

**Report to the Planning & Protective Services Committee
Meeting of Wednesday, November 22, 2006**

SUBJECT**Regional Growth Strategy Interim Update Work Plan****PURPOSE**

To approve a Work Plan for the Regional Growth Strategy Interim Update, and to initiate the RGS amendment process.

BACKGROUND

The CRD adopted the Regional Growth Strategy (RGS) on August 13, 2003. A number of initiatives, including sub-strategies for transportation, housing affordability, and economic development, were not completed at the time of adoption. Implementation Item I-6 of the RGS requires that the Board undertake an interim update of the RGS within three years of its adoption “to define the Regional Urban Containment and Servicing Policy Area in the District of Sooke, and incorporate revisions that arise from the Regional Transportation Strategy, the Regional Housing Affordability Strategy, and the Regional Economic Development Strategy.” The interim update called for in the RGS is in addition to the statutory five-year review (and potential update) of the RGS bylaw required by *Local Government Act* section 869(2). The five-year review is scheduled to begin in 2008, following completion of a comprehensive *State of the Region Report*.

As originally envisioned in the RGS, the interim update would occur after regional context statements had been accepted for all municipalities in the CRD. Section 866 of the *Local Government Act* requires that member municipalities submit a regional context statement within two years of adoption of a regional growth strategy. This date has passed, and 10 of the CRD’s 13 municipalities – the exceptions being Metchosin, North Saanich, and Sooke – have submitted context statements.

Since RGS adoption, a number of events have transpired that have the potential to alter the nature of the RGS interim update:

1. The Board accepted a regional context statement for the District of Highlands which includes a servicing boundary that is inconsistent with the Regional Urban Containment and Servicing Policy Area (RUCSPA). To resolve this inconsistency, the Board directed staff to “include an amendment to the RUCSPA to coincide with the proposed Highlands Servicing Boundary in the Regional Growth Strategy bylaw interim update.”
2. Official Community Plans (OCPs) for the Electoral Area communities of East Sooke and Otter Point have reached 2nd reading. These OCPs define “settlement containment areas” within the communities. The intention is that the settlement containment areas will eventually be serviced, provided an amendment to the RGS permits their inclusion within the RUCSPA.

3. The District of Sooke has not yet submitted a regional context statement, and thus the Sooke Urban Containment and Servicing Area remains undefined.
4. The Province repealed the Forest Land Reserve Act, and replaced it with the Private Managed Forest Land Act. This may impact the Renewable Resource Lands Policy Area in the RGS, which includes land in the former Forest Land Reserve.

Regional Growth Strategy Amendment Process

A regional growth strategy is a long term vision that must cover a period of at least 20 years from the time of its initiation. The growth strategy for the CRD is the result of six years of public and intergovernmental discussion and consultation. It was not designed to be easy to change.

As described in *Local Government Act* section 853(4), the process used to amend or repeal a regional growth strategy is the same as the process used to create it. This process, illustrated in Attachment A, is necessarily complex, and includes requirements for significant consultation and unanimous acceptance by member municipalities. The amendment of a regional growth strategy must be initiated by resolution of the Board, and the Board must give written notice of this initiation to affected local governments and the Minister of Community Services.

Following initiation, and pursuant to section 855 of the *Local Government Act*, the Board must adopt a consultation plan that, in the opinion of the Board, provides opportunities for early and ongoing consultation with, at a minimum:

- a) its citizens
- b) affected local governments
- c) first nations
- d) school district boards, greater boards and improvement district boards,
- e) the provincial and federal governments and their agencies

On August 9, 2006, the Board approved the Project Charter for the Regional Growth Strategy Interim Update, and directed staff to “develop and implement a project work plan on this basis to start in October 2006.” The Project Charter identified eight issues to consider addressing in the interim update. Based upon this list, two possible work plans are proposed (see Attachment B).

Both work plans commence with the development of a consultation plan.

Work Plan A is an abbreviated work plan, which focuses on moving forward an amendment to include the Highlands Servicing Area and Electoral Area settlement containment areas within the RUCSPA. The work plan also includes minor amendments to give effect to MOUs signed with Oak Bay and View Royal.

Work Plan B is a more comprehensive work plan, which includes the elements of Work Plan A, as well as a regional transportation vision derived from TravelChoices, a regional housing policy derived from the Regional Housing Affordability Strategy (RHAS), a regional economic sustainability policy, and additional policy to clarify the composition and function of the Renewable Resource Lands Policy Area.

Given their different scope, the two work plans have different timelines. Assuming the Board and Planning & Protective Services Committee meeting schedules for 2007 are similar to 2006, Work Plan A will result in 1st reading of the amendment bylaw in June 2007. Work Plan B will result in 1st reading of the bylaw in August 2007.

ALTERNATIVES

1. That the Board approve Work Plan A and defer consideration of any additional work items until the statutory five-year review of the Regional Growth Strategy.
2. That the Board approve Work Plan B and defer consideration of any additional work items until the statutory five-year review of the Regional Growth Strategy.
3. That the Board cancel the interim update and postpone amendment of the Regional Growth Strategy until the statutory five-year review, set to begin in 2008.

FINANCIAL IMPLICATIONS

Single supplementary funds of \$10,000 are included in the 2006 Regional Growth Strategy budget to cover incidental consultation, legal and process costs for a one-time RGS interim amendment. The budget does not include funds to run additional amendment processes to address issues separately. As these costs will now be incurred in 2007, this amount needs to be re-budgeted for 2007 from the 2006 projected surplus.

GROWTH MANAGEMENT IMPLICATIONS

The District of Highlands has requested that lands within its Servicing Area be included within the Juan de Fuca and Regional Water Distribution areas. However, in order for the CRD to be able to extend water to the Highlands Servicing Area, the RGS must first be amended to include this area within the RUCSPA. This is stated in RGS Implementation Action 1.1(5), reiterated in the *Corporate Implementation Strategy for the CRD's Regional Growth Strategy*, and given effect by *Local Government Act* section 865(1).

On September 20, 2006, the District of Highlands wrote a letter to the CRD noting the inclusion of the Highlands RUCSPA expansion in the Interim Update Project Charter, and requesting that the update "mov[e] forward at the earliest opportunity regardless of the four outstanding municipal context statements" (see Attachment C). Work Plan A attempts to move the Highlands amendment along as quickly as possible. However, even with this abbreviated work plan, amendment of the RGS is a lengthy process. Public consultation is required by the Act, and municipalities have up to 120 days to accept or reject the amendment after referral. If dispute resolution is necessary, the process could take longer.

Thus there is the risk, especially with Work Plan B, that the interim update may not be completed before the statutory five-year review is scheduled to begin. The dedication of staff resources to a continuous series of RGS updates would reduce the resources available to implement the existing RGS and monitor progress towards its goals.

INTERGOVERNMENTAL IMPLICATIONS

If the RGS is amended, all municipalities will again be required to submit regional context statements for acceptance by the Board. This requirement is stated in section 866(8) of the *Local Government Act*. Context statements must be submitted within two years of the date of adoption of an amended RGS.

Municipalities who have already submitted context statements for the current RGS bylaw may resubmit these same context statements provided that the amended RGS is not substantively different from the current RGS. This would be the most likely scenario under Work Plan A.

However, if the more comprehensive interim update described in Work Plan B is implemented, municipalities would probably need to submit new context statements explaining the relationship between their OCPs and the amended RGS. Thus, under Work Plan B, municipal OCPs would need to be amended.

Three municipalities have not yet submitted context statements. These context statements could include requests for additional amendments. The context statement for the District of Sooke is expected to identify the portion of the municipality to be considered for inclusion within the RUCSPA. North Saanich is also contemplating a Servicing Area.

If the RGS is amended under either work plan, then municipalities who have not yet submitted context statements for the current RGS would conceivably have another two years to submit their context statements. However, the implications of not submitting a context statement remain the same: the validity of a municipal OCP that does not contain a context statement is uncertain, and servicing expansions could be questioned. Staff will continue to work with municipalities in an effort to bring forward the remaining context statements as soon as possible.

It is worth considering whether to cancel the interim update and postpone amendment of the RGS until the remaining context statements have been submitted (i.e. until the five-year review and update). This would allow all potential RUCSPA alterations to be dealt with simultaneously. However, staff has received direction from the Board to prepare an interim update to the RGS that incorporates the Highlands Servicing Area within the RUCSPA. Other changes that do not result in the need to amend approved context statements should also be considered where they can be reasonably accommodated.

SUMMARY/CONCLUSIONS

The interim update cannot be implemented as originally envisioned, since three regional context statements have not been submitted. If this were the only consideration, it would be advisable to cancel the interim update and address all items scheduled for the update as part of the five-year review. However, cancelling the update would result in prolonged uncertainty for the District of Highlands. This uncertainty can only be resolved through the adoption or rejection of an RGS amendment that includes the Highlands Servicing Area within the RUCSPA. Although there are complications associated with conducting an interim update at this time, it would provide resolution for Highlands two years earlier than deferral of all issues to the five-year update.

RECOMMENDATIONS

That the Planning & Protective Services Committee recommend that the Board:

1. Approve Work Plan A and defer consideration of any additional work items until the statutory five-year review of the Regional Growth Strategy.
2. Initiate the amendment of the Regional Growth Strategy in accordance with *Local Government Act* section 854(1).
3. Give written notice of the initiation of the amendment of the Regional Growth Strategy to member municipalities, school boards, First Nations, the CVRD, the Islands Trust, and the Minister of Community Services in accordance with *Local Government Act* section 854(4).

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COMMENTS: