Planning & Building Services

The Planning & Building Services Sheet was developed for presentation to the Okanagan Falls Incorporation Study Committee at its meeting on November 21, 2023. The sheet was prepared using information available at the time of writing. Changes will be made if new information becomes available.

Information presented on the Okanagan Falls Incorporation is based on the following assumptions:

- *That the Okanagan Falls municipality would continue to be a participant in the Regional Growth Strategy and Heritage Conservation services provided through the Regional District of Okanagan Similkameen (RDOS)*
- *That all other planning services — building inspection, local planning, subdivision servicing and approval — would be provided by the municipality*

THE PRESENT

➤ What service is provided?

Planning & building services currently provided to the Okanagan Falls study area include:

- Electoral Area Planning
- Regional Growth Strategy
- Building Inspection
- Subdivision Servicing (Development Infrastructure)
- Heritage Conservation

Electoral Area Planning
This service consists of the preparation and administration of land use plans and regulations, such as the electoral areas' Official Community Plans (OCPs) and zoning bylaws. The planning department responds to inquiries and processes applications related to the use and development of land, including OCP amendments, rezonings, development permits and variance permits, floodplain exemptions and subdivisions. Planning also facilitates citizen participation in the land use planning process, supports the electoral areas' Advisory Planning Commissions (APCs), and acts as a resource on all planning and development matters.

The planning department regularly undertakes initiatives to update the guiding land use documents and regulatory processes. Recent projects include changes to expedite development approval timelines (including agreements with the Province for issues that are referred to different provincial ministries), allow mobile homes as accessory dwelling unit, and update policies on support for private utilities.

Electoral Area Planning is supported by the bylaw enforcement department (land use infractions make up the majority of the enforcement issues). Enforcement, however, is undertaken by a separate department and funded from more than one service (bylaw enforcement is detailed in the *Bylaw Enforcement Service Sheet).* All electoral areas, as well as the Penticton Indian Band receive and pay toward the Electoral Area Planning service.

Regional Growth Strategy
This service involves the preparation and updating of the *South Okanagan Regional Growth Strategy* for participating South Okanagan municipalities and electoral areas. The RGS is developed through a collaborative visioning process that sets out policies to guide future growth. Six electoral areas — “A”, “C”, “D”, “E”, “F”, “I”) — and four municipalities of the RDOS — Osoyoos, Oliver, Penticton, Summerland — participate in the RGS service.

The RGS, which is guided by regulations and requirements in the *Local Government Act*, is currently undergoing an update. Some of the key updates include:

- refined mapping in growth areas
- a climate adaptation and mitigation section
- updated information on population and density
- revised housing and development policies
- new policy to encourage active transportation and alternate modes both within and between growth areas
- policies related to the Dominion Radio Astrophysical Observatory (DRAO)

The proposed changes were most recently forwarded to the APCs for comment. It is anticipated that the bylaw will proceed to the Regional District Board in 2024.

Building Inspection
Building Inspection is a sub-regional service delivered to seven electoral areas ("A", "C", "D", "E", "F", "H" and "I"), and by contract to one municipality (Keremeos). Through the service, RDOS processes building permit applications and conducts inspections of building projects at different stages of construction. The primary purpose of the service is to ensure that new construction complies with the requirements of the Regional District's *Building Bylaw*, and those of the *BC Building Code*.

Subdivision Servicing/Development Infrastructure
The service that captures the Subdivision Servicing review has more recently been renamed Development Infrastructure. The service involves assessing the infrastructure capacity needs of new subdivisions, buildings and proposed developments within the Regional District's electoral areas. Reviews are related, primarily, to the provision of adequate sewer and water connections, and includes modelling to determine if upgrades are required, but can also include consideration of underground electrical services and street lighting.

Within the electoral areas of the RDOS — indeed, within all electoral areas across the province — the Ministry of Transportation and Infrastructure (MoTI) is responsible for issuing subdivision development approvals. The Ministry refers subdivision applications to the RDOS for review against any bylaw requirements, including those related to servicing, development permit areas, park land dedication, development cost charges and zoning.

Heritage Conservation
The RDOS has a Community Heritage Register, adopted by the Board, that identifies sites with heritage significance in the participating areas (all electoral areas and municipalities in the RDOS except Princeton). To be included, a statement of significance is drafted in consultation with the RDOS and endorsed by the RDOS Board. As part of the service, a *Regional Heritage Strategic Plan* was prepared and adopted by the Board in 2015. This service has not been active and has no budget allocated in the upcoming years.

➤ Who makes decisions?

Operational and policy decision-making for the individual planning services are set out in Figure 1.

Figure 1: Service Decision-making

SERVICE	DECISION-MAKERS
EA Planning	Decisions made jointly by all Electoral Area directors.
Regional Growth Strategy	Decisions made by directors from the 6 participating electoral areas and 4 municipalities. Each director has 1 vote.
Building Inspection	Decisions made by the full RDOS Board (since it is a regulatory service).
Subdivision Servicing	Decisions made jointly by all Electoral Area directors.
Heritage Conservation	Decisions made by all participants (all EAs and municipalities except Princeton).

All decisions on budget matters, the five-year financial plan, regulatory bylaws and borrowing are made by the full Board of Directors (20 directors).

The Regional District Board also draws upon the advice and input of the APCs. Most of the electoral areas have an APC comprised of volunteers that provides input on matters related to land use planning. Electoral Area "D" currently has an eight-member APC. The committee is an independent body that gives recommendations to the RDOS Board on planning and land use matters referred to them; the advice does not form policy or set direction for the RDOS. Members are appointed by the Board; at least 2/3 of the members must be residents of the electoral area. RDOS staff provide reports and agendas for the APC meetings and act as a resource for the APC.

Residents and the general public also play a role in planning decisions. Key land use policies, including those set out in OCPs, can only be adopted or changed with a public hearing. Public hearings are legislated opportunities for residents to provide opinions and viewpoints to the RDOS Board. Certain types of planning applications also provide opportunities for public input.

➤ Who delivers the service?

The RDOS delivers all of the planning and building services. The services are provided through multiple departments. As noted previously, there is a distinction between subdivision servicing/ development infrastructure review conducted by RDOS, and subdivision approval, which is undertaken by the provincial Approving Officer through the MoTI. The planning department delivers the electoral area planning, and regional growth strategy service. The electoral area planning service is supported by bylaw enforcement, but it is recovered separately, and is referenced in its own *Service Sheet*. The building department undertakes the building inspection service.

Delivery of some of the services is complemented by efforts of volunteer groups or community organizations. For instance, the heritage conservation service is aided by the work of the Okanagan Falls Heritage And Museum Society.

➤ What is spent by RDOS on the service?

The costs of planning and development services that impact Okanagan Falls are shown in Figure 2. The figures come from the individual service budgets for 2023.

Although bylaw enforcement is a separate service (see *Bylaw Enforcement Service Shee*t), more than 10% of the electoral area planning budget is allocated to the costs of enforcing land use and planning related bylaws (e.g. zoning infractions). Land use issues represent the majority of the region's bylaw enforcement activity.

The minimal amount shown for Heritage Conservation represents the surplus from 2022, and will be directed to reserves. The service is no longer active, and has no revenues or expenditures expected in the next five years.

The amounts in Figure 2 represent the total cost of the services, not just the portion that Okanagan Falls Incorporation Study Area residents pay through user fees and taxes.

Figure 2: Service Operating Costs (2023)

SERVICE	COST[1]	TAX REQ
EA Planning	$1,452,565	$1,245,915
Regional Growth Strategy	$45,305	$43,753
Building Inspection	$1,448,415	$50,010
Sub. Servicing/Dev. Infra.	$121,224	$42,975
Heritage Conservation	$5,437	$0
Total	**$3,072,946**	**$1,382,653**

[1] *Cost and tax requisition figures are from RDOS 2023 budget for entire service area (not just OK Falls or Area D). Administration allocation is not included*

In addition to the service costs several of the services have operating reserve accounts. Reserve totals are presented in Figure 3. The Building Inspection service

had one capital budget item in 2023 - $70,000 towards building inspection software, which was funded through Community Works Fund (gas tax). No other capital items were budgeted for any of the other planning and building services.

Figure 3: Reserve Totals (2022)

SERVICE/RESERVE	TOTAL[1]
EA Planning Operating	$206,360
Regional Growth Strategy	$100,916
Building Inspection - Capital	$1,183,621
Building Inspection - Operating	$21,261
Building Inspection - Equipment	$1,150
Subdivision Servicing/Dev. Infra.	$111,429
Heritage Conservation	$35,306

[1] *Reserve totals are as at the end of 2022*

➤ How are the costs recovered?

Planning and building service costs are recovered using a variety of means. Local governments aim to recover at least a portion of the costs of processing planning applications and building permits through application fees. Policy projects, by contrast, tend to be recovered through taxes. Grants are used when available; however, grants typically relate to specific projects or studies only.

Electoral Area Planning
The majority (91%) of the Electoral Area Planning budget is recovered through property taxes levied on assessed values (land and improvements). Property tax revenues are combined with development application fees (7%) to fund the service.

Regional Growth Strategy
The Regional Growth Strategy budget is recovered through property taxes levied on the assessed value of land and improvements in the service area, as well as project-related provincial grant funding (when available).

Building Inspection
The majority (51%) of the Building Inspection service is paid for through permit fees. Property taxes are anticipated to make up approximately 23% of the revenues in 2023. The taxes are levied on assessed values (land and improvements); however, each electoral area pays a portion of the overall tax requisition based on a five-year moving average of the construction value of permits across the entire service area. This formula ensures that those areas which receive the majority of the service (building permit reviews and inspections) are the ones paying the higher proportion of the costs. The Village of Keremeos contracts the RDOS to provide building inspection services through a separate fee-for-service agreement.

Subdivision Servicing/Development Infrastructure
Subdivision Servicing costs are recovered through a combination of property taxes as well as application fees. Application fees generally represent about 35% of the service cost. Fees cover planning and engineering reviews.

Heritage Conservation
In previous years the Heritage Conservation budget has been recovered through property taxes levied on the assessed value of properties (land and improvements), together with any transfer from reserves, or prior years' surplus. There are no expenses planned for this service in the current financial plan — the prior year's surplus ($5,437) is planned to be placed in the operating reserve. No tax requisition is associated with the service at this stage, nor is one anticipated in the next five years.

➤ What is the cost to a typical residence?

The RDOS planning and building services are recovered from Okanagan Falls taxpayers on the basis of property assessments, as well as through application and permit fees by applicants who use the permitting and development approval services. A residence assessed at $500,000 located in the Okanagan Falls Incorporation Study Area paid approximately $71.67 in

taxes in 2023 for planning and building services, as shown in Figure 4.

Figure 4: Cost Impact on Typical Residence (2023)

SERVICE	RES RATE	OWING[1]
EA Planning	0.1139	$56.95
Regional Growth Strategy	0.0013	$0.66
Building Inspection	0.0242	$12.10
Sub. Servicing/Dev. Infra.	0.0039	$1.96
Heritage Conservation	0	$0.00
	Total	**$71.67**

[1] *Impact is calculated on a home assessed at $500,000. Amount excludes 5.25% Surveyor of Taxes fee charged in unincorporated areas*

INCORPORATION

➢ What impact would incorporation have on these services?

An incorporated municipality would have authority and responsibility for the planning, subdivision servicing and building inspection services referenced in this *Service Sheet*; the regional growth strategy and heritage conservation services would remain as regional services in which (it is assumed) the new municipality would participate (see Figure 5).

Figure 5: Service Authority After Incorporation

SERVICE	Current Authority	After Incorporation
Planning	RDOS	Municipality
RGS	RDOS	RDOS
Building Inspection	RDOS	Municipality
Subdivision Servicing	RDOS/MoTI	Municipality
Heritage Conservation	RDOS	RDOS

Upon incorporation the municipality would become responsible for subdivision approvals, which is currently the authority of the Ministry of Transportation and Infrastructure. As a result of the transfer, the new municipality would conduct reviews beyond those currently provided by the RDOS, and would recover a portion of costs through subdivision application fees. Typically, subdivision review and approval would involve both a planner, looking at the land use and current zoning and OCP provisions, and an engineer (staff or contract) to consider access and utilities servicing, as well as the design of roads, given that local roads would be owned by the municipality.

➢ How would decision-making change for the services?

The municipality would have a council comprised of either four or six councillors and one mayor. The Council would make decisions on planning and development approvals, as well as subdivision standards and a building bylaw for the community. Councils can choose to delegate some decisions to staff members, including on planning applications such as development permits and minor variances. Decisions on Regional Growth Strategy and Heritage Conservation, as regional services, would continue to rest with the RDOS Board.

There is no requirement for a municipality to have an Advisory Planning Commission, but some municipalities choose to create them to facilitate local input. Whether to have an APC or any other advisory committees would be up to the new Council.

The Agricultural Land Commission would continue to review and have authority over development and various activities within the Agricultural Land Reserve, including subdivisions.

As the authority for subdivision approval, someone at the municipality would become the designated Approving Officer. This role is typically assumed by the planner or engineer, but can also be the Chief Administrative Officer, who operates on the advice

provided from planning and engineering staff or contractors.

➤ How would service delivery change?

A new municipality may wish to deliver planning, subdivision and building inspection services using municipal staff. The new municipality could choose, however, to contract service delivery to the Regional District, another municipality or private consulting firm. The RDOS currently provides building inspection services to Keremeos on a fee-for-service basis. Similarly, Keremeos and Princeton receive support for planning applications and projects, as required, through contracts with consulting firms, but previously relied on the RDOS for planning assistance. In cases where regional districts or larger municipalities provide planning services to small municipalities, decisions and policies that guide the service are still determined by the Council.

Given, however, the strong connection between planning policy, land use and community identity, and the enhanced and personalized service provided by in-house municipal staff, it is assumed Okanagan Falls would want to provide both planning and building inspection services with its own staff located in the community. In the event that the new municipality were unable to attract suitable staff for these roles, contract through the RDOS or consulting firms would remain an option.

➤ How would the costs of these services change?

Costs depend in part on staff levels expressed in full-time equivalent positions. Staff costs relate to salaries and the cost of employee benefits. Positions, salaries and benefits are benchmarked with similar-sized local governments. Staffing a small municipality often results in the combination of positions to fulfill roles, as well as to attract and retain employees. The following section explains the assumptions regarding staff levels, other expenses as well as revenues from application fees and the resulting impacts on service costs.

Planning Services

Costs to deliver the municipality's planning service would reflect the level of staff time and effort involved in processing applications, including subdivisions, creating and updating planning policies and undertaking or managing projects. Costs would be partly recovered through application fees; fees would not be expected, however, to fully fund the service.

Based on the population and size of the proposed municipality, and volumes of planning applications from within the Okanagan Falls Incorporation Study Area over the past few years, it is assumed that to provide a similar level of service to that currently received through the RDOS, one planner would be needed, along with some dedicated administration support (1.2 FTE). It is expected that to create a full-time position, the planner would be responsible for planning, subdivision review and approval, and may need to assist in other roles, such as overseeing a building official or undertaking economic development duties. This estimate is informed by research of comparable municipalities. Expenditures related to subdivision approval would not be accounted for as a separate service in a typical municipal planning department.

In addition to the work of a planner, the need to revisit and update key policies for the community, as well as undertake various studies such as housing needs, area plans, and strategies, will require the help of consultants. An annual budget of $20,000 is included for these special projects to ensure that funds would be available as required. In smaller municipalities many planning studies and initiatives, such as active transportation plans, parks and trails plans or housing needs studies, are undertaken when grant funding is available. This strategy can help minimize impacts of the service on residents.

Subdivision Review and Approval

As noted above, it is expected that subdivision review would be the responsibility of the planner, with support from engineering. It is estimated that subdivision approvals would consume approximately

20% of the planner's time (i.e. 0.2 FTE).[1] A portion of the engineer's time would also be involved. Total costs would be partly offset by application fees.

Building Inspection

Although building inspection could be provided by the RDOS on contract, RDOS staff noted that Princeton made the transition from using RDOS staff to using an in-house building official, and noted the value in having dedicated staff that work within the Town. In 2022, 51 building permits were completed within the Incorporation Study Area. It is estimated that a Building Inspector would be needed for 15 hours per week — roughly 0.45 FTE — to offer the service three days per week. There may be opportunities to combine roles in order to create a full-time or even 0.8 FTE with other duties such as bylaw enforcement, business licencing (see *Bylaw Enforcement Sheet*) or planning administration.

Municipal Staffing

The planning and building staffing levels assumed for a new Okanagan Falls municipality total 1.85 FTE.

Reserves

Where services are transferred to the new municipality (i.e. planning, building, subdivision), a portion of each of the service's reserves would be allocated and transferred to the new municipality, consistent with the proportion of tax base (assessment) for that service. The transfer acknowledges that taxpayers within the Incorporation Study Area boundary contributed to the reserves.

Figure 6: Cost of Municipal Services

SERVICE	COST	TAX REQ
Planning & Subdivision	$196,000	$176,000
Regional Growth Strategy	n/a	n/a
Building Inspection	$83,000	$29,050
Heritage Conservation	n/a	n/a
Total	$279,000	$205,050

[1] The planner would assume the statutory role of Approving Officer.

Figure 7: Planning & Building Municipal Taxes

SERVICE	RES RATE	OWING[1]
Planning & Subdivision	0.1691	$84.54
Regional Growth Strategy	0.0013	$0.66
Building Inspection	0.0279	$13.95
Heritage Conservation	0	$0.00
	Total	**$99.15**

[1] *Impact is calculated on a home assessed at $500,000.*

SUMMARY OF TAX IMPACTS

Figure 8 presents the tax impact of the two scenarios – the current situation (RDOS) and incorporation (MUNICIPAL).

Figure 8: Tax Comparison of Regional District and Incorporation Scenarios

SERVICE	RDOS[1]	MUNICIPAL[1]
Planning & Subdivision	$58.91	$84.54
Regional Growth Strategy	$0.66	$0.66
Building Inspection	$12.10	$13.95
Heritage Conservation	$0.00	$0.00
Total	**$71.67**	**$99.15**

[1] *Impact is calculated on a home assessed at $500,000.*