

ADMINISTRATIVE REPORT



TO: Board of Directors

FROM: B. Newell, Chief Administrative Officer

DATE: June 1, 2023

RE: Official Community Plan (OCP) & Zoning Bylaw Amendment – Faulder Zone Review (F2021.011-ZONE)

Administrative Recommendation:

THAT Bylaw No. 2790.03, 2023, a bylaw to amend the Area “F” Official Community Plan Bylaw; and,
THAT Bylaw No. 2800.18, 2023, a bylaw to amend the Okanagan Valley Zoning Bylaw, be read a first and second time and proceed to public hearing; and

THAT the process in this report from the Chief Administrative Officer dated June 1, 2023 constitute 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*, it be acknowledged that Bylaw 2790.03, 2023 has been considered in conjunction with the Financial and Waste Management Plan; and,

THAT the holding of a public hearing be scheduled for the Regional District meeting of June 15, 2023; and,

THAT notice of the public hearing be given in accordance with the requirements of the *Local Government Act*.

Purpose:

The purpose of the proposed amendments is to strengthen the policies and regulations governing subdivision and use of properties in the Faulder Water System, the broader Faulder/Meadow Valley area and the four designated community watersheds (i.e., Farleigh, Peachland, Shingle and Trout) in Electoral Area “F”.

Background:

The Faulder Community relies on groundwater from the Meadow Valley Aquifer for their drinking water supply and, in 2015, a new community well was drilled into the Meadow Valley Aquifer to replace the existing well that supplied domestic water to an estimated 215 residents. This well may be near capacity and not capable of accommodating unlimited growth, while the greater Meadow Valley Aquifer is subject to irregular recharge rates which can impact the provision of water to properties.

The Regional District has been in receipt of development applications (i.e., rezoning applications to facilitate subdivision and subdivision referrals where no rezoning is required to subdivide) since 2014 (see Attachment No. 1; active files shown in purple).

There are currently five active subdivision applications within the broader Faulder/Meadow Valley area. Of the five, one is associated with an active rezoning application which is required to facilitate subdivision, four do not require a rezoning either due to permissible zoning or a previously approved rezoning application. There is also currently one additional active rezoning application to facilitate subdivision with no associated subdivision application.

In late 2020, the Regional District received a rezoning application to facilitate a 3-lot subdivision at the property at 8475 Princeton-Summerland. Comments received from residents at the associated public information meetings as well as written representations through the course of the application process illuminated concerns regarding water availability in the Faulder area.

Land Use Bylaws:

Parcels within the Faulder Water Service Area are all designated as Small Holdings (SH), which supports rural residential, hobby farming, limited agriculture and others land uses “that fit within the rural character of the surrounding area” and “a range of densities and parcel sizes from 0.2 ha to 2.0 ha”.

The OCP also contains Local Area Policies specific to the broader Faulder/Meadow Valley area and various background statements which speak to water availability and quality as well as policy which “discourages subdivision of properties in order to maintain the rural character of the area”.

At an even broader extent, the OCP Bylaw further speaks to protecting water resources at a watershed-scale, specifically the Farleigh, Peachland, Shingle, and Trout Community Watersheds (see Attachment No. 2) and provides supportive policy for the identification and establishment of a Watershed Resource Area (WRA) for Crown lands within the designated community watersheds (Section 8.3.8).

Lands within the Faulder Water System are predominantly zoned Small Holdings Three (SH3), which stipulates a minimum parcel size of 1.0 ha and permits “agriculture”, “accessory dwelling, subject to Section 7.2” and “secondary suite, subject to Section 7.9” as accessory uses.

Subdivision Servicing Bylaw No. 2000, 2002, provides that new parcels to be created by subdivision that are greater than 0.5 ha in area may be serviced by a private water source (i.e. well).

Under the Water Use Regulation Bylaw, the owner or occupier of a parcel of land, regardless of size, that is used for residential, commercial, industrial, or agricultural purposes within a Water Service Area must apply for and be connected to that Water Supply System.

RDOS Board Consideration:

August 19, 2021 - the Planning and Development (P&D) Committee resolved to initiate the Faulder Zone Review.

December 2, 2021 - the P&D Committee reviewed the public input on the draft Faulder Zone Review amendment bylaws and resolved to defer further consideration “until the Meadow Valley Aquifer Study is complete.”

August 4, 2022 - the Environment and Infrastructure Committee received the results from the Meadow Valley Aquifer Study from Associated Environmental. One of the primary recommendations stemming from this Study was to “limit or prevent additional development, land uses or activities that draw water out of [the Meadow Valley Aquifer] within the Meadow Valley or North Faulder areas”.

September 22, 2022 - the P&D Committee recommended to “incorporate recommendations contained in the Meadow Valley Aquifer Study (2022) regarding use and density” into the bylaws.

April 20, 2023 - the P&D Committee recommended that “new policies be introduced to the Area “F” OCP and Zoning Bylaws that speak to the protection, maintenance, and management of water resources within the broader Faulder Area designated community watersheds”.

Referrals:

Approval from the Ministry of Transportation and Infrastructure (MoTI) is not required prior to adoption as the proposed amendments involve lands beyond 800 metres of a controlled access highway (i.e. Highway 97 & 3).

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 and Finance Departments, 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. Both the ALC and the Ministry of Agriculture have been made aware of the proposed amendment bylaws.

Public Process:

On May 11, 2023, a Public Information Meeting was held electronically and was attended by 5 members of the public and four Regional District Board members.

At its meeting of May 8, 2023, the Area “F” APC recommended that the subject development application be approved.

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

Analysis:

While there are a number of background statements within the Area “F” OCP speaking to concerns regarding the availability of water in the Faulder community, the current policies statements within the Plan may not accurately reflect these.

For instance, Section 7.3.3 speaks to discouraging subdivision of properties in order to maintain the “rural character” of the Faulder/Meadow Valley area; however, the term “rural character” is seen to be imprecise and does not directly correlate the impacts of increased density on water availability.

Despite an understanding that the Faulder Water System is at or near capacity, the zoning that applies to the Faulder community contemplates the potential subdivision of a number of parcels and also

allows for uses and density that may be inconsistent with these water concerns (i.e. allowing agriculture and accessory dwellings). 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.

The current versions of the proposed amendments build on the version reviewed by the Board in 2021 by expanding the scope to include not only the Faulder Water System and Meadow Valley Aquifer, but also the four designated community watersheds within the electoral area. This is seen to be appropriate considering the interconnectedness and wide-reaching extent of waterbodies within watersheds, and this approach captures previously identified concerns at both the water system and aquifer level.

In support of this scope expansion, it is noted that since its adoption in 2018, the Area “F” OCP has contained policy which speaks to protecting water resources at a watershed-scale. The proposed amendments would be consistent with the approach previously adopted in 2012 in relation to watersheds in Electoral Area “H” (NOTE: the western portion of the Trout Community Watershed is in Area “H”).

The majority of land that would be affected by the proposed OCP policies would be Crown lands, however, there are 200 privately held parcels within the boundaries of the four community watersheds, and 28 of those parcels currently have subdivision potential (i.e., meet minimum parcel size, are outside of the Agricultural Land Reserve, and have dedicated road access).

Proposed Zoning Amendments

Minimum Parcel Size for Subdivision

The current SH3 zoning which applies to most properties within the Faulder Water System Service Area requires a minimum parcel size of 1.0 ha for subdivision. Not taking into consideration legal, topographical or existing lot layout constraints, there are 13 parcels within the Faulder Water System Service Area which can be subdivided without a rezoning to reduce the minimum required parcel size for subdivision (i.e., parcels at least 2.0 ha in size; see Attachment No. 3).

The proposed Small Holdings Faulder (SH6) Zone would establish a minimum parcel size of 5.0 ha which would effectively prohibit further subdivision within the Faulder Water System absent of a successful rezoning.

Density – Accessory Dwellings & Secondary Suites

The predominant existing SH3 zoning also permits a number of uses which are seen to have the potential to negatively impact water availability within the Faulder Water System via increased density (i.e., accessory dwellings and secondary suites) and water-intensive uses (i.e., agriculture).

The zoning that applies to parcels within the Faulder Community Water System allows for accessory dwellings on parcels greater than 1.0 ha in area and secondary suites on all parcels, regardless of size, provided the suite is connected to the same sewer system as the principal dwelling.

It is noted that over 70% of parcels (i.e. 57 of 81) within the water system are less than 1.0 ha in area and are, therefore, not currently permitted to have an accessory dwelling. It is currently unknown how many accessory dwellings or secondary suites may already exist within the water system area.

While it is recognized that accessory dwellings and suites may have lower consumption levels than a principal dwelling due to a smaller allowable floor area, the development of these units does introduce additional demand on the water system.

The proposed SH6 Zone would remove accessory dwellings, secondary suites, and agriculture as permitted uses as a means of limiting uses which could further strain the water system.

Summary:

The proposed amendments are seen to address the concerns heard from residents regarding water availability in Faulder and would also provide additional protections to safeguard the health of the four designated community watersheds in Electoral Area "F".

Alternatives:

1. THAT the Electoral Area "F" Official Community Plan Amendment Bylaw No. 2790.03, 2023, and the Okanagan Valley Zoning Amendment Bylaw No. 2800.18, 2023, 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 June 1, 2023, 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. 2790.03, 2023, in conjunction with its Financial and applicable Waste Management Plans;

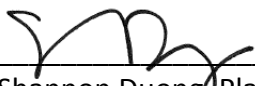
AND THAT the holding of the public hearing be delegated to Director Gettens;

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

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

2. THAT the Electoral Area "F" Official Community Plan Amendment Bylaw No. 2790.03, 2023, and the Okanagan Valley Zoning Amendment Bylaw No. 2800.18, 2023, be denied.

Respectfully submitted:


Shannon Duong, Planner II

Endorsed By:


C. Garrish, Planning Manager

Attachments: No. 1 – Agency Referral List

No. 2 – Development Proposals in Meadow Valley / Faulder Area (2014-present)

No. 3 – Designated Community Watersheds (Electoral Area "F" OCP – Figure 16)

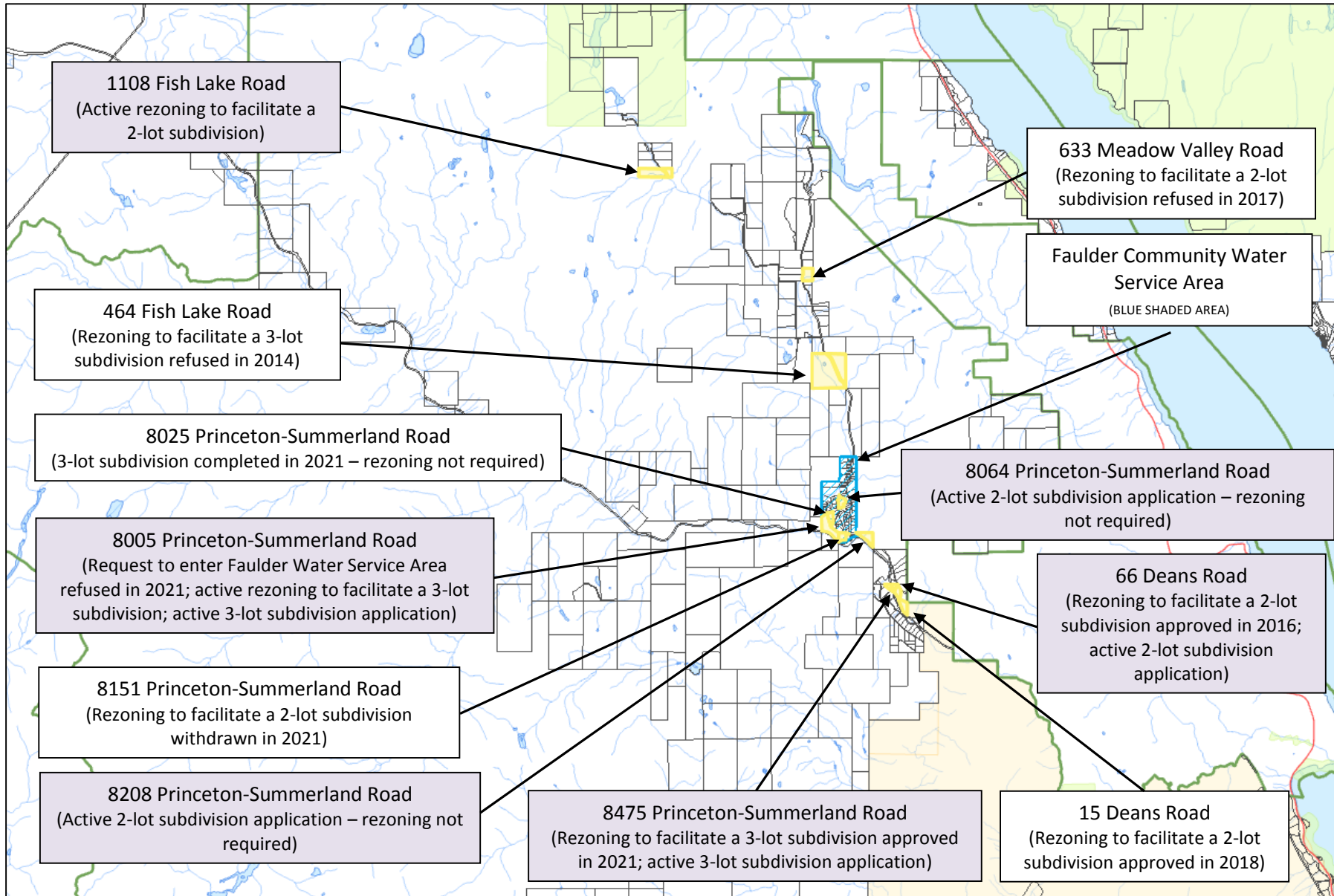
No. 4 – Subdivision Potential in the Faulder Water System

Attachment No. 1 – Agency Referral List

Referrals have been sent to the following agencies as highlighted with a , regarding Amendment Bylaw Nos. 2790.03 & 2800.18, 2023:

<input checked="" type="checkbox"/>	Agricultural Land Commission (ALC)	<input type="checkbox"/>	Fortis
<input checked="" type="checkbox"/>	Interior Health Authority (IHA)	<input type="checkbox"/>	City of Penticton
<input checked="" type="checkbox"/>	Ministry of Agriculture and Food	<input checked="" type="checkbox"/>	District of Summerland
<input type="checkbox"/>	Ministry of Energy, Mines & Petroleum Resources	<input type="checkbox"/>	Town of Oliver
<input type="checkbox"/>	Ministry of Municipal Affairs & Housing	<input type="checkbox"/>	Town of Osoyoos
<input checked="" type="checkbox"/>	Ministry of Water, Land and Resource Stewardship	<input type="checkbox"/>	Town of Princeton
<input checked="" type="checkbox"/>	Ministry of Forests (Water Licensing/Authorizations)	<input type="checkbox"/>	Village of Keremeos
<input checked="" type="checkbox"/>	Ministry of Forests (Land and Range Programs)	<input checked="" type="checkbox"/>	PIB / OKIB / LSIB / Upper Nicola Band / Adams Lake Indian Band (via NationsConnect)
<input type="checkbox"/>	Ministry of Jobs, Trade & Technology	<input type="checkbox"/>	Environment Canada
<input checked="" type="checkbox"/>	Ministry of Transportation and Infrastructure	<input type="checkbox"/>	Fisheries and Oceans Canada
<input type="checkbox"/>	Integrated Land Management Bureau	<input type="checkbox"/>	Canadian Wildlife Services
<input checked="" type="checkbox"/>	BC Parks	<input checked="" type="checkbox"/>	Ministry of Environment
<input type="checkbox"/>	School District #53 (Areas A, B, C, D & G)	<input type="checkbox"/>	Keremeos Irrigation District
<input type="checkbox"/>	School District #58 (Area H)	<input type="checkbox"/>	OK Falls Irrigation District
<input checked="" type="checkbox"/>	School District #67 (Areas D, E, F, I)	<input type="checkbox"/>	Kaleden Irrigation District
<input checked="" type="checkbox"/>	Central Okanagan Regional District	<input type="checkbox"/>	Vaseux Lake Irrigation District
<input type="checkbox"/>	Thompson Nicola Regional District	<input checked="" type="checkbox"/>	Meadow Valley Irrigation District
<input type="checkbox"/>	Volunteer Fire Department	<input type="checkbox"/>	Kootenay Boundary Regional District
<input checked="" type="checkbox"/>	Okanagan Basin Water Board	<input type="checkbox"/>	Fraser Valley Regional District

Attachment No. 2 – Development Proposals in Meadow Valley / Faulder Area (2014-present)



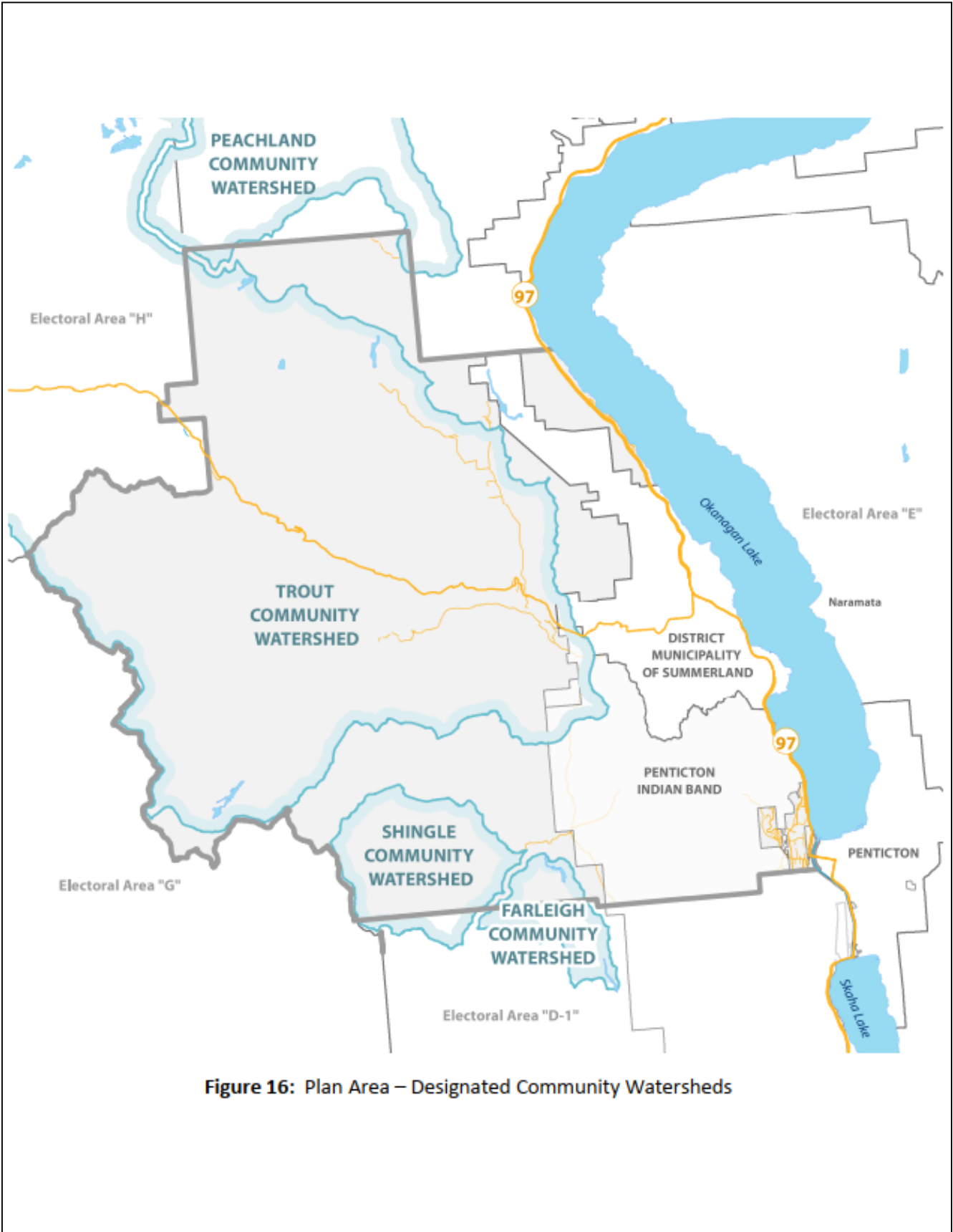


Figure 16: Plan Area – Designated Community Watersheds

Attachment No. 4 – Subdivision Potential in the Faulder Water System

