

ADMINISTRATIVE REPORT



TO: Advisory Planning Commission

FROM: B. Newell, Chief Administrative Officer

DATE: June 12, 2023

RE: South Okanagan Sub-Regional Growth Strategy (RGS) Bylaw Review

Purpose:

The purpose of this report is to provide an overview of the proposed amendments to the South Okanagan Sub-Regional Growth Strategy (RGS) Bylaw as well as possible bylaw options.

Legislative Requirements:

Under Section 428 of the Local Government Act, the purpose of an RGS is stated as being to promote human settlement and to ensure that it is socially, economically and environmentally healthy and makes efficient use of public facilities and services, land and other resources.

Section 452(2) of the Act further requires that a regional district that has adopted an RGS Bylaw must, at least once every five (5) years, consider whether that RGS should be reviewed for possible amendment.

Background:

In 2019, the Board resolved to initiate a review of the RGS Bylaw in order to address a number of items, including:

- the suitability of a number of designated “Rural Growth Areas”;
- climate change policies as a result of legislative updates; and
- findings from the (then) forthcoming Housing Needs Assessment Report.

At its meeting of June 2, 2022, the Planning and Development (P&D) Committee of the Board was presented with a number of options for amending the RGS and subsequently resolved to revise the objectives and policies contained in the “Housing and Development” and introduce a new “Growth Management Map” to reflect these.

In addition, it is further proposed to update the “Energy Emissions and Climate Change” section of the bylaw to reflect new provincial direction on climate change, and updates to the “Population and Demographics” section of the bylaw in order to incorporate new Census data.

Public engagement on the proposed amendments was undertaken throughout August and September of 2022, including presentations to the Councils of Penticton, Summerland, Oliver and Osoyoos.

At its meeting of April 20, 2023, the P&D Committee of the Board received a summary of this engagement and resolved to defer consideration and refer the amendments to the Electoral Area Advisory Planning Commissions (APCs).

Analysis:

At a broad level, the development of a regional growth strategy is intended to be a collaborative and interactive process that is initiated, prepared and enacted by a regional district but with the involvement of its member municipalities.

For a regional growth strategy to be effective, it requires the buy-in and ongoing commitment by all parties to the Strategy as it relates to the environment, transportation, community health and wellbeing, regional economic development, climate adaptation and development (i.e. growth management).

In support of this, “Goal 1” of the RGS seeks to “focus development in serviced areas in designated Primary Growth Areas and Rural Growth Areas”:

- Primary Growth Areas – include the municipalities of Penticton, Summerland, Oliver and Osoyoos as well as Okanagan Falls.
- Rural Growth Areas – include Naramata, Kaleden, Apex, Twin Lakes, Gallagher Lake, Willow Beach, Anarchist Mountain, Greata Ranch and Skaha Estates / Eastside Road.

While the suitability of Greata Ranch (“F”), Willow Beach (“A”) and Anarchist Mountain (“A”) as Rural Growth Areas have been questioned in recent Official Community Plan (OCP) Bylaw reviews, responses received during the public engagement process completed in September of 2022 also raised concerns regarding Naramata (“E”) and Kaleden (“I”) as Rural Growth Areas.

Administration is also aware of previous community concerns regarding the designation of Gallagher Lake (“C”) and Twin Lakes (“I”) as Rural Growth Areas as well as infrastructure limitations that may impact the long-term viability of other Rural Growth Areas (e.g. water and sewer capacity at Willow Beach, Greata Ranch, Gallagher Lake, Kaleden, Apex, etc.).

On this latter point, by more closely aligning land use planning with service delivery (e.g. provision of community water and sewer systems) the proposed RGS amendments are intended to support sustainable, long-term development:

In smaller communities with relatively low rural densities, rural-type levels of service make sense (e.g. individual wells and septic tanks, gravel roads) ... In larger, more dense communities, urban-type levels of service make sense (e.g. community water and sanitary systems, paved roads with sidewalks) because higher density urban areas are more likely to have the economies of scale required to sustain these levels of service. (Asset Management BC)

Administration is also aware of instances where development proposals outside of Primary and Rural Growth Areas were determined by the Board to be consistent with the RGS.

Together, all these issues have raised confusion regarding the purpose and long-term intent of the “Rural Growth Area” designation and if it should continue to be used in the RGS.

To assist the Electoral Area “F” APC in its consideration of the proposed RGS amendments, the following sub-sections provide overview of some of the relevant issues to Electoral Area “F”:

Greater West Bench:

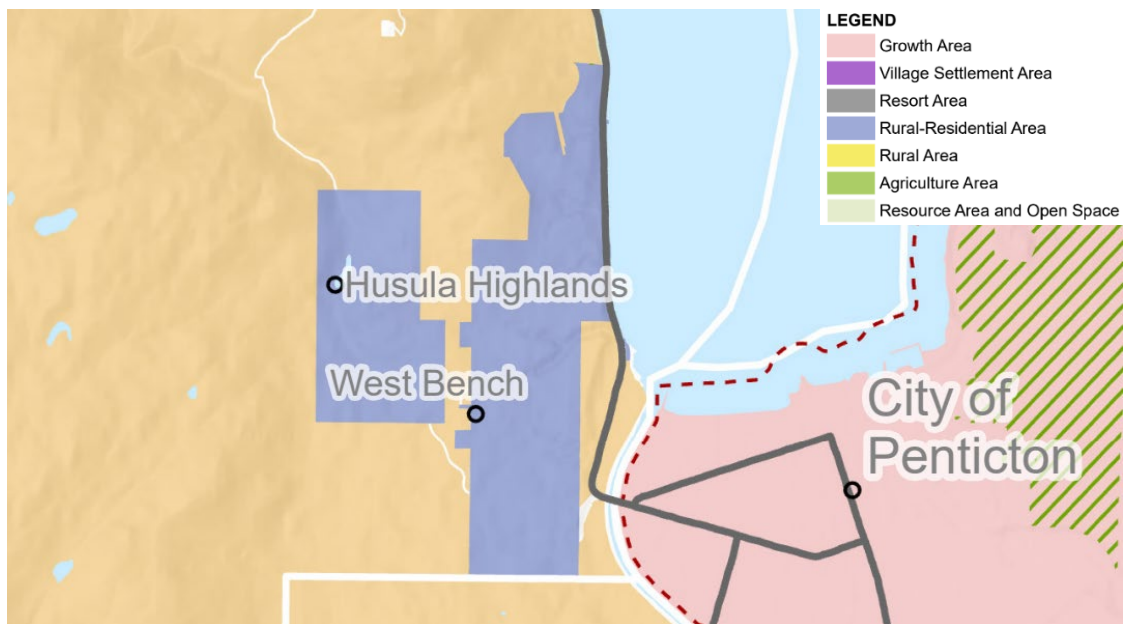
While the Greater West Bench is not currently listed as a growth area in the RGS Bylaw, the Electoral Area “F” OCP Bylaw does speak to considering parts of the community as a future growth area, subject to sewer and storm water servicing being in-place. These growth areas include the parcels that

comprise the gravel pit operation, Pine Hills golf course and an area at the north end of Sage Mesa Drive.

The Greater West Bench community is also known to be geo-technically unstable and, to help mitigate future risk, the Regional District’s land use bylaws have, for many decades, sought to limit density in the area by restricting the number of dwelling units to one (1) per parcel.

As the most recent review of geotechnical conditions (Greater West Bench Geotechnical Review – December 2021) determined, “the combination of unique soils, combined with historical land use, influences the nature and frequency of geotechnical hazards in the subject area, such as landslides and the development of sinkholes.”

Further, “land use activities may also potentially have a negative effect on the geological stability of lands. Activities that potential impact stability may include land densification, increased concentrated water discharge to the ground [e.g. impervious surfaces associated with development], changing slope geometry, and soil loading.” [emphasis added]



Draft West Bench boundaries (RGS)

Discussion Points:

In the absence of sewer and storm water services in the Greater West Bench area, the designation of areas for future growth is seen to be premature and inconsistent with the direction currently contained in the Electoral Area “F” OCP. For these reasons, it is not proposed to change the designation of the area as part of the current RGS Review.

Instead, and based on the OCP directive and Geotechnical concerns for the area, Administration considers the “rural residential” classification to be the appropriate classification for West Bench.

Area designated as a “Rural-Residential Area” include land that is outside of a municipality or townsite where the predominant form of housing is low density residential (e.g. single detached dwellings). The “Rural-Residential” designation is generally not to be serviced with new water and/or sewer

infrastructure. Therefore, the introduction of additional density or the community infrastructure services in the West Bench Area would not be supported.

If, at some future point, it is proposed to extend sewer and storm water service to the Greater West Bench, its designation under the RGS can be reviewed and potentially changed to “Village Settlement Area”, unless incorporation within the City of Penticton is being considered, in which case, the designation of “Growth Area” would be applied.

Greata Ranch:

The designation of Greata Ranch as a Rural Growth Area under the RGS was largely a reflection of existing zoning that has been applied to the property for decades and contemplates the development of between 300-400 mixed-density units (e.g. single detached dwellings or townhouses/apartments) to the north and south of the existing vineyard (which is in the ALR).

Due to the physical limitations associated with the site, including Okanagan Lake to the east and Highway 97 and hillsides (steep slopes) to the west, Okanagan Lake Park to the south and ALR lands to the north, encouraging long-term residential densification beyond the existing zoning is not seen to be desirable.

For these reasons, when the OCP was last reviewed in 2018, an outcome was a policy indicating that the suitability of Greata Ranch as a “Rural Growth Area” should be reviewed when the RGS is reviewed or updated.



Greata Ranch Rural Growth Area Boundary (OCP)



Draft Greata Ranch boundaries (RGS)

Discussion Points:

In accordance with the policy direction contained in the Electoral Area “F” OCP, it is being proposed to designate Greata Ranch and some surrounding properties as a “Rural Residential Area”.

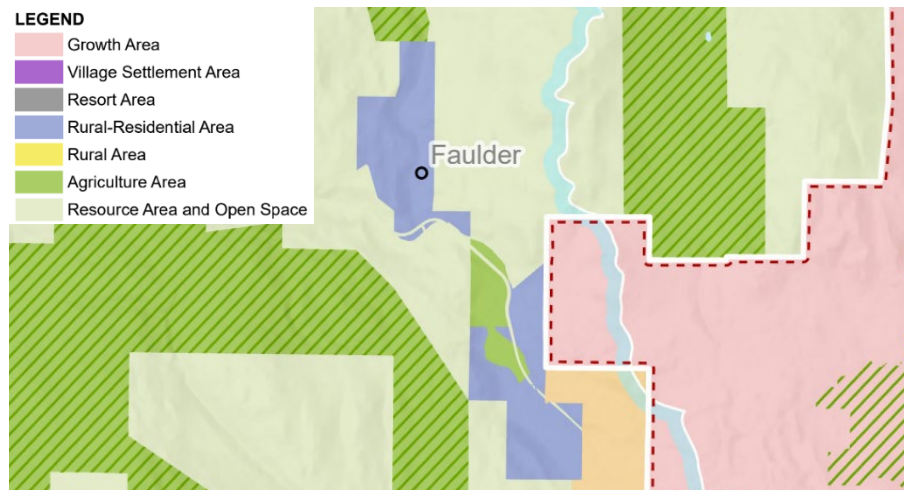
Development of the area is dependant on, amongst other things, sewage treatment services and there is an existing Liquid Waste Management Plan (LWMP) which requires these services to be

provided by the District of Summerland. The Regional District is also aware, however, that the District has raised concerns previously about additional development at Greata Ranch and the extension of sewer services to this location.

Faulder

The Faulder Water System is at or near capacity. A Faulder zone review was initiated in August 2021 to introduce new policies that speak to the protection, maintenance, and management of water resources within the designated community watersheds.

The proposed amendments received first and second reading at the June 1, 2023 Board of Directors meeting. Specifically, the proposed OCP amendments intend to introduce stronger policy statements that would speak to not supporting further subdivision within or expansion of the Faulder Water System Service Area, as well as not supporting the construction of accessory dwellings and secondary suites within the water system.



Draft Faulder boundaries (RGS)

Discussion Points:

Development potential in the Faulder area is limited due to the aforementioned concerns regarding water supply as well as health of the watersheds. The proposed amendments to the zoning in the area would limit the capacity for increased residential densities in the Faulder Water System Area.

For these reasons, Administration supports the introduction of a “Rural-Residential” designation which speaks to limiting development to low-density residential housing types which is appropriate for the Faulder area where densities should be limited to avoid adversely impacting the water system.

Climate Action

The proposed amendments include updates to the Energy Emissions and Climate Change section of the bylaw to introduce policies which aim capture new provincial legislation and direction on Climate action. The RDOS, City of Penticton, District of Summerland, Town of Oliver and Town of Osoyoos have signed the BC Climate Action Charter along with 187 local governments committing to reducing greenhouse gas emissions and have agreed to take action to achieve certain goals under the *Climate*

Change and Accountability Act. The policies contained in the amendment bylaw aim to reflect and provide support for these goals.

Feedback on the updated “Energy Emissions and Climate Change” section ranged from feelings that the proposed policies were not ambitious enough to feedback asking that these policies be removed entirely.

Administration feels that given the amount of time that it has taken to complete the current review, revision of this section is not a priority at this time. However, further revision to this section of the RGS may be considered a priority for the next RGS review (next required review year is 2025).

Conversely, the option of revising the “Energy and Climate Change” section is available.

Administrative Recommendation:

THAT the APC recommends to the RDOS Board of Directors that the Okanagan Sub-Regional Growth Strategy (RGS) Amendment Bylaw No. 2770.02 be supported.

Options:

1. THAT the APC recommends to the RDOS Board of Directors that the Okanagan Sub-Regional Growth Strategy (RGS) Amendment Bylaw No. 2770.02 be supported.
2. THAT the APC recommends to the RDOS Board of Directors the Okanagan Sub-Regional Growth Strategy (RGS) Amendment Bylaw No. 2770.02 be supported, subject to the following conditions:
 - i) TBD
3. THAT the APC recommends to the RDOS Board of Directors that the Okanagan Sub-Regional Growth Strategy (RGS) Amendment Bylaw No. 2770.02 be abandoned.

Respectfully submitted:

Fiona Titley

Fiona Titley, Planner II

Endorsed By:

CG

C. Garrish, Planning Manager

Attachments:

- No. 1 – Designated RGS Primary & Rural Growth Areas (RGS Bylaw No. 2770)
- No. 2 – Draft RGS Bylaw Amendment No. 2770.02, 2022 (annotated version 2023-04-20)
- No. 3 – Draft “Growth Management Map” Schedule

Attachment No. 1 – Designated RGS Primary & Rural Growth Areas (RGS Bylaw No. 2770)

