

ADMINISTRATIVE REPORT



TO: Board of Directors

FROM: J. Zaffino, Chief Administrative Officer

DATE: August 21, 2025

RE: Short-Term Rental Accommodation Review – Electoral Areas “A”, “C”, “D”, “E”, “F” & “I” (X2024.017-ZONE)

Administrative Recommendation:

THAT Official Community Plan (OCP) Amendment Bylaw No. 3099, 2025, Okanagan Valley Zoning Amendment Bylaw No. 2800.50, 2025, CAO Delegation Amendment Bylaw No. 3033.02, 2025, and Development Procedures Amendment Bylaw No. 2500.36, 2025, be read a first and second time.

AND THAT the Board of Directors considers the process, as outlined in this report from the Chief Administrative Officer dated August 21, 2025, to be appropriate consultation for OCP Amendment Bylaw No. 3099, 2025, for the purpose of Section 475 of the *Local Government Act*;

AND THAT, in accordance with Section 477 of the *Local Government Act*, the Board of Directors has considered Amendment Bylaw No. 3099, 2025, in conjunction with its Financial and applicable Waste Management Plans;

AND THAT the holding of a public hearing be scheduled for OCP Amendment Bylaw No. 3099, 2025, and Okanagan Valley Zoning Bylaw No. 2800.50, 2025, for the Regional District Board meeting of September 4, 2025;

AND THAT staff give notice of the public hearing in accordance with the requirements of the *Local Government Act*.

Purpose:

The purpose of this report is to introduce land use bylaw amendments to facilitate the regulation of short-term rental accommodations (e.g. “vacation rental” and “bed and breakfast operation” uses) in the Okanagan Electoral Areas.

Strategic Priorities:

5.1 Establish Regional Policy Framework

Background & Analysis:

Following the Board meeting of April 3, 2025, Electoral Area Directors participated in an informal “workshop” at the Regional District office to provide direction to Administration regarding short-term rental accommodations. A summary of this direction is provided at Attachment No. 1.

In accordance with this direction, the Planning and Development (P&D) Committee of the Regional District Board considered the following draft amendment bylaws at its meeting of May 8, and

resolved that the bylaws be notified for public feedback and brought forward for consideration of first reading at a forthcoming Board meeting:

- Official Community Plan (OCP) Amendment Bylaw No. 3099;
- Okanagan Valley Zoning Bylaw No. 2800.50;
- Business Licence Regulation Amendment Bylaw No. 3100.01; and
- Fees and Charges Amendment Bylaw No. 3097.01

At its meeting on July 3, 2025, the P&D Committee considered feedback received following public consultation in support of these four bylaws. In response, the Committee moved to refer the STR Review to staff to implement the following revisions:

- remove the business licence requirement for traditional B&B's in Electoral Areas "A" and "D"; and
- remove the business licence requirement for the Apex Mountain Resort area.

At its meeting on August 7, 2025, the P&D Committee re-considered the four amendment bylaws, along with a revised version of Business Licence Regulation Amendment Bylaw No. 3100.01, 2025 reflecting the direction from July 3, 2025 P&D Committee meeting and resolved that the bylaws be brought forward for consideration of first reading at a forthcoming Regional District Board meeting.

Analysis:

In considering the content and scope of the draft amendment bylaws, Administration notes that changes have been implemented in accordance with the following direction provided by Electoral Area Directors at the STR Workshop on April 3, 2025:

- permit up to two (2) short-term rental accommodation uses to occur on specified properties in Electoral Areas "A", "C", "D" & "I";
- allow a second dwelling unit (e.g. secondary suite or accessory dwelling) to be used exclusively for the purposes of a short-term rental accommodation use;
- introduce a principal residence requirement in the Electoral Area "E" OCP; and
- provide adjacent property owners with operator contact information as a condition of business licence issuance.

Administration also notes that the following items raised at this workshop did not require changes to the amendment bylaws:

- explore prohibition against the creation of "de facto" dwelling units within a principal dwelling unit (e.g. closing internal doors to create a separate wing in a house for STR patrons).
- require one (1) business licence for accessory dwelling units being used for STR purposes in addition to the principal dwelling.

The related Business Licence Regulation Amendment Bylaw No. 3100.01, 2025 addresses the request from the April 3, 2025 workshop to extend business licencing to "tourist accommodation" uses in Electoral Area "E".

Similarly, the revisions to Business Licence Regulation Amendment Bylaw No. 3100.01, 2025 address concerns raised by the Electoral Area Directors in relation to exempting "conventional bed and breakfast operations" in Areas "A" and "D", as well as properties at Apex Mountain Resort from business licencing requirements.

Alternative

Alternatively, Administration recognizes that the Board may wish to further augment the scope of the draft amendment bylaws.

Summary

In summary, Administration considers that the scope of the draft bylaws and the public consultation undertaken to date support prior Board direction and is recommending that the bylaws be supported.

Financial Implications:

The financial implications of implementing a Business Licence Regulation Bylaw will primarily be in relation to the administration of the bylaw (e.g. receiving, reviewing and determining licence applications, responding to complaints, etc.).

Based upon a review of the fees being charged by other local governments in the Okanagan, Administration considers the proposed \$500 fee to be appropriate but is aware that a higher fee may be required in future if the intent is for the program to run on a full cost recovery basis.

For this reason, Administration is anticipating that a review of this fee will be required following the conclusion of the 2025 or 2026 licencing years to identify all direct and indirect costs incurred by the Regional District in administering with the program and bringing forward recommended fee changes in response.

Communication Strategy:

The proposed bylaw amendments have been notified in accordance with the requirements of the *Local Government Act*, the *Community Charter* and the Regional District's Development Procedures Bylaw No. 2500, 2011.

Referrals:

Approval from the Ministry of Transportation and Transport (MoTT) is required prior to adoption as the proposed amendments involve lands within 800 metres of a controlled access highway (i.e. Highway 97 & 3).

Pursuant to Section 476 of the *Local Government Act*, the Regional District must consult with the relevant School District when proposing to amend an OCP for an area that includes the whole or any part of that School District. In this instance, School District No. 53 and 67 have been made aware of the proposed amendment bylaw.

Pursuant to Section 477 of the *Local Government Act*, after first reading the Regional Board must consider the proposed OCP amendment in conjunction with Regional District's current financial and waste management plans. The proposed OCP amendment has been reviewed by the Solid Waste Department and Finance Department, and it has been determined that the proposed bylaw is consistent with RDOS's current waste management plan and financial plan.

Pursuant to Section 475 of the *Local Government Act*, the Regional District must consult with the Agricultural Land Commission (ALC) when proposing to amend an OCP which might affect agricultural land. Both the ALC and the Ministry of Agriculture have been made aware of the proposed amendment bylaws.

Public Process:

On June 11, 2025, a Public Information Meeting (PIM) was held online via Webex and was attended by approximately 39 members of the public.

Administration recommends that the written notification of affected property owners, the public meeting as well as formal referral to the agencies listed at Attachment No. 1, should be considered appropriate consultation for the purpose of Section 475 of the *Local Government Act*. As such, the consultation process undertaken is seen to be sufficiently early and does not need to be further ongoing.

All comments received to date in relation to the amendment bylaws are included as a separate item on the Board Agenda.

Alternatives:

1. THAT Official Community Plan Amendment Bylaw No. 3099, 2025, Okanagan Valley Zoning Amendment Bylaw No. 2800.50, 2025, CAO Delegation Amendment Bylaw No. 3033.02, 2025, and Development Procedures Amendment Bylaw No. 2500.36, 2025, be amended by:

i) *TBD*

Will a PowerPoint presentation be presented at the meeting? No

Respectfully submitted:

"Ben Kent"

B. Kent
Planner II

Endorsed By:

C. Garrish
Senior Manager of Planning

Endorsed By:

A. Fillion
Managing Director, Dev. & Infrastructure

Attachments: No. 1 – Short-Term Rental Accommodation Workshop Summary (2025-04-03)
 No. 2 – Agency Referral List

Electoral Area “A”

- Allow up to two (2) STRs per parcel;
- Allow one (1) business licence to authorize up to two (2) STR businesses per parcel.

Electoral Area “C”

- Allow up to two (2) STRs per parcel;
- Allow one (1) business licence to authorize up to two (2) STR businesses per parcel.

Electoral Area “D”

- Allow up to two (2) STRs per parcel;
- Allow one (1) business licence to authorize up to two (2) STR businesses per parcel;
- Allow 2nd dwelling unit to be used exclusively as an STR (e.g. up to 12-months a year).

Electoral Area “E”

- Allow one (1) STR per parcel;
- Introduce draft OCP policy regarding “Principal Residence Requirement” (e.g. similar language to “D”, “F” & “I” OCP amendments);
- Introduce a business licence requirement for all other types of tourist accommodation uses (e.g. hotel, motel, agri-tourism, etc.);
- Explore prohibition against the creation of “de facto” dwelling units within a principal dwelling unit (e.g. closing internal doors to create a separate wing in a house for STR patrons).

Electoral Area “F”

- Allow one (1) STR per parcel.

Electoral Area “I”

- Allow up to two (2) STRs per parcel;
- Allow one (1) business licence to authorize up to two (2) STR businesses per parcel;
- Explore inclusion of contact information for property managers as a business licence condition (e.g. to be provided to neighbours within a specified radius);
- Preclude the use of an RV on a property by friends or family of the owner if a business licence for an STR has been issued.

Attachment No. 2 – Agency Referral List

Referrals have been sent to the following agencies as highlighted with a ☒, regarding Amendment Bylaw No. 3099 and Amendment Bylaw No. 2800.50.

MEMBER MUNICIPALITIES			
<input type="checkbox"/>	City of Penticton	<input type="checkbox"/>	Town of Oliver
<input type="checkbox"/>	District of Summerland	<input checked="" type="checkbox"/>	Town of Osoyoos
<input type="checkbox"/>	Town of Princeton	<input type="checkbox"/>	Village of Keremeos
FIRST NATIONS			
<input checked="" type="checkbox"/>	Okanagan Nation Alliance (ONA)	<input type="checkbox"/>	Lower Similkameen Indian Band (LSIB)
<input checked="" type="checkbox"/>	Osoyoos Indian Band (OIB)	<input type="checkbox"/>	Upper Similkameen Indian Band (USIB)
<input checked="" type="checkbox"/>	Penticton Indian Band (PIB)		
SCHOOL DISTRICTS			
<input checked="" type="checkbox"/>	School District No. 53 (Areas A, C & D)	<input checked="" type="checkbox"/>	School District No. 67 (Areas D, E, F, I)
<input type="checkbox"/>	School District No. 58 (Area H)		
REGIONAL DISTRICTS			
<input type="checkbox"/>	Central Okanagan Regional District	<input type="checkbox"/>	Kootenay Boundary Regional District
<input type="checkbox"/>	Fraser Valley Regional District	<input type="checkbox"/>	Thompson Nicola Regional District
IRRIGATION & IMPROVEMENT DISTRICTS			
<input type="checkbox"/>	Allison Lake Improvement District	<input type="checkbox"/>	Lakeshore Water Works
<input type="checkbox"/>	Apex Mountain Resort (utilities)	<input type="checkbox"/>	Lower Nipit Improvement District
<input type="checkbox"/>	Boundary Line Irrigation District	<input type="checkbox"/>	Meadow Valley Irrigation District
<input type="checkbox"/>	Cawston Irrigation District	<input type="checkbox"/>	Osoyoos Irrigation District
<input type="checkbox"/>	Farleigh Lake Water Users Community	<input type="checkbox"/>	Red Wing Resorts (Water System)
<input type="checkbox"/>	Fairview Heights Irrigation District	<input type="checkbox"/>	Rolling Hills Waterworks District
<input type="checkbox"/>	Hedley Improvement District	<input type="checkbox"/>	Similkameen Improvement District
<input checked="" type="checkbox"/>	Kaleden Irrigation District	<input type="checkbox"/>	Skaha Estates Improvement District
<input type="checkbox"/>	Keremeos Irrigation District	<input type="checkbox"/>	Vaseux Lake Improvement District
FIRE DEPARTMENTS			
<input checked="" type="checkbox"/>	Anarchist Mountain Volunteer Fire Department	<input type="checkbox"/>	Oliver Fire Department
<input type="checkbox"/>	Apex Volunteer Fire Department	<input type="checkbox"/>	Osoyoos Fire Department
<input checked="" type="checkbox"/>	Kaleden Volunteer Fire Department	<input type="checkbox"/>	Penticton Fire Department
<input checked="" type="checkbox"/>	Naramata Volunteer Fire Department	<input type="checkbox"/>	Summerland Fire Department
<input checked="" type="checkbox"/>	OK Falls Volunteer Fire Department	<input checked="" type="checkbox"/>	Willowbrook Volunteer Fire Department
PROVINCIAL MINISTRIES & AGENCIES			
<input checked="" type="checkbox"/>	Agricultural Land Commission (ALC)	<input checked="" type="checkbox"/>	Ministry of Agriculture & Food
<input type="checkbox"/>	Archaeology Branch	<input type="checkbox"/>	Ministry of Energy & Climate Solutions
<input type="checkbox"/>	BC Parks	<input type="checkbox"/>	Ministry of Housing & Municipal Affairs
<input type="checkbox"/>	Integrated Land Management Bureau	<input type="checkbox"/>	Ministry of Infrastructure
<input type="checkbox"/>	Interior Health Authority (IHA)	<input type="checkbox"/>	Ministry of Mining & Critical Minerals
<input type="checkbox"/>	Mountain Resort Branch	<input checked="" type="checkbox"/>	Ministry of Transportation and Transit
		<input type="checkbox"/>	Ministry of Water, Land, and Resource Stewardship
FEDERAL MINISTRIES & AGENCIES			
<input type="checkbox"/>	Canadian Wildlife Services	<input type="checkbox"/>	Fisheries and Oceans Canada
<input type="checkbox"/>	Dominion Radio Astrophysical Observatory (DRAO)	<input type="checkbox"/>	Parks Canada
<input type="checkbox"/>	Environment Canada		
OTHER			
<input type="checkbox"/>	Fortis		