

ADMINISTRATIVE REPORT



TO: Advisory Planning Commission

FROM: B. Newell, Chief Administrative Officer

DATE: June 5, 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.

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:

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

Kaleden Rural Growth Area:

While Kaleden is designated as a “Rural Growth Area” in the RGS, the boundaries of this Area are to be established in the Electoral Area “I” OCP Bylaw.

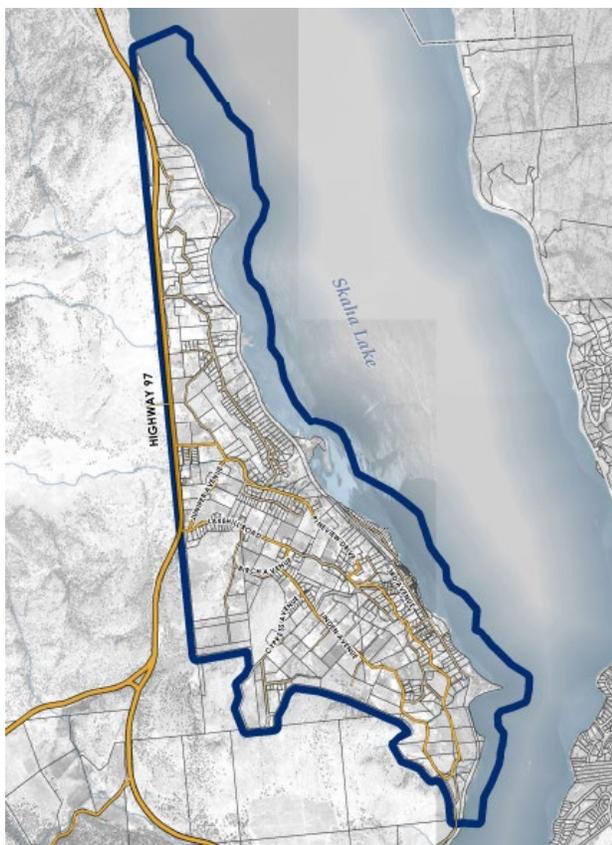
When the OCP was last reviewed in 2016, a decision was made to draw the boundary around the whole of the community in recognition that there was a planned sewer extension to the community but that “completion of the project is not anticipated for 10 to 15 years, or beyond the timeline of this OCP.”

It was anticipated that, at such time as a sewer line was proposed for Kaleden (i.e. around 2030), the boundary of the “Rural Growth Area” would be revised to reflect the actual boundaries of the area being serviced.

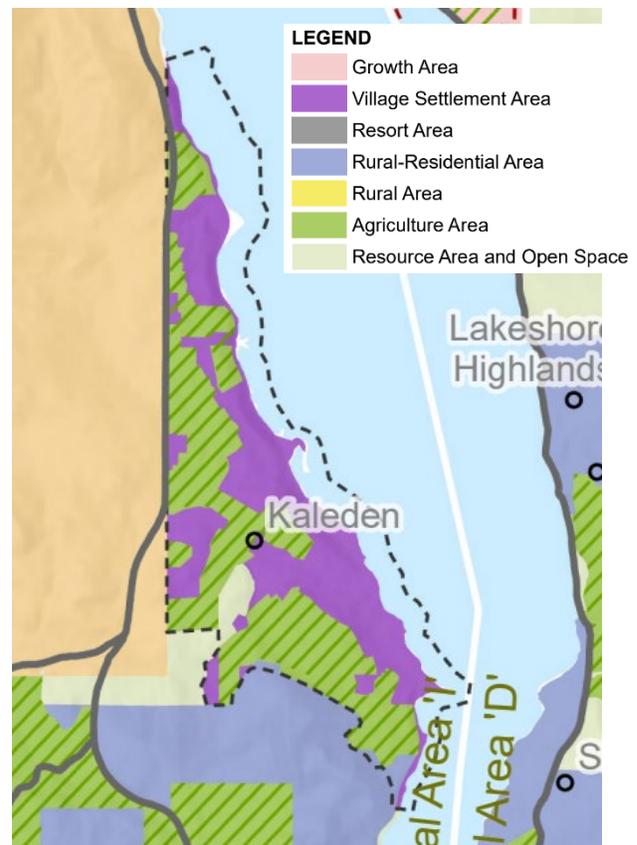
When a preliminary design report for a sewer line extension was completed in 2020, this information was used to inform the proposed boundaries of the Kaleden “Village Settlement Area” in the draft RGS amendment bylaw.

The proposed “Village Settlement Area” is defined as communities that offer a limited mix of commercial and institutional uses with mainly low-density housing types. “Village Settlement Areas” have some water and/ or sewer servicing, however, it has not yet been extended to the full community.

This is seen to be consistent with the existing OCP policies that support maintaining and enhancing commercial uses and providing a range of housing opportunities to attract young families to Kaleden and also allow existing residents to age in-place.



Kaleden Rural Growth Area Boundary (OCP)



Draft Kaleden “Village Settlement Area” Boundary (RGS)

Discussion Points:

While a public assent process to provide a sewer collection system to parts of Kaleden failed in 2021, and comments received in relation to the RGS Review indicate a desire by some residents to have

Kaleden removed as a growth area, Administration supports applying the “Village Settlement Area” designation to the community.

This designation best reflects the direction established for Kaleden through the OCP and further supports the critical link that exists between infrastructure, the environment and social conditions that is necessary to achieve effective growth management and Kaleden as a focus for such development within Electoral Area “1”.

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

To remove Kaleden as a growth area would have implications for housing types, provision of infrastructure and maintenance of community services (e.g. elementary school and retail outlets).

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.

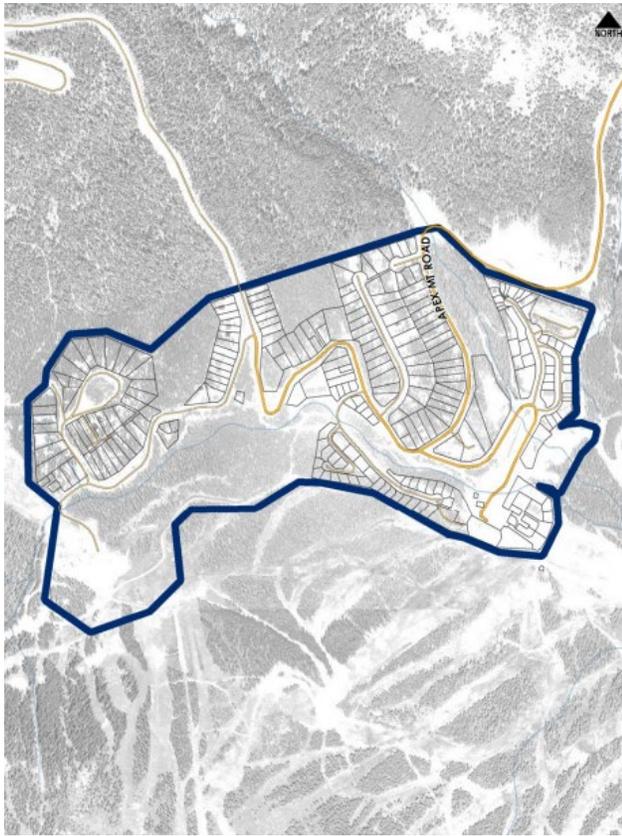
Administration recognises that parts of Kaleden are characterised by steep topography (e.g. hazard lands) and other areas have been designated as Agricultural Land Reserve (ALR). Anecdotally, it is also unknown what level of density the existing road network is capable of accommodating without upgrades (i.e. certain roads are perceived to be narrow and do not provide adequate sight distances).

A change in designation to “Rural-Residential” would result in Kaleden 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.

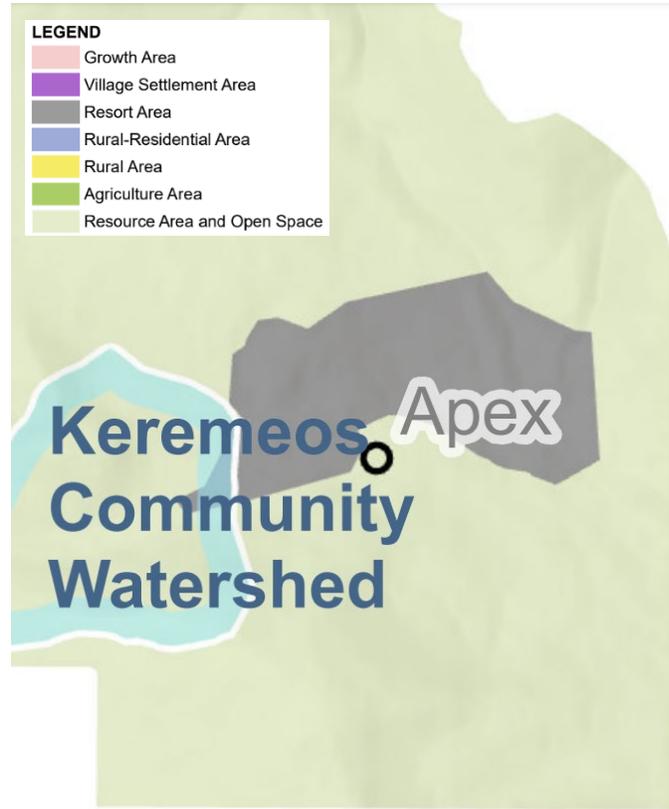
Apex Rural Growth Area:

Apex is a controlled recreation area tenured under a Master Development Agreement (1981) managed by ski area operators under agreement with the Mountain Resorts Branch of the Province and is currently designated a “Rural Growth Area” in the RGS. The proposed amendments to the RGS would retain this status in the form of a new “Resort Area” designation.

“Resort Areas” are proposed to be defined as small resort based communities with a mix of commercial services, institutional uses, tourism accommodation and low, medium and high density housing which have generally been settled as a result of a nearby recreation area.



Apex Rural Growth Area Boundary (OCP)



Draft Apex Resort Area boundary (RGS)

Discussion Points:

It is understood that the resort is nearing its limit in terms of approved bed capacity, above which additional upgrades to the resort, in accordance with the provincial All Season Resort Guidelines will likely be required and addressed through a Mountain Resort Branches master planning process.

It is also understood that the resort is currently limiting the development of additional density (e.g. duplexes, triplexes, four-plexes, etc.) within its water and sewer service areas due to capacity within these systems.

Despite this, Apex is seen to possess long-term growth potential, including the provision of tourism based services (e.g. retail, eating and drinking establishments, etc).

Conversely, it is recognized that Apex currently remains a largely seasonal destination that is distant from services and employment areas, Apex’s growth may be limited to mostly seasonal residents.

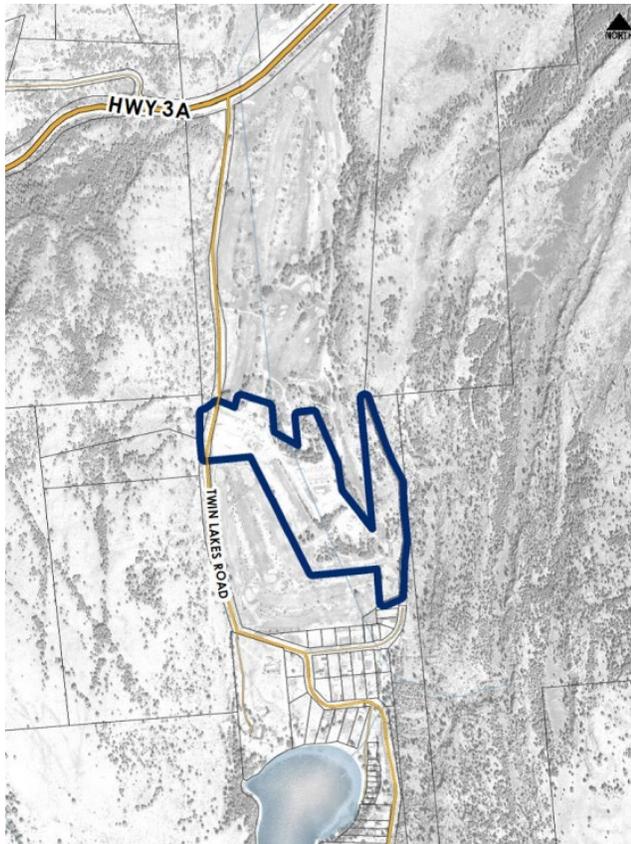
Twin Lakes Rural Growth Area:

Although Twin Lakes is designated as a “Rural Growth Area” in the RGS, when the Electoral Area “1” OCP Bylaw was reviewed between 2014 and 2016, the boundaries of this growth area were drawn narrowly around the existing golf course clubhouse and RV Park.

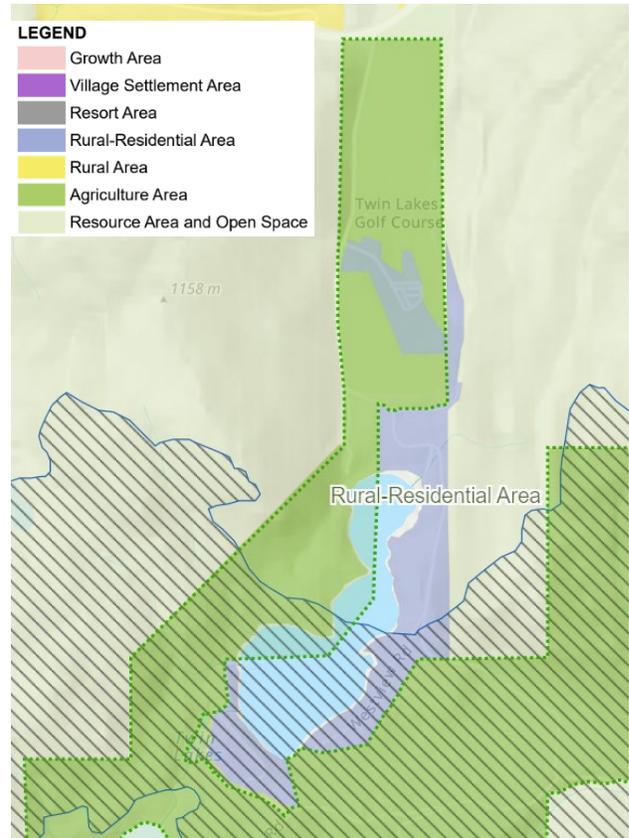
This was primarily in response to community concerns regarding groundwater supply and capacity issues at Twin Lakes as well as a desire to relocate existing residential density from the adjacent

hillside to an area immediately adjacent the golf course (NOTE: this rezoning has subsequently been completed).

While the current OCP states that the suitability of Twin Lakes as a Rural Growth Area *may* be reviewed in the event development does not proceed by 2025, in the context of the current RGS Review Administration is proposing that the designation of Twin Lakes be reviewed.



Twin Lakes Rural Growth Area Boundary (OCP)



Draft Twin Lakes boundaries (RGS)

Discussion Points:

It is unlikely that Twin Lakes will ever be able to provide a true mixed-use development with the residential densities associated with Naramata or Kaleden. Rather, its long-term development is likely to be tied to the golf course and limited recreational / tourist opportunities (e.g. campground).

This area is currently limited by the aforementioned concerns about water supply as well as being largely within the Agricultural Land Reserve (ALR), which is shown by the green dashed line on the “Draft Twin Lakes boundaries” map above-right. The RGS speaks to ALR lands not being contained within a Growth Area boundary and being preserved for Agricultural and compatible value-added agricultural uses.

Consequently, it is not envisioned that there is much capacity for increased residential densities at Twin Lakes beyond those which already have zoning approval. For these reasons, Administration supports the introduction of a “Rural-Residential” designation as this would allow for the extension of any future community water and/or sewer system to properties surrounding the lake.

It is also noted that the southern part of the community is situated within the Radio Frequency Interference (RFI) Area associated with the Dominion Observatory (discussed below).

Dominion Radio Astrophysical Observatory (DRAO):

The Dominion Radio Astrophysical Observatory (DRAO) is an internationally important research facility (and the Plan Area’s largest year-round employer) that is extremely sensitive to human generated Radio Frequency Interference (RFI). As a result, residential development within the RFI Area is generally discouraged.

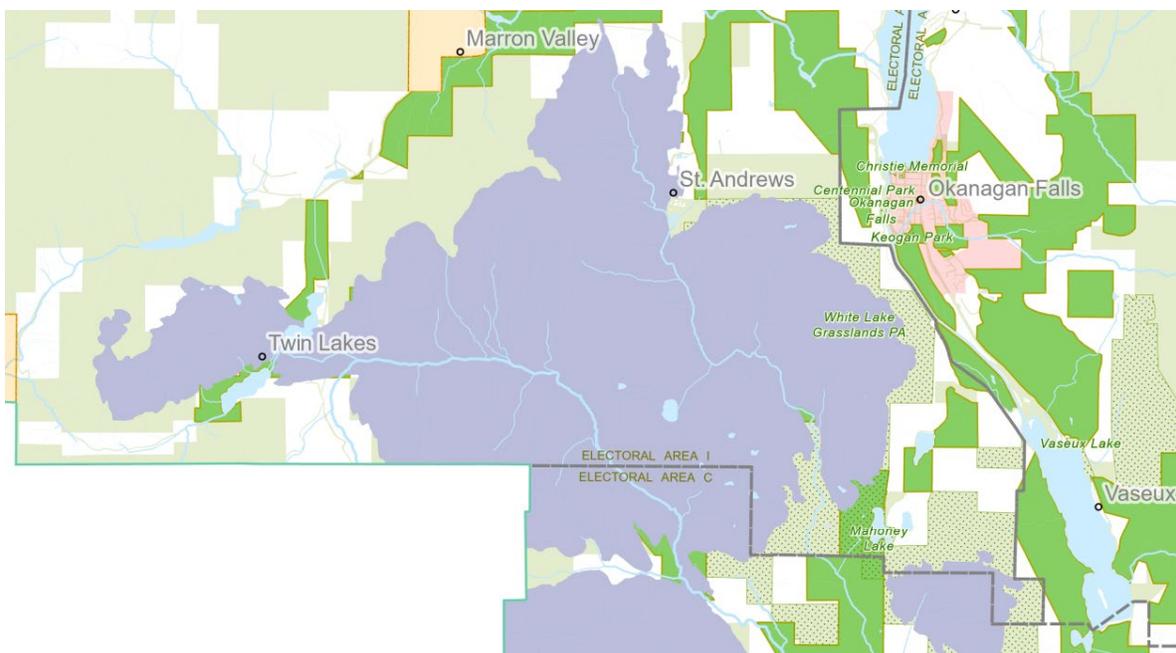
When the St. Andrews development was proposed in the mid-1970s, it was subject to a Land Use Contract (LUC) that laid out conditions to restrict installation and use of electrical equipment on the lands that could cause radio interference with the Observatory.

In 2014, the provincial government amended the *Local Government Act* in order that all Land Use Contracts would cease to exist by 2024. It is further understood that, since 2014, the federal and provincial governments have been discussing how best to protect the RFI Area but have not yet concluded how this will be done.

In March of 2023, the province introduced legislation to extend the LUC that applies to St Andrews for a period of 10-years (e.g. to 2034), with the possibility of further extensions in future.

In recognition of DRAO as the only research facility of its kind in Canada and a significant contributor to the regional economy that also provides critical ongoing contributions to national and international research initiatives, it is being proposed that a new “Radio Astronomy Research Area” category be introduced into the RGS.

The purpose of this category would be to provide an extra layer of land use oversight to protect the operation of the Observatory by establishing that proposals seeking to introduce new Official Community Plan (OCP) land use designations in the “Radio Astronomy Research Area” would require the formal amendment of the RGS (and the support of the member municipalities).



Draft Radio Astronomy Research Area boundaries (RGS) – Illustrative Version

Discussion Points:

The inclusion of a “Radio Astronomy Research Area” designation in the RGS is being proposed to reflect the regional significance of the Observatory and the impact that land use changes can have on its operations.

While a majority of the lands that would be affected by the “Radio Astronomy Research Area” designation are Crown land, there are privately held parcels, including those at St. Andrews, Twin Lakes and some agricultural operations in between and to the south (with some of these also in the ALR).

The requirements for amending an RGS are set out under Part 13 of the *Local Government Act* and require, amongst other things, a formal consultation plan and acceptance by affected local governments.

While Administration is aware of interest from the St Andrews strata to develop some of their lands, the extension of the LUC is seen to preclude this. Also, given the location of this community within the RFI Area associated with the Observatory, it is recommended that the “Rural Residential Area” designation be applied in order to reflect current land use patterns.

Climate Action:

The proposed amendments includes 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” (RGS Bylaw Schedule ‘B’)

Attachment No. 1 – Designated RGS Primary & Rural Growth Areas (RGS Bylaw No. 2770)

