

**TO:** Advisory Planning Commission

**FROM:** B. Newell, Chief Administrative Officer

**DATE:** June 21, 2023

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

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## **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:**

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

#### Gallagher Lake Rural Growth Area:

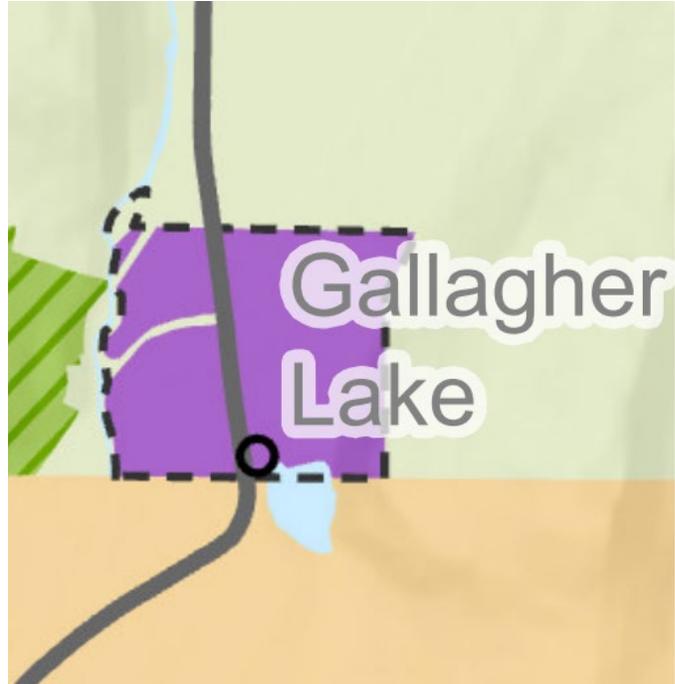
When Gallagher Lake was designated as a “Rural Growth Area” in the RGS, the boundaries of this Area were to be established when the Electoral Area “C” OCP Bylaw was next reviewed.

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In 2016, the Regional District completed a “Gallagher Lake Area Plan” which, amongst other things, established the Gallagher Lake Rural Growth Area Containment Boundary for the community (see image below left). The proposed amendments would retain an almost identical growth boundary through the proposed “Village Settlement Area” designation (see image below right):



Gallagher Lake Rural Growth Area Boundary (OCP)



Draft Gallagher Lake “Village Settlement Area” boundaries (RGS)

Servicing in the Gallagher Lake area is provided for through an agreement between the Regional District and the Osoyoos Indian Band’s (OIB) Senkulmen Utilities Limited (SUL), which provides for water and sewer services to a maximum of 300 “single family units.

It is understood that the regional district is currently billing for 103 units, indicating that 197 connections may remain.

Discussion:

The long-term vision for Gallagher Lake, as contained in the Electoral Area “C” OCP Bylaw is of a community that “will continue to evolve as a small and quaint community ... [and] managed growth will be accommodated in an environmentally sustainable manner, allowing for infill and redevelopment opportunities of older properties and underutilized land.”

This includes retaining the commercial and tourist commercial uses on the west side of Highway 97 which the community has previously indicated it would “like to encourage ... to develop as a pedestrian oriented, vibrant hub of mixed use commercial and residential land uses.”

To achieve this vision, Administration considers the “Village Settlement Area” designation to be the most suitable as it contemplates “new services [being] created or extended ... to support a range of housing types such as duplexes and possibly small-scale townhouse and apartment developments.”

By way of comparison, the “Village Settlement Area” designation has also been applied to Naramata and Kaleden, both of which have the range of residential, commercial and institutional uses also found at Gallagher Lake as well as some level of servicing and anticipated future growth.

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Conversely, while no feedback appears to have been received from Gallagher Lake residents regarding the proposed amendments to the RGS, Administration is aware of concerns regarding the designation of the community as a “Rural Growth Area” during the drafting of the “Gallagher Lake Area Plan” in 2015-16.

Administration is further aware that the current servicing agreement with OIB for community water and sewer only provides for connections up to 300 units, and that this might not cover existing development within the community, let alone future development(s).

Further, and as a result of recent queries from property owners seeking to join the Gallagher Lake water and sewer service area, Administration is also aware that a capacity study or modeling may be needed to determine the ability of the Senkulmen Utilities Limited (SUL) to provide services to the area in future.

NOTE: the agreement between the RDOS and SUL runs for a period of 49 years (to 2063) with the option of an additional 49-year renewal (to 2112).

Given the limited ability to service Gallagher Lake in future, either in the form of the 300 unit cap on connections, or capacity limitations occurring within the system, a more suitable designation for Gallagher Lake may be as a “Rural Residential Area”.

The Rural-Residential designation is generally applied to lands that are not to be serviced with new community water and/or sewer infrastructure, but existing infrastructure can be maintained.

#### 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.

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#### **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.**

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**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.

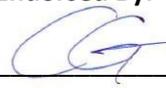
**Respectfully submitted:**

*Fiona Titley*

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Fiona Titley, Planner II

**Endorsed By:**



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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)

