

ADMINISTRATIVE REPORT



TO: Planning & Development Committee

FROM: J. Zaffino, Chief Administrative Officer

DATE: December 19, 2024

RE: Vacation Rental Review – Electoral Areas “D”, “F” & “I” (X2024.017-ZONE)

Administrative Recommendation:

THAT the Regional District of Okanagan-Similkameen Official Community Plan Amendment Bylaw No. 3099, and Okanagan Valley Zoning Amendment Bylaw No. 2800.50 be initiated.

Purpose:

The purpose of this report is to outline proposed bylaw amendments to facilitate the regulation of short-term rental accommodations (e.g. “vacation rentals”) in Electoral Areas “D”, “F” and “I”.

Background:

At its meeting of July 25, 2024, the Planning and Development (P&D) Committee of the Board considered three (3) options pertaining to the regulation of short-term rental accommodations:

- 1) Status Quo (approve through the issuance of TUPs);
- 2) Permit “Short-Term Rental Accommodations” in zoning; or
- 3) Explore the implementation of a new “Short-Term Rental (STR) Permit”.

The Board subsequently resolved that “bylaw amendments be initiated in support of a Vacation Rental Review corresponding to Option No. 2” and “to update the zoning in the OCP to align with provincial policies in Electoral areas “D”, “F”, and “I”.

At this same meeting, Administration further committed to meet individually with Electoral Area Directors to confirm their preferred option (listed above) for regulating short-term rental accommodations in their electoral areas.

Analysis:

The implementation of new regulations to govern the operation of short-term rental accommodations in Electoral Areas “D”, “F” & “I” requires the amendment of a number of different bylaws and consultation opportunities, which will be discussed below:

Official Community Plan (OCP) Bylaws:

It is being proposed to replace the current policy statements regarding vacation rentals, which are generally found under the Residential land use section and moving these to the Growth Management section of the Plans.

This is in recognition of the wide range of land use designations in which residential uses and, by association, short-term rental accommodations may occur (e.g. residential, rural-residential, rural).

It is further proposed to delete objectives and policies related to “vacation rental” uses found in the Temporary Use Permit (TUP) section of the Plans, to reflect the replacement of the temporary use permit requirement with a business license requirement for short-term rental accommodations.

It is further proposed to clarify that proposals that do not meet with the regulations for a “short term residential accommodation” are considered to be “tourist accommodation” uses and are discouraged.

Zoning Bylaw:

In support of a business license requirement being introduced in these areas, it is proposed to consolidate existing definitions for “bed and breakfast” and “vacation rental” uses into a new “short-term rental accommodation” use class.

It is further proposed to permit “short-term rental accommodation” in all zones that previously allowed a “bed and breakfast” use (i.e. in all zones that permit a “single detached dwelling” use), and to limit the maximum number to one per property.

For properties within the ALR, it is proposed to require that the resident of the dwelling is present on the property and residing in the principal dwelling unit during a patron’s stay, to reflect restrictions under the *Agricultural Land Reserve Use Regulation*.

Business Licences:

In light of the decision to ‘opt-in’ to the provincial “Principal Residence Requirement” under the *Short Term Rental Accommodations Act*, the issuance of business licences for STR accommodation uses is proposed in Electoral Areas “D”, “F” and “I”.

NOTE: the issuance of business licences will be addressed in a separate report to the Committee.

Public Consultation:

Under section 475 of the *Local Government Act*, the Regional District must provide “early and ongoing” consultation opportunities to persons and organizations who may be affected by proposed amendments to an official community plan (OCP) bylaw.

In light of this, and recognizing that the proposed amendments to the Electoral Area “D”, “F” & “I” OCP Bylaws are fairly typical of a strategic land use project, Administration is proposing to undertake consultation in accordance with the requirements set out in the *Local Government Act* and the Regional District’s Development Procedures Bylaw No. 2500, 2011.

Namely, this would include referrals to affected agencies and First Nations, a Public Information Meeting, posting information to the Regional District’s project webpage, VoyentAlert! notification, and holding a Public Hearing.

Due to the limited scope of these amendments, and previous Board direction in relation to the Provincial “principal residence requirement”, Administration considers it appropriate to hold one (1) on-line public information meeting (PIM) and to not seek input from the applicable Electoral Area Advisory Planning Committees.

NOTE: the Regional District is also required to undertake a separate community consultation process as part of introducing a new business licence bylaw, which will be discussed in a separate report to the Committee.

Alternative:

Conversely, the alternative of not amending the land use and other related bylaws in relation to Electoral Areas “D”, “F” and “I” is available to the Board.

However, amendments to the Regional District’s land use bylaws and the introduction of a business license requirement are necessary to give effect to the decision to opt in to the Provincial principal residence requirement.

Accordingly, should the Board not wish to implement the version of the amendment bylaws presented in this report, it may wish to consider modifications to some, or all of the amendment bylaws.

Summary

In summary, Administration considers the proposed draft amendment bylaws to reflect the preferred direction of permitting short-term rental accommodations in zoning in Electoral Areas “D”, “F” & “I” and is recommending that the bylaws be initiated.

Financial Implications:

The financial implications associated with introducing a business licencing approach to the regulation of short-term rental accommodations in Electoral Areas “D”, “F” & “I” is addressed in a separate report to the Committee regarding proposed licencing fees.

However, the transition away from the use of temporary use permits (TUPs) to regulate “vacation rentals” in these same electoral areas will have a minor impact on the Electoral Area Planning budget (e.g. revenue from development application fees).

In 2024, approximately \$36,250 have been collected to date from TUP fees, which represents almost 35% of the total revenue from development application fees of \$104,600. Of these fees, 83% have been collected in relation to “vacation rental” permits (e.g. \$30,000), but only \$2,500 of this total has come from TUP fees for “vacation rental” uses in Electoral Areas “D”, “F” & “I”. (NOTE: the majority of 2024 TUP application fees for “vacation rentals” are related to permits issued in Electoral Area “E”).

Communication Strategy:

The proposed bylaw amendment(s) will be notified in accordance with the requirements of the *Local Government Act* as well as the Regional District’s Development Procedures Bylaw No. 2500, 2011.

Alternatives:

1. THAT the Regional District of Okanagan-Similkameen Official Community Plan Amendment Bylaw No. 3099, and Okanagan Valley Zoning Amendment Bylaw No. 2800.50 be amended as follows:
 - i) *TBD*

Respectfully submitted:

Ben Kent

Ben Kent, Planner II

Endorsed By:



C. Garrish, Senior Manager of Planning

Attachments:

- No. 1 – OCP Comparison
- No. 2 – Zoning Comparison
- No. 3 – Zoning Comparison

Attachment No. 1 – OCP Comparison

Current Vacation Rental Policies	Proposed STR Policies
<p>Policies - Vacation Rentals (Residential)</p> <p>The Regional Board:</p> <ul style="list-style-type: none"> .1 Supports the provision of paid accommodation for visitors through the short-term rental of residences provided that community and neighbourhood residential needs and other land use needs can be addressed. .2 Supports the use of a residence for short-term vacation rental where permitted by a Temporary Use Permit. The Regional Board may use the following criteria to assess applications: <ul style="list-style-type: none"> a) capability of providing domestic water and accommodating on-site sewage disposal; b) mitigating measures such as screening and fencing; c) provision of adequate off-street parking; d) confirmation that the structure proposed complies with the BC Building Code; and e) benefits that such accommodation may provide to the community. 	<p>Policies - Short-Term Rental Accommodations (Growth Management)</p> <p>The Regional Board:</p> <ul style="list-style-type: none"> .16 Supports the use of a residential dwelling unit for a short-term rental accommodation use, where: <ul style="list-style-type: none"> a) it is occurring within the principal residence of the property owner and/or tenant; b) the residential dwelling unit is in the form of a single detached dwelling, secondary suite or accessory dwelling; c) no more than one (1) short-term rental accommodation use is occurring per parcel; d) the maximum occupancy does not exceed eight (8) persons, with an aggregate occupancy of two (2) persons per bedroom within a dwelling unit; e) off-street vehicle parking is provided in accordance with the requirements of the applicable electoral area zoning bylaw; and f) confirmation that the proposed dwelling unit meets minimum health and safety requirements under the BC Building Code. .17 Considers the use of a residential dwelling unit or a building or structure accessory to the residential use of a parcel for the temporary commercial accommodation of paying guests that does not comply with the regulations for a “short-term rental accommodation” use, as established pursuant to the applicable electoral area zoning bylaw, to be a “tourist accommodation” use. .18 Discourages the use of a residential dwelling unit for a “tourist accommodation” purposes. .19 May consider the use of a residential dwelling unit for a “tourist accommodation” purpose through the issuance of a temporary use permit (TUP).

Attachment No. 2 – Zoning Comparison

Current Zoning Regulations (B&B)	Proposed Zoning Regulations (STR)
<p>Definitions</p> <p>“bed and breakfast operation” means an occupation conducted within a principal dwelling unit, by the residents of the dwelling unit, which provides sleeping accommodations to the traveling public and may include the provision of meals for those persons using the sleeping accommodations</p> <p>Specific Use Regulations – Bed and Breakfast</p> <p>A bed and breakfast operation is permitted where listed as a permitted use, provided that:</p> <ol style="list-style-type: none"> .1 it is located within one principal dwelling unit on the parcel; .2 no more than eight (8) patrons shall be accommodated within the dwelling unit; .3 no more than four (4) bedrooms shall be used for the bed and breakfast operation; .4 no cooking facilities shall be provided for within the bedrooms intended for the bed and breakfast operation; .5 no patron shall stay at the bed and breakfast operation for more than thirty (30) consecutive days with 30 days in between any subsequent stay; .6 no retail sales other than the sale of goods produced on the parcel are permitted; .7 no commercial vehicle, exceeding 1 tonne in weight, associated with or used in the conduct of the bed and breakfast operation shall be parked or otherwise located outside an unenclosed building; and .8 only persons residing in the principal dwelling unit may carry on the bed and breakfast operation on the parcel occupied by the principal dwelling unit, and must be present on the property and residing in the principal dwelling unit during a patron’s stay. 	<p>Definitions</p> <p>“short-term rental accommodation” means the use of a <i>residential dwelling unit</i> for the temporary commercial accommodation of paying guests for a period of less than one month, and may include the provision of meals for those persons using the sleeping accommodations by a principal resident who is present in the <i>dwelling unit</i> during a patron’s stay;</p> <p>Specific Use Regulations – Short-Term Rental Accommodations</p> <p>The following regulations apply to <i>short-term rental accommodation</i> uses where permitted as a use in this Bylaw:</p> <ol style="list-style-type: none"> .1 except in the case of an <i>apartment building</i> or <i>townhouse</i> in the RM2 Zone, no more than one (1) <i>dwelling unit</i> on a <i>parcel</i> may be used for <i>short-term rental accommodation</i> .2 a <i>short-term rental accommodation</i> use is to be located within a <i>dwelling unit</i>; .3 no more than eight (8) patrons shall be accommodated within the dwelling unit; .4 no more than four (4) bedrooms shall be used for the bed and breakfast operation; .5 despite Section 7.11.4, for parcels situated within the Agricultural Land Reserve (ALR), a <i>short-term rental accommodation</i> use is only permitted to the extent that it does not exceed eight (8) patrons in four (4) bedrooms and the resident of the dwelling is present on the property and residing in the principal dwelling unit during a patron’s stay. .6 in Electoral Areas “A”, “C” and “E”, persons operating a <i>short-term rental accommodation</i> must be present and residing in the same <i>dwelling unit</i> as a patron during the patron’s stay.

Attachment No. 3 – Zoning Comparison

Current Zoning Regulations (Vacation Rental)	Proposed Zoning Regulations (STR)
<p>Definitions</p> <p>“vacation rental” means the use of a residential dwelling unit for the temporary commercial accommodation of paying guests for a period of less than one month, but excludes a bed and breakfast operation;</p> <p>Specific Use Regulations – Vacation Rentals</p> <p>The following regulations apply to vacation rental uses where permitted as a use in this Bylaw:</p> <ol style="list-style-type: none"> .1 no more than one (1) vacation rental use is permitted per parcel; .2 a vacation rental use is to be located within a dwelling unit, and where a parcel contains an approved secondary suite or accessory dwelling unit, either one of these dwelling units may be used for the purpose of a vacation rental use; .3 the use of recreational vehicles or camping on a parcel or any use of an accessory building or structure for vacation rental occupancy is prohibited; .4 no more than ten (10) patrons, with an aggregate occupancy of two (2) patrons per bedroom shall be accommodated within a dwelling unit when such dwelling unit is being occupied as a vacation rental; .5 one (1) parking space shall be provided for each sleeping unit available within a vacation rental use; .6 no exterior signage advertising a vacation rental use is permitted on a parcel; .7 dwelling units used for the purposes of a vacation rental use shall comply with minimum standards for health and safety under relevant provincial legislation. 	<p>Definitions</p> <p>“short-term rental accommodation” means the use of a <i>residential dwelling unit</i> for the temporary commercial accommodation of paying guests for a period of less than one month, and may include the provision of meals for those persons using the sleeping accommodations by a principal resident who is present in the <i>dwelling unit</i> during a patron’s stay;</p> <p>Specific Use Regulations – Short-Term Rental Accommodations</p> <p>The following regulations apply to <i>short-term rental accommodation</i> uses where permitted as a use in this Bylaw:</p> <ol style="list-style-type: none"> .1 except in the case of an <i>apartment building</i> or <i>townhouse</i> in the RM2 Zone, no more than one (1) <i>dwelling unit</i> on a <i>parcel</i> may be used for <i>short-term rental accommodation</i> .2 a <i>short-term rental accommodation</i> use is to be located within a <i>dwelling unit</i>; .3 no more than eight (8) patrons shall be accommodated within the dwelling unit; .4 no more than four (4) bedrooms shall be used for the bed and breakfast operation; .5 despite Section 7.11.4, for parcels situated within the Agricultural Land Reserve (ALR), a <i>short-term rental accommodation</i> use is only permitted to the extent that it does not exceed eight (8) patrons in four (4) bedrooms and the resident of the dwelling is present on the property and residing in the principal dwelling unit during a patron’s stay. .6 in Electoral Areas “A”, “C” and “E”, persons operating a <i>short-term rental accommodation</i> must be present and residing in the same <i>dwelling unit</i> as a patron during the patron’s stay.