

ADMINISTRATIVE REPORT



TO: Advisory Planning Commission

FROM: J. Zaffino, Chief Administrative Officer

DATE: July 6, 2026

RE: South Okanagan Regional Growth Strategy (RGS) Review

Purpose:

The purpose of this report is to provide an overview of revised amendments to the South Okanagan Regional Growth Strategy (RGS), as part of the 2026 Consultation Plan adopted by the Regional Board.

Legislative Requirements:

Under Section 428 of the *Local Government Act*, the purpose of an RGS is 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.

Under Section 434(2) of the *Act*, a regional board must adopt a consultation plan after the initiation of an RGS (or a major amendment to an RGS) that, in the opinion of the board, provides opportunities for early and ongoing consultation.

Section 452(2) of the *Act* further requires a regional district that has adopted an RGS to consider, at least once every five (5) years, whether that RGS should be reviewed for possible amendment.

Background:

The current review of the South Okanagan RGS was initiated by the Regional Board in 2019 to address a number of items, including:

- the suitability of designated “Rural Growth Areas”;
- climate change policies as a result of provincial legislative updates; and
- findings from the (then) forthcoming Housing Needs Assessment Report.

In response to this, draft RGS Amendment Bylaw No. 2770.02, 2022 was prepared and proposed to:

- update the “Energy Emissions and Climate Change” section of the RGS to reflect provincial direction on climate change;
- update the “Population and Demographics” section of the RGS to incorporate the 2021 Census;
- revise the “Housing and Development” objectives and policies of the RGS to guide land-use decisions outside of designated growth areas; and
- introduce a new “Growth Management Map” to reflect these revisions.

Substantial consultation was undertaken throughout 2022 and 2023 in support of this draft amendment bylaw, including presentations to the Electoral Area Advisory Planning Commissions (APC) summarizing the proposed changes.

On June 5, 2023, the Electoral Area “I” APC considered the draft amendment bylaw and resolved to recommend to the RDOS Board that it be amended subject to conditions.

These included adding references to existing OCP policies related to St. Andrews and replacing the Village Settlement Area designation in Kaleden with the Rural-Residential designation.

At its meeting of August 3, 2023, the Planning and Development Committee of the Regional Board resolved that Amendment Bylaw No. 2770.02, 2022, be revised by removing Naramata and Kaleden as any sort of growth area.

At its January 22, 2026, Committee of the Whole (COTW) meeting the Regional Board considered a revised draft RGS Amendment Bylaw No. 2770.02, 2026 and resolved to initiate the bylaw.

Amendment Bylaw No. 2770.02, 2026, augments the previous 2022 draft by:

- adding language to clarify how the RGS deals with urban containment boundaries for the purpose of Section 481.3 of the *Local Government Act*; and
- updating the objectives and policies under the “Village Settlement Area” designation that applies to Naramata, Kaleden and Gallagher Lake to limit the provision of housing, services, and amenities and maintain the small-town character of these areas.

At its February 19, 2026, COTW meeting the Regional Board adopted a consultation plan prescribing a course for implementation in 2026, including consideration by the Electoral Area APCs.

Analysis:

While an RGS is enacted by a regional district, it is a collaborative document prepared with the involvement of member municipalities that requires ongoing buy-in and commitment by all parties to be effective.

The participants in the South Okanagan RGS have committed to collaborating towards objectives related 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 South Okanagan 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.

To assist the APC in its consideration, the following sections summarize the key policy shifts contained in the amendment bylaw, while the broader context for these changes is outlined above:

Housing and Development:

The primary focus of this review is to address concerns related to the suitability of growth areas that have emerged as a result of recent Official Community Plan (OCP) Reviews (i.e. Greata Ranch in Electoral Area “F”, Willow Beach and Anarchist Mountain in Electoral Area “A”) as well as issues identified through the public engagement process completed for this project in 2022 (i.e. Naramata in Electoral Area “E” and Kaleden in Electoral Area “I”).

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, the proposed RGS amendments are intended to support sustainable long-term development by more closely aligning land-use planning with service delivery (e.g. provision of community water and sewer systems):

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

Growth Management:

The draft amendment bylaw addresses concerns with the “Rural Growth Area” designation through the implementation of a new growth management map and series of land-use designations to guide land-use decisions outside of growth areas.

Importantly, this involves the removal of the “Rural Growth Area” designation, with the majority of new development proposed to occur in the “Growth Area” (i.e. the member municipalities and Okanagan Falls) and “Resort Area” (i.e. Apex) designations.

A new “Radio Astronomy Research Area” designation is also proposed in relation to the Dominion Radio Astrophysical Observatory (DRAO) to provide an extra layer of land-use oversight to protect the operation of the Observatory.

This would require any development proposal seeking to introduce a new OCP land-use designation in the “Radio Astronomy Research Area” to also seek formal amendment of the RGS, which would require regional support by the Regional District as well as each of the member municipalities.

Climate Action:

The RGS currently includes references to the *Greenhouse Gas Reduction Targets Act*, which established targets to reduce greenhouse gas (GHG) emissions to 33% less than 2007 levels by 2020 and 80% less than 2007 levels by 2050.

Since its introduction in 2007, all local governments in BC (including the RDOS, City of Penticton, District of Summerland, Town of Oliver and Town of Osoyoos) have voluntarily signed the BC Climate Action Charter, committing to carbon neutrality, measuring and reporting community GHG emissions, and promoting compact energy efficient communities.

In 2018, the *Greenhouse Gas Reduction Targets Act* was renamed the *Climate Change Accountability Act* and new emissions reduction targets were introduced for 2030 (40% less than 2007 levels) and 2040 (60% less than 2007 levels).

The proposed amendments to the Energy Emissions and Climate Change section of the RGS aim to replace outdated references to provincial legislation, update emissions targets that have since lapsed (i.e. for 2020) and reflect current provincial direction on climate action.

Population and Demographics:

Currently, the population projections and demographic trends included in the Population and Demographics section of the RGS date to the 2016 Census.

The proposed amendments to this section would update these figures with data available from the most recent census year (i.e. the 2021 Census), to better inform land-use policy and decision-making.

2026 New Changes:

The changes to the proposed “Village Settlement Area” designation are intended to limit development and maintain the small-town character of these areas by restricting the introduction of new infrastructure (e.g. a community sewer system).

While this designation would support the improvement or expansion of any services within the Village Settlement Area, it would not support the introduction of new services or the expansion of Village Settlement Area boundaries.

Administration considers that these revisions *may* address concerns from the Electoral Area “I” APC in relation to Kaleden being designated as a Village Settlement Area under the previous draft version of the amendment bylaw.

The new language proposed in relation to urban containment boundaries is intended to clarify that a “growth area” designated by the RGS is not an urban containment boundary for the purpose of section 481.3 of the *Act*.

An urban containment boundary designated under this section is one criterion used to determine the number of dwelling units required in a “restricted zone” in accordance with recent provincial housing legislation (i.e. “Small-Scale Multi-Unit Housing”).

Instead, the RGS supports the establishment of urban containment boundaries in municipal OCPs, reflecting the proposed direction of accommodating the majority of new growth in the municipalities.

Alternative:

Conversely, while this amendment is seen to support clearer land-use decision-making by aligning land-use policy and infrastructure capacity, it may also influence how future housing and development pressures are distributed across the region.

Administration recognizes that there are only so many locations in the region that are suitable to accommodate growth due to historic land-use patterns, topography, availability of infrastructure and other factors. The removal of some of these areas may result in increased growth and development pressures on the remaining areas.

Summary:

In summary, the proposed changes are seen to provide better clarity on the extent to which future growth is to be provided in the Electoral Areas and the pre-conditions for that growth to occur (e.g. basic community infrastructure such as water and sewer systems).

For this reason, Administration recommends that the proposed amendments be supported.

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, 2026, 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, 2026, 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, 2026, be abandoned.

Respectfully submitted:

Ben Kent

Ben Kent, Planner II

Endorsed By:



C. Garrish, Senior Manager of Planning

Attachments:

- No. 1 – Designated RGS Primary & Rural Growth Areas (RGS Bylaw No. 2770)
- No. 2 – Draft RGS Bylaw Amendment No. 2770.02, 2026
- No. 3 – Draft “Growth Management Map” (RGS Bylaw Schedule ‘B’)

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

