

ADMINISTRATIVE REPORT



TO: Board of Directors

FROM: J. Zaffino, Chief Administrative Officer

DATE: March 20, 2025

RE: Short Term Rentals – Electoral Areas “D”, “F” & “I” (X2024.017-ZONE)

Administrative Recommendation:

THAT the Official Community Plan Amendment Bylaw No. 3099, 2025, and the Okanagan Valley Zoning Amendment Bylaw No. 2800.50, 2025, be read a first and second time and proceed to public hearing;

AND THAT the Board of Directors considers the process, as outlined in this report from the Chief Administrative Officer dated March 20, 2025, to be appropriate consultation 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 the Regional District Board meeting of April 3, 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 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-terms 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 its meeting of December 19, 2024, the Planning and Development (P&D) Committee of the Board considered draft amendment bylaws corresponding to Option No. 2 for Areas “D”, “F” and “I” and resolved that “Official Community Plan Amendment Bylaw No. 3099, and Okanagan Valley Zoning Amendment Bylaw No. 2800.50 be initiated”.

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 February 18, 2024, a Public Information Meeting (PIM) was held at the online via Webex and was attended by approximately 21 members of the public.

Administration recommends that the written notification of affected property owners (i.e. current TUP holders), 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 this application are included as a separate item on the Board Agenda.

Analysis:

The implementation of new regulations (i.e. the “principal residence requirement”) to govern the operation of short-term rental accommodations in Electoral Areas “D”, “F” & “I” requires amendments to the Electoral Area Official Community Plan Bylaws, as well as the Okanagan Valley Zoning Bylaw. The proposed changes to these bylaws are 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 discontinuation of the temporary use permit requirement for short term rentals (and in the case of Areas “D” and “I” replacement with a business license requirement).

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

Zoning Bylaw:

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.

It is proposed to allow a maximum of one short-term rental accommodation per property, with a maximum occupancy of eight patrons and the provision of one parking space per bedroom.

As an exception to this, in an apartment or townhouse in the Medium Density Residential Apex (RM2) Zone, one short-term rental accommodation is permitted in each dwelling unit.

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*.

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 read a first and second time, and proceed to public hearing.

Financial Implications:

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

In 2024, approximately \$2,500 was collected from TUP application fees for “vacation rental” uses in Electoral Areas “D”, “F” & “I”. This comprised approximately 2.3% of total revenue collected from development application fees (\$107,450) in the Electoral Areas.

NOTE: The majority of 2024 TUP application fees for “vacation rentals” were related to permits issued in Electoral Area “E”.

Communication Strategy:

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

Letters have also been mailed to property owners who hold an active TUP authorizing a vacation rental use.

Alternatives:

1. THAT the Electoral Area Official Community Plan Amendment Bylaw No. 3099, 2025, and the Okanagan Valley Zoning Amendment Bylaw No. 2800.50, 2025, be denied.

Respectfully submitted:

Ben Kent

Ben Kent,
Planner II

Endorsed By:



C. Garrish
Senior Manager of Planning

Endorsed By:



A. Fillion
Managing Director, Dev. & Infrastructure

Attachments: No. 1 – Agency Referral List

Attachment No. 1 – Agency Referral List

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

MEMBER MUNICIPALITIES			
<input type="checkbox"/>	City of Penticton	<input type="checkbox"/>	Town of Oliver
<input type="checkbox"/>	District of Summerland	<input 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 checked="" 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 type="checkbox"/>	Anarchist Mountain Volunteer Fire Dept.	<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 checked="" type="checkbox"/>	Penticton Fire Department
<input 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		