



URBAN DEVELOPMENT INSTITUTE- OKANAGAN CHAPTER

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January 12, 2016

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

Attention: Joel Shaw and Doug Gilchrist

Subject: DCC Update

The Urban Development Institute (UDI) is a national association (with international affiliations) of the development industry and its related professions. The corporate members of the UDI - Okanagan Chapter represent hundreds of individuals involved in all facets of land development and planning, including: developers, property managers, financial lenders, lawyers, engineers, planners, architects, appraisers, real estate professionals, local governments and government agencies.

As a Partner in Community Building, the UDI Okanagan Chapter is committed to working with communities and governments to create and achieve the vision of balanced, well-planned, sustainable and affordable communities.

Thank you for inviting UDI Okanagan to meet with the City of Kelowna to discuss the City's proposed DCC increase. An early consultation and feedback process is a valuable necessity which we appreciate is maintained by City staff.

One of the primary struggles the development industry is challenged with in Kelowna and across much of British Columbia is maintaining a level of affordability and attainability in our market. DCC costs are one of the largest individual cost bases in a new home; if these costs are not carefully composed, there is a risk that increased DCC rates will have an immediate effect on the soft, still recovering real estate market of the Okanagan.

In reviewing the details of your letter dated December 21, 2015, we have numerous questions that we hope to have answered in advance of our January 22, 2016 meeting. Having sufficient detail and understanding to rationalize these major DCC rate increases will better equip our membership to understand and have a meaningful dialogue.

- To allow for a more thorough review of the proposed DCC rates, please provide us with a 2015 DCC and spending breakdown. Please provide all DCC Roads as well as the City's detailed breakdown for each DCC road including Property Purchase.

- Some of the six City DCC sectors have different names than the previous bylaw. Please provide an updated map if there have been changes to the boundaries. If there have not been changes, please confirm which names go with which of the previous sector names.
- The City has expressed an openness to undergo an arm's length review of the current DCC program. As per discussions in November, 2015 with the City, UDI is drafting a Terms of Reference for this DCC Review. We request that any DCC Update such as that proposed in your December 21st, 2015 letter, be conducted in parallel with this arm's length DCC Review.

Given the Provincial focus of affordability in British Columbia, the tumultuous global economy which we are experiencing and both the City of Kelowna and Urban Development Institute's aim of maintaining and improving attainable housing, we hope that we can work together to ensure that any DCC update be reviewed thoroughly before going to Council.

We have been in discussions with the City on DCCs for a number of years and have requested the same type of information in the past that we are asking for today to better understand the City's approach and rationale to the current DCC program. We look forward to receipt of the requested materials and the meeting with the City to discuss this important matter further.

Sincerely

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Per: Andrew Gaucher, Chair of UDI Okanagan