

# **Vacation Rental Review**

## Planning & Development Committee

### Thursday December 19, 2024



# Vacation Rental Review

## PRESENTATION OVERVIEW

# Vacation Rental Review

## **P&D Committee Agenda**

1. Business Licence Regulation Bylaw No. 3100
2. Business Licence Fees
3. Enforcement (Ticketing) Fines
4. Permitted Use (Electoral Areas “D”, “F” & “I”)
5. STR Permit (Electoral Areas “A” & “C”)
6. Engagement Plan (Electoral Areas “E” & “H”)

# **Business Licence Regulation Bylaw (Vacation Rental Review)**

# Vacation Rental Review

## BACKGROUND

# Vacation Rental Review

## ***Short-Term Rental Accommodations Act***

### Key Elements:

- Non-conforming use rights for STRs under the *Local Government Act* are removed.
- Regional District's are granted authority to issue business licences.
- The maximum fine that can be applied under an MTI Bylaw is increased from \$1,000 to \$3,000.



# Vacation Rental Review

## Business Licences

- The *Local Government Act* now provides regional district's with the same authority as municipalities under the *Community Charter* to issue business licences.
- In order to now regulate a business, a regional district must first adopt a bylaw for this purpose.





# Vacation Rental Review

## Business Licences

- In adopting a Business Licence bylaw, a local government must not use the bylaw to “to do anything that a [board] is specifically authorized to do under Part 14 [Planning and Land Use Management] ... of the *Local Government Act*. ”

(e.g. impose off-street parking, signage, landscaping, screening, etc.)





# Vacation Rental Review

## Business Licences

Other considerations when preparing a business licence bylaw:

- applications must not be “unreasonably refused”;
- written reasons must be provided when refusing an application;
- notice must be provided before refusing an application;
- authority to decide on a licence can be delegated to staff;
- staff decisions can be reconsidered by the Board at an applicant’s request.

# Vacation Rental Review

## Business Licences

- intention to adopt a bylaw must be notified:
  - form, manner and frequency of notice can be whatever the Board considers “reasonable”.
- persons who consider that they will be affected by such a bylaw must be provided an opportunity to make representations to the Board.





# Vacation Rental Review

## DRAFT BYLAW

# Vacation Rental Review

## Business Licence Bylaw

- Business Licensing Establishment Bylaw No. 3078, 2024, adopted by the Board on October 3, 2024.
- Applies to Electoral Areas “A”, “B”, “D”, “E”, “F”, “G” & “I”.
- Allows for the implementation of a Business Licence Regulation Bylaw.





# Vacation Rental Review

## Business Licence Bylaw No. 3100

Key aspects of the draft bylaw:

- applies only to STR uses (including B&Bs);
- drafted to be expanded to other uses in future;
- “Licence Inspector” is CAO or delegate;
- establishes application requirements;
- lapse of application occurs after 2 weeks;
- refusal, suspension & cancellation of licences;
- transfer and renewal of a licence; and
- reconsideration of a delegated decision.

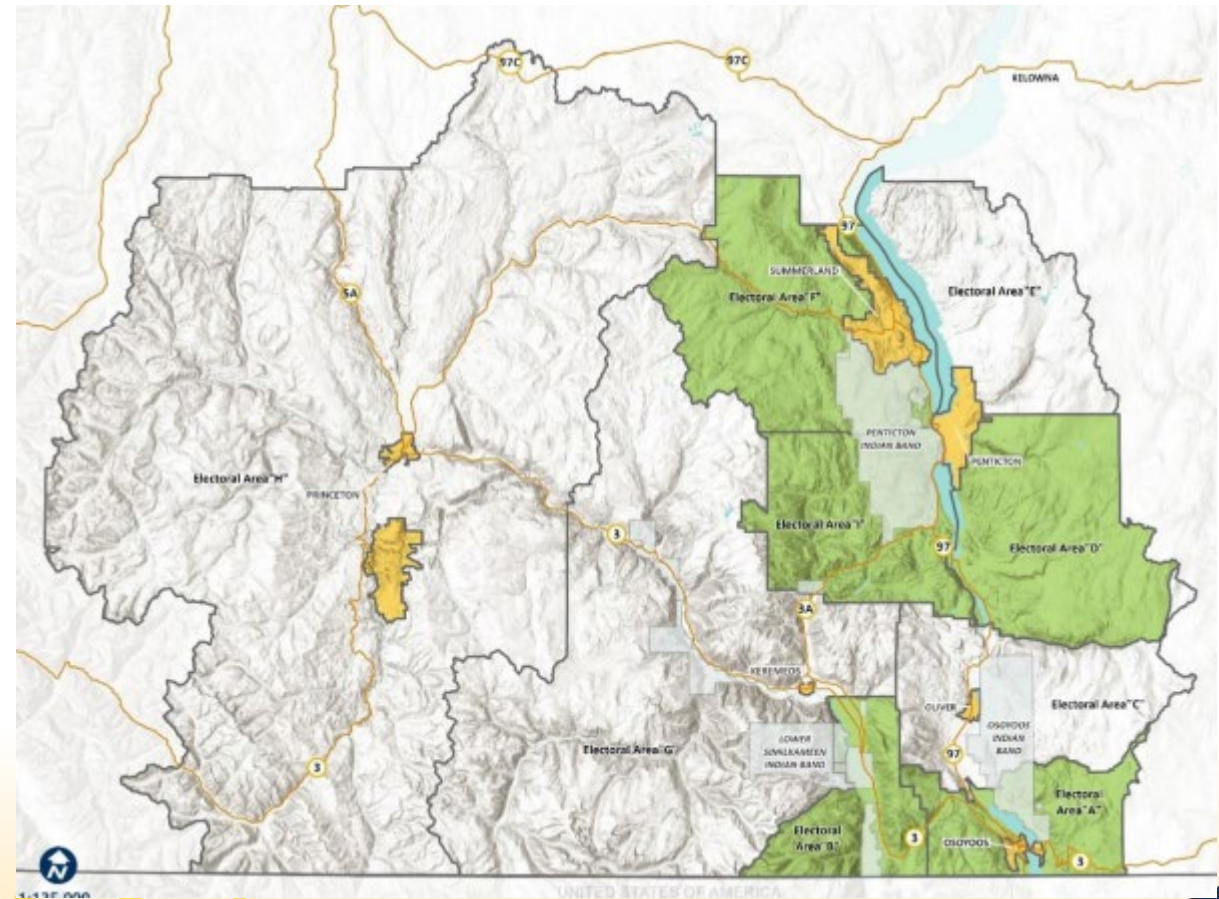


# Vacation Rental Review

## Business Licence Bylaw No. 3100

Key aspects of the draft bylaw:

- applies only to Electoral Areas “A”, “B”, “D”, “F” & “I”.
- this is based on Service Establishment Bylaw and previous direction provided by EA Directors.





# Vacation Rental Review

## Business Licence Bylaw No. 3100

Key aspects of the draft bylaw:

- Zoning Bylaw compliance:
  - Principal Residence Requirement\*
  - Floor Plan (bedrooms)
  - Parking Plan (1/bedroom)
  - Health & Safety Inspection
  - Fire Evacuation Plan

\* Electoral Areas "D", "F" & "I"



# Vacation Rental Review

## Business Licence Bylaw No. 3100

Key aspects of the draft bylaw:

- What is not being carried forward:
  - septic capability
  - fencing and screening
  - “community benefits”





# Vacation Rental Review

## Business Licence Bylaw No. 3100

Key aspects of the draft bylaw:

- reflects changes proposed to the Electoral Area Zoning Bylaws in which B&Bs and Vacation Rentals will be combined into a new “short-term rental accommodation” use class.
- Operators of B&Bs will be required to obtain Business Licences.
- Number of “true” B&Bs is unknown.



# Vacation Rental Review

## CAO Delegation Amendment Bylaw

For clarity, it is being proposed that the CAO Delegation Bylaw No. 3033, 2023, be amended to provide the CAO with the following authorities:

- to grant, refuse, suspend or cancel a business licence under Section 60 of the *Community Charter*.





# Vacation Rental Review

## Next Steps

- Undertaking notification of proposed Business Licence Regulation Bylaw:
  - letters to all current TUP holders
  - Newspaper advertisements
  - VoyentAlert! notification
  - Posting of materials on RDOS website
- Review of received feedback by the Board (at Committee *or* at 1<sup>st</sup> reading).



# QUESTIONS?





# **Business Licence Fees (Vacation Rental Review)**

# Vacation Rental Review

## Business Licence Fees

- Section 397(1)(a) of the *Local Government Act* states that a Board may, by bylaw, impose a fee or charge payable in respect of all or part of a service of the Regional District.
- Business licensing falls within the meaning of a “service” under the legislation.



# Vacation Rental Review

## Business Licence Fees

- Business Licence fees are established under Part 11 of the Act (Regional District Financial Management).
- Land use application fees are established under Part 14 of the Act (Planning and Land Use Management):
  - “must not exceed the estimated average costs of processing [etc.] ...”



# Vacation Rental Review

## Business Licence Fees

- Current Fee Structure for a Vacation Rental Temporary Use Permit (TUP) – full cost recovery – is as follows:

➤ initial Permit (1-year): \$2,500.00

➤ 3-year renewal: \$1,250.00

TOTAL \$3,750.00

Average Annual Cost \$937.50

Subsequent 3-year renewals \$417.00 (average/annual)



# Vacation Rental Review

## Business Licence Fees

- A review of SILGA Member STR Business Licence Fees for STRs was also undertaken:
  - Penticton: \$775-\$260
  - Kelowna: \$750-\$345
  - Summerland: \$500
  - West Kelowna: \$500
  - CORD: \$360
  - Oliver: \$200
  - Osoyoos: \$750\* (proposed)





# Vacation Rental Review

## Business Licence Fees

- Recommended Business Licence fee of \$500 is based on:
  - current TUP fees (which are based on full cost recovery);
  - the fees being applied by other local governments in the region; and
  - *anticipated* processing costs for licence application review and issuance by Regional District staff.
- Fee can be reviewed and adjusted in future (e.g. 2026 or 2027) to reflect actual costs of program.

# Vacation Rental Review

## Business Licence Fees

- Fee would apply to STRs (e.g. “vacation rentals” and B&Bs) under the Fees and Charges Bylaw.
- Alternative fee options are available and could include one of the following:
  - \$1,000.00
  - \$750.00
  - \$350.00
  - [*other*]

# QUESTIONS?



# **Municipal Ticketing Information Fines (Vacation Rental Review)**

# Vacation Rental Review

## Municipal Ticketing Information Fines

- Under Section 265 (Penalties in relation to ticket offences) of the *Community Charter*, a local government may establish penalties in relation to an offence of one of its bylaws as follows:
  - a fine not greater than the amount prescribed by regulation, including for “continuing offences”.





# Vacation Rental Review

## Municipal Ticketing Information Fines

- Under Section 2 (Maximum fine amount) of the *Bylaw Enforcement Ticket Regulation*, the maximum amount of a fine is \$3,000.
- This was increased in 2023 from the previous limit of \$1,000.
- Maximum fine under the *Local Government Bylaw Notice Enforcement Act* remains at \$500.



# Vacation Rental Review

## Municipal Ticketing Information Fines

- Increased MTI fines are to assist local governments in enforcing their bylaws with the goal of returning housing to long-term residential occupancy.
- At present, the Regional District's MTI Bylaw only applies to OCPs (e.g. development permits) and the Electoral Area "F" Soil Removal and Deposit Bylaw.



# Vacation Rental Review

## Options

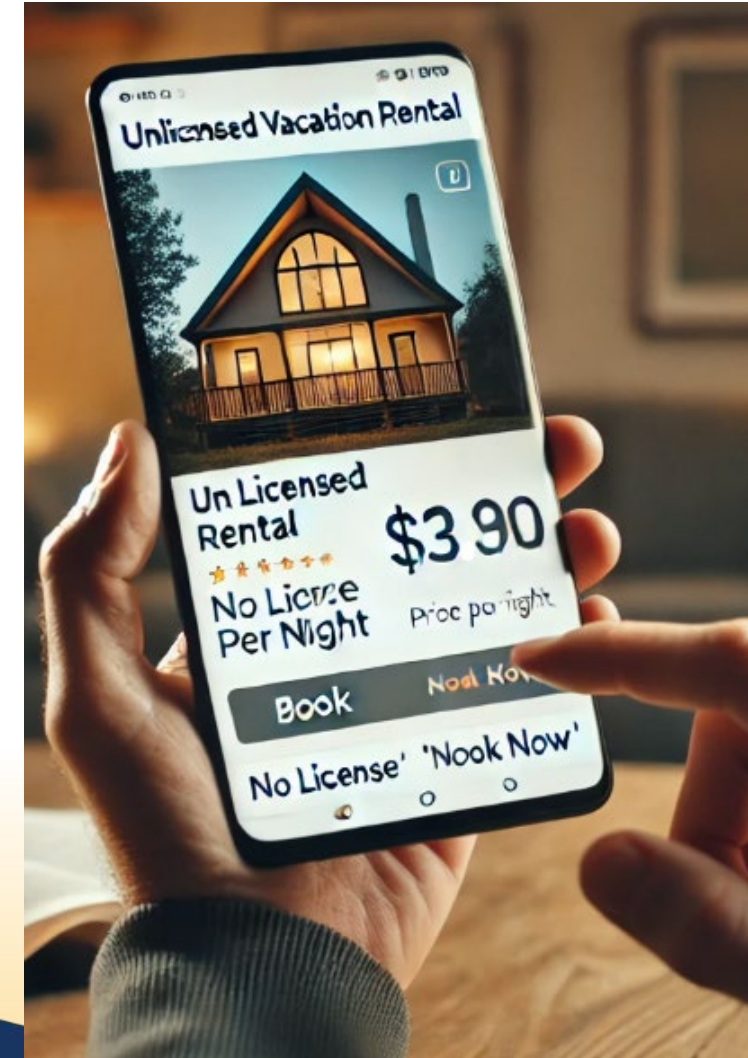
1. initiate an amendment to the MTI Bylaw in order to introduce offences related to short-term rental accommodation (STR) uses with a maximum fine of \$3,000; or
2. initiate an amendment to the MTI Bylaw in order to introduce offences related to STR uses with a maximum fine of \$1,000 (or some other amount to be specified by the Board); or
3. status quo (e.g. the MTI Bylaw is not amended).



# Vacation Rental Review

## Application – Business Licence Bylaw

1. Advertisement by any means of a “short-term rental accommodation” use without a valid business license;
2. Advertisement of a “short-term rental accommodation” unit with more bedrooms than identified (with a valid business license); or
3. Failure to display a valid Business License.



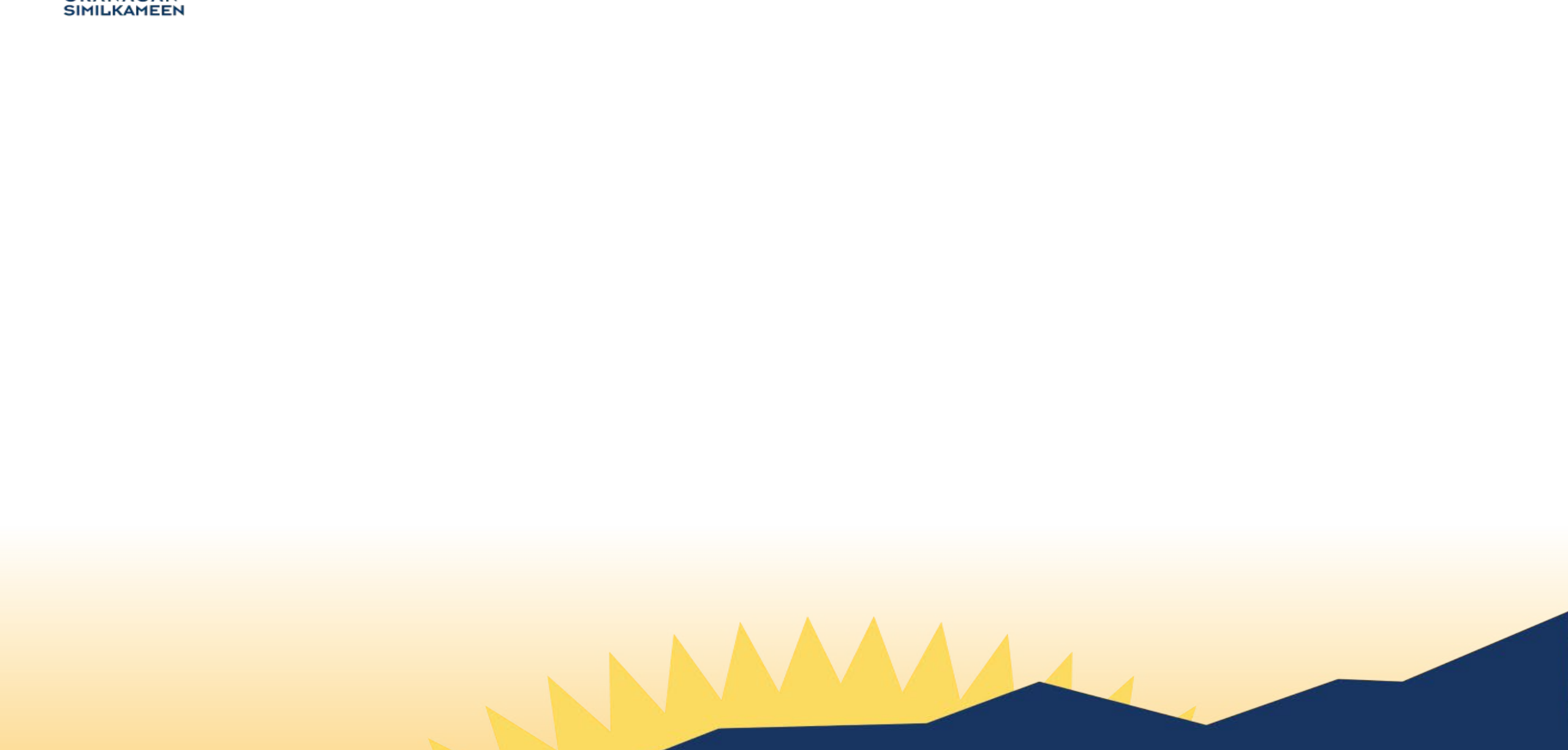


# Vacation Rental Review

## Application – Zoning Bylaw

1. Uses in contravention of terms or conditions of a Temporary Use Permit:
  - STR Use: \$3,000
  - all other uses: \$1,000
2. Short-Term Rental Accommodation (STR) use contrary to regulations (e.g. bedrooms, parking stalls, signage, etc.).

# QUESTIONS?



# **STRs as a Permitted Use**

## **Electoral Areas “D”, “F” & “I”**

### **(Vacation Rental Review)**



# Vacation Rental Review

## BACKGROUND

# Vacation Rental Review

**April 4, 2024**

Deferred pending business licensing workshop

**June 6, 2024**

Business licensing workshop completed

**July 25, 2024**

P&D Committee – revised project scope

**August-September 2024**

Meetings with Rural Directors to confirm preferred approach in each Electoral Area

# Vacation Rental Review

Should “short-term rental accommodations” (STRs) be permitted within each Electoral Area and if so, how should they be regulated?

- **Option 1**: Status Quo (STRs prohibited)
- **Option 2**: Permit STRs in Zoning Bylaws
- **Option 3**: Creation of an “STR Permit”

# Vacation Rental Review

## Business Licensing Workshop:

Area	Land Use	Business Licence	Licensing Authority	Licence Fee
"A"	"STR Permit"	Require	Delegated (CAO)	Averaged
"B"	"STR Permit"	Require	Delegated (CAO)	Averaged
"C"	"STR Permit"	Do not require	Delegated (CAO)	Averaged
"D"	Zoning	Require	Delegated (CAO)	Averaged
"E"	"STR Permit"	Require	Delegated (CAO)	Averaged
"F"	[TBD]	[TBD]	[TBD]	[TBD]
"G"	"STR Permit"	Do not require	Delegated (CAO)	Averaged
"H"	"STR Permit"	Do not require	Delegated (CAO)	Averaged
"I"	[TBD]	Require	[TBD]	Averaged



# Vacation Rental Review

## **July 25<sup>th</sup> P&D Committee Resolution:**

*THAT the bylaw amendments be initiated in support of a Vacation Rental Review corresponding to Option No. 2 for specific (permit short term rental accommodation uses in zoning);*

*THAT community engagement be in the form described in the "Vacation Rental Review – Land Use Regulation Options" Administrative Report dated July 25, 2024; and*

*To update the zoning in the OCP to align with provincial policies in Electoral areas "D", "F", and "I".*

# Vacation Rental Review

**“D”, “F” & “I” PROJECT SCOPE  
(X2024.017-ZONE)**

# Vacation Rental Review

Should “short-term rental accommodations” (STRs) be permitted within each Electoral Area and if so, how should they be regulated?

- **Option 1**: Status Quo (STRs prohibited)
- **Option 2**: Permit STRs in Zoning Bylaws
- **Option 3**: Creation of an “STR Permit”

# Vacation Rental Review

## Proposed Amendments:

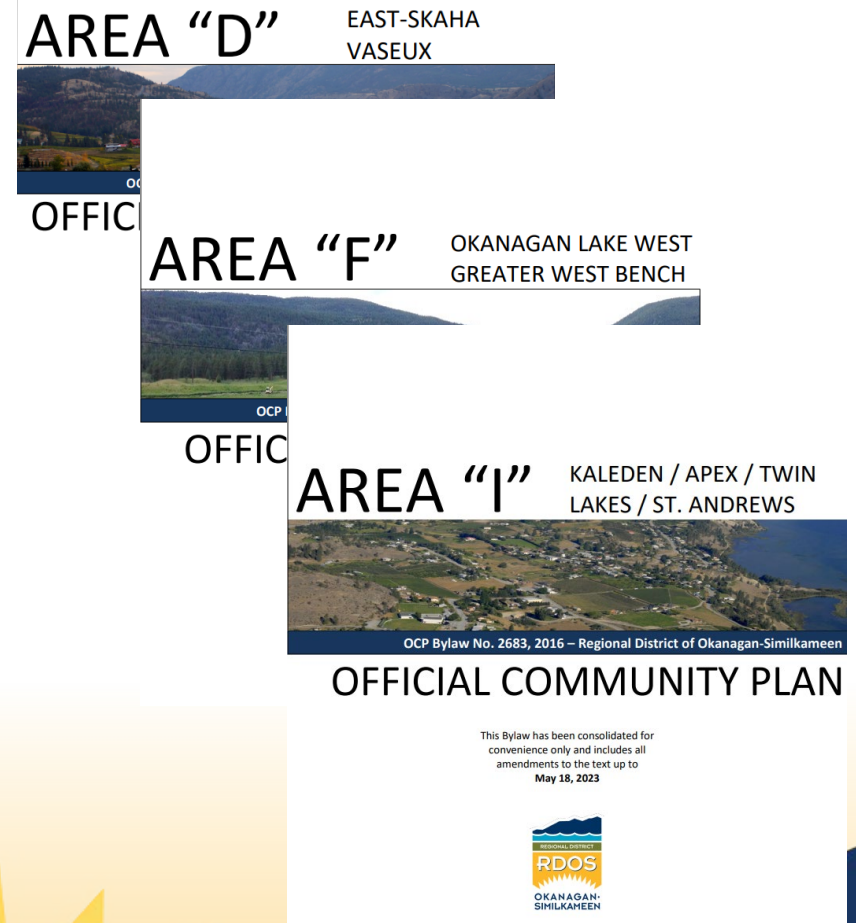
- Official Community Plan Amendment Bylaw No. 3099
- Okanagan Valley Zoning Amendment Bylaw No. 2800.50
- Fees and Charges Amendment Bylaw No. 3050.05



# Vacation Rental Review

## Proposed OCP Amendments:

1. New policies supporting short-term rental accommodations in an operator's principal dwelling.
2. Delete existing vacation rental policies.
3. New policies clarifying that proposals that do not meet requirements for an STR are considered tourist accommodation and are discouraged.



# Vacation Rental Review

## Proposed Zoning Amendments:

1. Replace bed and breakfast and vacation rental definitions with new short-term rental accommodation definition.

- Also applies to Areas “A”, “C” & “E”
- On-site operator requirement for these areas will be moved to specific use regulation section.

## OKANAGAN VALLEY ZONING BYLAW



Okanagan Valley Zoning Bylaw No. 2800, 2022

*This Bylaw has been consolidated for  
Convenience only and includes all  
Amendments to the text up to:  
June 13, 2024*

# Vacation Rental Review

## Proposed Zoning Amendments:

2. Permit short-term rental accommodation in all zones that currently allow bed & breakfast (i.e. where a single detached dwelling is permitted).
  - In the ALR, resident of the dwelling required to be present on the property and residing in the principal dwelling unit during a patron's stay.

# Vacation Rental Review

## Proposed Consultation:

- In accordance with *Local Government Act* and RDOS Development Procedures Bylaw:
  - Agency and First Nation referrals, one (1) Public Information Meeting, VoyentAlert!, webpage updates, Public Hearing.
  - Notice to affected property owners.



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# Vacation Rental Review

## Financial Implications:

- Minor impact to Electoral Area Planning budget due to transition away from vacation rental TUPs and associated application fees:
  - Approximately 29% (\$30,000) of 2024 development application fees derived from vacation rental TUPs.
  - Of this, \$2,500 was from “D”, “F” & “I”.



# Vacation Rental Review

## **Administrative Recommendation:**

*THAT the following amendment bylaws be initiated:*

- *Official Community Plan Amendment Bylaw No. 3099;*
- *Okanagan Valley Zoning Amendment Bylaw No. 2800.50; and*
- *Fees and Charges Amendment Bylaw No. 3050.05.*



# **“STR Permit” Option**

## **Electoral Areas “A” & “C”**

### **(Vacation Rental Review)**

# Vacation Rental Review

Should “short-term rental accommodations” (STRs) be permitted within each Electoral Area and if so, how should they be regulated?

- **Option 1**: Status Quo (STRs prohibited)
- **Option 2**: Permit STRs in Zoning Bylaws
- **Option 3**: Creation of an “STR Permit”

# Vacation Rental Review

## **Proposed Amendments:**

- Official Community Plan Amendment Bylaw No. 3101
- CAO Delegation Amendment Bylaw No. 3033.02
- Development Procedures Amendment Bylaw No. 2500.36
- Fees and Charges Amendment Bylaw No. 3050.05



# Vacation Rental Review

## Proposed OCP Amendments:

1. New policies supporting short-term rental accommodations through issuance of STR Permits.

### AREA "A" OSOYOOS RURAL

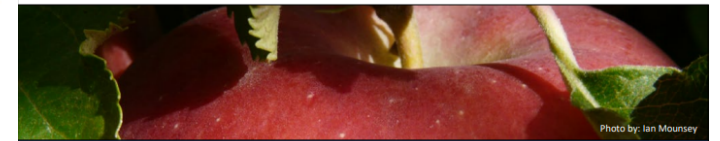


### OFFICIAL COMMUNITY PLAN

This Bylaw has been consolidated for  
Convenience only and includes all  
Amendments to the text up to:  
May 18, 2023



### AREA "C" OLIVER RURAL



### OFFICIAL COMMUNITY PLAN

This Bylaw has been consolidated for  
Convenience only and includes all  
Amendments to the text up to:  
May 18, 2023



# Vacation Rental Review

## Proposed OCP Amendments:

### 2. Update TUP policies to reflect STR Permit:

- Delete references to vacation rentals.
- Delete septic compliance, community benefit, screening and fencing.
- Retain parking, contact information, and health and safety inspection requirements.



# Vacation Rental Review

## Proposed Zoning Amendments:

- Replace bed and breakfast and vacation rental definitions with new short-term rental accommodation definition.
- Requirement for operator to reside in the same dwelling unit as guests retained as a specific use regulation in these areas.

## OKANAGAN VALLEY ZONING BYLAW



Okanagan Valley Zoning Bylaw No. 2800, 2022

*This Bylaw has been consolidated for  
Convenience only and includes all  
Amendments to the text up to:  
June 13, 2024*

# Vacation Rental Review

## **Proposed CAO Delegation Amendments:**

1. Authority to issue STR Permits delegated to staff, subject to criteria being satisfied.
2. Where a proposed STR use does not meet these criteria, consideration of the STR Permit would be by the Board.

# Vacation Rental Review

## **Proposed CAO Delegation Amendments:**

### Delegation Criteria:

1. Maximum of 1 STR per parcel;
2. STR is in a single detached, duplex, accessory dwelling or secondary suite;
3. Maximum of 8 guests, with 2 guests per bedroom;
4. 1 parking space provided per bedroom;
5. The dwelling meets health and safety requirements; and
6. No representations opposing the proposal are received.



# Vacation Rental Review

## **Proposed Development Procedures Amendments:**

1. STR Permit applications will be notified as required by the *Local Government Act* (i.e. letters to adjacent properties); and
2. Notice of Development signs will not be required for STR Permit applications.

# Vacation Rental Review

## Proposed Fees and Charges Amendments:

<b>STR Use</b>	<b>All Other Uses</b>
<p>Application Fee:</p> <ul style="list-style-type: none"> <li>➤ Delegated: \$500.00</li> <li>➤ Non-Delegated: \$2,500.00</li> </ul>	<p>Application Fee: \$1,250.00</p> <p>Renewal Fee: \$1,250.00</p>
<p>Renewal / Re-issuance Fee:</p> <ul style="list-style-type: none"> <li>➤ Delegated: \$500.00</li> <li>➤ Non-Delegated: \$1,250.00</li> </ul>	

# Vacation Rental Review

## Proposed Consultation:

- In accordance with *Local Government Act* and RDOS Development Procedures Bylaw:
  - Agency and First Nation referrals, one (1) Public Information Meeting, VoyentAlert!, webpage updates, Public Hearing.
  - Notice to affected property owners.



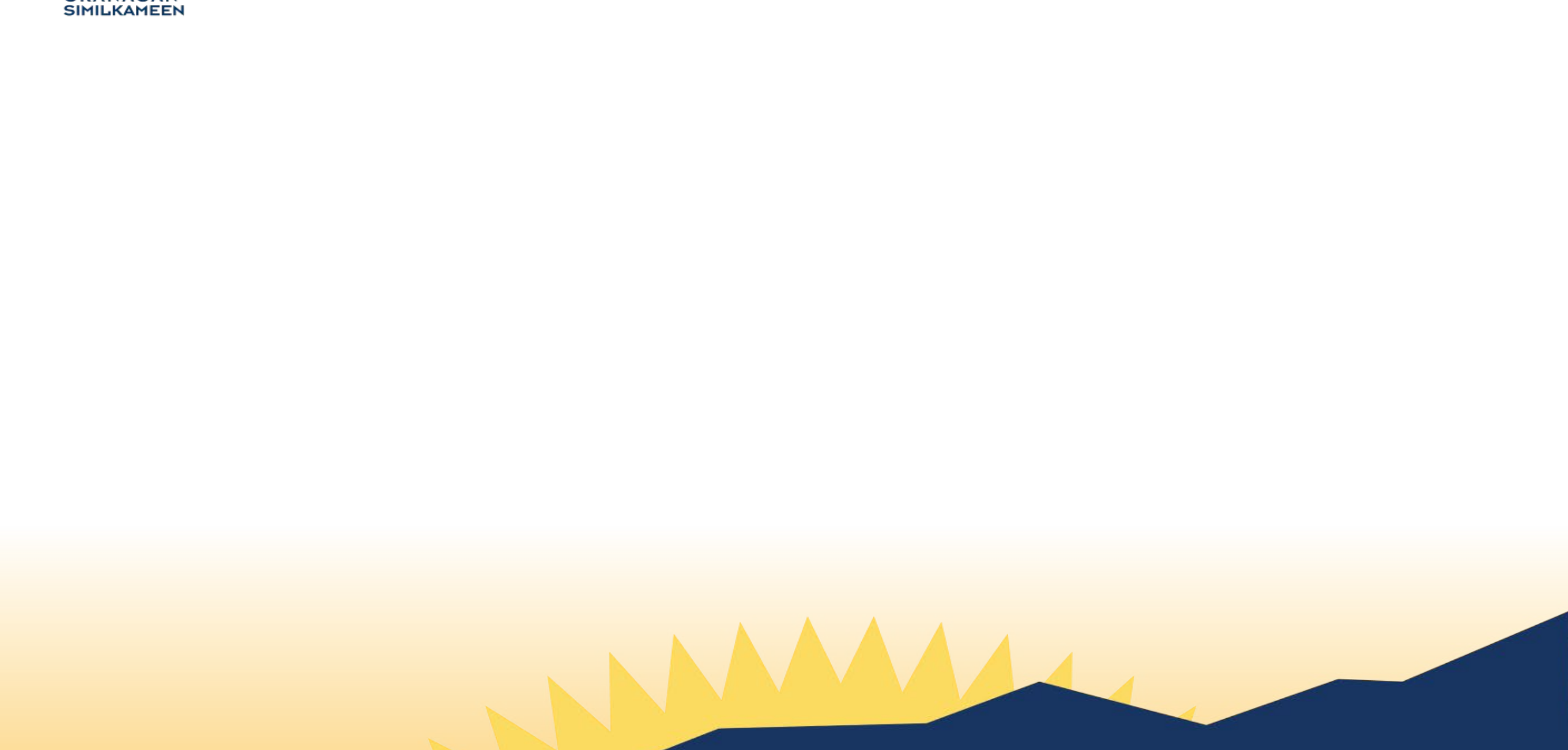
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# Vacation Rental Review

## **Administrative Recommendation:**

*THAT the following amendment bylaws be initiated:*

- *Official Community Plan Amendment Bylaw No. 3101;*
- *Chief Administrative Officer Delegation Amendment Bylaw No. 3033.02;*
- *Development Procedures Amendment Bylaw No. 2500.36; and*
- *Fees and Charges Amendment Bylaw No. 3050.05.*





# **STR Engagement Plan**

## **Electoral Areas “E” & “H”**

### **(Vacation Rental Review)**

# Vacation Rental Review

## Proposal:

- Undertake community consultation before identifying a preferred approach to land use regulation.
- Use an external consultant to undertake separate community engagement in each Electoral Area.

# Vacation Rental Review

## Proposed Consultation:

- Online surveys
- Information/ media releases
- Public information meetings (in-person and online)
- Written notice to operators
- Physical engagement materials
- VoyentAlert! notification



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# Vacation Rental Review

## Proposed Consultation:

- Preference for surveys and public meetings over advisory committees.
- However, the option of establishing one or more committees is available.



# Vacation Rental Review

## Next Step:

- If initiated, staff will return to committee with a draft RFP and Consultation Plan.





# Vacation Rental Review

## **Administrative Recommendation:**

*THAT a Vacation Rental Review “Engagement Plan” for Electoral Area “E” and Electoral Area “H” be brought forward for consideration at the January 23, 2025, meeting of the Planning and Development Committee.*

# QUESTIONS?