings Ltd.	
Del Juba (Absent)	FWS Community Partners Inc.	Not Coming
Ron Cannan	City Council	
Luke Stack	Society of Hope, Community Housing Needs Committee	Facilitator
John M. Schlosser	Community Housing Needs Committee, Can. West Design Group	Recorder
Brian Peterson	Mortgage Broker	

RECOMMENDATION 26:

Based on the research that has been undertaken, following is recommended:

That the City implement a density gradient approach to the calculation and collection of DCCs, which is sensitive to housing forms, servicing demands and long range planning techniques for reviewing development and forecasting growth. The density gradient would help to encourage increased densities and smaller residential units, while being a more equitable way to collect DCCs, and more accurately reflect the service demands of various types of development.

GROUP 9 – NOTES:

DENSITY GRADIENT DEFINITIONS

#26 That the City implement a density gradient approach to the calculation and collection of DCC's, which is sensitive to housing forms, and servicing demands. The density gradient would help encourage increased densities and smaller residential units, while being a more equitable way to collect DCC's and more accurately reflect the service demands of various types of development.

Agree – Gradient based on unit type or combination of unit type and area.
Achieve OCP goals of more multi-family, including smaller units.

Housing Forms

Unit Type – BA (bachelor)
1 bedroom – 1 BA



2 bedroom – 1 BA (increase DCC for extra bathrooms)
Small lot housing – a low DCC's

Everyone using water services should pay DCC's.

TABLE 9

DCCs are a tax?

1. DCC's should be charged at point of purchase.
2. DCCs are not a transparent tax
3. Eliminate DCCs and increase taxes. Kelowna can choose to eliminate DCC.
4. Infrastructure needs to pay for – DCC's cannot be eliminated.

Planning Staff Comments – Group 9

The lack of interest in the area of DCCs in response to the advertisement and invitations to this event was disappointing. Two members of the group, representing the development community, were unable to attend. The group tried to understand the DCC recommendation. It seemed that there was a reluctant acceptance that DCCs are a necessary evil. The alternative of increasing taxes is just as unpalatable. There did not seem to be a serious objection to a density gradient approach; just an effort to understand what it means.