

## ADMINISTRATIVE REPORT



**TO:** Board of Directors

**FROM:** J. Zaffino, Chief Administrative Officer

**DATE:** March 20, 2025

**RE:** Short Term Rentals – Electoral Area “A”, “C” & “E” (X2024.018-ZONE)

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### **Administrative Recommendation:**

**THAT the Official Community Plan Amendment Bylaw No. 3101, 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 Official Community Plan Amendment Bylaw No. 3101, 2025, 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*.**

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### **Purpose:**

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

### **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”.

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.

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

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 "A" & "C" 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 not required prior to adoption as the proposed amendments involve lands beyond 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 / 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 March 5, 2025, a Public Information Meeting (PIM) was held online via Webex and was attended by approximately 17 members of the public.

Administration recommends that the written notification of affected property owners (i.e. current TUP holders), the public meetings 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:**

In support of the preferred approach identified for Electoral Areas "A", "C" & "E", four (4) bylaws have been identified as requiring amendment and will be discussed in the sub-sections below:

Official Community Plan (OCP) Bylaws:

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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. 3 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.

**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 sleeping unit 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 ensure that STR Permits are processed in a more efficient manner than a standard TUP application, it is being proposed to not require 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:

<b>Short-Term Rental Accommodation (STR) Use</b>		<b>All Other Uses</b>	
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.

NOTE: it is proposed that these fees be considered at second reading of the Fees and Charges Bylaw No. 3097, 2025, which is scheduled for consideration at the Board’s meeting of March 20, 2025.

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” & “E” and is recommending that the bylaws be read a first and second time, and proceed to public hearing.

**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 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 first reading of Official Community Plan Amendment Bylaw No. 3101, 2025; CAO Delegation Amendment Bylaw No. 3033.02, 2025; and Development Procedures Amendment Bylaw No. 2500.36, 2025, be denied.

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**Respectfully submitted:**

*Ben Kent*

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Ben Kent  
Planner II

**Endorsed By:**



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C. Garrish  
Senior Manager of Planning

**Endorsed By:**



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A. Fillion  
Managing Director, Dev. & Infrastructure

Attachments: No. 1 – Agency Referral List

No. 2 – OCP Policies (Residential)

No. 3 – Temporary Use Permit Objectives and Policies (OCP)

Attachment No. 1 – Agency Referral List

Referrals have been sent to the following agencies as highlighted with a , regarding Amendment Bylaw No. 3101:

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
	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
	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 Dept.	<input type="checkbox"/>	Oliver Fire Department
<input checked="" type="checkbox"/>	Apex Volunteer Fire Department	<input type="checkbox"/>	Osoyoos Fire Department
<input 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 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		