

TO: Planning & Development Committee

FROM: J. Zaffino, Chief Administrative Officer

DATE: February 8, 2024

RE: Public Engagement Options – “Principal Residence Requirement” (Short-Term Rental Accommodations Act)

Administrative Recommendation:

THAT consideration of “opting-in” to the provincial “Principal Residence Requirement” under the *Short-Term Rental Accommodations Act* be deferred to 2025.

Purpose:

The purpose of this report is to provide options in relation to public engagement on the provincial “Principal Residence Requirement” under the *Short-Term Rental Accommodations Act* and the ability for an electoral area(s) to “opt-in” to this requirement.

Background:

On October 26, 2023, the *Short-Term Rental Accommodations Act* received Royal Assent and is intended, amongst other things, to “give local governments stronger tools to enforce short-term rental bylaws.”

One of the ways that the Act does this is through the introduction of a “Principal Residence Requirement”, which limits short-term rentals to:

- the host’s principal residence; and
- one (1) secondary suite or one (1) accessory dwelling unit.

The Province's “Principal Residence Requirement” is intended to function as a minimum requirement, or a “floor”, meaning that local governments may choose to have more restrictive short-term rental bylaws depending on local needs.

The “Principal Resident Requirement” applies to all municipalities with a population of 10,000 and over, and will go into effect on May 1, 2024.

For Regional District electoral areas, which typically have a population of less than 10,000 persons, the Province is providing an “opt-in” process, whereby a request may be submitted to the Minister of Housing to have the “Principal Resident Requirement” applied to an electoral area.

To “opt-in”, the Regional District is required to submit a resolution to the Province by **March 31st** of each year for the change to take effect **November 1st** of the same year.

Of note, ski resorts in rural areas and BC Parks resorts are exempt from the “Principal Residence Requirement”, even if the electoral area within which they are situated elects to “opt-in”. Within the Regional District, this would apply to Apex Mountain Resort and Manning Park.

In addition, property that has been assessed as “farm” (Class 9) by BC Assessment is exempt from the “Principal Residence Requirement”, regardless of whether the land is designated as Agricultural Land Reserve (ALR).

Regional District Board Consideration:

At its meeting of January 18, 2024, the Planning and Development (P&D) Committee of the Board resolved to postpone to the second meeting in February in order to enable staff to get information to the APCs and communicate information to citizens.

Analysis:

Administration is concerned that seeking public input now is premature in the context of the pending Vacation Rental Review and that the engagement options available to the Board are limited and, in the case of the public survey, will be un-scientific.

Moreover, the Regional District has previously completed a survey of residents between January 3, 2023, to February 15, 2023 in order to inform the pending Vacation Rental Review.

The results of this survey were presented at the March 16, 2023, P&D Committee meeting and indicated, amongst other things, that only “43% of respondents [emphasis added] support a permanent resident or caretaker residing on the same site as a Vacation Rental use.”

Other survey findings included:

- 61% of respondents agree that Vacation Rentals are an important part of the regional economy;
- 59% of respondents agree that long term rental housing should be a priority over Vacation Rentals; and
- 76% of respondents indicated that the RDOS needs to provide some form of permitting for Vacation Rentals.

While Administration recognizes that the results of this survey are no more “scientific” than any new survey, they nevertheless address the question raised by the Board at the January 18, 2024, meeting of the P&D Committee; 57% of residents do not support a requirement for a principal residence (i.e. permanent resident or caretaker residing on-site).

Alternative:

In light of the timeframe available to the Board in which to submit a request to the Minister for an electoral area to “opt-in”, Administration considers public engagement to be limited to the electoral area advisory planning commissions (APCs) and a new online public survey.

With regard to the APCs, Administration recommends that consideration be in the form of a joint “special” meeting scheduled for 1:00 p.m. on Monday, February 26, 2024, at 101 Martin Street, Penticton (RDOS Boardroom) with the option of online attendance by APC members via WebEx.

With regard to the surveying of the public, Administration recommends that a community survey be conducted via the Regional Connection website and be notified by social media, VoyentAlert, the Regional District’s web-site and local newspaper advertisements (both online and print outlets).

Key Considerations:

Public engagement on “opting-in” to the provincial “Principal Residence Requirement” has not previously been identified by the Board as a project and has not been resourced (staff or financial).

Administration is estimating that each component will require the following resources:

- APC: 5-10 hours of staff time;
- Survey: 30 hours of staff and a \$5,000 budget.

The anticipated staff hours are related to research and preparation of education materials in order to properly inform the public and APC of the issues they are being asked to provide input on.

The estimated budget is to allow for advertising on various media platforms (both print and online) in multiple editions over two weeks in the lead up to and during the conducting of the survey.

In order to accommodate this project and the timeframes associated with it (e.g. presentation of results to the Board no later than its March 21, 2024, meeting, Administration is recommending the following:

- commencement of the Vacation Rental Review project be deferred to April of 2024;
- 3rd reading of Amendment Bylaw No. 2912 (ESDP Update) be deferred to April of 2024; and
- consideration of any action items resulting from the Housing Workshop tentatively scheduled for February of 2024 be deferred to May of 2024.

Summary:

In light of the 2023 Vacation Rental Survey results, other strategic priorities that have been identified by the Board (e.g. Housing, Vacation Rental Review, etc.) and available resources, it is recommended that the Regional District:

- not undertake any public engagement in relation to the provincial “Principal Residence Requirement”; and
- not “opt-in” to the provincial “Principal Residence Requirement” for 2024-25.

Alternatives:

1. THAT the following public engagement be undertaken prior to consideration of a request being submitted to the Minister of Housing regarding electoral area(s) “opting-in” to the “Principal Residence Requirement” under the *Short-Term Rental Accommodations Act*:
 - a. consideration by the Electoral Area advisory planning commissions (APCs) at a joint “special” meeting; and
 - b. public input via an online community survey (Regional Connections) notified by social media, VoyentAlert, the Regional District’s web-site and local newspaper (both online and print outlets);

AND THAT further work on the Vacation Rental Review and ESDP Update be deferred to April of 2024 and that any action items resulting from a Housing Workshop be deferred to May of 2024.

2. THAT the Regional District of Okanagan-Similkameen submit a request to the Minister of Housing for the following electoral areas to “opt-in” to the “Principal Residence Requirement” under the *Short-Term Rental Accommodations Act*:

a. *TBD*

AND THAT further work on the Vacation Rental Review and ESDP Update be deferred to April of 2024 and that any action items resulting from a Housing Workshop be deferred to May of 2024.

Respectfully submitted:

A handwritten signature in blue ink, appearing to read 'C. Garrish', is written over a horizontal line.

C. Garrish, Senior Manager of Planning