

ADMINISTRATIVE REPORT



TO: Planning & Development Committee
FROM: B. Newell, Chief Administrative Officer
DATE: May 5, 2022
RE: Review of Vacation Rentals & Temporary Use Permits

Administrative Recommendation:

THAT a Vacation Rental Review be considered for inclusion in the 2023 Business Plan.

Purpose:

The purpose of this report is to provide options in relation to a review of the use of Temporary Use Permits (TUPs) to authorize vacation rentals.

Background:

April 21, 2022, the Board referred the following resolution to Administration:

That the Board instruct Administration to produce a report at Committee on the implications of adding a review of the Temporary Use Permit for Vacation Rentals in the 2022 Business Plan.

July 22, 2021, the Planning and Development (P&D) Committee considered a recommendation from the Electoral Area “D” Advisory Planning Commission (APC) that vacation rental policies be reviewed.

The Board subsequently denied the request from the APC to include “a review of zoning regulations governing vacation rental uses” in the 2022 Business Plan.

Analysis:

At present, there are insufficient staff and financial resources to initiate a review of the Regional District’s vacation rental policies for it to be accommodated as a project in 2022.

This is due to the number of major land use planning projects that remain on-going or are scheduled for commencement in 2022, including:

- RGS Review (“Rural Growth Areas”)
- Electoral Area “G” OCP Project
- Electoral Area “E” OCP Review
- Subdivision Servicing Bylaw Review
- ESDP Area Update
- Noise Bylaw Review
- Farm Labour Housing Policy Review
- Cannabis Retail Use Review (Area “D”)
- Accessory Structure Review (“bunkies”)
- Metal Storage Container Regulation Review
- West Bench Geo-tech (e.g. Soil Removal Bylaw)
- Faulder Zone Review (temporarily on-hold)

The Planning Department also processed its highest recorded number of planning applications and referrals in 2021 as well as significant numbers of queries from the public on land use matters. The department is anticipating comparable numbers in 2022, which will impact its ability to complete those projects already in process.

Accordingly, if the Board wished to add a Vacation Rental Review to the 2022 Business Plan and to actually have work commence on such a project in this calendar year, the only feasible way to do this would be to cancel an existing project of a comparable scale.

As such, either the Electoral Area “G” OCP project and/or Electoral Area “E” OCP Review would need to be cancelled. This is a *highly* un-desirable option given the amount of funds as well as staff and volunteer time already spent on these projects.

Alternative:

Through its work with applicants, the public, APCs and the Board on the processing of vacation rental TUPs, Administration is aware of the growing desire for a Vacation Rental Review and has been anticipating this as a possible project in 2023 or 2024.

Accordingly, a Citizen Survey of the Vacation Rental TUP Process, similar to the current Building Permit Process survey is tentatively planned to be conducted in the later part of 2022. It is hoped that this survey will help identify some preliminary issues with vacation rentals around which a possible Review could be structured.

The Regional District is also participating in a Ministry of Municipal Affairs and UBCM initiative to reform public hearing processes and a 2023 review of vacation rental policies has been identified as a possible venue in which to trial alternate consultation methods at a regional district level.

Deferring consideration of such a review to the 2023 Business Plan will also allow staff to properly determine the scope of the project with the Board and ensure the necessary staff and budget resources are assigned to the project.

The following concerns have been raised in relation to previously considered vacation rental applications:

- the current regulations are too restrictive and don't support other forms of tourist accommodation in residential areas (e.g. boutique motels and campgrounds);
- the current regulations are too permissive and are allowing inappropriate forms and numbers of tourist accommodation in residential areas;
- The cost of applying for a Temporary Use Permit for a Vacation Rental is too high and discourages applications.
- vacation rentals are adversely impacting housing affordability and rental accommodation;
- vacation rentals allow individuals to off-set their mortgage costs and afford housing in the region that might have been otherwise unattainable;
- a vacation rental should only be permitted in an accessory dwelling (e.g. secondary suite) when the principal resident is residing in the main house;
- the property owner should not have to be on the property when renting their house as they may be living and/or working outside of the area until retirement;
- the Regional District should actively be enforcing against illegal vacation rentals;
- enforcement should be based only on nuisance vacation rentals where the property manager or owner is currently ineffective;

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- vacation rental uses should not be subsidized by taxpayers nor should they adversely impact their neighbours (e.g. failed septic, noise, inadequate parking, etc.)
 - the Regional District is imposing too many costs and regulations on the operators of vacation rentals (e.g. TUP application fees, health and safety inspections and septic compliance requirements are a “money grab” and hurting small business operators).
 - The Regional District is permitting a change of use for vacation rentals without requiring appropriate septic inspections or upgrades.

Administration is also acutely aware that it lacks basic data regarding the vacation rental market in the Electoral Areas. Current unknowns include overall number of operations, location (e.g. address, ownership, unit type, legal tenure), and bookings (e.g. frequency of use and income). Obtaining this information would likely require the assistance of a third-party (and a budget allocation).

Alternatives:

1. THAT a Vacation Rental Review be added 2022 Business Plan and that the following project(s) be cancelled and removed from the 2022 Business Plan:
 - a) the Electoral Area “G” Official Community Plan (OCP) Bylaw Project: or
 - b) the Electoral Area “E” Official Community Plan (OCP) Bylaw Review.

Respectfully submitted



C. Garrish, Planning Manager