

Development Services Division Review

Task Force Meeting

to be held via Zoom and in person in Room A – City Hall
Wednesday, September 9, 2026
at 7:30 a.m.

1. **Call Regular Task Force Meeting to Order**

We acknowledge that Penticton, where we live and work, is on the traditional lands of the Syilx People in the Okanagan Nation.

2. **Adoption of Agenda**

3. **Adoption of Minutes**

3.1 Minutes of the July 22, 2026 Development Services Division Review Task Force
Recommendation

THAT the Development Services Division Review Task Force adopt the minutes of July 22, 2026 meeting as presented.

4. **New Business**

Laven 4.1 Land Use Alignment with Okanagan Basin Water Board (OBWB) Sewer Facility Assistance Grants
Recommendation:

THAT the Development Services Division Review Task Force receive into the record the memo to committee dated, September 9, 2026, titled 'Land use alignment with the Okanagan Basin Water Board (OBWB) sewer facility assistance grants';

AND THAT the Development Services Division Review Task Force support the proposed bylaw amendments bringing the City's land use bylaws into alignment with the OBWB grant program requirements.

Laven 4.2 Final Task Force Recommendations
Delegations: Ron Mattuisi, MCIP RPP, Consultants
Lisa Spitale, MCIP RPP, Consultants

Recommendation:

THAT the Development Services Division Review Task Force accepts the following 12 Recommendations, which are outlined in more detail in Attachment A;

- 1. Establish and communicate a development services corporate values manual;*
- 2. Implement a professional reliance framework;*

3. *Create a fair, transparent, and timely appeals process;*
4. *Improve the current development fee structure;*
5. *Strengthen partnerships for public realm improvements;*
6. *Review and streamline development approval processes;*
7. *Create a seamless digital permitting experience;*
8. *Strengthen the development concierge model;*
9. *Standardize project pre-application, kick-off, TPC and close-out meetings;*
10. *Acknowledge the unique challenge of older buildings and those built under previous building codes;*
11. *Adopt a collaborative inspection model;*
12. *Consolidate and maintain technical bulletins and publish interpretation decisions.*

AND THAT the Task Force recommends that Council receive the recommendations and direct staff to work towards their implementation;

AND THAT the Task Force recommends that the City maintain a standing Development Services advisory committee or a working group to oversee the implementation of the recommendations and to ensure the continued trust and communications between the development industry and City Development Services Division.

5. ***Adjournment***

Development Services Division Review Task Force Meeting

held via Zoom and in-person in Room A
City Hall, 171 Main Street
Wednesday, July 22, 2026
at 7:30 a.m.

Present:	Jordan Knox, Chair Linda Sankey, Vice-Chair Drew Barnes (via Zoom) Kristy Dyer Sean Kimberly Scott Mayhew (via Zoom) Jonathan Pickford Luc Rodgers Jas Sidhu (via Zoom) Chase Tracey (via Zoom)
Delegates:	Lisa Spitale, MCIP RPP, Consultants (via Zoom) Ron Mattuisi, MCIP RPP, Consultants
Council Liaison:	Campbell Watt
Regrets:	Trina Murray
Staff:	Blake Laven, General Manager of Development Services Steven Collyer, Housing and Policy Initiatives Manager Janet Glowa, Legislative Assistant

1. Call to Order

The Chair called the Development Services Division Review Task Force to order at 7:30 a.m.

2. Adoption of Agenda

It was MOVED and SECONDED

THAT the Development Services Division Review Task Force adopt the agenda of July 22, 2026 as presented.

CARRIED UNANIMOUSLY

3. **Adoption of Minutes**

3.1 Minutes of the July 8, 2026 Development Services Division Review Task Force Meeting

It was MOVED and SECONDED

THAT the Development Services Division Review Task Force adopt the minutes of the July 8, 2026 meeting as presented.

CARRIED UNANIMOUSLY

4. **New Business**

4.1 Penticton Development Services – Third Party Review

Lisa Spitale, Lisa Spitale Consulting Corp. and Ron Mattuisi, Mattiussi Advisory Services presented the report on Penticton Development Services preliminary observations.

Jas Sidhu joined the zoom meeting at 7:38 a.m.

Drew Barnes joined the zoom meeting at 8:09 a.m.

4.2 Workshop Outcomes and Draft Recommendations

The General Manager of Development Services presented the workshop's outcomes and draft recommendations.

It was MOVED and SECONDED

THAT the Development Services Division Review Task Force receive into the record the report dated, July 22, 2026, and titled, "Workshop outcomes and draft recommendations."

CARRIED UNANIMOUSLY

5. **Next Meeting**

The next Development Services Division Review Task Force meeting is scheduled to be held on September 9, 2026 at 7:30 a.m. via Zoom and in person.

6. **Adjournment**

It was MOVED and SECONDED

THAT the Development Services Division Review Task Force adjourn the meeting held on July 22, 2026 at 9:02 a.m.

CARRIED UNANIMOUSLY

Certified Correct:

Janet Glowa
Legislative Assistant



Memo to Committee

penticton.ca

Date: September 9, 2026
To: Development Services Division Review Task Force
From: Blake Laven, General Manager of Development Services
Subject: Land use alignment with Okanagan Basin Water Board (OBWB) sewer facility assistance grants

File No: RMS 0540-20

Staff Recommendation

THAT the Development Services Division Review Task Force receive into the record the Memo to Committee dated, September 9, 2026, titled 'Land use alignment with the Okanagan Basin Water Board (OBWB) sewer facility assistance grants';

AND THAT the Development Services Division Review Task Force support the proposed bylaw amendments bringing the City's land use bylaws into alignment with the OBWB grant program requirements.

Background

City Council at their July 14, 2026, Regular meeting, considered a report concerning the misalignment of the City's OCP and zoning bylaw to the Okanagan Basin Water Board (OBWB) sewer facility assistance grant program and at that meeting gave direction for staff to begin the process to update the City's bylaw to come into alignment.

Council at that meeting also passed a resolution referring this matter to the Development Services Division Review Task Force, for their comment.

Land use alignment with the Okanagan Basin Water Board (OBWB) sewer facility assistance grant policy

184/2026 It was MOVED and SECONDED

THAT Council direct staff to bring forward amendments to the City's Official Community Plan (OCP) and Zoning Bylaw to bring the bylaws into compliance with the Okanagan Basin Water Board (OBWB) sewer facility assistance grant program, which includes a prohibition on subdivisions of lots less than 1.0 hectares in size and a prohibition on accessory dwellings on lots less than 1.0 hectare in size, unless connected to the City sewer system or in compliance with a Liquid Waste Management Plan.

CARRIED UNANIMOUSLY

185/2026 It was MOVED and SECONDED

THAT Council refer the Okanagan Basin Water Board Sewer Facility Assistance Grant Program topic to the Development Services Division Review Task Force.

CARRIED UNANIMOUSLY

Okanagan Basin Water Board (OBWB) and the origin of the 1.0 hectare policy

In 1974, the Okanagan Basin Water Board (OBWB) conducted a study called the Okanagan Basin Study, which identified nutrient pollution as the primary cause of algal blooms and deteriorating water quality in Okanagan lakes. The biggest source of pollution was municipal sewer outfalls. As the lakes are a regional resource, the local governments (through OBWB) established the Sewerage Facilities Assistance (SFA) grant program to help fund construction of tertiary sewage treatment plants, and collection systems in valley communities. The program is funded by a valley-wide levy on all taxable properties in the Basin area and is administered by OBWB.

By steadily upgrading sewerage infrastructure, the amount of phosphorus entering the lakes from municipal effluent has decreased by more than 90%. A significant proportion of this program's funds have gone toward community sewer projects intended to decrease water pollution from developments with small lots and failing or over-capacity on-site septic systems.

1.0 hectare policy

To avoid repeating these costly fixes in the future, in 2007 the OBWB introduced the requirement for applicants of the granting program to have in place bylaws or policies prohibiting new development of lots less than 1.0 hectare that are not serviced by a City sewer systems. This requirement is intended to encourage responsible development, protecting water quality and public health, among other values.

This requirement is built into the OBWB's Sewerage Facilities Grant Program. To qualify for OBWB Sewerage Facilities Grants, communities 'must' adopt zoning or subdivision bylaws that are aligned with the policy. The policy requires yearly confirmation of compliance.

According to the OBWB, the policy ensures that scarce dollars go toward advanced, centralized treatment solutions and do not subsidize communities that allow small, septic-based development likely to cause future environmental harm.

OBWB does include an exemption to their 1.0-hectare policy. A local government does not need to apply the 1-hectare prohibition if it has an approved Liquid Waste Management Plan (LWMP) that provides a provincially sanctioned alternative approach to wastewater servicing. Penticton's LWMP does not, however, currently include these provisions.

In staff's research, we have not found a good example of a municipal LWMP in BC that adequately addresses this issue to the specifications to meet the OBWB policy exemption. An update to the City's LWMP to include this provision is an option for future updates but would be a lengthy process with an uncertain outcome (requiring approval of the provincial government) that could not be done in a timeline to meet our grant eligibility requirements for 2027.

City's Land Use Bylaws

The City of Penticton Zoning Bylaw currently allows lots less than 1 hectare in size in the RC Country Residential zone, regardless of how wastewater / sewer is dealt with (onsite or connection to the City system). The minimum lot size is 0.4 ha (1 acre). This is the historic lot size of rural properties in Penticton that are serviced by municipal water and is also reflected in the City's Official Community Plan (OCP) as the desired minimum lot size in rural residential areas.

To align with OBWB policy, the City's Official Community Plan and Zoning Bylaw would both need to be amended to require that lots not connected to sewer have a minimum size of 1.0 hectare.

The zoning bylaw already prohibits carriage houses on lots smaller than 1.0 hectare that are not connected to community sewer in alignment with the policy.

Proposal

Staff are recommending that Council give direction to amend the City's Official Community Plan and Zoning Bylaw to align with the OBWB 1-hectare policy. Staff recommend establishing the minimum lot size as 1 ha unless connected to sewer and / or meeting requirements of a provincially approved liquid waste management plan, in which case the minimum lot size would be 0.4 ha.

Implications for development and instream protection

Any changes to the zoning bylaw would impact properties zoned Country Residential (RC) as this is the only rural zone that currently allows lots less than 1.0 hectare. There are currently 61 properties with RC zoning in the City, of which 45 are already currently less than 1.0 hectare in size. Some of these properties are connected to sewer others are serviced by on-site septic systems.

In addition, 16 properties that are not connected to sewer, have sufficient area to allow subdivision into lots smaller than 1.0 hectare; these properties would be impacted by a bylaw change aligning with the OBWB 1.0 hectare policy.

Over the past 10 years, the City has approved only one subdivision creating a parcel less than 1.0 hectare in size that is not connected to the City's sewer system and has approved several carriage houses.

In-stream applications

Despite there only being one approval of a lot less than 1.0 hectare in the past 10 years, the City is currently reviewing three applications that will potentially create lots under 1.0 hectare. These three in-stream development applications are potentially impacted by the proposed zoning amendments.

These applications propose parcel sizes below the 1.0-hectare minimum contemplated by the OBWB policy. While they would not align with the intent of that policy, they are consistent with the City's current zoning regulations, which permit a minimum parcel size of 0.4 hectare within the RC Zone, as well as all other applicable development requirements.

Under the in-stream application provisions of the *Local Government Act* (Section 511), these applications and any others, should it be proven that they have a complete subdivision application in with the City prior to the bylaw change, are shielded from the bylaw amendment for a 12-month period. As a result, applicants will have one-year from the date the bylaw amendments are adopted to satisfy all conditions of subdivision approval. Applications that have not met their approval conditions within that timeframe would then be required to comply with the new minimum parcel size requirements.

Staff have advised the Okanagan Basin Water Board (OBWB) of these in-stream applications. The OBWB has indicated that it will take these applications into account when evaluating the City's eligibility for future grant funding. The Board will also consider the City's demonstrated commitment to achieving the broader 1.0-hectare policy objective through the proposed OCP and zoning amendments.

Financial implication

The City currently receives approximately \$218k a year in sewer grants from OBWB. This number is anticipated to decrease over the next 4 years as the current debt issues they are providing grants for mature. After 2027 we anticipate receiving \$204k for 2 years, then \$93k until after 2029. These contributions would be at risk if we lose our grant eligibility.

In terms of future projects, we anticipate several large sewer treatment projects over the next 5-10 years, however at this point, none of the existing projects have been debt financed. We are working on the assumption that the approx. \$22M of unfunded AWWTP projects will likely be debt financed and will look toward OBWB grants, which provide up to 16% of an eligible projects costs, to offset those debt servicing costs.

These grants which we the City is in all other ways eligible for and which City taxpayers pay into, are an important funding stream for the City's sewer utility.

Analysis

The Okanagan Basin Water Board (OBWB) administers the Sewer Facility Assistance (SFA) grant program. The 1.0 hectare policy is a condition of grant eligibility. The City's current Official Community Plan and Zoning Bylaw do not align with the 1.0 hectare policy. To maintain eligibility for both current and future grants, the City needs to align its land use bylaws to the policy.

Historically, this policy discrepancy has not created challenges for the City, as development proposals have generally been consistent with the OBWB's minimum parcel size objective. However, the issue has become more prominent with the submission of three active development applications proposing parcels smaller than 1.0 hectare. As a result, the current regulatory framework is no longer sustainable if the City wishes to maintain eligibility with OBWB policy and preserve eligibility for future sewer infrastructure grant funding. Throughout this process, the OBWB has been cooperative and has expressed a willingness to work with the City while a path toward compliance is established.

As part of staff's review, a comparison was undertaken with other local governments within the Okanagan Basin. That review found that Penticton is an outlier, with the other jurisdictions examined having policies and regulations that align with the OBWB's 1.0-hectare minimum parcel size requirement for areas not served by City sewer.

Staff anticipate the impact of following the policy on future development opportunities to be limited, given the relatively small number of rural properties with development potential.

Overall, staff are of the opinion that alignment with the OBWB policy should take precedence over the potential short-term development opportunities associated with these rural lands. Over the longer term, the City retains the ability to amend its Liquid Waste Management Plan or extend municipal sewer services to these areas should they be identified as strategically important to accommodating future growth. In the meantime, maintaining consistency with regional policy and protecting access to critical infrastructure funding is considered to be in the City's best interest.

Council has passed a resolution directing staff to begin the bylaw update process and is looking for comment from the Task Force as part of this process.

Staff recommendation

Staff are recommending that the Task force received this report into the record and that the Task Force pass a resolution supporting the bylaw updates. This recommendation recognizes the importance of Sewer Facility Assistance Grants as a significant funding source for the City's sewer utility capital program.

Attachments

N/A

Respectfully submitted,

Blake Laven,
General Manager of Development Services



Memo to Committee

penticton.ca

Date: September 9, 2026
To: Development Services Division Review Task Force
From: Blake Laven, General Manager of Development Services

File No: RMS 0540-20

Subject: Final Task Force Recommendations

Staff Recommendation:

THAT the Development Services Division Review Task Force accepts the following 12 Recommendations, which are outlined in more detail in Attachment A:

1. Establish and communicate a development services corporate values manual;
2. Implement a professional reliance framework;
3. Create a fair, transparent, and timely appeals process;
4. Improve the current development fee structure;
5. Strengthen partnerships for public realm improvements;
6. Review and streamline development approval processes;
7. Create a seamless digital permitting experience;
8. Strengthen the development concierge model;
9. Standardize project pre-application, kick-off, TPC and close-out meetings;
10. Acknowledge the unique challenge of older buildings and those built under previous building codes;
11. Adopt a collaborative inspection model;
12. Consolidate and maintain technical bulletins and publish interpretation decisions.

AND THAT the Task Force recommends that Council receive the recommendations and direct staff to work towards their implementation.

AND THAT the Task Force recommends that the City maintain a standing Development Services advisory committee or working group to oversee the implementation of the recommendations and to ensure the continued trust and communications between the development industry and City Development Services Division.

Background

The Development Services Divisional Review Task Force was established by Council to advise on opportunities to improve the City's development approval processes, enhance service delivery within the Development Services Division, and address the impacts of rising construction costs on residential, commercial, and industrial development activity.

The Task Force was tasked with 'developing recommendations to inform a broader third-party review of the Development Services Division and prepare recommendations for Council's consideration regarding potential improvements to development approval processes and the Division overall'.

Through a series of four meetings and workshops the Task Force has developed and refined a set of recommendations which are presented in Attachment A and represent the collective efforts of the Task Force. Today's meeting is intended to finalize the recommendations and provide further direction to the City on their implementation. The recommendations are intended to provide a roadmap for both immediate and longer-term improvements within the Development Services Division and represent the culmination of the Task Force's work.

Analysis

The recommendations advanced by the Task Force represent a significant body of work completed within a relatively short timeframe. While the recommendations identify key opportunities to improve service delivery, accountability, communication, and efficiency, their successful implementation will require continued collaboration between the City, the Development Services Division and the development community.

The recommendations should be viewed as the beginning of a broader continuous improvement process rather than the conclusion of Task Force's mandate.

To that end, the City has also retained an independent third-party consultant, who participated in and attended Task Force meetings. The consultant's work will also include engagement with staff, detailed process mapping, organizational analysis, and the identification of operational improvements. The recommendations developed by the Task Force will provide valuable input into that broader review and should be considered alongside the consultant's findings and recommendations. Together, these efforts will assist in developing a comprehensive and coordinated implementation strategy for service improvements within the Division.

Given the scope and importance of the recommendations, staff believe there is value in maintaining a standing Development Services advisory committee or working group and hope the Task Force sees utility in this as well. Such a committee would provide ongoing dialogue between the City and development industry, assist in monitoring implementation progress, identify emerging challenges and opportunities, and help maintain the collaborative relationships established through the Task Force process. Continued industry involvement will be important to ensuring that improvements remain responsive to community needs and that momentum is maintained over the long term.

Staff Recommendation

Staff recommend that the Task Force endorse the recommendations contained in Attachment A and recommend that Council receive the recommendations and direct staff to begin implementation.

Staff further recommend that the Task Force endorse the establishment of a standing Development Services advisory committee or working group to provide ongoing advice regarding implementation of the recommendations, support continuous improvement initiatives, and promote effective communication and collaboration between the City and the development community.

Attachments

Attachment A: Previous and revised recommendations with descriptions

Respectfully submitted,

Blake Laven,
General Manager of Development Services

Attachment A: Previous and revised recommendations with descriptions

1	Original Establish and communicate a development services values charter: Publish a clear values charter that guides staff decision-making and customer service, emphasizing professionalism, consistency, accountability, collaboration, and commitment to serving the public interest.
	Revised Establish and communicate a development services corporate values manual: Publish a clear corporate values manual that establishes the culture of the Division, guides staff decision-making, outlines customer service expectations, response timeline expectations, communications protocols, customer experience forms, emphasizing professionalism, consistency, accountability, collaboration, and commitment to serving the development community while safeguarding the public interest.
2	Original Implement a professional reliance framework: Develop a formal professional reliance policy that recognizes and appropriately relies upon the expertise of qualified registered professionals where permitted by legislation, reducing duplication of review while maintaining public safety and regulatory compliance.
	Revised Implement a professional reliance framework: Develop a formal professional reliance policy that recognizes and appropriately relies upon the expertise of qualified registered professionals where permitted by legislation, reducing duplication of review while maintaining public safety and regulatory compliance. This includes directing public enquiries to the appropriate consultants to minimize city staff time and retain objectivity when reviewing document submissions.
3	Original Create a fair, transparent, and timely appeals process: Establish a clear process for resolving disputes, differing interpretations, and technical disagreements related to policy, bylaws, and building code requirements. The process should be timely, transparent, well-documented, and include clear escalation pathways.
	Revised Create a fair, transparent, and timely appeals process: Establish a clear process for resolving disputes, differing interpretations, processing stop work orders and resolving technical disagreements related to policy, bylaws, and building code requirements. The process should be timely, transparent, well-documented, and include clear escalation pathways.
4	Original Improve the current development fee structure: Review and refine the fee structure to improve transparency, fairness, and cost recovery. Incorporate incentives for applicants who utilize qualified professionals, participate in pre-application meetings, achieve sustainability objectives, or consistently submit complete applications.
	No changes proposed

5	Original 5. Strengthen partnerships for public realm improvements: Recognize the essential role that the development industry plays in delivering community infrastructure and city-building objectives. Explore opportunities for municipal capital funding partnerships to support strategic off-site improvements that provide broader public benefit beyond individual development projects (sidewalks, street trees etc.) and look at ensuring the DCC program is set up to maximally benefit development.
	No changes proposed
6	Original Review and streamline development approval processes: Undertake a comprehensive review of development processes using Lean or similar continuous improvement methodologies to identify inefficiencies, eliminate unnecessary steps, reduce duplication, and remove non-value-added activities. The objective should be to create a more efficient, predictable, and customer-focused approval process while maintaining regulatory compliance and public safety standards.
	No changes proposed
7	Original 7. Create a seamless digital permitting experience: Streamline the permit application process by ensuring all development, building, and related permit applications can be submitted and tracked through a single digital platform. Work to reduce duplicate submission requirements and enable coordinated review of multiple permits associated with the same project.
	Revised Create a seamless digital permitting experience: Streamline the permit application process by ensuring all development, building, and related permit applications must be submitted and tracked through a single digital platform. Work to reduce duplicate submission requirements and enable coordinated review of multiple permits associated with the same project.
8.	Original Strengthen the development concierge model: Assign a single point of contact to every development application who is responsible for shepherding the project through the approval process, coordinating internal reviews, managing departmental handoffs, and providing applicants with consistent communication and timely updates throughout the project lifecycle.
	No changes proposed
9	Original Standardize project pre-application, kick-off and close-out meetings: Implement standardized pre-application process and pre-project meetings for significant developments to align expectations, identify risks, and establish communication protocols. Conduct post-project debrief sessions to identify lessons learned, improve future processes, and strengthen relationships with industry partners.
	Revised Standardize project pre-application, kick-off, TPC and close-out meetings: Implement standardized pre-application process and pre-project meetings for significant developments to align expectations, identify risks, and establish communication protocols. Allow applicants access to professional and technical staff at Technical Planning Committee meetings. Conduct post-project

	debrief sessions to identify lessons learned, improve future processes, and strengthen relationships with industry partners.
10	Original Acknowledge the unique challenge of buildings built under previous building codes: Approach buildings built under previous building codes, utilizing a risk-based approach focusing on life safety outcomes rather than full compliance with current code standards in all circumstances. Revised Acknowledge the unique challenge of older buildings and buildings build under previous building codes: Approach buildings built under previous building codes, utilizing a risk-based approach focusing on life safety outcomes rather than full compliance with current code standards in all circumstances, using existing code definitions and regulations that allow a flexible approach to building code compliance.
11	Original Adopt a collaborative inspection model: Improve inspection practices through improved communication and problem-solving. Where practical, inspectors should discuss deficiencies with on-site representatives before issuing failures, providing opportunities to clarify circumstances, correct minor issues, and reduce unnecessary project delays. Revised Adopt a collaborative inspection model: Improve inspection practices through improved communication and problem-solving. Where practical, inspectors should discuss deficiencies with on-site representatives and/or development consultants before issuing failures, providing opportunities to clarify circumstances, correct minor issues, and reduce unnecessary project delays. Adopt clearer, simpler site inspection documents to assist consultants and contractors in understanding building inspection concerns.
12	Original Develop a pre-approved housing plans program: Create or endorse a library of pre-reviewed and code-compliant housing plans that can be reused by builders and homeowners, with significant benefits in not requiring a development permit, permit fees reductions and potentially less inspections. Revised Recommended for removal based on meeting comments and feedback on shared document
13	Original Consolidate and maintain technical bulletins: Undertake a comprehensive review of existing technical bulletins, policies, and interpretation documents. Consolidate where possible and ensure all published guidance is current, professionally vetted, regularly updated, and easily accessible to applicants and industry professionals. No changes proposed
14	Additional proposed recommendation Publish decisions made by the department: Publish the outcomes of decisions made on land use questions or building code interpretations so other developers, design and engineering professional can incorporate into their planning. For group discussion / stand alone recommendation or incorporated into 13?