

ADMINISTRATIVE REPORT



TO: Planning & Development Committee

FROM: J. Zaffino, Chief Administrative Officer

DATE: April 4, 2024

RE: Vacation Rental Review – Project Scope

Administrative Recommendation:

THAT the proposed Deliverables and Engagement, as outlined in the Administrative Report entitled “Vacation Rental Review – Project Scope”, dated April 4, 2024, be considered appropriate for the Vacation Rental Review project.

Purpose:

The purpose of this report is seek direction in relation to the scope of the pending Vacation Rental Review.

Background:

Since 2014, the Regional District has regulated vacation rentals through a combination of zoning controls (e.g. vacation rentals are prohibited in almost all zones, with the exception of those found at Apex Mountain resort and Twin Lakes) and permitting requirements.

In order to operate a vacation rental (outside of Apex and Twin Lakes Village Centre zones) the Regional District Board must approve a temporary Use Permit (TUP) authorizing the use of a property for short-term vacation rental use.

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

At its subsequent meeting of May 5, 2022, the Board resolved that a Vacation Rental Review be considered for inclusion in the 2023 Business Plan.

At its meeting of April 6, 2023, the Corporate Services Committee of the Board identified its strategic priorities for 2023, which included a “Vacation Rental: Policy Review” as a priority project.

Due to delays associated with the completion of other strategic land use projects, such as the Environmentally Sensitive Development Permit Area Review, Electoral Area “E” OCP Review, Subdivision Servicing Bylaw Review, etc., the Vacation Rental Review has yet to commence.

Analysis:

In light of the time and resources required to inform the recent decision by the Board to submit a request seeking Ministerial approval for Electoral Areas “D”, “F” and “I” to “opt-in” to the provincial “Principal Residence Requirement”, Administration is seeking clarification regarding the scope of the larger Vacation Rental Review project.

Deliverables

At present, it is envisioned that a consulting firm will be engaged to provide a “Vacation Rental Review Report” to the Regional District which will include the following:

- Benefits/impacts on the residential rental market
- Benefits/impact on neighbourhoods
- Benefits/impact to existing traditional accommodation providers
- Benefits/impact to the local economy
- Options for regulating short-term rental accommodations, including:
 - permitting options (e.g. TUPs, zoning, other options);
 - business licencing requirements (e.g. service area establishment, bylaws, fees, etc.);
 - enforcement options (e.g. proactive vs reactive approach, 3rd party monitoring and compliance, required staffing resources, etc.); and
 - health and safety considerations (dwelling inspections, septic compliance, etc.).

Engagement

In support of this work, it is proposed that the consultant will be responsible for holding a minimum of one (1) in-person workshop with the Regional District Board to clearly define the goals and priorities for vacation rentals in the region.

Further, the consultant will be responsible for undertaking the following public engagement:

- information releases to be sent to media including social media;
- information to be shared through the Voyent Alert mass notification system;
- documents, an informational video, draft Bylaw(s), and a feedback form will be available on the Regional District’s webpage;
- written notices to all affected property owners, being those with a current temporary use permit authorizing the use of a property for a vacation rental use;
- a minimum of two (2) public information meetings will be held which will include presentations and opportunities for dialogue with participants (Q&A) (1 in-person meeting in Penticton and 1 online Webex meeting);
- one (1) on-line community survey;
- physical copies of the materials will be available at the RDOS office and the municipal offices; and
- referrals will be sent to agencies most likely affected by the policies identified for review.

Alternatives:

While Administration considers many of the proposed aspects of the Vacation Rental Review to be fairly typical of a land use project, the Board may wish to consider expanding the scope of its involvement as well as that of the public.

This could be in the form of 2-3 Board Workshops (as opposed to the 1 proposed above) as well as a PIM be convened in each of the 8 Electoral Areas (as opposed to the 2 proposed above).

Clauses enabling the Board to request additional workshops or public information meetings at its discretion could also be required as part of the project, but these would all be at additional cost.

As a rule-of-thumb, the estimated cost of a half-day workshop with the Board or a PIM is approximately \$5,000 (NOTE: by way of comparison, a recent request to have a consulting firm present its findings on the ESDP Area designation to a 1-hour meeting of the P&D Committee was quoted as \$3,000).

Accordingly, to require a PIM be scheduled in each of the eight (8) Electoral Areas that currently have zoning bylaws could substantially impact the estimated cost of the project. Similarly, adding additional workshops with the Board or conducting more than one (1) community survey would also materially impact the proposed budget.

Committees:

Administration is proposing that the use of citizen or other advisory committees not be utilized as part of the Vacation Rental Review for the following reasons:

- the limited representation of such groups (e.g. members may not be representative of the broader community in terms of socio-economic, gender or other status);
- susceptibility to bias, conflicts of interest or capture by special interests (e.g. participation on such a committee may be motivated by self-interest and not the broader community interest);
- propensity of such groups to delay the decision-making process and add unnecessary complexity to a project; and
- additional time and financial costs related to education of committee members in the purpose of the project, the existing regulatory framework, role clarity, communication and accountability.

Administration considers that more valuable input can be obtained by a community based survey open to all residents. Nevertheless, the option of establishing a committee to provide input into the Vacation Rental Review is available to the Board and could take one of the following forms:

- the Electoral Area Advisory Planning Commissions (APCs);
- an appointed group comprised of the current Electoral Area APC Chairs; or
- an appointed Citizen's Advisory Group comprised of up to 16 volunteers from the region (e.g. 2 from each Electoral Area that currently regulates vacation rentals).

Alternatives:

1. THAT the proposed Deliverables and Engagement, as outlined in the Administrative Report entitled "Vacation Rental Review – Project Scope", dated April 4, 2024, be amended to include the following:
 - i) *TBD*

Respectfully submitted:

Ben Kent
Ben Kent, Planner II

Endorsed By:


C. Garrish, Senior Manager of Planning