

**REPORT TO COMMITTEE OF THE WHOLE
MEETING OF WEDNESDAY, APRIL 29, 2015**

SUBJECT Regional Sustainability Strategy Update

ISSUE

To update the Committee of the Whole (CoW) on the draft Regional Sustainability Strategy (RSS); to share public, stakeholder and municipal input received since October 2014; and to obtain direction regarding next steps.

BACKGROUND

Process

In October 2014, the CoW was provided with a draft RSS and a proposed 2014/2015 work plan. The October draft was a refinement of the June 2014 draft that had been developed with Capital Regional District (CRD) staff, interagency representative and municipal planner input. The October draft was bolder and more aspirational than the previous draft in response to Board direction to more fully incorporate feedback from the Roundtable on the Environment (RTE). In October, Committee members received the document for information and directed staff to obtain further input on the draft RSS in accordance with the proposed work plan and to report back to the Board in spring 2015 on the feedback received prior to finalizing the RSS. Staff was, at that time, also directed to plan to hold a public hearing prior to third reading of the RSS bylaw.

The RSS Draft October 2014 (revised) was publicized and posted on the CRD's website early in 2015 (Attachment 1). The posted version incorporated minor revisions to the draft presented to the CoW in October. Revisions were made to correct factual errors, ensure consistency with legislation, clarify policy intentions, and incorporate changes arising from stakeholder discussion (where the change was consistent with the broad direction from the Board). Further, a water servicing policy was added in response to Development Planning Advisory Committee (DPAC) input. The water servicing policy spoke to limiting areas outside the Growth Containment Area that would be eligible for water service extensions (Action 3.1.3). Previously, the draft RSS had been silent on water servicing.

Much feedback has been received through the engagement process. As some of the feedback is conflicting, and as resolution of some matters may not be straightforward, particularly with respect to a water servicing policy, the Board may wish to further discuss some issues prior to providing staff with direction. This report recommends a Council of Councils session to allow for discussion of any issues on which the Board cannot provide direction without further deliberation.

Plan

The foundation of the RSS lies in the Regional Growth Strategy (RGS) (2003) (Attachment 2). Given earlier Board direction for the RSS to serve as both a growth strategy *and* the region's sustainability plan, the document includes content of the RGS (growth management, the environment, housing, transportation, economic development) as well as new topics such as: climate change, community health and wellbeing, food, natural disaster readiness and energy systems. Despite the broader content and the different name, the document can, from a legal perspective, still serve as the region's growth management strategy.

DISCUSSION

Project Status Update

Staff has now completed all the tasks intended to be undertaken between October 2014 and the date of this report. Remaining tasks include:

1. Determining how the document will be refined in response to public, stakeholder and municipal input

2. Obtaining input from those municipalities that have not yet provided responses
3. Finalizing the document
4. Giving the document first/second reading
5. Holding a public hearing
6. Revising the document if necessary after the public hearing and possibly holding a second hearing if there are significant changes
7. Referring the RSS to municipalities and the Cowichan Valley Regional District
8. Giving the document third and final readings

The timeline for completion of the remaining tasks will largely be dependent on the magnitude and timing of requests for document refinements.

The update of the RSS is being funded by a \$1,202,747 Federal Gas Tax grant. The gas tax grant has funded both the RSS update and supporting sub-strategies (Food and Agriculture Strategy, Climate Action Blueprint). The sub-strategies are advancing on a parallel track and early information gleaned from those studies/processes has informed RSS policy development. As of the end of February, approximately \$400,000 remained in the grant. It is anticipated that the project will come in at or under budget. The project completion date associated with the grant is year-end 2015. There is a 15% hold-back on grant payment, pending completion.

Engagement Process

Over the past six months, staff efforts have focused on providing additional opportunities for: public and stakeholder engagement; First Nations and local government discussions; and provincial and federal agency consultation.

Between October 22, 2014 and April 8, 2015, the CRD heard from:

- 11 municipalities (Input was provided as a result of CRD staff presentations and/or written submissions. Further to this, presentations will also have been provided to Sidney and Oak Bay municipal councils prior to the CoW meeting.)
- 1,204 online respondents
- 12 participants in a cross-sector forum
- 36 email writers
- 12 stakeholder groups
- One First Nation
- Six federal and provincial agencies (Ministry of Agriculture, Ministry of Forest, Lands and Natural Resource Operations, Ministry of Environment, Ministry of Community, Sport and Cultural Development, Greater Victoria Harbour Authority, Canadian Forces Base Esquimalt)
- Two CRD committees (RTE, Water Advisory Committee (WAC))

The RSS Draft October 2014 (revised) was publicized and posted on the CRD's website and comments invited. Given the length and complexity of the draft, staff did not anticipate that many, although invited to do so, would review the document in its entirety. To expand reach, staff used the vision and targets to 'tell the story' of the RSS and seek specific, meaningful input. To attract the largest possible audience as cost, time and resource-effectively as possible, an online approach was used. The online campaign ran from January 15 to February 15. Online efforts were supplemented with printed material and with RSS displays set up in each of the sub-regions. 1,204 responses were submitted. Geographic distribution of respondents closely resembled regional population distribution. There was also good distribution of responses across age groups, although both the 45-64 and the 65+ age cohorts answered in greater numbers than would be expected based on their share of the population. Attachment 3 provides a summary of online input. In addition, verbatim comments from respondents (over 500 pages) can be found on the CRD's website.

In mid-January, a workshop was held with representatives from the CRD's RTE, the Regional Outcomes Monitoring (ROM) group and various regional business interests. The workshop's purpose was to obtain cross-sector input on the RSS targets and identify opportunities for future collaboration (Attachment 3, Appendix V).

Over the past six months, staff met three times with the RTE – a volunteer CRD advisory committee whose mandate it is “to provide advice on future-oriented, long-term, strategic environmental sustainability issues”. The purpose of the meetings was to seek input on the draft RSS, with a focus on the proposed targets. Input provided is reflected in the RTE minutes (Attachment 3, Appendix IV and Attachment 4).

On February 4, 2015, staff met with the WAC – a volunteer CRD advisory committee to the Regional Water Supply Commission. The WAC provides advice on water supply, water quality, and stewardship of lands held by the Regional District for water supply purposes and water conservation measures. Attachment 5 includes the input received from the Committee in follow up to that meeting.

Two meetings (January 13 and March 4) were held with the DPAC to discuss the content of the RSS. Discussion revolved around the extent of RSS influence over municipal policy and the use of water servicing as a growth management tool. Attachment 3, Appendix VI and VII contain the minutes from those meetings.

On March 4, 2015, Regional and Strategic Planning staff met with other CRD staff, interagency staff, and municipal planners to share online engagement feedback and to discuss potential changes to the draft targets (Attachment 3, Appendix VII).

Outreach to First Nations within the CRD is ongoing through the CRD’s Aboriginal Initiatives Division, as interest and opportunities to engage arise. Regional and Strategic Planning staff met with Tsartlip’s Technical Lands Committee on February 13, 2015 to provide an overview of the plan. Those Nations engaged in the BC Treaty process expressed a desire to discuss the RSS by way of a side-table process, subsequent to the signing of the Agreement in Principle. Tsawout First Nation has actively engaged in the RSS over the past year by way of the plan’s sub-strategy, the Food and Agriculture Strategy, and has assisted with bringing an indigenous lens to the issues.

Further to the above-noted structured opportunities for input, staff has had one-on-one meetings, phone calls, or presentations with representatives the Urban Development Institute, Greater Victoria Development Agency and Landlord BC.

Beyond the above, between October 22, 2014 and April 14, 2015 the CRD has received written input from:

- a) Environmental Law Centre, University of Victoria
- b) Consortium on Regional Sustainability
- c) BC Sustainability Energy Association
- d) Capital Region Food and Agriculture Roundtable
- e) Victoria Residential Builders Association
- f) West Shore Developers Association
- g) Intercultural Association of Greater Victoria
- h) Peninsula & Area Agricultural Commission
- i) Sierra Club of BC
- j) Greater Victoria Chamber of Commerce
- k) Amalgamation Yes
- l) Greater Victoria Economic Development Agency
- m) the public

Input from groups a) to f) is included in Attachment 3, Appendix III. Input from groups e) to m) is included in Attachment 6.

Municipal Input

Adoption of the RSS will require municipal Council sign-off through the referral process. The formal referral will be initiated after staff report back on the results of the public hearing.

Early identification of issues that could stand in the way of municipal sign-off will allow processes to be set up to resolve issues in advance of the formal referral. That may in turn support a smoother adoption process.

To encourage early input, CRD staff offered all councils an overview of the RSS. The intent was that any municipal feedback would be reported back to the CoW before the Committee would be asked to provide content direction. The Board Chair, CRD General Managers and the Senior Manager of Regional and Strategic Planning presented to 12 councils between January 19 and April 27, 2015.

Attachment 7 includes the five municipal Council submissions received as of the finalization of this report.

Input Themes and Responses

Consultation revealed support for the broad scope of the RSS and the focus on sustainability. The aspirational nature of the document was widely affirmed, as indicated by majority support for all but two targets. For those two targets ('complete, compact communities' and 'active transportation'), the online feedback suggested *even higher* targets. There was substantial support for concentrating urban growth in compact, complete communities, avoiding sprawl in rural areas, and protecting ecosystems and green space. Strong support was also expressed for encouraging local food production. Support for strong targets was in some cases accompanied by concerns that the package of actions put forward in the plan would not be sufficient to achieve the targets. Attachment 8 provides further details on input themes. Staff's recommended responses noted in Attachment 8 are reflected in Alternative 1 recommendations.

The one issue on which there appears to be very strong and divided opinion and on which no resolution is in sight relates to the question of whether water servicing beyond the Growth Containment Area should be allowed. Public feedback indicates that there is almost a 50/50 split between those who support water extensions outside the Growth Containment Area and those who do not. Despite eight DPAC meetings held to develop and discuss options, it has not been possible to identify an approach all feel comfortable recommending. Attachment 9 provides related background and a summary of options considered to date as well as details on Option I which is reflected in the Alternative 1 recommendation. Attachment 9 also includes a history of Board decisions related to the provision of water services in the Juan de Fuca electoral area (JdF). Policy options discussed to date address legal, technical, procedural and planning considerations. The lack of consensus among planners and the public has also been reflected in the municipal council realm. Three out of five municipal councils heard from to date have indicated they are not willing to support a policy that allows for provision of water servicing outside the Growth Containment Area. The JdF Director has advocated for the opportunity to access water servicing for JdF communities excluding the Rural Resource lands noting past Board deliberations on this issue. Determining a course of action that will ultimately be acceptable to all parties is inherently political and Board direction is required in order to move forward.

If resolution of this matter cannot be achieved on April 29, then staff recommends initiation of a facilitated process with the Board and municipal councils to further explore and hopefully resolve this matter and any other potential issues in advance of municipal referral. If not resolved, this matter could stand in the way of RSS adoption.

ALTERNATIVES

That the Committee of the Whole recommends to the CRD Board:

Alternative 1:

1. That staff be directed to prepare a Regional Sustainability Strategy (RSS) bylaw to advance for first and second reading as follows:
 - a. Revise the draft RSS as necessary to reflect input received from the legal opinion
 - b. Revise the draft RSS vision statement to read as follows: *"We advance health and prosperity in the Capital Region and grow more resilient, affordable and responsive to climate change by fostering inclusive, compact, transit-oriented communities that support cycling and walking, and by expanding local food production, and protecting natural areas."*

- c. Revise the draft RSS targets as follows:
 - i. Strengthen targets for dwelling units, active transportation and growth containment
 - ii. Add targets for water conservation, local food production and supply side renewable energy
 - iii. Review targets with consideration of grouping them into categories (e.g., short-term, primary influence – local or provincial/federal government, etc.)
- d. Address concerns regarding municipal flexibility and level of detail as follows:
 - i. Replace the preamble wording for municipal actions in response to legal advice
 - ii. Provide flexibility for municipalities to remove lands from the Growth Containment Area (unless they are identified as Industrial or General Employment Lands) without requiring an amendment to the RSS
 - iii. Show Growth Centres symbolically on the Land Use Policy Area maps (Attachment 10)
 - iv. Change the major/minor amendment process to delete reference to Growth Centres
 - v. Move actions that municipalities will address in their RCS as per 1d(i), that do not directly relate to the minimum requirements of the *Local Government Act* regional land use policy areas (e.g., climate change, community health and wellbeing, emergency management), to the 'municipalities are requested to support' category
- e. Amend mapping to:
 - i. Identify Sooke's 'Rural Centre' as an 'Urban Centre'
 - ii. Identify Malahat, Shirley/Jordan River and Willis Point in Juan de Fuca Electoral Area (JdF EA) as 'Rural'
 - iii. Identify portions of East Sooke and Otter Point as Rural Settlement Area (RSA) and Port Renfrew as a Rural Centre within a Growth Containment Area as shown in Attachment 10
- f. Revise the draft RSS text to:
 - i. Clarify the provincial mandate for regulating the Agricultural Land Reserve
 - ii. Strengthen the discussion regarding economic development (diversity of economy, regional nature of economy, identification of growth sectors, etc.)
 - iii. Address municipal and stakeholder comments consistent with RSS objectives and policies
- g. Revise the RSS draft to correct errors and update population projections with the most recent population scenario projections (Attachment 11)
- h. Revise the RSS draft to include a water servicing policy (Action 3.1.3.) that provides for approval of a new water service establishment bylaw for areas outside the Growth Containment Area only where:
 - the bylaw applies to lands within municipal boundaries; or
 - the bylaw pertains to the East Sooke or Otter Point Rural Settlement Areas in JdF and will service existing and potential new development that does not exceed subdivision and development limits set out in the Official Community Plan (OCP) at the time of adoption of the RSS; or
 - the bylaw is required to address a pressing: public health, public safety, or environmental issue relating to existing development; or
 - the bylaw is required to service agricultural activities.

This policy will be accompanied by an implementation agreement or other appropriate approach that requires Board approval of OCP and zoning amendments consistent with the existing procedures bylaw for the JdF EA.

2. That staff be directed to support finalization of the RSS by taking action to:
 - a. Refer the draft RSS to the Juan de Fuca Land Use Committee for comment.
 - b. Attend public meetings organized and hosted by a municipality as support to municipal discussions regarding the RSS.
 - c. Pursue an extension to the Federal Gas Tax timeline to June 2016.
 - d. Organize a Council of Councils workshop to obtain further municipal Council input on the draft RSS.

Alternative 2

That staff be directed to provide additional information.

IMPLICATIONS

Policy Implications

Attachment 12 provides supporting information relating to the policy and related implications of each of the Alternative 1 recommendations.

Legal Implications

The RSS must comply with specifications of the *Local Government Act* (Attachment 13) in order to qualify as a RGS. The draft document has been through legal review and will be revised in accordance with the advice obtained in order to ensure compliance with legislation.

Procedural Implications

Prior to third reading of the RSS bylaw, the CRD must refer the document for comment to each municipal Council, the Board of the adjoining regional district, and the provincial facilitator. In responding to the RSS referral, municipalities must either accept the RSS or respond by resolution indicating each provision to which it objects and the reasons for the objection. The RSS cannot be adopted until each municipality agrees to accept it.

In the event that the Board is unable to support an approach to water servicing at its April 29 meeting, the Board may then wish to consider how to support resolution of this difference of opinion and any other potential differences. This has been provided for with the recommended Council of Councils workshop.

Financial Implications

The Federal Gas Tax grant which is funding the RSS currently has as a requirement the completion of the project by the end of 2015. The implication of not meeting the grant timeline would be that the CRD would not be able to claim the final 15% of the grant. Initially, the grant deadline was June 2014. Early in 2014, staff sought and obtained a grant extension. At the time staff was advised by the Gas Tax Policy and Program Manager that an extension to the end of 2015 would be as much of an extension as could be supported. More recently, staff has again been in touch with the grant administrators and has now been advised that there could be some flexibility in the deadline and that the timeline would therefore, if requested, be considered for extension into early 2016.

Timeline Implications

Staff has, over the past six months, been delivering on the work plan endorsed by the Board in October 2014. Staff is positioned to continue to deliver on that work plan, should that be the Board's preference. Staff has, however, heard from some directors and some municipal staff that the timeline put forward in October 2014 is too aggressive and may short-change the input process and compromise quality of the final product. Had staff, back in October, been advised of the potential for

more relaxed grant timelines, then the recommended process would have been more prolonged. With news of the grant timeline flexibility, it is therefore recommended that the timeline for completion of the RSS be extended to provide for:

1. Extension of the deadline for receiving informal municipal feedback to June 10 (rather than April 8)
2. First and second reading of the bylaw in August (rather than June)
3. The Public Hearing to take place in September (rather than August)
4. Municipal referral from mid-January to mid-March 2016 (rather than October/November 2015)
5. Board consideration of third reading in April or May 2016

The above timeline would be a revised 'best case' scenario that is dependent on expeditious feedback, quick resolution of the water servicing issue, and no (or insignificant) changes required as a result of the public hearing. Process or content complications could prolong the timeline in unpredictable ways.

The revised process is outlined in Attachment 14.

Staff notes a high degree of consistency in the public and stakeholder feedback received. While not everyone has the same opinion in response to the questions being asked, the types of issues raised, the nature of the comments submitted and the extent to which there is support are becoming predictable. Given that consistency and the extent of input received, it is unlikely that an extended *public* engagement campaign undertaken by the CRD would uncover major new regional themes or input at odds with what has been provided to date. Some municipalities are, however, seeking input directly from constituents and local stakeholders and have requested CRD staff attendance to support their efforts (Attachment 15). With the proposed extended timelines, staff could be available to attend meetings organized and hosted by a municipality as support to RSS discussions. An extended timeline would also provide for more thorough municipal discussion and exploration of water servicing policy options and other policy matters/implications in advance of bylaw preparation.

Staffing Implications

The terms of the two staff hired to assist with this project were aligned with the project timeline approved by the Board in October 2014. One position (a planner) was contracted to support planning and project management and another position (a communications specialist) was brought on to support the engagement process. Both terms were set to expire on May 31, 2015 in anticipation that the work supporting preparation of the RSS bylaw would by that time have been completed. It is unlikely that the staff in the positions will be available for contract extensions sufficient to cover a prolonged project timeline. Extending the timeline as per this report would take the timeline beyond the terms of the contracted staff and would be supported by recruitment of a new planner. The planner position was approved by the Board through 2015 budget discussions.

CONCLUSION

Consultation and engagement has been ongoing since the outset of the RSS process. Feedback has informed creation of the RSS document now under consideration. The draft RSS enjoys widespread support for its scope, direction and aspirations. Much of the recently provided input can be readily incorporated into the next version of the document without departing from earlier-provided Board direction. The key outstanding issue is water servicing. In the event that the Board is unable to support an approach to water servicing at its April 29 meeting, a facilitated process is recommended to expedite resolution. Finalizing the document and providing for additional municipal feedback as per the recommendations contained in the April 29, 2015 staff report will advance the RSS toward bylaw preparation.

RECOMMENDATIONS

That the Committee of the Whole recommends to the CRD Board:

1. That staff be directed to prepare a Regional Sustainability Strategy (RSS) bylaw to advance for first and second reading as follows:
 - a. Revise the draft RSS as necessary to reflect input received from the legal opinion
 - b. Revise the draft RSS vision statement to read as follows: *"We advance health and prosperity in the Capital Region and grow more resilient, affordable and responsive to climate change by fostering inclusive, compact, transit-oriented communities that support cycling and walking, and by expanding local food production, and protecting natural areas."*
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development limits set out in the Official Community Plan (OCP) at the time of adoption of the RSS; or

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This policy will be accompanied by an implementation agreement or other appropriate approach that requires Board approval of OCP and zoning amendments consistent with the existing procedures bylaw for the JdF EA.

2. That staff be directed to support finalization of the RSS by taking action to:

- a. Refer the draft RSS to the Juan de Fuca Land Use Committee for comment.
- b. Attend public meetings organized and hosted by a municipality as support to municipal discussions regarding the RSS.
- c. Pursue an extension to the Federal Gas Tax timeline to June 2016.
- d. Organize a Council of Councils workshop to obtain further municipal Council input on the draft RSS.

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SB:lc

Attachments: 15

Attachment 1: Draft Regional Sustainability Strategy – October 2014(Revised)

Attachment 2: 2003 Regional Growth Strategy

Attachment 3: Integrated Summary of Public and Stakeholder Input Received October 29, 2014 – March 9, 2015

Attachment 4: Roundtable on the Environment March 6, 2015 Meeting Notes

Attachment 5: CRD Water Advisory Committee Minutes

Attachment 6: Interest group and the public submissions received between March 10, 2015 and April 1, 2015

Attachment 7: Municipal Council Submissions

Attachment 8: Input Themes and Proposed Responses

Attachment 9: Water Servicing Policy History and Options

Attachment 10: Map – Revisions to Map 3

Attachment 11: Updated Population, Dwelling Unit and Employment Projections

Attachment 12: Alternative 1 Implications

Attachment 13: *Local Government Act* Excerpt

Attachment 14: RSS Work Plan

Attachment 15: Correspondence from North Saanich