

ADMINISTRATIVE REPORT



TO: Board of Directors

FROM: J. Zaffino, Chief Administrative Officer

DATE: May 8, 2025

RE: Official Community Plan (OCP) & Zoning Bylaw Amendments – Heritage Hills, Lakeshore Highlands, and Vintage Views, Electoral Area “D” (D2024.011-ZONE)

Administrative Recommendation:

THAT the Electoral Area “D” Official Community Plan Amendment Bylaw No. 2603.27, 2025, and the Okanagan Valley Zoning Amendment Bylaw No. 2800.43, 2025, be read a first and second time and proceed to public hearing;

AND THAT the Board of Directors considers the process, as outlined in this report from the Chief Administrative Officer dated May 8, 2025, to be appropriate consultation for the purpose of Section 475 of the *Local Government Act*;

AND THAT, in accordance with Section 477 of the *Local Government Act*, the Board of Directors has considered Amendment Bylaw No. 2603.27, 2025, in conjunction with its Financial and applicable Waste Management Plans;

AND THAT the holding of a public hearing be scheduled for the Regional District Board meeting of June 5, 2025;

AND THAT staff give notice of the public hearing in accordance with the requirements of the *Local Government Act*.

Proposal:

It is being proposed to amend the Electoral Area “D” Official Community Plan (OCP) Bylaw and Okanagan Valley Zoning Bylaw No. 2800, 2022, in order to facilitate a formal extension granted by the province to the Regional District in relation to statutory requirements for Small-Scale, Multi-Unit Housing (SSMUH) implementation.

The proposed bylaw amendments would apply to the communities of Heritage Hills, Lakeshore Highlands and Vintage Views in recognition of infrastructure upgrades required in these areas.

Site Context:

The project area, consisting of the communities of Heritage Hills, Lakeshore Highlands and Vintage Views, comprises a land area of approximately 117.17 ha and is situated on the east side of Eastside Road.

The Heritage Hills and Lakeshore Highlands communities are largely comprised of small lot rural residential development. Existing development in Vintage Views is predominantly residential in nature; however, a number of lots remain vacant.

Background:**Okanagan Valley Zoning Bylaw No. 2800, 2022**

The predominating zoning within the project area includes the Small Holdings One Site Specific (SH1s) Zone and Low Density Residential Two (RS2) Zone, with some lands zoned Small Holdings One (SH1) and Small Holdings Three (SH3). In general, these zones primarily allow for residential development.

Housing Statutes (Residential Development) Amendment Act, 2023 (Bill 44)

On November 30, 2023, the provincial Legislature adopted Bill 44, which introduced a number of substantial amendments to the Local Government Act, the intent of which was the delivery of “more small-scale, multi-unit housing for people, including townhomes, triplexes and laneway homes, and fix outdated zoning rules to help build more homes faster.”

The Regional District was required to approve a zoning bylaw(s) that comply with Small-Scale, Multi-Unit Housing (SSMUH) requirements by June 30, 2024, and notify the Minister of Housing, in writing, that the bylaw(s) have been adopted, the location(s) of any exempted land(s) and the legislative provisions supporting the exemptions.

On February 16, 2024, the provincial government announced the creation of a “time-based extension” wherein a local government could apply to have the deadline for SSMUH Compliance extended beyond June 30, 2024, under the following circumstances:

1. *The local government is in the process of upgrading infrastructure that services the specific area or specific lots for which the extension is being requested;*
2. *The infrastructure that services the area where SSMUH would apply is such that compliance by June 30, 2024, is likely to increase a risk to health, public safety or the environment in that area;*
or
3. *Extraordinary circumstances exist that otherwise prevent compliance in relation to the area*

Lakeshore Waterworks System & Vintage Views Wastewater System

The Lakeshore Waterworks System is understood to service 270 residences and 41 vacant lots (i.e., 311 connections) within the project area. The system currently does not meet the Ministry of Health’s multi-barrier approach to Drinking Water Treatment Objectives, and requires upgrades in order to meet these objectives.

The Vintage Views Wastewater System is understood to service approximately 97 residences and 15 vacant lots (i.e., 112 connections) within the project area. The system has had a history of non-compliance in relation to the Municipal Wastewater Regulation.

Specifically, the system has been the subject of three Pollution Abatement Orders (PAOs) and two Pollution Prevention Orders (PPOs) and requires a number of upgrades. PPO No. 110871 is active and prohibits the connection of new units to the system until the system is re-registered under the Municipal Wastewater Regulation.

As a result, the Regional District is currently unable to issue building permits for new development within the Vintage Views Wastewater System Service Area where the development proposes connection to the system.

Board Consideration:

At its meeting of February 22, 2024, the Planning and Development (P&D) Committee of the Board resolved “that the Regional District prepare an application to request an Extension to the SSMUH Compliance Deadline for Okanagan Falls and Heritage Hills.”

At its subsequent meeting of May 9, 2024, the P&D Committee of the Board resolved “that the Electoral Area “D” Official Community Plan Bylaw No. 2603, 2013, and Okanagan Valley Zoning Bylaw No. 2800, 2022, be amended in order to reduce permitted residential densities within the areas served by both the Vintage Views Wastewater System and Lakeshore Waterworks”.

Referrals:

Approval from the Ministry of Transportation and Transit (MoTT) is not required prior to adoption as the proposed amendments involve lands beyond 800 metres of a controlled access highway (i.e. Highway 97).

Pursuant to Section 476 of the *Local Government Act*, the Regional District must consult with the relevant School District when proposing to amend an OCP for an area that includes the whole or any part of that School District. In this instance, School District No. 67 have been made aware of the proposed amendment bylaw.

Pursuant to Section 477 of the *Local Government Act*, after first reading the Regional Board must consider the proposed OCP amendment in conjunction with Regional District's current financial and waste management plans. The proposed OCP amendment has been reviewed by the Solid Waste Department and Finance Department, and it has been determined that the proposed bylaw is consistent with RDOS's current waste management plan and financial plan.

Pursuant to Section 475 of the *Local Government Act*, the Regional District must consult with the Agricultural Land Commission (ALC) when proposing to amend an OCP which might affect agricultural land (NOTE: The project area does not consist of lands within the Agricultural Land Reserve (ALR), but does abut lands within the ALR to the south). The ALC has been made aware of the proposed amendment bylaw.

Public Process:

On February 5, 2025, a Public Information Meeting (PIM) was held online via Webex and was attended by approximately 29 members of the public.

Administration recommends that the written notification of affected property owners, the public meetings as well as formal referral to the agencies listed at Attachment No. 1, should be considered appropriate consultation for the purpose of Section 475 of the *Local Government Act*. As such, the consultation process undertaken is seen to be sufficiently early and does not need to be further ongoing.

All comments received to date in relation to this application are included as a separate item on the Board Agenda.

Analysis:

Administration considers the proposed amendments to the OCP and Zoning bylaws to give effect to the direction previously provided by the Planning and Development (P&D) Committee of the Board at its meetings of February 22, 2024, and May 9, 2024. Specifically:

- a new Low Density Residential Vintage Views (RS6) Zone be applied generally to lands within the Vintage Views Wastewater System Service Area in order to limit density to one (1) principle dwelling unit;
- a new requirement that a *single detached dwelling* in the RS6 Zone shall be connected to a *community sewer system* and *community water system*;
- a new Small Holdings Heritage Hills & Lakeshore Highlands (SH7) Zone to be applied to the remainder of the parcels in the Lakeshore Waterworks service area in order to limit density to one (1) principle dwelling unit; and
- the introduction of OCP policies that speaks to re-instating residential densities (e.g. allowance for secondary suite and accessory dwellings) through the zoning bylaw at such times as the water and sewer system upgrades have been completed.

Regarding the proposed amendment requiring new principal dwellings be connected to a community sewer system, this is in recognition that the creation by subdivision and subsequent development of lots within Vintage Views was premised on connection to a community sewer system and not individual private septic systems.

The potential for these parcels to now be developed with new homes not connected to a community sewer system is seen to be inconsistent with the “spirit” of the provincial “1.0 Hectare Policy”.

Moreover, allowing the development of private on-site septic systems within a community sewer system service area is seen to foster a misallocation of resources and potential source of future conflict when a parcel recently development with a septic system is required to connect to the community sewer system.

Alternative:

Conversely, the Board has the option to maintain the status quo (i.e., not proceeding with the proposed amendments).

Administration would not be in favour of maintaining the status quo given the limitations of the existing systems and outstanding upgrade requirements.

Additionally, this option would appear to contradict the request which was previously made to, and approved by, the Province to extend the deadline to comply with the new SSMUH density requirements given that the zoning in the project area is already SSMUH compliant.

Summary:

In light of the comments above, Administration is recommending that 1st and 2nd readings be given to the proposed amendment bylaws.

Financial Implications:

Financial implications have been considered and none were found.

Communication Strategy:

The proposed bylaw amendments have been notified in accordance with the requirements of the *Local Government Act* as well as the Regional District's Development Procedures Bylaw No. 2500, 2011.

Alternatives:

1. THAT the Electoral Area "D" Official Community Plan Amendment Bylaw No. 2603.27, 2025, and the Okanagan Valley Zoning Amendment Bylaw No. 2800.43, 2025, be read a first and second time and proceed to public hearing;

AND THAT the Board of Directors considers the process, as outlined in the report from the Chief Administrative Officer dated May 8, 2025, to be appropriate consultation for the purpose of Section 475 of the *Local Government Act*;

AND THAT, in accordance with Section 477 of the *Local Government Act*, the Board of Directors has considered Amendment Bylaw No. 2603.27, 2025, in conjunction with its Financial and applicable Waste Management Plans;

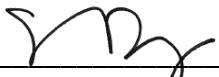
AND THAT the holding of the public hearing be delegated to Director Taylor;

AND THAT staff schedule the date, time, and place of the public hearing in consultation with Director Taylor;

AND THAT staff give notice of the public hearing in accordance with the requirements of the *Local Government Act*.

2. THAT the Electoral Area "D" Official Community Plan Amendment Bylaw No. 2603.27, 2025, and the Okanagan Valley Zoning Amendment Bylaw No. 2800.43, 2025, be denied.

Will a PowerPoint presentation be presented at the meeting? No

Respectfully submitted:

Shannon Duong
Planner II

Endorsed By:

C. Garrish
Senior Manager of Planning

Endorsed By:

A. Fillion
Managing Director, Dev. & Infrastructure

Attachments: No. 1 – Agency Referral List

No. 2 – Lakeshore Waterworks System & Vintage Views Wastewater System

Attachment No. 1 – Agency Referral List

Referrals to be sent to the following agencies as highlighted with a ☒, prior to the Board considering first reading of Amendment Bylaw Nos. 2603.27, 2025 & 2800.43, 2025:

MEMBER MUNICIPALITIES			
<input type="checkbox"/>	City of Penticton	<input type="checkbox"/>	Town of Oliver
<input type="checkbox"/>	District of Summerland	<input type="checkbox"/>	Town of Osoyoos
<input type="checkbox"/>	Town of Princeton	<input type="checkbox"/>	Village of Keremeos
FIRST NATIONS			
<input type="checkbox"/>	Okanagan Nation Alliance (ONA)	<input type="checkbox"/>	Lower Similkameen Indian Band (LSIB)
<input type="checkbox"/>	Osoyoos Indian Band (OIB)	<input type="checkbox"/>	Upper Similkameen Indian Band (USIB)
<input checked="" type="checkbox"/>	Penticton Indian Band (PIB)		
SCHOOL DISTRICTS			
<input type="checkbox"/>	School District No. 53 (Areas A, C & D)	<input checked="" type="checkbox"/>	School District No. 67 (Areas D, E, F, I)
<input type="checkbox"/>	School District No. 58 (Area H)		
REGIONAL DISTRICTS			
<input type="checkbox"/>	Central Okanagan Regional District	<input type="checkbox"/>	Kootenay Boundary Regional District
<input type="checkbox"/>	Fraser Valley Regional District	<input type="checkbox"/>	Thompson Nicola Regional District
IRRIGATION & IMPROVEMENT DISTRICTS			
<input type="checkbox"/>	Allison Lake Improvement District	<input type="checkbox"/>	Lakeshore Water Works
<input type="checkbox"/>	Apex Mountain Resort (utilities)	<input type="checkbox"/>	Lower Nipit Improvement District
<input type="checkbox"/>	Boundary Line Irrigation District	<input type="checkbox"/>	Meadow Valley Irrigation District
<input type="checkbox"/>	Cawston Irrigation District	<input type="checkbox"/>	Osoyoos Irrigation District
<input type="checkbox"/>	Farleigh Lake Water Users Community	<input type="checkbox"/>	Red Wing Resorts (Water System)
<input type="checkbox"/>	Fairview Heights Irrigation District	<input type="checkbox"/>	Rolling Hills Waterworks District
<input type="checkbox"/>	Hedley Improvement District	<input type="checkbox"/>	Similkameen Improvement District
<input type="checkbox"/>	Kaleden Irrigation District	<input type="checkbox"/>	Skaha Estates Improvement District
<input type="checkbox"/>	Keremeos Irrigation District	<input type="checkbox"/>	Vaseux Lake Improvement District
FIRE DEPARTMENTS			
<input type="checkbox"/>	Anarchist Mtn. Volunteer Fire Department	<input type="checkbox"/>	Oliver Fire Department
<input type="checkbox"/>	Apex Volunteer Fire Department	<input type="checkbox"/>	Osoyoos Fire Department
<input type="checkbox"/>	Kaleden Volunteer Fire Department	<input type="checkbox"/>	Penticton Fire Department
<input type="checkbox"/>	Naramata Volunteer Fire Department	<input type="checkbox"/>	Summerland Fire Department
<input checked="" type="checkbox"/>	OK Falls Volunteer Fire Department	<input type="checkbox"/>	Willowbrook Volunteer Fire Department
PROVINCIAL MINISTRIES & AGENCIES			
<input checked="" type="checkbox"/>	Agricultural Land Commission (ALC)	<input type="checkbox"/>	Ministry of Agriculture & Food
<input type="checkbox"/>	Archaeology Branch	<input type="checkbox"/>	Ministry of Energy & Climate Solutions
<input type="checkbox"/>	BC Parks	<input type="checkbox"/>	Ministry of Housing & Municipal Affairs
<input type="checkbox"/>	Integrated Land Management Bureau	<input type="checkbox"/>	Ministry of Infrastructure
<input type="checkbox"/>	Interior Health Authority (IHA)	<input type="checkbox"/>	Ministry of Mining & Critical Minerals
<input type="checkbox"/>	Mountain Resort Branch	<input type="checkbox"/>	Ministry of Transportation and Transit
<input checked="" type="checkbox"/>	Ministry of Environment and Parks	<input type="checkbox"/>	Ministry of Water, Land & Resource Stew.
FEDERAL MINISTRIES & AGENCIES			
<input type="checkbox"/>	Canadian Wildlife Services	<input type="checkbox"/>	Fisheries and Oceans Canada
<input type="checkbox"/>	Dominion Radio Astrophysical Observatory	<input type="checkbox"/>	Parks Canada
<input type="checkbox"/>	Environment Canada		
OTHER			
<input type="checkbox"/>	Fortis		

Attachment No. 2 – Lakeshore Waterworks System & Vintage Views Wastewater System

