

## HAF Agreement and Action Plan Summary Kelowna, British Columbia

### Summary of Agreement Targets and Funding

*Status as of December 9, 2024*

<b>Overall Permitted Unit Targets (3 years)</b>	<b>7,430</b>
Units expected without HAF (baseline)	6,480
Units incented by HAF (HAF-incented)	950
Municipality's 10-year unit projection	20,680

<b>Permitted Unit Targets with Breakdown</b>	<b>Total Target</b>	<b>Year 1 Forecast</b>	<b>Year 1 Progress</b>
Housing Supply Growth Target	<b>7,430</b>	<b>2,180</b>	<b>1,766</b>
<ul style="list-style-type: none"> <li>• Multi-Unit housing units in close proximity to rapid transit</li> </ul>	0	<i>Note: there are no annual forecasts for different unit types.</i>	0
<ul style="list-style-type: none"> <li>• Missing middle housing units</li> </ul>	2,711		382
<ul style="list-style-type: none"> <li>• Other multi-unit housing units</li> </ul>	4,180		1,455
Affordable Housing Units	416		0

#### **HAF Funding Schedule and Explanatory Notes:**

The total funding envelope for HAF recipients is based on the number of HAF-incented units, as described in Section 10 of the Pre-Application Reference Material. Advances are disbursed annually, subject to compliance with the terms and conditions of the HAF agreement.

Total funding eligibility	\$31,558,610
Annual advance amount	\$7,889,652.50

CMHC has reviewed Kelowna's first annual report and is satisfied that the city is meeting its commitments under the HAF agreement. The second advance will be made in full.

## Summary of Initiatives and Milestones

### Initiative 1: Adjusting Regulations: Implementing the Infill Options Program

Increasing infill development and gentle density in existing neighbourhoods.

- Planning regulations will be updated to allow infill development as-of-right (removing the need for rezoning approvals) across a larger portion of the City’s urban centres and adjacent neighbourhoods.

Initiative	Due Date	Status
	31/12/2024	On Track
Milestones	Due Date	Status
Bylaw adoption and implementation	31/12/2024	Completed
regulations development	31/10/2023	Completed
Technical Review and Concept Development	31/07/2023	Completed

### Initiative 2: Adjusting Regulations: Incentivizing Private Sector Housing Development

Offering developers additional financial incentives to build rental and affordable housing.

- Kelowna will review existing programs (Rental Housing Grants Program, Revitalization Tax Exemption Program, density bonusing bylaw), explore new financial incentives and update those already in place.
- An updated suite of incentives and regulatory changes will be introduced to increase the number of affordable homes in private sector developments.

Initiative	Due Date	Status
	30/06/2025	On Track
Milestones	Due Date	Status
Review and Update Other Incentive Programs	30/06/2025	On Track
review and update the revitalization Tax Exemption Program	01/09/2024	Completed

### Initiative 3: Adjusting Regulations: Transit Supportive Corridor Planning

Creating detailed corridor plans that prioritize transit right-of-way and remove rezoning requirements for new housing close to key frequent transit routes.

- A detailed assessment will identify the optimal densities and other land use considerations for development along specific transit-supportive corridors.
- This assessment will inform an update to planning rules to allow higher densities as-of-right while ensuring the long-term functioning of the transit right-of-way.

<b>Initiative</b>	<b>Due Date</b>	<b>Status</b>
	31/03/2026	On track
<b>Milestones</b>	<b>Due Date</b>	<b>Status</b>
Evaluation of Key Selected transit-oriented Corridors	31/12/2024	On Track
Implementation	31/03/2026	Not Started
Regulations Development	30/09/2025	On Track

**Initiative 4: Investing in Land and Infrastructure: Use City-Owned Land for Affordable Housing**

Expanding a dedicated fund to purchase land for affordable housing.

- An expansion of the Housing Opportunities Reserve Fund will allow the City to acquire at least one development site each year.
- This proactive approach will create the predictable pipeline of City-owned land needed to unlock new affordable housing partnerships (see Initiative 5).

<b>Initiative</b>	<b>Due Date</b>	<b>Status</b>
	31/12/2025	On Track
<b>Milestones</b>	<b>Due Date</b>	<b>Status</b>
Annual Acquisition summary or properties for affordable housing	31/12/2025	On Track
Council approval	30/09/2025	On Track
Partnership Model	31/07/2024	Completed

**Initiative 5: Establishing New Housing Partnerships and Affordable Housing Delivery**

Creating a new City-led program to create affordable rentals through direct partnerships with private and non-profit developers.

- City-owned land will be appropriately zoned to help bring projects to the market as soon as possible.
- The combination of land and other financial incentives (see Initiative 2) will deliver homes at affordable rents (20% or more below market).

<b>Initiative</b>	<b>Due Date</b>	<b>Status</b>
	31/12/2025	On Track
<b>Milestones</b>	<b>Due Date</b>	<b>Status</b>
Annual summary of partnerships in delivery of affordable housing units	31/12/2025	On Track
Ensure affordability of units	31/12/2025	On Track
Issue RFP or EOI and award initial partnership	30/09/2025	Delayed*
Seek council approval on partnership model	30/01/2024	Completed
Staffing	30/06/2024	Completed

\*The City issued its RFP within the expected timeline, but the partner shortlisting process was slightly delayed to ensure due diligence. CMHC accepted this delay, with final selection of partners to be awarded by January 31, 2025. The initiative and associated outcomes remain on-track.

**Initiative 6: Investing in Infrastructure to Unlock Housing**

Reviewing infrastructure investment plans and adjusting internal processes to support an accelerated pace of housing development.

- This initiative will assess where infrastructure upgrades are needed to unlock new housing.
- Improvements are intended to increase predictability by reducing servicing barriers and improving approval times for new developments.

<b>Initiative</b>	<b>Due Date</b>	<b>Status</b>
	01/09/2026	On Track
<b>Milestones</b>	<b>Due Date</b>	<b>Status</b>
Infrastructure Research and Planning	31/03/2024	Completed
Updating Infrastructure Related Processes and Funding	01/09/2026	On Track

**Initiative 7: Updating Systems: Leveraging New Technology to Improve Processing and Data Management**

Expanding the use of technology, including artificial intelligence (AI), to accelerate housing approvals and support evidence-based decision-making.

- The City will update its digital systems and increase data analytics capacity to improve tracking and reporting and compare trends over time.
- A new online permitting process will be introduced, including an integrated AI assistant and an automated compliance check, to reduce the need for back-and-forth interactions with planning staff and address common application deficiencies.

<b>Initiative</b>	<b>Due Date</b>	<b>Status</b>
	30/06/2025	On Track
<b>Milestones</b>	<b>Due Date</b>	<b>Status</b>
Compliance Check	30/06/2025	On Track
Online Permitting Process	30/06/2025	Completed