

ADMINISTRATIVE REPORT



TO: Planning & Development Committee
FROM: J. Zaffino, Chief Administrative Officer
DATE: March 7, 2024
RE: Proposed Revisions to the Draft Electoral Area “E” OCP Bylaw (E2021.027-ZONE)

Administrative Recommendation:

THAT first and second reading of the Electoral Area “E” Official Community Plan Bylaw No. 3010, 2023, be rescinded and the bylaw abandoned; and

THAT the Draft Electoral Area “E” Official Community Plan Bylaw No. 3010 be incorporated within the Draft Okanagan Valley Official Community Plan (OCP) Bylaw; and

THAT the Draft Okanagan Valley Official Community Plan (OCP) Bylaw be brought forward for consideration at a forthcoming meeting of the Planning and Development (P&D) Committee of the Regional District Board.

Purpose:

The purpose of this report is to provide options to the Regional District Board in relation to the following strategic land use projects:

- the on-going review of the Electoral Area “E” Official Community Plan (OCP) Bylaw;
- the preparation of an OCP Bylaw for the Okanagan Electoral Areas (“A”, “C”, “D”, “E”, “F” & “I”); and
- commencement of a Vacation Rental Review.

Background:

Electoral Area “E” OCP Review:

At its meeting of February 8, 2024, the Regional District Board resolved to defer consideration of third reading of the Electoral Area “E” Official Community Plan Bylaw No. 3010, 2023, to a future meeting.

Administration understood this request to be in relation to a motion from the Electoral Area “E” Area Director for revisions to the Plan, and for these to be provided to Administration and options prepared for the Board’s consideration.

On February 12, 2024, the following revisions were provided by the Electoral Area “E” Area Director:

- a) The growth boundary – remove area C.*
 - b) Remove the language that is encouraging a sewer system – once the LWMP is complete then the OCP will be updated accordingly*
 - c) Remove the language around Vacation Rentals – once the board decides on where we are going then the OCP can be updated*
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A more minor request related to addressing a typographical error at Section 17.5.1 of the Bylaw wherein reference is made to “Osoyoos Lake” when the proper reference should be “Okanagan Lake”.

Previously, at its meeting of June 1, 2023, the Board provided the following direction in relation to some of these same issues and in response to public input received on the draft OCP at that point:

- *the introduction of new vacation rental policies be deferred pending the completion of the Vacation Rental Review;*
- *the Naramata Rural Growth Boundary comprise the area shown on Figure 10 in the draft OCP.*

Consolidated Okanagan Valley OCP:

At its meeting of November 17, 2022, the Planning and Development (P&D) Committee of the Regional District Board resolved to amend its “OCP Bylaw Review Schedule” in order that a single OCP for the Okanagan Electoral Areas (“A”, “C”, “D”, “E”, “F” & “I”) be undertaken following the completion of the Electoral Area “E” OCP Bylaw Review.

In recommending in support of this change to the “OCP Bylaw Review Schedule”, Administration noted, amongst other things, the following:

- the challenges the Regional District is being asked to address, whether they are a result of resident concerns or new provincial initiatives, are regional in nature and occur outside of the comprehensive OCP Review process;
- as a result, the predominant type of objectives and policies found in the current OCP Bylaws are “regional” in nature and generally occur across each of the electoral areas;
- nevertheless, local community policies can be preserved in a single Okanagan Valley OCP bylaw and would be capable of being reviewed on an “as needed basis”;
- inflation and competition for consulting services to assist with the completion of an OCP Review is increasing, resulting in an estimated costs approximately \$1,000,000 to review all of the current electoral area OCP Bylaws (i.e. \$130,000 to \$150,000 per OCP Review);
- maintaining eight (8) separate OCP Bylaws results in a Review Schedule that takes approximately 20 years to complete;
- each OCP Review project requires the assignment of a senior planning staff member to manage the project, thereby removing this person from participating on any other major land use projects the Board has identified as a priority in its Strategic Plan.

Since the Board last considered this issue, the provincial government has adopted the *Housing Statutes (Residential Development) Amendment Act, 2023* (“Bill 44”), which, amongst other things, requires of the Regional District that it update its various OCP Bylaws every five (5) years to reflect the findings of its Housing Needs Report (HNR), which also must be updated every five (5) years.

Regional Growth Strategy (RGS) Review:

Under Section 452 of the *Local Government Act*, the Board must, every five (5) years, consider whether it wishes to review the RGS for possible amendment.

In 2019, the Board resolved to initiate a review of the RGS, commencing in 2020, in order to remove a number of “Rural Growth Areas” (e.g. Greata Ranch, Willow Beach and Anarchist Mountain) and to provide greater clarity regarding development outside of designated Growth Areas.

This project remains on-going but has been delayed due to staff turn-over, work volumes and shifting priorities (i.e. statutory deadlines related to the *Housing Statutes (Residential Development) Amendment Act, 2023*).

It is anticipated that, in support of the Review, amendments to the Okanagan Electoral Area OCP Bylaws, including Growth Area boundaries, will be required.

Vacation Rental Review:

A review of the Regional District’s Vacation Rental Policies has been listed as a Strategic Priority for a number of years, but has not been commenced due to the on-going nature of other projects (e.g. ESDP Review, Subdivision Servicing Bylaw Review, RGS Review and Electoral Area “E” OCP Bylaw Review).

A Request for Proposals (RFP) for a Vacation Rental Review was issued by the Regional District in August 2023, but subsequently cancelled due, amongst other reasons, to the prolongation of the Electoral Area “E” OCP Review in September of 2023.

Analysis:

Overview:

Administration considers the requested amendments to the Electoral Area “E” OCP Bylaw regarding growth boundaries, infrastructure servicing and vacation rentals to be substantive and needing additional “early and ongoing” consultation opportunities as required under Section 475 of the *Local Government Act*.

In order to accommodate this request, Administration considers that first and second reading of Bylaw No. 3010 should be rescinded in order to allow the required revisions to the Plan to be drafted.

In effect, this will return the project to the same point it was at in May of 2023 (being the time in which a majority of external agency and public consultation were undertaken), wherein Administration will need to undertake the following (estimated timelines are shown in brackets):

- re-confirm the final form of the proposed revisions with the Board at Committee (April 2024);
- re-refer revised OCP to external agencies for comment (May 2024 - 45 days);
- re-refer revised OCP to the Naramata Community Advisory Group (May 2024*);
- re-refer revised OCP to the Electoral Area “E” Advisory Planning Commission (May 2024*);
- provide another opportunity for community feedback in the form of a survey as previously occurred in late summer of 2023 (May/June 2024);
- seek direction from the Board at Committee on comments received from latest round of community engagement and need for any possible revisions (July 2024);
- re-consideration of 1st reading (August 2024);
- delegated public hearing, potentially over multiple dates (September 2024); and

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- re-consideration of 3rd reading and adoption (October 2024).

* does not account for possible deferral requests as occurred during previous consultation opportunities

In order to accommodate this request, commencement of the Vacation Rental Review will need to be deferred to 2025.

Similarly, should the Board subsequently request revisions to Amendment Bylaw No. 2910 (ESDP Review), it is likely that this will also require deferral to 2025 in order to accommodate the continuation of the Electoral Area “E” OCP Bylaw Review (NOTE: consideration of third reading for Bylaw No. 2910 was deferred by the Board at its meeting of December 21, 2023).

Regarding the requested revisions, Administration notes the following:

- the proposed changes to the Naramata Growth Boundary are not reflective of broader community input received during various surveys;
- the proposed repeal of all vacation rental policies is premature in the context of the pending regional Vacation Rental Review and will deprive staff of any Board endorsed criteria against which to assess land use applications seeking approval for a vacation rental operation;
- the OCP policy supporting “the development of a community sewer system where economically feasible” in Naramata is long-standing (2006) and the 1993 LWMP speaks to the Regional District considering the development of a regional sewer system (connected to Penticton) to service Naramata in future; and
- the province further advises that RGS and OCP bylaws “provide a statement to the public and the province about a local government’s growth management objectives, and provide the rationale for subsequent land use regulations ... [and] such plans should inform [the] development of a LWMP.”

Options:

Administration considers the current draft of the Electoral Area “E” OCP Bylaw to be responsive to provincial requirements, various Board policies and previous direction from June 1, 2023, as well as feedback received from the community throughout the various engagement phases of the project.

Accordingly, Administration maintains its recommendation that OCP Bylaw No. 3010, 2023, be read a third time and adopted. However, it is recognized that the Board has requested other options. In response, Administration considers there to be a number of options available to Board, including:

Option 1:

In light of the extensive consultation required to accommodate the requested revisions to the Draft OCP, and recognizing that a single OCP for the Okanagan Electoral Areas has been identified as the next OCP project and that preparation of this Plan will require similar levels of community engagement, Administration is recommending the following:

- .1 first and second reading of OCP Bylaw No. 3010, 2023, be rescinded and the bylaw abandoned;
- .2 policies specific to Electoral Area “E” currently comprised within OCP Bylaw No. 3010 be incorporated within the Draft Okanagan Valley OCP Bylaw;

.3 a draft of the Draft Okanagan Valley OCP Bylaw be brought forward for consideration at a forthcoming P&D Committee meeting (i.e. Q4 – tentative);

This Option is seen to be a more efficient use of available staff and financial resources and will allow for other strategic land use projects identified by the Board to be commenced in the near-term, such as the Vacation Rental Review (i.e. in April 2024).

Further, this option would allow staff to complete a draft of an Okanagan Valley OCP Bylaw with the benefit of further work having been completed on the RGS Review and Vacation Rental Review – both of which could inform policies in the new Plan.

Option 2:

Conversely, should the Board support incorporating the proposed revisions to the Electoral Area “E” OCP Bylaw No. 3010, outlined by the Electoral Area “E” Director, Administration is recommending that the Work Plan outlined above (under “Overview”) be implemented.

This will require the deferral of other work as Administration considers strategic land use projects such as the Electoral Area “E” OCP Review that have already been brought forward for consideration of first reading to effectively be “complete” (i.e. listed as 100% on the “Gantt Chart”).

In response, Administration is proposing that commencement of the Vacation Rental Review be deferred to 2025. In addition, should the Board resolve to revise Amendment Bylaw 2910 (ESDP Review) as a result of feedback received at the public hearing, Administration is recommending that any such revisions be postponed to 2025.

Option 3:

Should the Board not be supportive of either of the options listed above, the option to consider third reading of the Electoral Area “E” OCP Bylaw No. 3010, 2023, at a forthcoming meeting remains available.

Alternatives:

1. THAT first and second reading of the Electoral Area “E” Official Community Plan Bylaw No. 3010, 2023, be rescinded;

AND THAT Bylaw No. 3010 be re-drafted to incorporate the following:

- a) *The growth boundary – remove area C.*
- b) *Remove the language that is encouraging a sewer system – once the LWMP is complete then the OCP will be updated accordingly*
- c) *Remove the language around Vacation Rentals – once the board decides on where we are going then the OCP can be updated*

AND THAT consultation on the revised Electoral Area “E” Official Community Plan Bylaw No. 3010 include the steps outlined in the Administrative Report entitled “Proposed Revisions to the Draft Electoral Area “E” OCP Bylaw” and dated March 7, 2024;

AND THAT commencement of a Vacation Rental Review as well as any possible revisions to Bylaw No. 2910 (ESDP Review) be deferred as strategic land use projects to 2025.

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2. THAT the Electoral Area “E” OCP Bylaw No. 3010, 2023, be brought forward for consideration of third reading at the Board meeting of March 21, 2024.

Respectfully submitted:



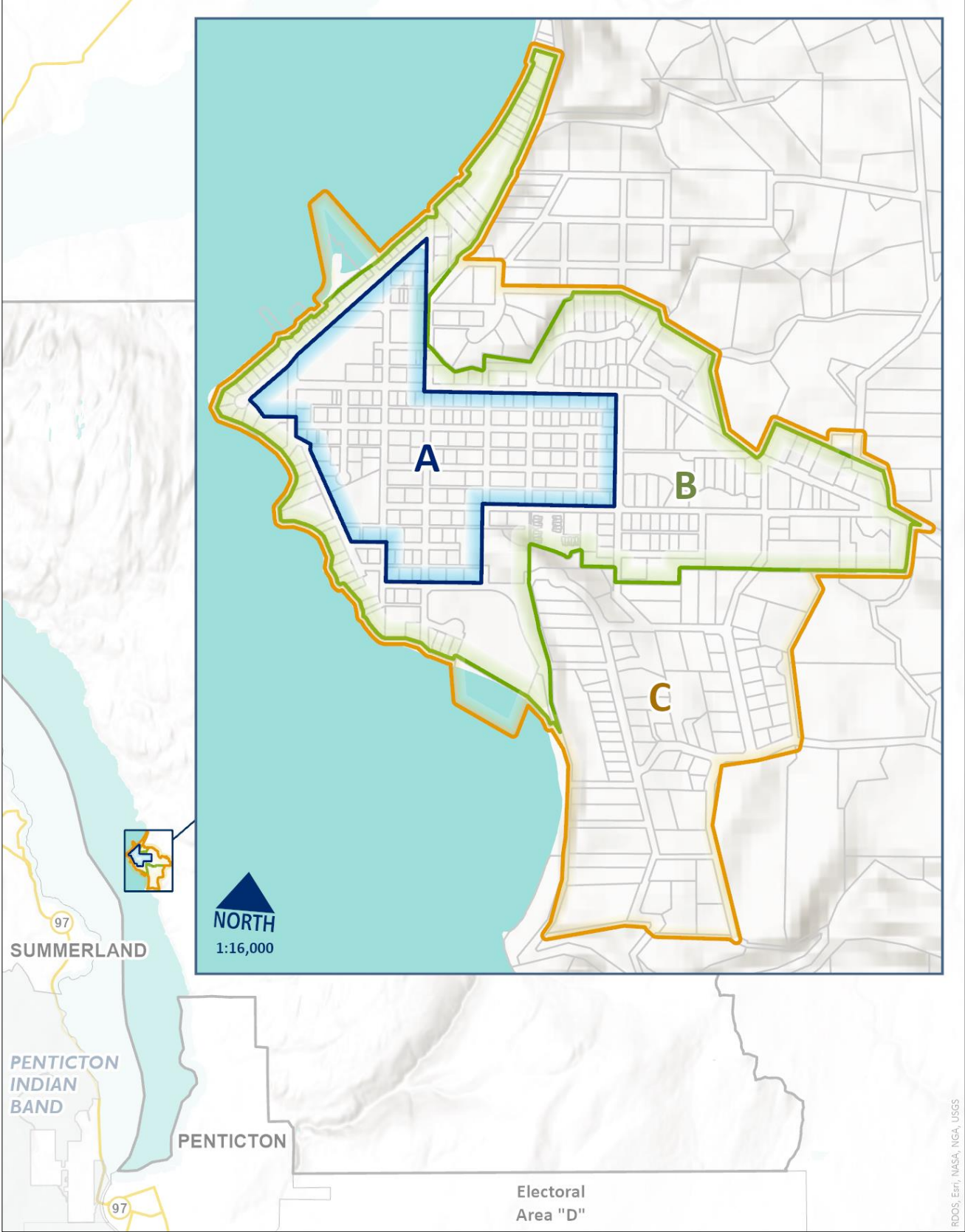
C. Garrish, Senior Manager of Planning

Attachments:

No. 1 - Draft Electoral Area “E” OCP Bylaw Figure 10 (Growth Containment Areas)

No. 2 – Current Board Policy on Vacation Rentals

Attachment No. 1 – Draft Electoral Area “E” OCP Bylaw Figure 10 (Growth Containment Areas)



Policies - Vacation Rentals

The Regional Board:

- .1 Supports the provision of paid accommodation for visitors through the short-term rental of residences provided that community and neighbourhood residential needs and other land use needs can be addressed.
- .2 Supports the use of a residence for short-term vacation rental where permitted by a Temporary Use Permit. The Regional Board may use the following criteria to assess applications:
 - i) capability of providing domestic water and accommodating on-site sewage disposal;
 - ii) mitigating measures such as screening and fencing;
 - iii) provision of adequate off-street parking;
 - iv) confirmation that the structure proposed complies with the BC Building Code; and
 - v) benefits that such accommodation may provide to the commun