



## BOARD REPORT

**TO:** Chair and Directors

**FROM:** Gerald Christie  
Manager Development Services

**SUBJECT:** Vacation Rentals Guiding Principles

**File No:** 3010-90-40

**Date:** July 4, 2016

**RECOMMENDATION# 1:** THAT:  
the Board endorse the attached "CSRD Vacation Rental Guiding Principles";

**RECOMMENDATION# 2:** THAT:  
the Board forward the CSRD Vacation Rental Guiding Principles to the Honourable Minister Fassbender at the Ministry of Community, Sport and Cultural Development for consideration.

**APPROVED for Board Consideration:**

Meeting Date: July 21, 2016

  
Charles Hamilton, CAO

### SHORT SUMMARY:

In response to the April 8, 2016 letter from Minister Fassbender of the BC Ministry of Community, Sport and Cultural Development regarding the 'sharing economy' for transportation and accommodation services, the CSRD Board at its May 19, 2016 meeting, adopted a resolution directing Development Services staff to prepare a *Vacation Rental Guiding Principles* Sheet for consideration at a future Board meeting. If endorsed, the Vacation Rental Guiding Principles will be forwarded to Minister Fassbender for the Ministry's consideration when contemplating new regulations for the vacation rental industry. CSRD Directors and staff will also consider the principles of this sheet when developing or amending bylaws or policies, or when considering the issuance of a Temporary Use Permit.

<b>VOTING:</b>	Unweighted Corporate <input checked="" type="checkbox"/>	Weighted Corporate <input type="checkbox"/>	Stakeholder (Weighted) <input type="checkbox"/>
	LGA Part 14 (Unweighted) <input type="checkbox"/>		

### BACKGROUND:

The BC Ministry of Community, Sport and Cultural Development is initiating a consultation process with local governments to better understand the impacts of the sharing economy on local services, e.g. transportation and accommodation. At the May 19, 2016 Board meeting, Minister Fassbender's letter was discussed by the Directors who noted several issues with the burgeoning vacation rental industry in the CSRD. The Board discussion focused on the need to have the provincial government better understand the challenges facing local governments in dealing with vacation rentals and to also have the provincial government more involved in the regulation of that industry.

Currently estimated at over \$100 billion, the vacation rental industry is very large and increasing significantly every year. Airbnb, the largest vacation rental website company has a market valuation in excess of \$25 billion and over two million listings; more than doubling its valuation from 2014. The dramatic increase and overall scale of the industry now being operated in most communities and rural areas has resulted in several local governments in BC adopting new bylaw regulations for vacation rental use, many others are considering such regulations, and most are increasing enforcement for non-compliance with applicable bylaws, e.g. Nelson, Revelstoke, Vancouver, Victoria, Sun Peaks, Whistler.

At a presentation to the CSRD Board earlier this year, Tourism Golden noted that there are approximately 155 vacation rentals in the town, and approximately an additional 125 in the immediate surrounding area. The City of Revelstoke recently reported that the number of illegal vacation rentals in the City was approximately 300; the CSRD identified a further 30 vacation rentals in the rural Revelstoke area, most of which were located near Revelstoke Mountain Resort. In other areas of the CSRD staff are aware of numerous other vacation rentals, some of which have existed for several years, others have been recently converted to this use, and some have been built for the sole purpose of being a vacation rental.

In accordance with the direction from the Board, the intent of this guiding principles document is to coalesce the concerns and challenges the CSRD has had in dealing with vacation rentals and to provide a response to the Minister's request for comment with regard to this issue.

## **POLICY:**

The CSRD currently has some policy and regulation pertaining to vacation rentals. Electoral Area 'B' Official Community Plan Bylaw No. 850 and Electoral Area 'F' Official Community Plan Bylaw No. 830 both contain references to vacation rentals. The OCP Bylaw No. 850 states the following:

- 4.3.34 Vacation Rentals allow the use of temporary accommodation in residential areas on a commercial basis and are regulated either by a temporary use permit or through the zoning bylaw. Vacations Rentals shall:*
- a. first be considered on a three year trial basis by the use of a temporary use permit (refer to Section 14);*
  - b. not create an unacceptable level of negative impact on surrounding residential uses;*
  - c. comply with all applicable regulations of the Provincial Agricultural Land Commission when located within the Agricultural Land Reserve; and*
  - d. be subject to local health authority requirements.*
  - e. be subject to all Ministry of Transportation and Infrastructure Access Permit requirements.*

Electoral Area 'F' Official Community Plan Bylaw No. 830 also supports the use of Temporary Use Permits (TUPs) as a way to accommodate property owners wishing to use their home as a vacation rental. Section 14 of Bylaw No. 830 states:

- 1. For all temporary use permits:*
  - a) Applicants must demonstrate how the proposed use will not markedly impact adjacent residents, local services and the environment. Where impacts are expected, applicants must provide details of those impacts and mitigative measures.*
- 2. For vacation rentals and similar short-term property rentals, applicants may be required to:*
  - a) Demonstrate that the proposed use will not alter the general character of the neighbourhood;*

- b) Screen, fence or provide vegetative buffers between the proposed use and adjacent properties for greater privacy and noise reduction;*
- c) Obtain approval from the ALC, if the proposed use is on ALR land;*
- d) Show proof of adequate servicing (water & sewer) for the proposed use at maximum capacity for the entire duration of the permit. This may include a required inspection by a registered professional.*
- e) Supply an occupancy permit or provide written proof from a qualified professional that the dwelling meets the fire code and is appropriate for the proposed use;*
- f) Designate a local caretaker to be available at times if the property owner is not available or does not reside in the area. The property owner or local caretaker's contact information should be made available to the CSRD and adjacent property owners along with a copy of the temporary use permit;*
- g) Demonstrate adequate parking. Generally, one parking space should be provided per let bedroom;*
- h) Limit the number of guests per bedroom. Generally, the limit should be 2 guests per bedroom;*
- i) Limit the number of pets on site at anytime;*
- j) Restrict signage;*
- k) Restrict number of vehicles and watercraft on site, including RVs, motorized personal watercraft & ATVs;*
- l) Restrict rentals of items and crafts, including motorized personal watercraft, ATVs;*
- m) Supply additional information or meet additional requirements deemed necessary for the safe and unobtrusive use of the site. Additional steps to ensure adequate notification of the proposed use to adjacent property owners may also be required.*

In addition to the OCP policies noted above, both Electoral Area 'B' Zoning Bylaw No. 851 and Scotch Creek /Lee Creek Zoning Bylaw No. 825 provide additional regulations pertaining to vacation rental use, e.g. temporary use, parking, noise, and residential character. There are no other policies or regulations contained within other OCP, zoning or land use bylaws which pertain directly to the use of residential dwellings for vacation rental use. However, the regulations in Magna Bay Zoning Bylaw No. 800 that pertain to home occupation and home industry expressly exclude accommodation to the public.

It is also important to note that other jurisdictions often make distinctions in their regulations as to the permissible amount of time for which vacation rentals may operate. Like the CSRD, some local governments only limit vacation rental use to 'temporary accommodation' often meaning a maximum of four consecutive weeks, or 30 days, per rental; however, there is no yearly limit to the vacation rental use. Other local governments provide limits based on seasonal use only, e.g. 90 to 120 days, or to no more than half of the year, e.g. 180 days. The justification for establishing a yearly limit on the length of time that a property may be used as a vacation rental is to protect the existing residential nature of the neighbourhood by prohibiting the creeping of commercialization/hotelization into the residential area for the majority of the year, i.e. residential use should be the Principal use of the property, and vacation rental use is secondary. The Board may wish to provide additional comment in the guiding principles document on this point. Additionally, the Interior Health Authority has a policy regarding on-site sewerage systems for Bed and Breakfast use which provides for useful upper limits on the number of bedrooms that should be utilized for vacation rental use, i.e. 4 bedrooms.

#### **FINANCIAL:**

Financial impacts to the CSRD are most directly related to (1) costs incurred investigating bylaw enforcement complaints including legal fees, and (2) loss of tax revenue due to inaccurate property

assessment for the commercial use of residential dwellings for vacation rentals. As the number of vacation rentals in the CSRD is significant in some areas, increased taxes paid to the CSRD from an accurate assessment on the actual vacation rental use of properties could be substantial with such additional tax assessment being used to provide regional district services or to help mitigate future property tax increases. Further, the Municipal and Regional District Tax (i.e. Hotel Room Tax) is not currently collected on vacation rental properties therefore creating an uneven playing field with other commercial accommodation providers. Unfortunately BC Assessment does not have the legislative authority to change their classification system to accommodate vacation rental use, however the Vacation Rental Guiding Principles supports changes to the classification system in this regard.

### **KEY ISSUES/CONCEPTS:**

As noted in the CSRD Vacation Rental Guiding Principles, the intent of the guiding principles are:

- To inform land use planning and economic development decisions of CSRD staff and the Board;
- To briefly describe the issues pertaining to vacation rentals and the purpose of the associated guiding principle;
- To provide consistency in decision-making when considering vacation rental issues;
- To provide information and direction to residents who may be considering establishing a vacation rental use on their property; and,
- To advise provincial ministries and agencies of the challenges facing local government in regard to vacation rentals.

The key points of the guiding principles, and those expressed elsewhere by other local governments, revolve around the need to:

1. Have vacation rental properties that are safe for their use to accommodate guests on a short term basis, e.g. building code compliance, insurance coverage, fire safety;
2. Have vacation rental properties that are serviced appropriately for their use and do not or will not cause any health concerns for guests or other residents of the area, e.g. potable water, approved sewage system;
3. Have BC Assessment appropriately assess vacation rental properties through legislated changes to their assessment classification system to accommodate such use;
4. Have vacation rental property owners pay the Municipal and Regional District Tax, where in force, and to create a fair taxation system for all commercial accommodation operators;
5. Have the vacation rental home and property be in keeping with the surrounding residential character of the area; and,
6. Have the CSRD continue to work with the Union of BC Municipalities in lobbying the Province of BC to enact appropriate regulation, taxation and oversight of the vacation rental industry.

### **IMPLEMENTATION:**

If the Board resolves to endorse the CSRD Vacation Rental Guiding Principles, staff will forward the document to Minister Fassbender for his and ministry staff's information. CSRD staff will also consider these guiding principles when preparing bylaws, amendments, permits or policies for the Board's consideration.

**SUMMARY:**

The CSRD was asked by Minister Fassbender of the Ministry of Community, Sport and Cultural Development to provide comment in relation to the sharing economy and the issues and challenges that we face as a local government. As most of the concerns of the CSRD are focused on vacation rentals of the sharing economy, the Board directed staff to prepare a Vacation Rental Guiding Principles Sheet that would outline the issues and recommendations with this very fast growing industry. If endorsed, the guiding principles will be sent to the ministry and utilized by CSRD Directors and staff when considering vacation rental applications, bylaw amendments or policies.

**LIST NAME OF REPORT(S) / DOCUMENT(S):**

Vacation Rentals Guiding Principles Sheet	Attached to Board Report: <input checked="" type="checkbox"/>	Available from Staff: <input type="checkbox"/>
Letter from Minister Fassbender of the Ministry of Community, Sport and Cultural Development and Minister Responsible for TransLink dated April 8, 2016	Attached to Board Report: <input checked="" type="checkbox"/>	Available from Staff: <input type="checkbox"/>
Interior Health HPE0100 – Definition of Bed and Breakfast	Attached to Board Report: <input checked="" type="checkbox"/>	Available from Staff: <input type="checkbox"/>

**DESIRED OUTCOMES:**

Endorse the Staff recommendations.

**BOARD'S OPTIONS:**

1. *Endorse the Recommendations. The CSRD Vacation Rentals Guiding Principles will be endorsed by the Board, and will be forwarded to Minister Fassbender at the Ministry of Community, Sport and Cultural Development.*
2. *Deny the Recommendation.*
3. *Defer.*
4. *Any other action deemed appropriate by the Board.*

REVIEWED BY:	Date Signed Off (MO/DD/YR)	Approval Signature of Reviewing Manager or Deputy Manager
Team Leader, Development Services	July 12, 2016	SBey
Manager, Development Services	07/11/16	Heidi Christie
Manager, Financial Services	07/11/16	Perce

# **CSRD Vacation Rental Guiding Principles Sheet**

## **PURPOSE**

The purpose of this Vacation Rental Guiding Principles Sheet is to aid CSRD staff and the Board in making land use and economic development recommendations and decisions as they pertain to the temporary/short term lodging of guests in residential dwelling units on a commercial basis. It is recognized by the Board that vacation rentals can contribute positively to the tourism economy of the region; however, it is also recognized that without appropriate consideration being given to the regulation of such commercial activity in residential areas, vacation rentals can negatively impact on the quality of life of existing nearby residents, while also creating an uneven playing field for existing and heavily regulated commercial property owners in the accommodation industry.

The intent therefore of these guiding principles are:

- To inform land use planning and economic development decisions of CSRD staff and the Board;
- To briefly describe the issues pertaining to vacation rentals and the purpose of the associated guiding principle;
- To provide consistency in decision-making when considering vacation rental issues;
- To provide information and direction to residents who may be considering establishing a vacation rental use on their property; and,
- To advise provincial ministries and agencies of the challenges facing local government in regard to vacation rentals.

## **GUIDING PRINCIPLES**

1. Inappropriately sized, maintained, or installed sewer servicing of the dwelling(s) used for a vacation rental can lead to individual health issues and have significant environmental impacts on the neighborhood or downstream residents. Property owners are expected to meet all applicable Interior Health requirements for sewerage treatment and to have obtained a 'Letter of Certification' from Interior Health for the vacation rental use.
2. For the health and safety of renters, proof of the provision of potable water is required and landowners are expected to meet all appropriate provincial or Interior Health requirements in the provision of such water, e.g. wells, community water system.
3. Safety of guests staying in vacation rentals is of paramount concern to the CSRD. For this reason, confirmation from a Qualified Professional who is able to confirm that the dwelling unit proposed for vacation rental use meets with BC Building Code, and BC Fire Code, regulations is required.
4. A vacation rental should be restricted to a maximum occupancy of four (4) bedrooms per dwelling unit, and eight (8) guests, to minimize neighborhood impacts and to mitigate issues with the BC Building Code, e.g. fire separation for sleeping rooms, and BC Fire Code; there are difficulties in dealing with rescue and fire fighting operations in managing an incident at a residential structure where egress design has not been appropriately considered for large numbers of people compared to that of a commercial structure. At a minimum, a fire safety plan, portable fire extinguishers and carbon monoxide detectors are required for each level of the vacation rental, and integrated smoke detectors located in each bedroom, as required for BC Building Code compliance per location and number.

5. In keeping with a residential neighborhood character, one off-street parking space must be provided for each room used for vacation rental purposes.
6. As most vacation rental units are located within homes in residential areas, the vacation rental users must not cause a nuisance to other residents through excessive noise, lighting or traffic so as to allow existing residents to have quiet enjoyment of their property. This includes a quiet time between 10pm and 7am.
7. Recreational vehicles, tents or park models are not permitted to be used for habitation purposes as part of the vacation rental.
8. Vacation rentals shall not operate as a bed and breakfast, hotel, motel, lodge or inn, nor include ancillary uses typical of such operations, e.g. meeting rooms, restaurants, concierge or retail sales.
9. From a risk management perspective, and since the CSRD is the approval authority for a TUP or rezoning for a vacation rental, the landowner must also provide a \$5 million Commercial General Liability insurance policy naming the CSRD as the additional insured prior to issuance of the TUP.
10. The CSRD supports vacation rental operators paying into the Municipal and Regional District Tax, where applicable, and also encourages the Ministry of Job, Tourism, and Skills Training and Destination BC to provide for legislation and policy in this regard.
11. The increase in use of residential dwellings for vacation rentals has caused a significant decrease in housing affordability and long term and season rental for workers in the tourism industry, and others. The CSRD supports provincial initiatives aimed at housing affordability and maintaining a sustainable rental market for long term tenants of all housing types, demographics and income levels.
12. As the use of the property changes from primarily residential to part-time or full-time vacation rental, the CSRD will forward a copy of any verified vacation rental, approved permit or bylaw amendment to BC Assessment so that they are aware of the change in use; at this time there is no legislative framework for BC Assessment to change the tax classification system for vacation rentals, however the CSRD supports such changes being made.
13. Since the property owner is most often not located on-site of a vacation rental, an easily accessible representative and emergency contact must be provided for all vacation rental guests.
14. Temporary Use Permit or rezoning is required for any property not currently zoned for vacation rental use. If zoned for vacation rental use the property owner must meet all other zoning regulations as applicable and as amended from time to time. In situations where a landowner expects that they may not be able to comply with specific zoning regulations, e.g. special event, a landowner may always apply to vary specific zoning regulations, or apply for a TUP.
15. It is expected that the vacation rental home and property will be in keeping with the residential character of the neighborhood.
16. For the health and safety of residents and visitors, the CSRD will continue to work with the Union of BC Municipalities (UBCM) in lobbying the Province of BC to enact appropriate regulation, taxation and oversight of the vacation rental industry. The CSRD will also continue to work towards the implementation of a building regulation service as a method of oversight for structures built specifically for vacation rental purposes.



2.2

April 8, 2016

Ref: 166815

Ms. Rhona Martin  
Columbia Shuswap Regional District  
PO Box 978  
Salmon Arm, BC V1E 4P1

<input type="checkbox"/> CAO	<input checked="" type="checkbox"/> Agenda	Ownership:
<input type="checkbox"/> Works	<input checked="" type="checkbox"/> Reg Board	File#
<input type="checkbox"/> SES	<input type="checkbox"/> Dir Camera	0410-20-10
<input checked="" type="checkbox"/> FinAdm	<input type="checkbox"/> Dir Comm	
LS/ES	APR 13 2016	
R. Cyr		
<input checked="" type="checkbox"/> Gen Dev	<input type="checkbox"/> Staff to Report	<input type="checkbox"/> Atk Staff
<input type="checkbox"/> IIT	<input type="checkbox"/> Staff to Respond	<input type="checkbox"/> Fax
<input type="checkbox"/> Perks	<input type="checkbox"/> Staff Info Only	<input type="checkbox"/> Email
<input type="checkbox"/> SEP	<input type="checkbox"/> Dir Mailbox	
<input type="checkbox"/> HR	<input checked="" type="checkbox"/> Dir Circulate	
<input type="checkbox"/> Other		

Dear Chair Martin:

Via email to  
Board, for information, please.  
Thank you, L. Shykora

The Province of British Columbia knows that British Columbians have expressed an interest in seeing greater choice, convenience and competition in the availability and provision of transportation and accommodation services. Companies such as Uber, Lyft and Airbnb may present opportunities to meet changing public expectations.

In considering the opportunities that these services may provide, it is important that the Province understands any impacts that could result for consumers, host communities and existing service providers. The many people currently providing passenger and accommodation services in British Columbia have made investments, providing jobs and valuable contributions to the economy. Thought must be given as to how any new services are regulated, recognizing the need to be respectful of existing industry participants while at the same time being fair and equitable to any possible new entrants to these sectors.

To this end, over the coming months, I will be meeting with a wide array of stakeholders to explore issues pertaining to the sharing economy and develop a better understanding of the opportunities and challenges that they provide for citizens and communities.

Locally elected officials from both urban and rural regions will have important perspectives on the issues and opportunities surrounding the sharing economy, and I am eager to draw these out as part of the consultation process. It is my hope that I will be able to engage with as many local governments as possible in person over the coming months. Regardless of whether we are able to undertake this discussion in person, I would also value the opportunity to review your thoughts on this matter via any written submission you may care to provide to me, and I encourage you to consider sending your thoughts to me directly by email at: [CSCD.Minister@gov.bc.ca](mailto:CSCD.Minister@gov.bc.ca).

Your perspectives could include ideas on how sharing and existing service economies could be integrated, on perceived challenges and opportunities, and on provincial and local government roles in regulating and facilitating any changes we might contemplate.

.../2

Ms. Rhonda Martin  
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I look forward to hearing from you.

Sincerely,

A handwritten signature in black ink, appearing to read 'P. Fassbender', with a stylized flourish at the end.

Peter Fassbender  
Minister

## **HPE0100 - DEFINITION OF BED AND BREAKFAST**

### **1.0 PURPOSE**

The *BC Food Premises Regulation* (BC Reg 361/99) states that the regulation "...applies to every food premises other than...a bed and breakfast establishment operated in a private residence." The regulation fails to define Bed & Breakfast more completely. A definition of Bed and Breakfast (B&B) is necessary to ensure that the *BC Food Premises Regulation* (BC Reg 361/99) can be applied consistently across Interior Health and the risk to the public's health remains low.

### **2.0 POLICY**

The definition of a Bed and Breakfast for the purposes of exclusion from application of the *BC Food Premises Regulation* (BC Reg 361/99) is, "an owner-occupied private residence with 4 or fewer bedrooms (total, including outbuildings) for rent with food service limited to a morning meal to the guests of those hired rooms".

If an establishment does not strictly meet this definition (e.g. has 5 or more bedrooms for rent; offers more than breakfast, etc.) all the provisions of the *Health Act* and the *Drinking Water Protection Act* apply.

### **3.0 REFERENCES**

- *BC Food Premises Regulation* (BC Reg 361/99) definition for bed and breakfast, "a bed and breakfast operated in a private residence".
- BC Tourism definition for Bed and Breakfast, "An establishment must be a privately owned home offering individual sleeping units or suites, where breakfast is provided by the proprietor, and where the home is the primary residence of the owner/operator."
- Canadian Food Inspection System-Food Retail and Food Services Regulation
- The BC Hotel Tax is collected and remitted by facilities with greater than 3 rooms for rent.