

# 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

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

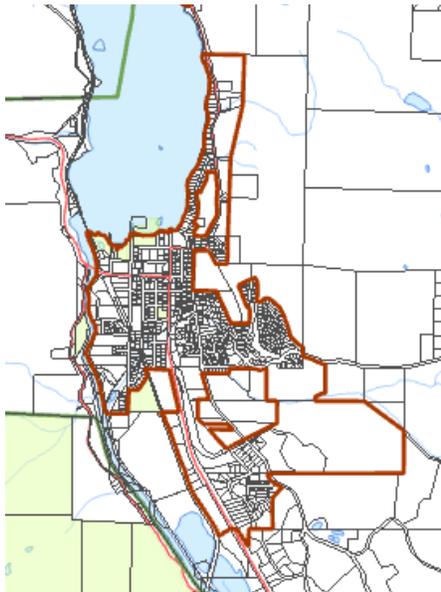
#### Okanagan Falls Growth Area:

When the RGS was adopted in 2010, Okanagan Falls was the only settlement area in the South Okanagan Electoral Areas to be designated as a “Primary Growth Area”. This was primarily due to the community being one of the few with both sewer and water infrastructure as well as other services to

support increased development (e.g. mixed commercial core, industrial area, tourist-commercial sector, school, residential areas, parks, etc.).

The proposed amendments to the RGS will not affect the status of Okanagan Falls as it will be designated a formal “Growth Area” along with Penticton, Oliver, Osoyoos, Summerland.

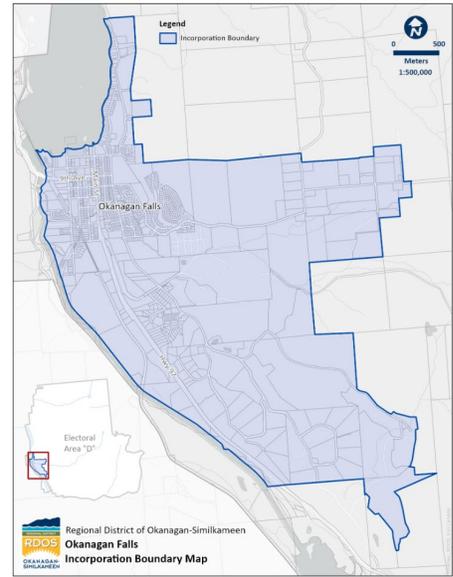
Administration is aware that Okanagan Falls incorporation is currently being considered, and this has involved several studies analysing alternative structure, governance and service options.



OK Falls Primary Growth Area Boundary



Draft OK Falls boundaries (RGS)



Draft OK Falls Incorporation Boundary Map

### Discussion Points:

As the central node for residential, commercial and industrial development in Electoral Area “D”, Okanagan Falls is anticipated to absorb the majority of the forecast growth in the Electoral Area.

For these reasons, Administration fully supports the designation of Ok Falls as a “Growth Area” and the proposed growth area boundaries have been drawn to match the existing boundaries found in the Electoral Area “D” OCP Bylaw.

While, existing capacity issues with the water and sewer systems have limited the development potential in Okanagan Falls in recent years, its designation as a “Growth Area” should make the community a priority for infrastructure upgrades by the Regional District.

Further to this, the Ok Falls Sewer Master Plan project is currently underway to address the sewer deficiencies and plan for a system capable of supporting the long-term growth and development of the community.

While it is noted that the current incorporation boundary for Okanagan Falls applies to a greater area than the growth area boundary under the OCP, this is not uncommon and many of the member municipalities have incorporated growth boundaries in their OCPs that are different than their municipal boundaries (and generally exclude ALR lands).

Should Okanagan Falls incorporate in the future, the RGS would need to be further amended in order to reflect the new status of the community.

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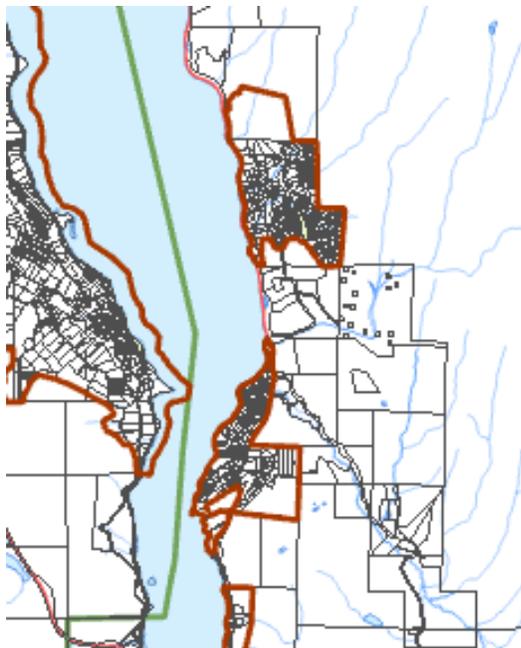
### Eastside Road Rural Growth Area:

The creation of the Eastside Road Growth Areas (north and south) was largely a reflection of existing development in these locations, such as Skaha Estates and Heritage Hills as well as the possible extension of sewer services to this area — which would facilitate additional growth.

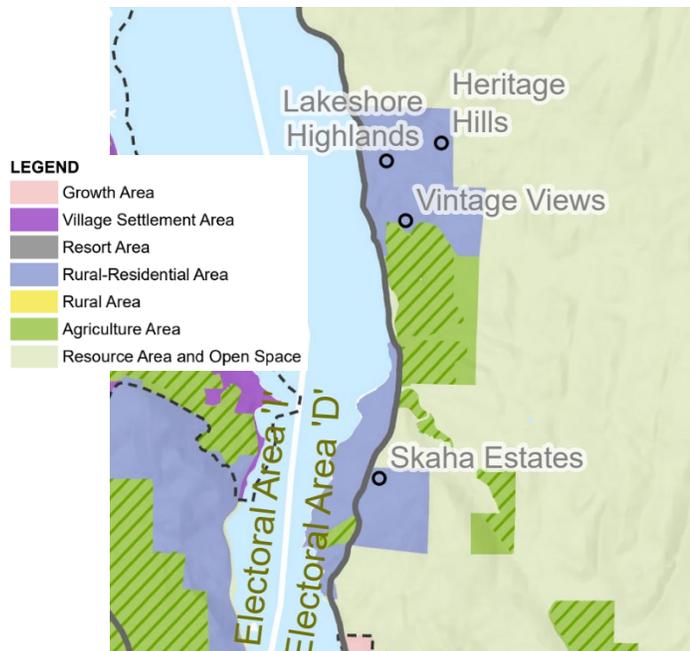
While this area has previously been considered for inclusion within the boundaries of an incorporated Okanagan Falls, it is not currently included in the study area.

Since the adoption of the RGS in 2010, the extension of sewer to service both parts of the Eastside Road growth area was determined to be not feasible.

More recently, the sewer system at “Vintage Views” has become the subject of a provincial pollution prevention order as a result of operational issues and is currently being assessed by the Regional District for possible acquisition.



Skaha Estates/Eastside Road Rural Growth Area boundaries (OCP)



Draft Skaha Estates/Eastside Road boundaries (RGS)

### Discussion Points:

In light of the physical constraints associated with Eastside Road, such as Skaha Lake to the west and hillsides (steep slopes) to the east, the environmental values associated with this area (i.e. significant land holdings by conservation groups) as well as the on-going infrastructure challenges, encouraging long-term residential densification is not seen to be desirable.

Accordingly, it is being proposed that Eastside Road be designated as “Rural Residential”, as this is primarily applied land that is outside of a townsite where the predominant form of housing is low density residential (e.g. single detached dwellings).

Generally, the Rural-Residential designation is not to be serviced with new water and/or sewer infrastructure, however, existing infrastructure can be maintained.

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## 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, Planner II

### Endorsed By:



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)

