

ADMINISTRATIVE REPORT



TO: Board of Directors
FROM: B. Newell, Chief Administrative Officer
DATE: December 3, 2020
RE: Proposed OCP and Rezoning Amendments - 4850 Naramata Road, Electoral Area "E"

Administrative Recommendation:

THAT Bylaw No. 2458.16, 2020, Electoral Area "E" Official Community Plan Amendment Bylaw and Bylaw No. 2459.37, 2020, Electoral Area "E" Zoning Amendment Bylaw be denied.

Purpose: To facilitate a 40 lot residential subdivision on the western part of the property.

Owners: Naramata Holding Ltd. Agent: Ecora Engineering Folio: E-02018.000

Civic: 4850 North Naramata Road Legal: District Lot 197S, SDYD, Except Plan B4649 A62

OCP: Resource Area (RA) Proposed OCP: Small Holdings (SH)

Zone: Resource Area (RA) Proposed Zoning: Small Holdings Three (SH3)

Proposed Development:

This application is proposing to amend the zoning of the property in order to facilitate a 40 lot residential subdivision on the western part of the subject property, and requires a reduction in the minimum parcel size requirement for subdivision from 20.0 ha to 1.0 ha.

In order to accomplish this, the following land use bylaw amendments are being proposed by the applicant:

- amend the land use designation under Schedule 'B' (OCP Map) of Electoral Area "E" Official Community Plan (OCP) Bylaw No. 2458, 2008, from Resource Area (RA) to Small Holdings (SH);
- amend the zoning under Schedule '2' (Zoning Map) of Electoral Area "E" Zoning Bylaw No. 2459, 2008, from Resource Area (RA), to Small Holdings Three Zone (SH3).

In support of the rezoning, the applicant has stated that: "The development of new 40 lots offers a number of benefits to Naramata and the Penticton area [including] economic activity and jobs ... upgrades to the Naramata Water System and annual taxes and user fees ... property taxes of about \$30,000,000 assessed value (@\$750,000 per home) for Naramata services ... and local spending in retail, restaurant, entertainment and other services."

Site Context:

The subject part of the property proposed for rezoning and development is approximately 61 ha in area, and bounded to the northeast by the KVR trail, and is situated approximately 6.5 km north of the City of Penticton's municipal boundary.

The subject part of the property is surrounded to the north and northeast by a corridor of land zoned Parks and Recreation (PR), as well as undeveloped Resource Area (RA) lands. To the south are Resource Area (RA) lands with some development, and a developed Residential Single Family One (RS1) lot. To the south-west are adjacent Agricultural lands (AG1 and AG1s) that are in the ALR. To the west, there are two developed Small Holdings Two (SH2) and Large Holdings One (LH1) properties.

Background:

The property was created by a plan of subdivision registered with the Land Titles Office in Kamloops in 1990, and available RDOS files indicate that no building or development permits have been issued.

Under the South Okanagan RGS Bylaw No. 2770, 2017, Naramata has been designated as a “Rural Growth Area”, however, the growth boundaries of this area have not yet been established.

Under the Electoral Area “E” Naramata Official Community Plan (OCP) Bylaw No. 2458, 2008, the subject property is currently designated as Resource Area (RA), an objective of which is “to maintain the rural character” of such lands, and this is supported by a policy “that these areas will remain rural with limited community services and infrastructure.”

The property is further designated as being within an Environmentally Sensitive Development Permit (ESDP) Area due to the presence of “Very High” and “High” environmental values. The property has also been designated as comprising a Watercourse Development Permit (WDP) Area due to three creeks running through the property.

Under Electoral Area “E” Zoning Bylaw No. 2459, 2008, the subject property is currently zoned Resource Area (RA), which establishes a minimum parcel size for subdivision of 20.0 ha, and limits residential density to one (1) principal dwelling unit per parcel and up to four (4) accessory dwellings.

BC Assessment has classified the property as “Residential” (Class 01).

Referrals:

Approval from the Ministry of Transportation and Infrastructure (MoTI) is not required prior to adoption as the proposed amendments involve lands beyond 800 metres of a controlled access highway (i.e. Highway 97 & 3).

Pursuant to Section 476 of the *Local Government Act*, the Regional District must consult with the relevant School District when proposing to amend an OCP for an area that includes the whole or any part of that School District. In this instance, School District No. 67 has been made aware of the proposed amendment bylaw.

Public Process:

On October 8, 2020, a Public Information Meeting (PIM) was held electronically, and was attended by approximately 25 members of the public.

At its meeting of October 26, 2020, the Electoral Area “E” Advisory Planning Commission (APC) resolved to recommend to the RDOS Board that the subject development application be denied.

Administration recommends that the written notification of affected property owners, the public meetings as well as formal referral to the agencies listed at Attachment No. 1, should be considered appropriate consultation for the purpose of Section 475 of the *Local Government Act*. As such, the

consultation process undertaken is seen to be sufficiently early and does not need to further ongoing. All comments received to date in relation to this application are included as a separate item on the Board Agenda.

Analysis:

Administration considers this application to be inconsistent with the Regional Growth Strategy and the Electoral Area “E” OCP Bylaw, given that the subject lands are designated Resource Area (RA) and not identified for future rural-residential development, as well as the area’s distance from Naramata’s village center.

Administration further considers this application to be premature given the pending review of the RGS Bylaw in 2020/21 and review of the OCP Bylaw in either 2021 or 2023. For these reasons, Administration is recommending denial of the subject proposal at this time.

Housing and Development

The current Electoral Area “E” OCP established the land use designations for the area with community engagement and planning analysis. These particular lands are designated Resource Area (RA), which supports a 20 ha minimum parcel size, with the stated objectives to:

- *Recognize that much of the land designated as Resource Area in the Plan area is part of the Okanagan Provincial Forest, and to minimize conflicts between these lands and other land uses;* and
- *To maintain the rural character and compatibility of land designated Resource Area.*

The OCP encourages cluster housing development in the Resource Area (RA), based on examination of the criteria set out under Section 7.3 (Growth Management). Furthermore, the South Okanagan Regional Growth Strategy provides clear direction to “create walkable, liveable, mixed-use neighbourhoods and communities” by promoting compact smaller lot development that is located close to day-to-day amenities, with a preference for infill. With a residential density of approximately one (1) unit per net hectare of development on undeveloped property, the proposed large-lot residential subdivision does not qualify as cluster housing, promote compactness, walkability, nor does it contemplate infill development and mixed-uses.

The South Okanagan Regional Growth Strategy’s (RGS) first goal is to: “Focus development to serviced areas in designated Primary Growth Areas and Rural Growth Areas” (RGS, pg. 13). This critical policy direction promotes efficient infrastructure investment, mitigates the negative environmental impacts of development by reducing urban and rural sprawl, promotes healthier and more integrated communities, and lower GHG emissions by reducing commuter times and automobile dependency of new residential development.

While Naramata is currently identified as being a “Rural Growth Area” within the RGS, the proposed development is situated in a peripheral area approximately 2.5 km away from Naramata village. At this point, it is unknown whether this peripheral development should be considered part of the “Rural Growth Area”, until such a time that a growth boundary is determined for Naramata through a comprehensive Electoral Area “E” OCP review.

Infrastructure & Transportation:

The property is not currently serviced by a community sewer system, and it appears that the lot sizes have been designed to achieve the maximum density possible through the provision of private on-site septic systems for each property (i.e. 1.0 ha minimum parcel size).

The proponent is proposing to connect to the Naramata community water system, however, it is anticipated that upgrades to the existing water distribution and pumping systems as well as the construction of a new reservoir on the subject property will be required in order to achieve this.

The cost of upgrading the Regional District water distribution and pumping systems is unknown at this time (engineering and financial analysis would be required to determine this), and it is noted that connection to a community water system is not required to subdivide 1.0 ha lots.

The development would have a vehicular access point from North Naramata Road, and proposes approximately 2.5 km of additional linear roadway for local access, whereas the RGS speaks to limiting new infrastructure outside of designated growth areas.

Environmental Considerations:

For Resource Area (RA) lands, the OCP “Generally supports Provincial policies on protection and use of working forests and grass land, and discourages development that might conflict with forestry, livestock and grazing operations and management, or protection of important habitat.”

Given the high environmental values of the site, the application also calls into question alignment with the Electoral Area “E” OCP and Regional Growth Strategy’s environmental objectives and policies intended to protect the health and biodiversity of sensitive ecosystems in the region, including:

- most of the subject area is of very high conservation ranking, high biodiversity, and high connectivity value for flora and fauna;
- watercourses run directly through some of the proposed lots, and five road crossings are proposed over those creeks, which have been identified as sensitive habitat that act as wildlife corridors, including local bears;
- the large lot size proposed in the plan can result in serious ecological impacts such as loss of ecological values, accelerated habitat fragmentation, with an impact area greater than the development footprint; and
- the proposed development is directly adjacent to the Nature Trust of BC’s Trust Creek Conservation Area (on the north third of the west side of the development, adjacent to lot 30) and a buffer has not been proposed.

Hazard Lands:

Administration notes that the property is adjacent to a provincial forest and within a wildfire interface area, and that the risk of wildfire events occurring in this area and potentially threatening the proposed rural residential subdivision cannot be fully mitigated by the Regional District.

Administration also notes that road construction will be required to provide access to the proposed parcels and the associated earthworks needed to construct these road will likely have a visual impact as well as a physical impact on the area’s natural watercourses, drainage patterns and groundwater flows.

Alternative:

Conversely, Administration recognises that the subject application proposes a 1.0 ha area for a public park, with a parking lot and KVR trail access to improve recreational opportunities for the neighborhood, as well as water system upgrades that could benefit the surrounding area.

Summary:

In summary, the Administration views the proposal as premature, with a significant shift in land use for the property with widespread impacts. Administration's recommendation to the Board is denial of the application at this time.

In the near future, the RDOS will be undertaking Official Community Plan and Regional Growth Strategy updates, including a new growth boundary for Naramata. These planning processes will help to generate the necessary community input and technical analysis for a comprehensively updated land use framework to guide planning decisions in and around Naramata, including the subject property.

Alternatives:

1. THAT Bylaw No. 2458.16, 2020, Electoral Area "E" Official Community Plan Amendment Bylaw and Bylaw No. 2459.37, 2020, Electoral Area "E" Zoning Amendment Bylaw be read a first time;
AND THAT prior to second reading of Amendment Bylaw Nos. 2458.16, 2020 and 2459.37, 2020, the applicant shall provide an Environmental Impact Assessment report prepared by a Registered Professional Biologist in British Columbia (RPBio), to the satisfaction of the Regional District.
2. THAT Bylaw No. 2458.16, 2020, Electoral Area "E" Official Community Plan Amendment Bylaw and Bylaw No. 2459.37, 2020, Electoral Area "E" Zoning Amendment Bylaw be read a first and second time;
AND THAT the Board of Directors considers the process, as outlined in the report from the Chief Administrative Officer dated December 3, 2020, to be appropriate consultation for the purpose of Section 475 of the *Local Government Act*;
AND THAT, in accordance with Section 477 of the *Local Government Act*, the Board of Directors has considered Amendment Bylaw No. 2458.16, 2020, in conjunction with its Financial and applicable Waste Management Plans;
AND THAT the holding of a public hearing be scheduled for the Regional District Board meeting of December 17, 2020;
AND THAT staff give notice of the public hearing in accordance with the requirements of the *Local Government Act*.
3. THAT Bylaw No. 2458.16, 2020, Electoral Area "E" Official Community Plan Amendment Bylaw and Bylaw No. 2459.37, 2020, Electoral Area "E" Zoning Amendment Bylaw be deferred.

Respectfully submitted:



Cory Labrecque, Planner II

Endorsed By:



C. Garrish, Planning Manager

Attachments:

No. 1 – Agency Referral List

No. 2 – Applicant's Site Plan

No. 3 – Aerial Photo (2019)

Attachment No. 1 – Agency Referral List

Referrals to be sent to the following agencies as highlighted with a , prior to the Board considering first reading of Amendment Bylaw No. 2458.16, 2020 and No. 2459.37, 2020.

<input checked="" type="checkbox"/>	Agricultural Land Commission (ALC)	<input checked="" type="checkbox"/>	Fortis
<input checked="" type="checkbox"/>	Interior Health Authority (IHA)	<input type="checkbox"/>	City of Penticton
<input checked="" type="checkbox"/>	Ministry of Agriculture	<input type="checkbox"/>	District of Summerland
<input type="checkbox"/>	Ministry of Energy, Mines & Petroleum Resources	<input type="checkbox"/>	Town of Oliver
<input type="checkbox"/>	Ministry of Municipal Affairs & Housing	<input type="checkbox"/>	Town of Osoyoos
<input checked="" type="checkbox"/>	Ministry of Environment & Climate Change Strategy	<input type="checkbox"/>	Town of Princeton
<input checked="" type="checkbox"/>	Ministry of Forest, Lands, Natural Resource Operations & Rural Development (Archaeology Branch)	<input type="checkbox"/>	Village of Keremeos
<input type="checkbox"/>	Ministry of Jobs, Trade & Technology	<input type="checkbox"/>	Okanagan Nation Alliance (ONA)
<input type="checkbox"/>	Ministry of Transportation and Infrastructure	<input checked="" type="checkbox"/>	Penticton Indian Band (PIB)
<input type="checkbox"/>	Integrated Land Management Bureau	<input type="checkbox"/>	Osoyoos Indian Band (OIB)
<input type="checkbox"/>	BC Parks	<input type="checkbox"/>	Upper Similkameen Indian Band (USIB)
<input type="checkbox"/>	School District #53 (Areas A, B, C, D & G)	<input type="checkbox"/>	Lower Similkameen Indian Band (LSIB)
<input type="checkbox"/>	School District #58 (Area H)	<input type="checkbox"/>	Environment Canada
<input checked="" type="checkbox"/>	School District #67 (Areas D, E, F, I)	<input type="checkbox"/>	Fisheries and Oceans Canada
<input type="checkbox"/>	Central Okanagan Regional District	<input checked="" type="checkbox"/>	Canadian Wildlife Services
<input type="checkbox"/>	Kootenay Boundary Regional District	<input type="checkbox"/>	OK Falls Irrigation District
<input type="checkbox"/>	Thompson Nicola Regional District	<input type="checkbox"/>	Kaleden Irrigation District
<input type="checkbox"/>	Fraser Valley Regional District		
<input checked="" type="checkbox"/>	Naramata Volunteer Fire Department		

Attachment No. 2 – Applicant’s Site Plan



Attachment No. 3 – Aerial Photo (2019)

