

ADMINISTRATIVE REPORT



TO: Board of Directors

FROM: J. Zaffino, Chief Administrative Officer

DATE: June 13, 2024

RE: Land Use Bylaw Amendments — Small-Scale, Multi-Unit Housing (X2024.001-ZONE)

Administrative Recommendation:

THAT the following bylaws be read a first and second time:

- **Official Community Plan Amendment Bylaw No. 3062, 2024;**
- **Okanagan Valley Zoning Amendment Bylaw No. 2800.37, 2024; and**
- **Electoral Area “G” Zoning Amendment Bylaw No. 2781.01, 2024.**

AND THAT the Board of Directors considers the process, as outlined in this report from the Chief Administrative Officer dated June 13, 2024, 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 OCP Amendment Bylaw No. 3062, 2024, in conjunction with its Financial and applicable Waste Management Plans;

AND THAT OCP Amendment Bylaw No. 3062, 2024, proceed to a public hearing to be scheduled for the Regional District Board meeting of July 4, 2024;

AND THAT staff give notice of the public hearing in accordance with the requirements of the *Local Government Act*.

Proposal:

The purpose of this report is to provide options to the Board in relation to proposed land use bylaw amendments required to ensure compliance with recent changes to the *Local Government Act* (e.g. *Housing Statutes (Residential Development) Amendment Act, 2023*).

Background:

On November 30, 2023, the provincial Legislature adopted Bill 44, which introduced a number of substantial amendments to the *Local Government Act*, the intent of which was the delivery of “more small-scale, multi-unit housing for people, including townhomes, triplexes and laneway homes, and fix outdated zoning rules to help build more homes faster.”

On December 7, 2023, the provincial government released *Provincial Policy Manual & Site Standards (Small-Scale, Multi-Unit Housing)* as a resource to assist local governments with the implementation of zoning bylaw amendments required to comply with the changes to the Act.

Under a new Section 481.3(7) of the *Local Government Act*, the Regional District “must consider applicable guidelines” made by the Minister (e.g. the SSMUH Policy Manual) when developing or

adopting a zoning bylaw to permit the use and density of use required under to be permitted under the Act.

The Manual includes recommended approaches to regulations governing building types, density, setbacks, building height, parcel coverage, vehicle parking requirements as well as the use of development permit area designations.

When considering these regulations, the province has advised that “creating a favourable regulatory environment for SSMUH housing to help overcome these barriers will require an openness to new building forms in areas traditionally reserved for detached single-family and duplex homes.”

The Regional District is required to approve a zoning bylaw(s) that comply with SSMUH requirements by **June 30, 2024**, and notify the Minister of Housing, in writing, that the bylaw(s) have been adopted, the location(s) of any exempted land(s) and the legislative provisions supporting the exemptions.

Board Consideration:

At its meeting of February 22, 2024, the Planning and Development (P&D) Committee of the Board considered Administrative Reports related to the proposed amendments to the Electoral Area OCP and zoning bylaws.

The committee subsequently resolved to support the proposed amendments and further directed that “Application to Request an Extension to SSMUH Compliance Deadline” be submitted to the Minister of Housing in relation to Okanagan Falls and Heritage Hills.

At its meeting of May 9, 2024, the P&D Committee of the Board resolved that an “Application to Request an Extension to SSMUH Compliance Deadline” be submitted to the Minister of Housing in relation to those lands comprised within the Faulder Water System Service Area.

In addition, the Committee resolved that the Electoral Area “D” Official Community Plan Bylaw No. 2603, 2013, and Okanagan Valley Zoning Bylaw No. 2800, 2022, be amended in order to reduce permitted residential densities within the areas served by the Vintage Views Wastewater System and Lakeshore Highlands water system.

Referrals:

Approval from the Ministry of Transportation and Infrastructure (MoTI) is required prior to adoption as the proposed amendments involve lands within 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. 53, 58 & 67 have been made aware of the proposed amendment bylaw.

Pursuant to Section 477 of the *Local Government Act*, after first reading the Regional Board must consider the proposed OCP amendment in conjunction with Regional District's current financial and waste management plans. The proposed OCP amendment has been reviewed by the Solid Waste Department and Finance Department, and it has been determined that the proposed bylaw is consistent with RDOS's current waste management plan and financial plan.

Pursuant to Section 475 of the *Local Government Act*, the Regional District must consult with the Agricultural Land Commission (ALC) when proposing to amend an OCP which might affect agricultural

land. Both the ALC and the Ministry of Agriculture have been made aware of the proposed amendment bylaw(s).

Public Process:

Administration recommends that the 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 these amendments are included as a separate item on the Board Agenda.

Under a new Section 464(4) of the *Local Government Act*, the Regional District “must not hold a public hearing on a zoning bylaw proposed for the sole purpose of complying with section 481.3 [zoning bylaws and small-scale multi-family housing].”

Section 467 of the Act further requires that the Regional District give notice 10 days prior to consideration of first reading of any zoning amendment bylaw that it is prohibited from scheduling a public hearing in relation to. This notice was published in relation to Amendment Bylaw Nos. 2800.37 and 2781.01 on June 3, 2024.

With regard to OCP Amendment Bylaw No. 3062, 2024, it is being recommended that a public hearing only be scheduled prior to the Board meeting of June 27, 2024.

Analysis:

The province is encouraging local governments to apply a flexible approach when amending their zoning bylaw(s) as “it is typically not a single zoning rule that impacts the viability of a SSMUH project, but rather the cumulative and cross-cutting impacts of several regulations combined.”

In response, the proposed amendments to the OCP will replace current policies that support maximum residential densities of 30 units/ha for single detached dwellings and 44 units/ha for duplexes in the Low Density Residential (LR) designation with a policy supporting a maximum of two (2) dwellings per parcel in the various Electoral Area OCP Bylaws.

With regard to Okanagan Falls, it is being proposed that policy statements supporting 3-4 units per parcel (based on land area) be introduced as well as support for a range of dwelling types (i.e. apartment building & townhouse) in the LR designation. NOTE: an Extension request to delay the implementation of the required zoning for Okanagan Falls has been submitted to the province and it is anticipated that a response will be received prior to June 30, 2024.

In the Medium Density Residential (MR) designation, it is being proposed to introduce a policy supporting a maximum density of 75 units/ha when lands are served by a community water system and a community sewer system.

It is further being proposed to delete the Multiple Family Development Permit Area (Area “D”) and Protection of Farming Development Permit Area (Area “C”) designations, and to refine certain aspects of the Okanagan Falls Town Centre and Naramata Village Centre development permit area designations.

With regard to the Okanagan Valley, it is being proposed to combine the current RS1, RS2, RS3, RS4, RD1 and RD2 zones into a new Low Density Residential One (RS1) Zone in which “single detached dwellings”, “duplex”, “secondary suite” and “accessory dwelling” will be permitted dwelling types to a density of two (2) units per parcel – in accordance with new provincial statutory requirements.

Further, it is proposed that the following zoning regulations be applied in accordance with the provincial SSMUH Policy Manual:

- i) the setbacks for principal structures in the proposed RS1 Zone be 6.0 metres (front & rear), 1.2 metres (interior side) and 3.0 metres (exterior side);
- ii) the setbacks for accessory structures in the proposed RS1 Zone be 6.0 metres (front), 1.5 metres (rear), 1.2 metres (interior side) and 3.0 metres (exterior side);
- iii) the maximum building height for a “single detached dwelling” be increased from 10.0 metres to 11.0 metres in the RS and SH zones;
- iv) a maximum building height of 8.0 metres for accessory dwellings be introduced;
- v) the maximum building height in the RM1 Zone be increased from 12.0 metres to 15.0 metres;
- vi) the maximum floor area limit of 125 m² for secondary suites be deleted;
- vii) the minimum building width requirement for principal dwelling units of 5.0 metres be deleted;
- viii) the density restriction prohibiting a “secondary suite” if an “accessory dwelling” has already been developed on a parcel zoned SH3, SH4, LH1, LH2, AG1, AG2, AG3 or RA be deleted.

Administration is supportive of the proposed amendments as these will further the requirement that the Regional District be compliant with new statutory requirements enacted by the province in November of 2023 and is recommending that amendment bylaws receive first and second readings.

Alternatives:

1. THAT the Official Community Plan (OCP) Amendment Bylaw No. 3062, 2024, the Okanagan Valley Zoning Amendment Bylaw No. 2800.37, 2024 and the Electoral Area “G” Zoning Amendment Bylaw No. 2781.01, 2024, be read a first and second time;

AND THAT the Board of Directors considers the process, as outlined in this report from the Chief Administrative Officer dated June 13, 2024, 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 OCP Amendment Bylaw No. 3062, 2024, in conjunction with its Financial and applicable Waste Management Plans;

AND THAT the holding of the public hearing for Amendment Bylaw No. 3062, 2024, be delegated to Chair Pendergraft;

AND THAT staff schedule the date, time, and place of the public hearing in consultation with Chair Pendergraft;

AND THAT staff give notice of the public hearing in accordance with the requirements of the *Local Government Act*.

2. THAT the Official Community Plan (OCP) Amendment Bylaw No. 3062, 2024, the Okanagan Valley Zoning Amendment Bylaw No. 2800.37, 2024 and the Electoral Area "G" Zoning Amendment Bylaw No. 2781.01, 2024, be denied.

Respectfully submitted:



C. Garrish, Senior Manager of Planning

Attachments: No. 1 – Agency Referral List

Attachment No. 1 – Agency Referral List

Referrals have been sent to the following agencies as highlighted with a , regarding Amendment Bylaw No. 3062, 2800.37 & 2781.01, 2024:

<input checked="" type="checkbox"/>	Agricultural Land Commission (ALC)	<input type="checkbox"/>	Fortis
<input checked="" type="checkbox"/>	Ministry of Agriculture	<input type="checkbox"/>	City of Penticton
<input checked="" type="checkbox"/>	Interior Health Authority (IHA)	<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 type="checkbox"/>	Ministry of Lands, Water and Resource Stewardship	<input type="checkbox"/>	Town of Princeton
<input 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
<input checked="" type="checkbox"/>	Ministry of Transportation and Infrastructure	<input checked="" type="checkbox"/>	Penticton Indian Band (PIB)
<input type="checkbox"/>	Integrated Land Management Bureau	<input checked="" type="checkbox"/>	Upper Similkameen Indian Band
<input type="checkbox"/>	BC Parks	<input checked="" type="checkbox"/>	Lower Similkameen Indian Band
<input checked="" type="checkbox"/>	School District No. 53	<input checked="" type="checkbox"/>	Osoyoos Indian Band (OIB)
<input checked="" type="checkbox"/>	School District No. 58	<input type="checkbox"/>	Environment Canada
<input checked="" type="checkbox"/>	School District No. 67	<input type="checkbox"/>	Fisheries and Oceans Canada
<input checked="" type="checkbox"/>	Keremeos Irrigation District	<input type="checkbox"/>	Canadian Wildlife Services
<input type="checkbox"/>	Central Okanagan Regional District	<input checked="" type="checkbox"/>	Apex Mountain Resort
<input type="checkbox"/>	Thompson Nicola Regional District	<input checked="" type="checkbox"/>	Kaleden Irrigation District
<input type="checkbox"/>	Volunteer Fire Department	<input checked="" type="checkbox"/>	Vaseux Lake Irrigation District
<input type="checkbox"/>	Kootenay Boundary Regional District	<input type="checkbox"/>	Fraser Valley Regional District