ADMINISTRATIVE REPORT

TO: Board of Directors

FROM: J. Zaffino, Chief Administrative Officer

DATE: September 18, 2025

RE: Short-Term Rental Accommodation Review – Electoral Areas "A", "C", "D", "E", "F" & "I"

(X2024.017-ZONE)

Administrative Recommendation:

THAT Official Community Plan (OCP) Amendment Bylaw No. 3099, 2025 be read a third time;

AND THAT Okanagan Valley Zoning Amendment Bylaw No. 2800.50, 2025 be read a third time, as amended by deleting section 2(v);

AND THAT CAO Delegation Amendment Bylaw No. 3033.02, 2025 be read a third time;

AND THAT Development Procedures Amendment Bylaw No. 2500.36, 2025, be read a third time.

Purpose:

The purpose of this report is to introduce land use bylaw amendments to facilitate the regulation of short-term rental accommodations (e.g. "vacation rental" and "bed and breakfast operation" uses) in the Okanagan Electoral Areas.

Strategic Priorities:

5.1 Establish Regional Policy Framework

Background & Analysis:

On June 11, 2025, a Public Information Meeting (PIM) was held online via Webex and was attended by approximately 39 members of the public.

At its meeting of August 21, 2025, the Regional District Board resolved to approve first and second reading of the amendment bylaws and scheduled a public hearing ahead of its meeting of September 4, 2025.

At the public hearing on September 4, 2024, planning staff indicated that Zoning Amendment Bylaw No. 2800.50 includes an error and should be read a third time, as amended, by deleting section 2(v).

At the public hearing on September 4, 2024, the Regional District Board resolved to recess the public hearing and reconvene ahead of its meeting on September 18, 2025.

All comments received to date in relation to this application are included with this report.

Approval from the Ministry of Transportation and Transit (MoTT) is required prior to adoption as the proposed amendments involve lands within 800 metres of a controlled access highway (i.e. Highway 97 & 3).

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Analysis:

In considering the content and scope of the draft amendment bylaws, Administration notes that changes have been implemented in accordance with the following direction provided by Electoral Area Directors at the STR Workshop on April 3, 2025:

- permit up to two (2) short-term rental accommodation uses to occur on specified properties in Electoral Areas "A", "C", "D" & "I";
- allow a second dwelling unit (e.g. secondary suite or accessory dwelling) to be used exclusively for the purposes of a short-term rental accommodation use;
- introduce a principal residence requirement in the Electoral Area "E" OCP; and
- provide adjacent property owners with operator contact information as a condition of business licence issuance.

Administration also notes that the following items raised at this workshop did not require changes to the amendment bylaws:

- explore prohibition against the creation of "de facto" dwelling units within a principal dwelling unit (e.g. closing internal doors to create a separate wing in a house for STR patrons).
- require one (1) business licence for accessory dwelling units being used for STR purposes in addition to the principal dwelling.

The related Business Licence Regulation Amendment Bylaw No. 3100.01, 2025 addresses the request from the April 3, 2025 workshop to extend business licencing to "tourist accommodation" uses in Electoral Area "E".

Similarly, the revisions to the related Business Licence Regulations Bylaw No. 3100, 2025 address concerns raised by the Electoral Area Directors in relation to exempting "conventional bed and breakfast operations" in Areas "A" and "D", as well as properties at Apex Mountain Resort from business licencing requirements.

<u>Alternative</u>

Alternatively, Administration recognizes that the Board may wish to further augment the scope of the draft amendment bylaws.

<u>Summary</u>

In summary, Administration considers that the scope of the draft bylaws and the public consultation undertaken to date support prior Board direction and is recommending that the bylaws be supported.

Financial Implications:

The financial implications of implementing a Business Licence Regulation Bylaw will primarily be in relation to the administration of the bylaw (e.g. receiving, reviewing and determining licence applications, responding to complaints, etc.).

Based upon a review of the fees being charged by other local governments in the Okanagan, Administration considers the proposed \$500 fee to be appropriate but is aware that a higher fee may be required in future if the intent is for the program to run on a full cost recovery basis.

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For this reason, Administration is anticipating that a review of this fee will be required following the conclusion of the 2025 or 2026 licencing years to identify all direct and indirect costs incurred by the Regional District in administering with the program and bringing forward recommended fee changes in response.

Communication Strategy:

The proposed bylaw amendments have been notified in accordance with the requirements of the *Local Government Act,* the *Community Charter* and the Regional District's Development Procedures Bylaw No. 2500, 2011.

Alternatives:

1. THAT Official Community Plan (OCP) Amendment Bylaw No. 3099, 2025, Okanagan Valley Zoning Amendment Bylaw No. 2800.50, 2025, CAO Delegation Amendment Bylaw No. 3033.02, 2025, and Development Procedures Amendment Bylaw No. 2500.36, 2025, be rescinded and the bylaws be abandoned.

Will a PowerPoint presentation be presented at the meeting? No

Respectfully submitted:

"Ben Kent"

B. Kent

C. Garrish

Senior Manager of Planning

Managing Director, Dev. & Infrastructure