

TO: Advisory Planning Commission

FROM: B. Newell, Chief Administrative Officer

DATE: July 10, 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).

At its meeting of June 19, 2023, the Electoral Area “E” APC resolved to defer consideration of the amendments to the July APC meeting.

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.

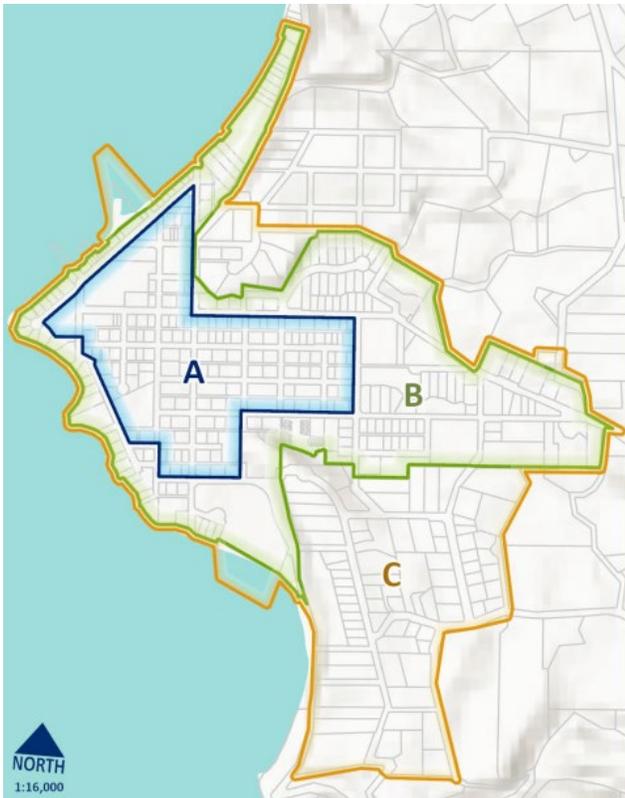
Together, all these issues have raised confusion regarding the purpose and long-term intent of the “Rural Growth Area” designation and if it should continue to be used in the RGS.

To assist the Electoral Area “E” 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”:

Naramata Rural Growth Area:

While Naramata has been designated as a “Rural Growth Area” since the adoption of the RGS in 2010, the boundaries of this Area have not yet been established in the Electoral Area “E” OCP Bylaw.

Despite this, the draft amendments to the RGS are proposing that a “Village Settlement Area” designation be applied to an area of land that generally corresponds to the boundaries for the “Rural Growth Area” being considered in the Draft Electoral Area “E” OCP Bylaw No. 3010 (shown below left). These draft OCP boundaries are further based, in part, on the boundaries being considered for the Draft Naramata Liquid Waste Management Plan (shown below right):

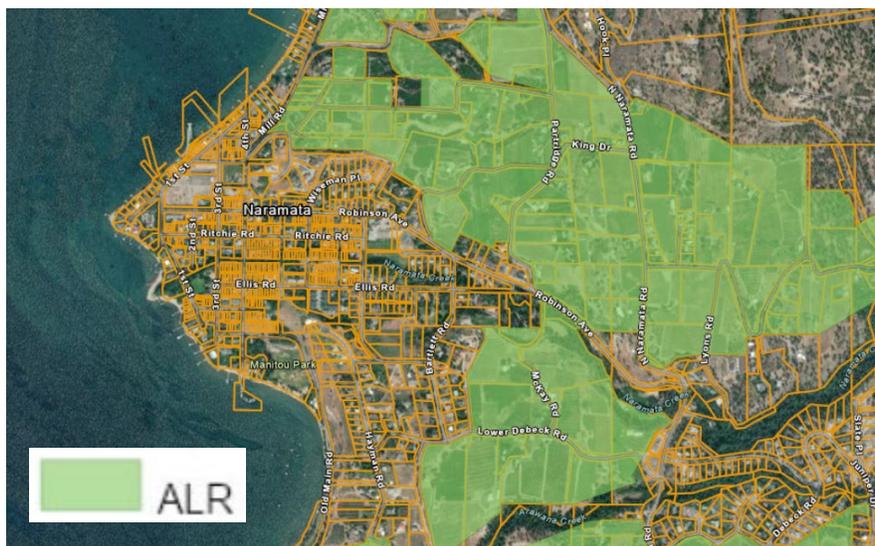


**Draft Naramata Growth Containment Boundary
(Draft OCP Bylaw No. 3010)**



Naramata LWMP Study Area (Phase 1)

A further consideration in the establishment of these boundaries for Naramata has been the location of Agricultural Land Reserve (ALR) lands:



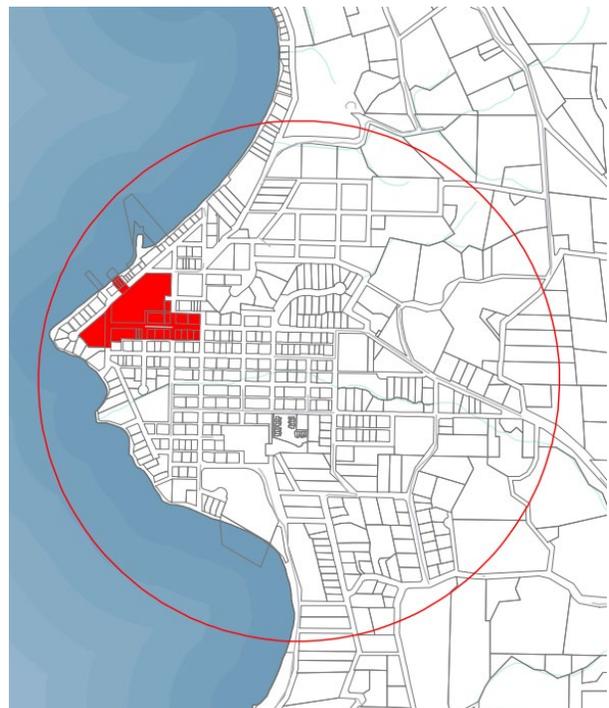
Reflecting the location of ALR lands, much of the hillside area east of the proposed “Village Settlement Area” (shown shaded purple in the image at right) has been classified as “Agriculture Area” which is to be retained for agriculture uses and compatible value added agricultural uses.

Discussion:

While feedback received during the public consultation process from residents in Electoral Area “E” included suggestions that Naramata be removed as a “Rural Growth Area”, or be reduced in size to match the “Naramata Village Centre” (NVC) designation under the OCP (see image below right), Administration supports the proposed “Village Settlement Area” designation.



**Draft Naramata “Village Settlement Area” - RGS
(Purple Shaded Area)**



**“Naramata Village Centre” (NVC) – OCP Designation
(Red Shaded Area)**

This designation best reflects the proposed Vision for the Naramata village area in the Draft OCP Bylaw as “a vibrant place with a diversity of families that supports year-round businesses ...” and that is a mixed-use area with a variety of dwelling types, including higher density forms such as duplexes, triplexes and townhouses (e.g. more affordable than a traditional single detached family home).

A critical component in achieving this Vision will be the provision of basic infrastructure, such as community water and sewer services as these support the environmental and social conditions that are necessary to achieve effective growth management and Naramata as a focus for such development within Electoral Area “E”.

It will also ensure that Naramata is prioritized over the next 20 years for future infrastructure funding (e.g. water and sewer upgrades) after Okanagan Falls (which is a “Growth Area”) and in-line with Apex (as a “Resort Area”) and along with Kaleden and Gallagher Lake (as other “Village Settlement Areas”).

Limiting the growth boundary for Naramata to a small area of land fronting Robinson Avenue would adversely affect the long-term development of the broader village area and potentially the provision of public infrastructure (e.g. water and sewer upgrades) to surrounding residential areas.

Conversely, replacing “Village Settlement Area” with a different designation such as “Rural-Residential” is an option available for the APC to consider. 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.

Administration recognises that parts of Naramata are characterised by steep topography and other areas have been designated as Agricultural Land Reserve (ALR). A change in designation to “Rural-Residential” *could* result in Naramata not being prioritized for sewer infrastructure projects, thereby resulting in the predominant form of housing remaining low density residential (e.g. single detached dwellings) on existing services.

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

