

ADMINISTRATIVE REPORT



TO: Board of Directors
FROM: J. Zaffino, Chief Administrative Officer
DATE: August 21, 2025
RE: Strategic Priority (2025) – “Optimize Development Approval Process”

Administrative Recommendation:

THAT the Regional District undertake the following in support of a review of its development approval process as a strategic project in 2025:

- **Residential Zone Review;**
 - **Development Permit Review; and**
 - **Subdivision Approving Officer Review.**
-

Purpose:

The purpose of this report is to provide options and seek direction from the Board in relation to the 2025 Strategic Priority entitled “Optimize the Development Approval Process”.

Strategic Priorities:

5.1 Establish Regional Policy Framework

Background & Analysis:

In 2019, the Ministry of Municipal Affairs released a *Development Approvals Process Review* (DAPR) Report, the purpose of which was to:

address challenges and identify opportunities for improvement in the current development approvals process, and to support local governments in eliminating barriers to affordable housing and accelerate the construction of the homes they need in their communities.

The DAPR Report informed a number of subsequent amendments to the *Local Government Act* intended to assist local governments in “optimizing” their development approval processes, the most consequential of these being the amendments related to Small-Scale Multi-Unit Housing (SSMUH) implemented in 2023.

In response, the Regional District has successfully completed a number of projects related to updating and modernizing its development approval process, including:

- streamlining advisory planning committee and public information meeting schedules (2022);
 - delegating development variance permit applications (2022);
 - adopting a Public Notice Bylaw (2022);
 - delegating temporary use permit (TUP) applications (2022);
 - delegating LCRB cannabis license application referrals (2023);
-

-
- introducing WDP policies to address provincial backlogs in the review of RAPR reports (2023);
 - initiating a Section 52 agreement with MOTT for zoning bylaw amendment applications (2023 – ongoing);
 - repealing the Campground Regulations Bylaw (2023);
 - repealing the Manufactured Home Park Regulations Bylaw (2023);
 - updating the board of variance meeting schedule and format (2023);
 - reviewing land area requirements for the placement of mobile homes (2023); and
 - updating notification procedures during a postal work stoppage (2024).

A number of other projects intended to improve the Regional District's development approval process have also been undertaken since 2019, but subsequently abandoned, including:

- review of the ESDP Area designation in order to make it more effective and eliminate redundancies and un-necessary approvals; and
- the creation of a "favourable regulatory environment" related to implementation of SSMUH regulations, including:
 - combine and simplify residential zonings (e.g. reduce current RS zones from 9 to 4);
 - enlarged building envelopes in residential zones in order to reduce the number of DVP applications being processed each year by the Regional District;
 - increased density allowances related to secondary suites and accessory dwellings in services areas and rural zones;
 - removal of restrictions related to secondary suite floor areas and dwelling widths; and
 - elimination of development permit area designations identified as potentially impeding residential dwelling development.

Board Strategic Priorities:

At its meeting of March 6, 2025, the Board adopted the 2025 strategic priorities work plan, which includes a project described as; "Optimize Development Approval Process to ensure that the approval function provides the land use policies for responsible and sustainable development to occur required by small communities."

The "Optimize Development Approval Process" was assigned 400 FTE Hours and was anticipated to commence in 2025.

Analysis:

Administration recognizes that the Board has supported substantial work in recent years to modernize its development approval process and the current project to "Optimize the Development Approval Process" is an opportunity to continue this work.

In light of the hours that have been assigned to this project, Administration considers that several options are available to further improve the development approvals process at the Regional District, including:

- review residential zones (e.g. density, building envelopes, consolidation, etc.);
- review existing development permit (DP) area designations;
- explore subdivision approval authority under Section 77.1 (1) of the *Land Title Act*.

1. Residential Zone Review:

Administration remains concerned by the significant number of development variance permits (DVPs) that have been submitted to the Regional District on a yearly basis in comparison to those received by the member municipalities:

Year	RDOS	Penticton	Summerland	Osoyoos	Oliver
2018	26	56	29	4	7
2019	38	32	22	4	1
2020	24	42	39	7	0
2021	62	38	33	2	0
2022	59	40	19	1	5
2023	46	28	31	2	3
Total	255	236	173	20	16
Average	42.5	39.3	28.8	3.3	2.7

A previous analysis of the DVP applications processed by the Regional District between 2013 and 2022 indicated the following:

- over 2/3 of DVP applications involve development on parcels zoned residential (RS) or rural-residential (SH) zones (see Attachment No. 4);
- while no one type of variance is predominant, the top 6 types are related to setbacks and building height (see Attachment No. 5);
- 96.7% of DVP applications are approved by the Board (275 application sample size).

Together, these numbers appear to indicate that the zoning regulations applied in the residential and rural-residential zones may be too onerous and that greater flexibility is required.

Further, as no one zoning regulation is accounting for a majority of DVPs, a series of changes, consistent with the recommendations contained in the provincial Policy Manual (SSMUH), is likely required in order to reduce regulatory burdens to the construction of new residential housing, as well as the number of DVPs being applied for.

It is for these reasons that Administration is in favour of reviewing the zoning regulations for setbacks and parcel coverage. Given previous concerns expressed by the Board in relation to building height, Administration is recommending that current building height regulations not be reviewed.

Conversely, the option to retain existing zoning regulations for residential development in the RS and SH zones is available to the Board.

Anticipated FTE hours: 150.

2. Development Permit Review

The Provincial Policy Manual & Site Standards (Small-Scale, Multi-Unit Housing), notes that “local governments in BC commonly use DPAs to achieve objectives that are outside the purposes prescribed in the LGA, and which can be regulated in other more appropriate ways.”

Further, “local governments should ... ensure they are using the most appropriate tool or bylaw for the task and desired outcome” [emphasis added].

To assist with this, the SSMUH Policy Manual provides a number of examples where common DP area guidelines can negatively impact the viability of small-scale multi-unit housing development, such as neighbourhood character, vehicle parking and landscaping.

In 2024, Administration completed an assessment of the current DP Areas designated in the Electoral Area OCPs and made a number of recommendations to optimize development approval processes, such as:

- repealing the Multiple Family Development Permit Area and Protection of Farming Development Permit Area designations; and
- revising the Okanagan Falls Town Centre Development Permit Area and Naramata Village Centre Development Permit Area guidelines.

These recommendations were contained within an amendment bylaw that was not supported by the Board, however, Administration considers that these changes in relation to DP Areas remain beneficial and could be revisited.

In addition, a previous review of the Environmentally Sensitive Development Permit (ESDP) Area designation found the following:

- “the effectiveness of the issued ESDPs in mitigating impacts of development is unclear, and this question cannot be definitively answered at this time”;
- of the ESDPs reviewed in detail, “almost a third (31%) of permits may have been unnecessary”;
- many ESDPs duplicated assessments previously done at other stages of development on the same property (i.e. at subdivision and then again prior to development);
- approximately 85% of ESDPs reviewed in detail had pre-existing disturbance on the property;
- responses from Qualified Environmental Professionals indicated a typical fee range of \$1,000-\$2,000 for a rapid environmental assessment and \$3,000-\$8,000 for a full environmental impact assessment in support of an ESDP application; and
- from 2019-2022 approximately 36% of all ESDP applications were in Electoral Area “A” and the annual number of ESDP applications in this area was between 122-433% higher than the average for other electoral areas.

Administration considers there is merit in re-visiting amendments to the ESDP Area designation to optimize development approval processes and that this be in the form of a mapping review utilizing provincial and federal data on identified habitat loss augmented by a desktop analysis of current development patterns.

Conversely, the option to not review any DPs is available to the Board as is the option of reviewing only some of the DP Areas listed above. Administration will take direction from the Board on its preference in this matter.

Anticipated FTE hours: 150.

3. Subdivision Approving Officer Review

Under Section 77.1 (1) of the *Land Title Act*, the province can authorize the Regional District Board to appoint its own approving officer for the purposes of approving subdivisions in the rural areas of the Regional District.

Administration considers subdivision referrals from the Ministry of Transportation and Transit (MoTT), which number between 15-20 each year, to be a significant driver of development approvals work processed by the Regional District.

It is also recognized that Regional District land use bylaw requirements tend to comprise a large proportion of the conditions related to subdivision approval in the rural areas (e.g. permits and servicing) and that the Ministry office in Penticton is generally closed to the public and queries are initially routed through the Ministry's Kelowna office.

If the Regional District were to assume responsibility for subdivision approval, it could offer residents and developers the opportunity to meet staff at the Regional District offices who are knowledgeable about subdivision requirements in the rural area (e.g. zoning, development permits, and servicing agreements).

It is also noted that Regional District staff are currently serving as the Approving Officers for Keremeos and Osoyoos and have experience with this statutory position.

Conversely, if the Regional District were to assume responsibility for appointing an Approving Officer, it would need to ensure that adequate staffing and resources are being provided to support the service.

A further consideration is the Approving Officer is *independent* in their decision-making, and assuming responsibility for their appointment will not provide the Board with the ability to control the outcome of subdivision applications. Such control can only be exercised by bylaw and regulations related to zoning, servicing, etc.

Should the Board be supportive of this project, Administration considers the scope to largely be related to exploring with the Ministry its openness to having the Regional District perform this role and any conditions it may impose.

Anticipated hours: 100.

Financial Implications:

Financial implications have been considered and none were found.

Communication Strategy:

Not applicable.

Alternatives:


1. THAT the development approval process be optimized as follows:
 - i) *TBD*
2. THAT this strategic project be abandoned.

Will a PowerPoint presentation be presented at the meeting? Yes

Respectfully submitted:

"Ben Kent"
B. Kent
Planner II

Endorsed By:


C. Garrish
Senior Manager of Planning

Endorsed By:


A. Fillion
Managing Director, Dev. & Infrastructure

- Attachments: No. 1 - Development Application Statistics 2020-2024
 No. 2 - Development Application Statistics 2015-2019
 No. 3 - Issued ESDPs by Electoral Area (2017-2022)
 No. 4 - Development Variance Permits (DVPs) by Zone (2013-2022)
 No. 5 – Development Variance Permits (DVPs) by Type (2013-2022)

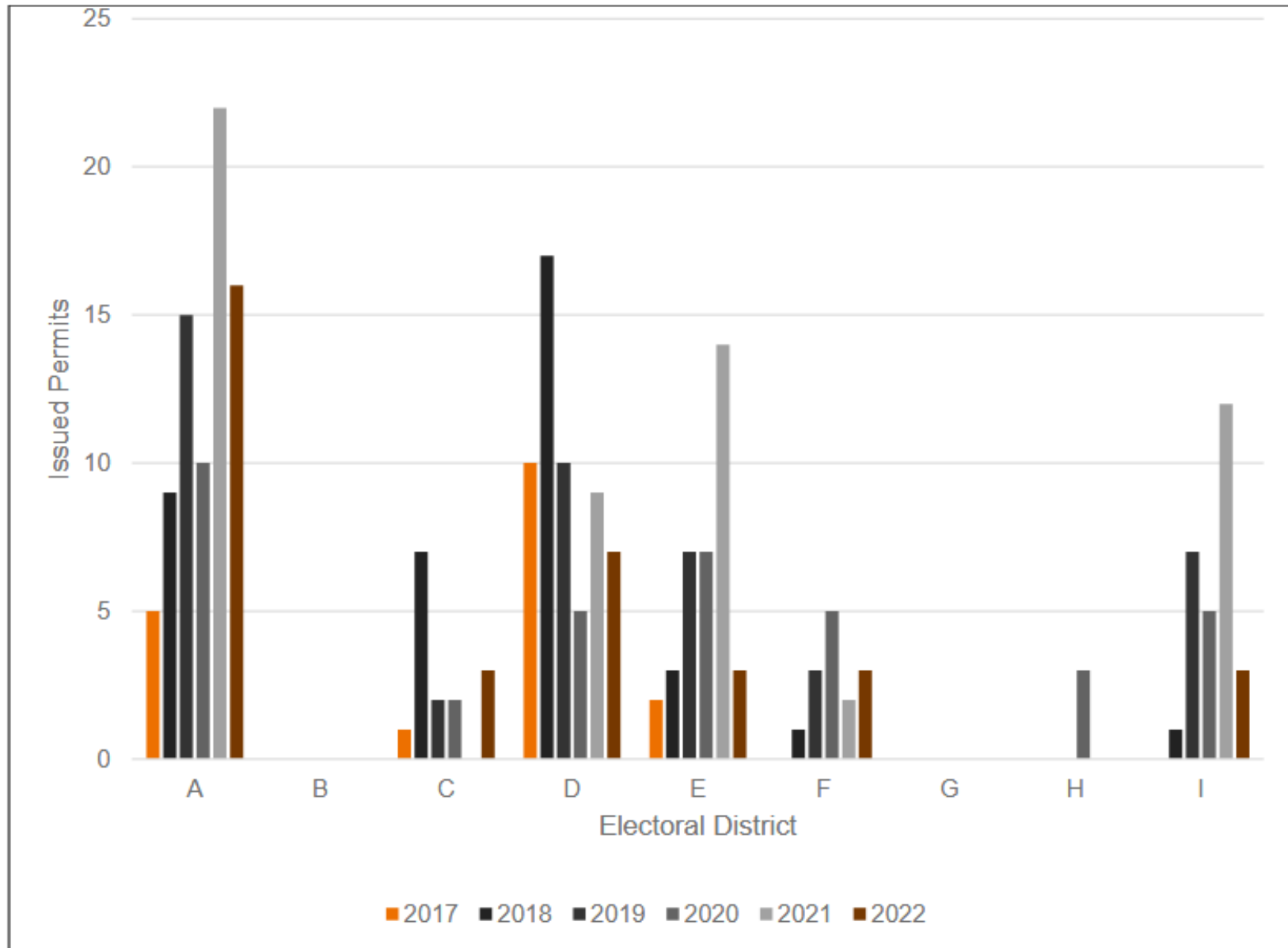
Attachment No. 1 – Development Application Statistics 2020-2024

Application Type	2020	2021	2022	2023	2024	Average
OCP/Zoning	12	24	12	11	9	14
SAP	0	0	0	5	3	2
BOV	3	2	3	1	1	2
DVP	25	68	60	46	37	47
WDP	21	29	21	21	21	23
ESDP	40	61	39	28	40	42
HSSDP	0	0	0	0	0	0
FPE/COV	5	0	8	8	2	5
TUP	8	23	40	37	23	26
MHP	1	0	0	0	0	0
Campsite	0	2	3	2	0	1
Commercial DP	4	4	1	1	1	2
Concurrent Letters	0	0	0	3	0	1
Industrial DP	2	0	1	1	1	1
Soil Bylaw	0	0	0	1	0	0
Soil Permits	0	0	0	5	1	1
Parkland Dedication	0	0	0	2	1	1
Total	121	213	188	172	140	167

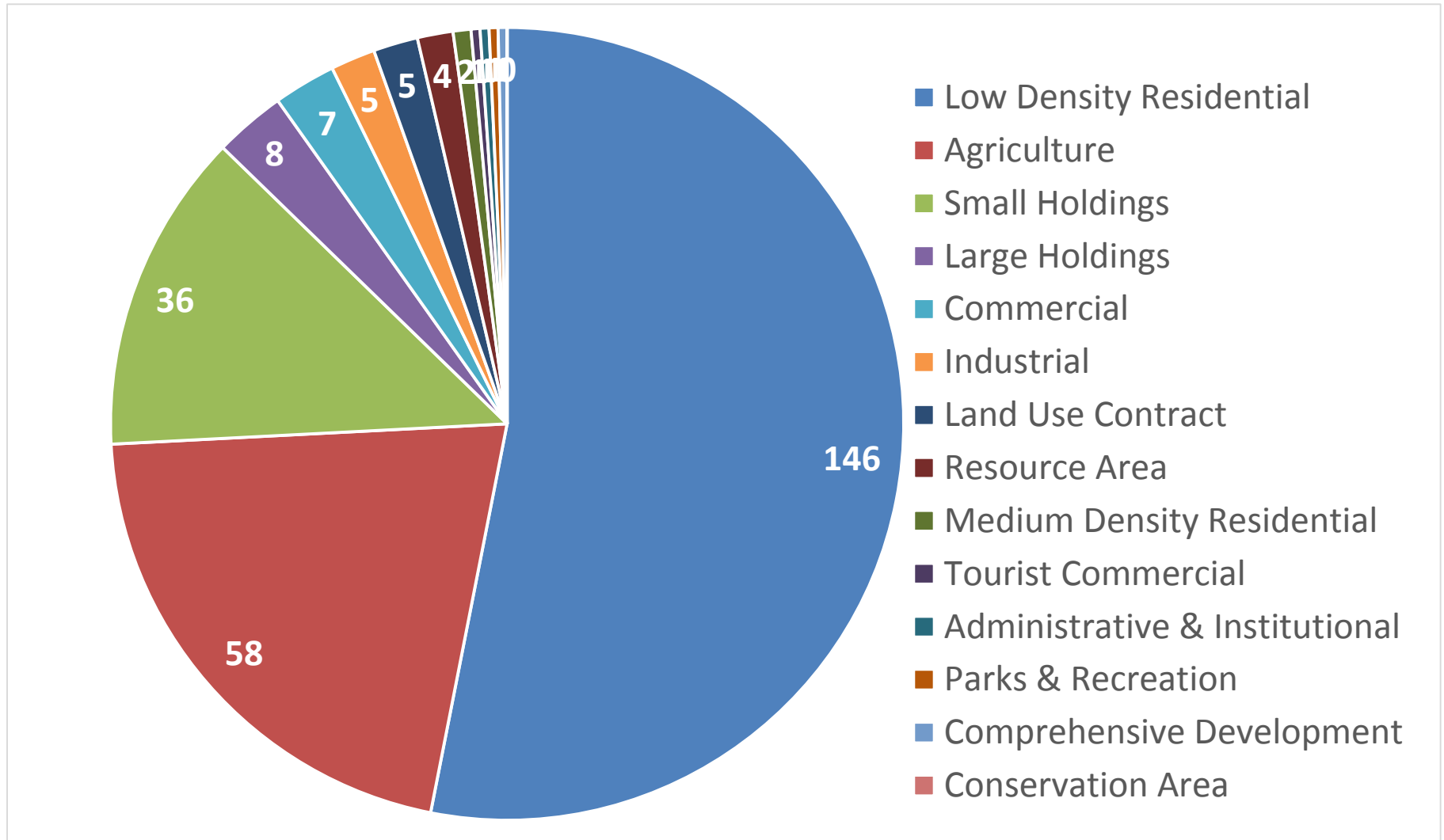
Attachment No. 2 – Development Application Statistics 2015-2019

Application Type	2015	2016	2017	2018	2019	Average
OCP/Zoning	11	14	27	34	39	25
BOV	0	2	8	7	3	4
DVP	22	35	42	47	45	38
WDP	33	34	36	39	29	34
ESDP	3	3	18	45	44	23
HSSDP	10	8	5	2	0	5
FPE/COV	2	4	4	4	4	4
TUP	14	20	9	10	15	14
MHP	0	0	0	1	0	0
Campsite	0	0	0	1	1	0
OK Falls Commercial DP	0	0	0	4	2	1
OK Falls Multi Family	0	0	0	3	3	1
Gallagher Lake Commercial	0	0	0	0	0	0
Protection of Farmland	0	0	0	0	0	0
Naramata Townsite	0	0	0	0	0	0
Total	95	120	149	197	185	149

Attachment No. 3 – Issued ESDPs by Electoral Area (2017-2022)



Attachment No. 4 – Development Variance Permits (DVPs) by Zone (2013-2022)



Attachment No. 5 – Development Variance Permits (DVPs) by Type (2013-2022)

