

ADMINISTRATIVE REPORT



TO: Planning & Development Committee

FROM: J. Zaffino, Chief Administrative Officer

DATE: December 19, 2024

RE: Vacation Rental Review – Electoral Areas “A” & “C” (X2024.018-ZONE)

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.**
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Purpose:

The purpose of this report is to outline proposed bylaw amendments required to facilitate the regulation of short-term rental accommodations (e.g. “vacation rentals”) use in Electoral Areas “A” & “C”.

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 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:

It is Administration’s understanding that the preferred approach to the regulation of short-term rental accommodations in Electoral Areas “A” and “C” is through the implementation of a new “Short-Term Rental (STR) Permit” and, in the case of Electoral Area “A” that this be augmented by the issuance of a business licence for such uses.

In support of this approach, the following bylaws have been identified as requiring amendment in order to support the approach outlined above:

- Electoral Area “A” & “C” OCP Bylaws
- Fees and Charges Bylaw
- CAO Delegation Bylaw
- Development Procedures Bylaw

The proposed amendments to each of the bylaws will be discussed in the sub-sections 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 category 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 and agricultural).

It is further proposed to update the objectives and policies found in the Temporary Use Permit (TUP) section of the Plans to reflect the introduction of a “Short-Term Rental (STR) Permit” (see Attachment No. 2 for more details).

This includes streamlining the criteria against which the Regional District will assess a short-term rental accommodation use. Of note, references to “community benefit” and septic compliance are proposed to be deleted while requirements for adequate off-street parking, contact information and a health and safety inspection are being retained.

Zoning Bylaw:

In support of the “Short-Term Rental (STR) Permit” concept, it is proposed to introduce a new definition for “short term rental accommodation” use and delete existing definitions for “bed and breakfast” and “vacation rental” uses.

This is primarily to ensure that terminology is consistent with provincial legislation and between electoral areas, in order to improve the readability of Regional District bylaws.

In recognition that Areas “A” and “C” prefer to maintain the historic distinction between bed and breakfast and vacation rental uses, the proposed amendments require the operator of the STR to be present in the same dwelling as guests during operation.

As such, short-term rental accommodations without an operator on-site or with the operator residing in a separate dwelling (i.e. the current definition of “vacation rental” use) will continue to be prohibited in these areas and will only be permitted on a parcel if approved through the issuance of a STR Permit.

CAO Delegation Bylaw:

Recognizing that an objective of the “STR Permit” option is a streamlined permitting process for acceptable short-term rental accommodation uses (as established by the Board), it is proposed that staff be delegated authority to issue permits for uses that meet the following criteria:

- the maximum number of STR uses on a parcel is one (1);

- the STR use is to occur within a single detached dwelling, duplex dwelling, secondary suite or accessory dwelling unit;
- the maximum occupancy of the STR use does not exceed an aggregate occupancy of two (2) patrons per bedroom to a maximum of 8 patrons;
- one (1) vehicle parking space is provided for each bedroom available in the STR;
- the dwelling to be used for the STR meets minimum health and safety requirements; and
- no representation(s) opposing the requested permit are received by the Regional District.

Importantly, in situations where a proposed short-term rental accommodation use does not meet the criteria for delegated authority outlined above, consideration of the STR Permit would have to be by the Board at a regular meeting.

Development Procedures Bylaw:

In order to provide clarity, and ensure that STR Permits are processed in a more efficient manner than a standard TUP application, it is being proposed to introduce a new processing procedure for STR Permits, important elements of which will include:

- limiting notification of an application to electronic methods (e.g. VoyentAlert!); and
- not requiring the posting of a site notice on a property under application.

Fees and Charges Bylaw:

To reflect the reduced processing requirements for an STR Permit, it is being proposed that the following fee structure be applied to temporary use permits:

Short-Term Rental Accommodation (STR) Use		All Other Uses	
i)	Application Fee:	i)	Application Fee: \$1,250.00
a)	Delegated \$500.00	ii)	Renewal Fee: \$1,250.00
b)	Non-Delegated \$2,500.00		
ii)	Renewal / Re-issuance Fee:		
a)	Delegated \$500.00		
b)	Non-Delegated \$1,250.00		

The delegated fee is based on the reduced work load on Administration to process an STR, while the non-delegated fee would be applied to those applications that require Board approval and are based on the current TUP for “vacation rental” uses.

Business Licence Bylaw:

In light of the preference by Electoral Area “A” to require the issuance of business licences for STR accommodation uses, it is being proposed that Draft Business Licence Regulation Bylaw No. 3100 be structured to require a licence in this electoral area. This will be addressed in a separate Administrative Report to be considered by the Board at its meeting of December 19, 2024.

Of note:

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- the cost of applying for the required Regional District approvals in Electoral Area “A” to operate a short-term rental accommodation will be approximately \$1,000, being the sum of the proposed STR Permit fee (\$500) and business licence fee (\$500);
 - in Electoral Area “A”, a bed and breakfast operation use will also be required to pay an application fee of \$500 for a business licence, whereas the Regional District has not previously required a permit/licence for this use to operate.

Public Consultation

As the proposed bylaw amendments for these areas 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, Voyent Alert 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.

Alternative:

Conversely, the alternative of not amending the land use and other related bylaws in relation to Electoral Areas “A” & “C” is available to the Board and would result in the continuation of the current regulatory approach wherein short-term rental accommodation uses are required to obtain approval from the Board through the issuance of a standard TUP.

Alternately, the Board may wish to consider modifications to some, or all of the amendment bylaws presented with this report.

Summary:

In summary, Administration considers the proposed draft amendment bylaws to best capture the preferred direction of implementing an STR permit requirement in Electoral Areas “A” & “C” and is recommending that the bylaws be initiated.

Financial Implications:

This proposal involves a fee reduction for STR permits. However, these fees are based on the reduced work load for Administration to process an STR permit and no financial implications are anticipated.

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:

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1. Status quo; or
 2. That the Official Community Plan Amendment Bylaw No. 3101, Chief Administrative Officer Delegation Amendment Bylaw No. 3033.02, Development Procedures Amendment Bylaw No. 2500.36 and/or Fees and Charges Amendment Bylaw No. 3050.05 be amended as follows:

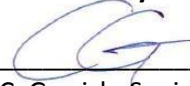
a. TBD

Respectfully submitted:

Ben Kent

Ben Kent, Planner II

Endorsed By:



C. Garrish, Senior Manager of Planning

Attachments: No. 1 – OCP Policies (Residential)

No 2 – Temporary Use Permit Objectives and Policies (OCP)

Attachment No. 1 – OCP Policies (Residential)

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"> .1 Supports the use of a residential dwelling unit for short-term rental where permitted by a “Short-Term Rental Accommodation” (STR) permit issued under Section 493 of the <i>Local Government Act</i>.

Attachment No. 2 – Temporary Use Permit Objectives and Policies (OCP)

Current Vacation Rental TUP Policies	Proposed STR TUP Policies
<p>TUP Objectives – Vacation Rentals</p> <p>To consider allowing on-going short-term vacation rental uses on properties designated Residential through the issuance of Temporary Use Permits.</p>	<p>TUP Objectives - Short-Term Rental Accommodation (STR) Permits</p> <p>To consider allowing on-going short-term rental accommodation uses through the issuance of a “Short-Term Rental Accommodation” (STR) permit issued under s. 493 of the <i>Local Government Act</i>.</p>
<p>TUP Policies – Vacation Rentals</p> <p>In issuing a Temporary Use Permit for a short-term vacation rental, the Regional District may specify conditions ... including, but not limited to:</p> <ul style="list-style-type: none"> a) the provision of screening or fencing to address potential impacts or to address neighbour privacy issues; b) the provision of the manager or owner’s contact information, as well as a copy of any issued Temporary Use Permit, to each neighbour whose property is located within 100 metres of the subject property; c) the availability or accessibility of the manager or owner; d) the posting of the following information: <ul style="list-style-type: none"> i) the location of property lines by way of a map; ii) any applicable Regional District noise bylaws; iii) measures to address water conservation; iv) fire safety regulations; v) storage and management of garbage; vi) septic system care; and vii) control of pets (if pets are permitted) in accordance with the applicable Regional District bylaw. e) a maximum accommodation of ten (10) persons, with an aggregate occupancy of two (2) persons per bedroom within a dwelling unit when such dwelling unit is being occupied as a vacation rental; f) the provision of one (1) parking space for each bedroom available for vacation rental use; 	<p>TUP Policies - Short-Term Rental Accommodation (STR) Permits</p> <p>The Regional Board’s policies are as follows:</p> <ul style="list-style-type: none"> .1 The following criteria may be used when assessing an STR Permit application to use a residential dwelling for short-term rental accommodation purposes: <ul style="list-style-type: none"> a) provision of adequate off-street parking; b) confirmation from a qualified person that the building used for vacation rental meets a minimum standard for health and safety; and c) normal occupancy of the dwelling unit as well as the proposed duration of use as a short-term rental accommodation. .2 In issuing a Short-Term Rental Accommodation (STR) Permit, the Regional District may specify conditions including, but not limited to: <ul style="list-style-type: none"> a) the buildings to be used; b) the area of use; c) the months of use; d) the provision of the manager or owner’s contact information, as well as a copy of any issued STR Permit, to each neighbour whose property is located within 100 metres of the subject property; e) the availability or accessibility of the manager or owner; f) the posting of the following information: <ul style="list-style-type: none"> i) the location of property lines by way of a map; ii) any applicable Regional District noise bylaws;

<ul style="list-style-type: none"> g) the prohibition of the use of recreational vehicles or camping on the property or any use of accessory buildings for vacation rental occupancy; h) confirmation from a qualified person that the building used for vacation rental meets a minimum standard for health and safety; and i) other requirements that the Regional District Board may consider appropriate. 	<ul style="list-style-type: none"> iii) measures to address water conservation; iv) fire safety regulations; v) storage and management of garbage; vi) septic system care; and vii) control of pets (if pets are permitted) in accordance with the applicable Regional District bylaw. g) a maximum accommodation of persons, with an aggregate occupancy of two (2) persons per bedroom within a dwelling unit when such dwelling unit is being occupied as a short-term rental; h) the provision of one (1) parking space for each bedroom available for short-term rental use; i) the prohibition of the use of recreational vehicles or camping on the property or any use of accessory buildings for short-term rental occupancy; and j) other requirements that the Regional District Board may consider appropriate.
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