



**URBAN DEVELOPMENT INSTITUTE- OKANAGAN CHAPTER**

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August 26, 2019

City of Kelowna  
1435 Water Street  
Kelowna, BC, V1Y 1J4

**Attention: Robert Parlane**

**Subject: UDI's Position on Parks Development DCC**

UDI Okanagan has appreciated being one of the core stakeholders that the City of Kelowna has consulted with as it works to develop a Parks Development DCC.

After several rounds of feedback and consultation with the City as well as the other stakeholders, we cannot endorse the City of Kelowna's Parks Development DCC at this time. The three core reasons for our opposition to this program are listed below:

- **Affordability** – This adds a significant cost burden on new home purchasers in a time when there is an issue with housing affordability. The industry has already been facing increasing cost pressures from a number of different places such as the Speculation and Vacancy Tax, the mortgage stress tests, the Step Code, and others. Adding further costs simply increases the likelihood of projects being put on hold or cancelled until the market is able to bare the increased cost. The addition of this DCC has a ranging effect depending on the housing product being considered. While staff maintain that it may only be 1% of an average single family home, it is significantly more on an entry level condominium unit. Furthermore, as a flat rate DCC, the impact compared to total DCC's is also much greater on urban types of housing that would otherwise benefit from the "density gradient" approach to other DCC's.
- **Equity** – All new homes to date have contributed to the acquisition of parkland with the expectation that the City would fund the development through broad community wide tools such as taxation, grants or levies. With the proposed DCC, only new housing will pay the full cost of new park development while it still pays into community wide programs such as taxation and levies. If there were no deficit, then this program may be more equitable. As it stands, the only equitable way forward would be to continue funding park development through general measures.
- **Deficit** – Without a clear plan to tackle the existing parks deficit, it can never be a fair process using a DCC approach. City Council is contemplating adding this charge when there is an acknowledged deficit of 50% of all existing parkland that is either not developed or underdeveloped. Industry has no confidence that this program will do anything to advance park

development that is more in step with where the funds are collected. Rather, the funds will go to improve many existing parks and the deficit in many areas will continue.

If this City decides to move forward with this despite the objections of UDI and other stakeholders, we suggest that at the very least the City hold off adopting this new Parks DCC until the new Official Community Plan (OCP) has been adopted. The reason for this is that the numbers for the Parks Development DCC would be significantly different than they are today if the Parks Development DCC were to be based on the new OCP versus the existing one.

Sincerely,

**URBAN DEVELOPMENT INSTITUTE OKANAGAN CHAPTER**

A handwritten signature in blue ink, appearing to read "R. Threlfall".

Per: Rich Threlfall, Chair of UDI Okanagan