



# COMMITTEE OF THE WHOLE REPORT

- TO:** Chair and Directors
- SUBJECT:** Electoral Areas B, C, D, E, F, G: Short-Term Rental (STR) Temporary Use Permit Policy (P-28)
- DESCRIPTION:** Report from Jan Thingsted, Planner III, dated October 3, 2024. Presentation of draft Short-Term Rental (STR) Temporary Use Permit (TUP) Policy, and update on CSR D STR communication.
- RECOMMENDATION:** THAT: the Committee of the Whole support in principle the draft Short-Term Rental (STR) Temporary Use Permit (TUP) Policy P-28 for consideration and endorsement at the November 21, 2024 Board Meeting.

## BACKGROUND:

This report provides follow-up information to the presentation on Short-Term Rentals (STRs) that was given at the [August 14, 2024 Committee of the Whole \(CoW\) meeting](#). An initial report regarding STRs was provided at the [March 21, 2024 Board meeting](#).

The [minutes of the August CoW meeting](#) note that the Committee was seeking additional information about STR rules and potential licencing options. Staff discussed the option of developing a draft policy to address Temporary Use Permits (TUPs) considered for STRs in the CSR D Electoral Areas. A draft policy has been prepared by staff and is attached to this report. The intent of the policy is to provide guidance to the public and Columbia Shuswap Regional District (CSR D) when considering TUP applications for STRs on specific properties.

This report also provides an update regarding the latest provincial STR information available from the Province about Bill 35 and new STR resources prepared by staff, including updates to the CSR D website and an application checklist.

## EXISTING POLICY AND REGULATION:

The CSR D currently has a range of policy and regulation pertaining to vacation rentals (STRs). Electoral Area B OCP Bylaw No. 850, Electoral Area F OCP Bylaw No. 830, and Electoral Area E OCP Bylaw No. 840 all contain references to vacation rentals.

See attached "BL830\_BL840\_BL850\_Excerpts.pdf" for relevant policy excerpts.

In addition to the OCP policies noted above, Electoral Area E Zoning Bylaw No. 841, Electoral Area B 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.

The intent of Policy P-28 is to provide a consistent approach for reviewing and considering the approval and issuance of STR TUPs where CSR D zoning applies, and a TUP is an option.

The endorsement of Policy P-28 is recommended because it can be implemented at one CSRD Board meeting. In comparison, amending the five OCPs and one rural land use bylaw (Salmon Valley) would take several months to complete.

## KEY ISSUES/CONCEPTS

### Draft STR TUP Policy (Policy P-28)

Currently when considering TUP applications for STRs, staff utilize a process and set of requirements that have been created over the last 10 years using applicable Official Community Plan (OCP) policies and the criteria outlined in the "Vacation Rental Guiding Principles Sheet" (endorsed by the Board on July 21, 2016).

See attached "CSRD\_Vacation\_Rental\_Guiding\_Principles\_Sheet\_July\_2016.pdf."

Although the existing process and requirements provide staff with a decent basis for evaluating STR TUP applications, a dedicated CSRD STR TUP policy is recommended as it will provide clear and consistent guidance to both the public and CSRD when considering TUP applications for STRs. The scope of this proposed policy is focused on the appropriateness of proposed STR to be permitted to operate on the subject property. The proposed policy does not provide guidance about how many STRs may be permitted in a neighbourhood or community.

It is recognized by the CSRD that STRs provide residents and property owners a way to participate in the tourism economy of the region. However, without appropriate consideration being given to the regulation of such commercial activity in residential, rural, and agricultural areas, STRs can when not managed appropriately by an owner/operator disrupt neighbourhoods, cause safety concerns, and negatively impact the environment. The goal of a STR TUP policy is to ultimately ensure that STRs operate with a valid TUP in a safe and responsible manner that do not cause disruption in the neighbourhood.

As designated under the Local Government Act, TUPs may be issued to properties within Electoral Areas of the CSRD that are subject to zoning or land use bylaws and subject to either Official Community Plan (OCP) or land use bylaw policy permitting the issuance of TUPs. TUPs may be approved for issuance by the Board by resolution.

The draft STR TUP Policy (Policy P-28) addresses mandatory criteria pertaining to the subject property in which the TUP is being considered. Consideration of the cumulative impacts that STRs can have on a neighbourhood, or community have not been included in the draft policy. Staff recommend further Board discussion and public engagement before including a policy section that addresses the cumulative impacts of STRs.

The table below lists the STR requirements included in the draft policy (section 4.3.1) that must be fulfilled by the owner/operator before a TUP can be considered for issuance. The list below highlights the mandatory criteria and provides rationale for why they are included. The right-hand column indicates requirements that are currently required, which have been revised, and which are proposed to be a new requirement:

<b>Mandatory Criteria</b>	<b>Rationale</b>	<b>Requirement Status</b>
a. TUPs for STRs may only be considered for properties in which the primary use of the property is residential, rural or agricultural.	STRs are not supported in commercial, industrial, institutional and other non-residential areas.	New requirement – provides more clarity regarding where STRs are acceptable.
b. The STR should keep with the	STRs should not disrupt	Currently required.

	residential, rural or agricultural character of the neighbourhood and not cause a nuisance or disturbance.	residential, rural or agricultural neighbourhoods.	
c.	A STR must be located within a dwelling unit permitted by the zone that applies to the property.	STRs cannot be located in illegal dwelling units. STR is not permitted in RVs, yurts, park models which are not dwellings as per the BC Building Code.	Currently required. Covered by zoning, but not explicitly stated in OCP policy.
d.	The STR should be limited to one dwelling unit per parcel.	Limiting the STR to one dwelling unit reduces the scale of the operation and potential for neighbourhood disturbance.	New requirement – intended to prevent multiple STRs on one property.
e.	The STR shall not be permitted on a parcel in which a Bed and Breakfast is located.	Permitting both a B&B and STR on the same property could result in servicing concerns, additional noise complaints and disruption in the neighbourhood.	Currently required.
f.	The STR shall be serviced by a sewerage system that has been confirmed appropriate for the use intended by an Authorized Person.	The CSRD will require documentation from an Authorized Person (AP) confirming that the sewerage system is appropriate for the use intended. The intent is to avoid systems failing because they are not sized or performing as needed.	Sewerage system confirmation is currently required in a variety of ways – requiring this directly from an AP will provide consistency to how this information is obtained. Staff have prepared information to explain the required documentation.
g.	The STR owner/operator shall provide potable water to guests.	STR operators are legally obligated to provide guests potable drinking water. Owner is responsible to provide guest potable water (owner to sign a declaration of potable water).	Confirmation of potable water is currently required in a variety of ways – proposed policy requires the owner to sign a declaration form confirming they will provide potable water to guests. This approach will provide consistency to

		how this information is obtained and is similar to what is required for a building permit.
h. The STR owner/operator shall identify a local contact person who will be available to address issues that may arise any time that STR accommodation is occupied. The name and contact information of the local contact must be provided in the application and must be posted along with the STR TUP in a visible place within the STR and provided to owners and tenants of adjacent properties (confirmed annually).	The local contact should be available to address issues that may arise any time STR. This approach will hopefully resolve most neighbour concerns and may result in less bylaw enforcement involvement.	Local contact person information is currently required; however, this has been revised to require the contact information to be posted in a visible place within the STR and provided to owners and tenants of adjacent properties.
i. The maximum allowable occupancy of the STR should not exceed 10 guests.	A maximum of 10 guests is a reasonable scale for a residential home and consistent with existing OCP policy. Occupancy beyond 10 guests would be considered a small-scale hotel or lodge and more appropriate in a suitably zoned area.	STR TUPs currently specify the maximum number of permitted guests. The new requirement specifies that the maximum number of guests should not exceed 10.
j. One (1) sign advertising the STR may be placed on the subject property. The maximum sign area is 1 m <sup>2</sup> (0.5 m <sup>2</sup> for each side).	Signage needs to keep with the residential, agricultural or rural character of the neighbourhood	One STR sign currently required – proposed policy specifies the maximum sign area.
k. A minimum number of off-street parking spaces shall be provided for a STR (this is in addition to the minimum number of off-street parking spaces required for the zone in which the STR is located): 2 (1-4 guests, 3 (5-8 guests) and 4 (9 or 10 guests).	On-site parking requirement eliminates concerns that could arise from guest parking on the street.	Currently required - proposed policy specifies the number of spaces required per number of guests.
l. STR TUP issuance is subject to proof of adequate vacation rental and liability insurance (minimum of \$3 million in coverage).	The requirement of \$3 million liability insurance for vacation rental TUPs is considered sufficient and is consistent within the insurance industry	Currently required.

	standards. A STR TUP is similar to issuing a licence to operate a short-term rental, versus general zoning. In the context of issuing TUPs to allow STR use of older homes that were not subject to CSRD building regulation and inspection, it is sensible to require sufficient liability insurance.	
m. STR TUP issuance is subject to registration of a s. 219 covenant on title releasing and indemnifying the CSRD for any damages arising from or relating to the issuance of the TUP.	The CSRD does not have the capacity to inspect STRs and ensure that they operate with 100% compliances. S. 219 covenant protects the CSRD interests is any damages arise from the issuance of a STR TUP.	Currently required.
n. The STR should comply within all applicable regulations of the Agricultural Land Commission when located within the Agricultural Land Reserve.	ALC regulates the use of residential structures in the ALR for STRs	Currently required.

Section 4.3.2 of the draft policy lists conditional criteria that would be considered by staff when reviewing a STR TUP application. An example of a conditional criteria would be to consider site conditions (e.g., parcel width) and require additional conditions prior to TUP issuance (e.g., owner/operator to install fence screening to maintain privacy of a neighbouring property). Conditional criteria could also be offered by the applicant to address neighbour concerns with a STR TUP application.

TUPs issued for STRs will list a set of conditions that must be followed by the owner/operator. Should the owner/operator of the STR fail to adhere to the conditions of a TUP, the land use regulations or an enactment, the CSRD may undertake enforcement action outlined in the CSRD Bylaw Enforcement Policy and may include fines, or cancellation of the STR TUP.

The required conditions are established in section 4.4 of the draft policy and include:

- a. The specified season of use (e.g., April 1 – October 31).
- b. Quiet time (e.g., 10 PM – 6 AM daily).
- c. The maximum number of guests (e.g., maximum of 8)
- d. The identification of a local contact person who will be available to address issues that may arise any time STR accommodation shall be provided to adjacent landowners and tenants (confirmed annually).
- e. A complaint response plan detailing how concerns and complaints will be immediately

- addressed.
- f. The STR shall be limited to one dwelling unit on the subject property.
  - g. The STR shall be serviced by a sewerage system that has been confirmed appropriate for the use intended by an Authorized Person.
  - h. The owner/operator shall provide potable water to guests.
  - i. The clear posting of the following information in the STR at a site accessible and visible to guests:
    - I. the owner or local contact information, with availability or accessibility by phone 24 hours a day and 7 days a week;
    - II. clear noise rules and quiet times;
    - III. emergency call number (9-1-1); and
    - IV. instructions regarding proper disposal of all garbage, recycling, and yard waste created by the operation of the STR.
  - j. All parking must be accommodated on site; no parking shall occur on a public roadway.
  - k. The owner/operator is wholly responsible for the proper disposal of all garbage, recycling, and yard waste created by the operation of the STR.
  - l. Vacation rental signage shall be limited to one sign (maximum sign area is 1 m<sup>2</sup>).

Section 4.5 of the draft policy specifies TUP optional conditions. The CSRD could specify optional conditions for a unique application (e.g., limiting guest access to a specified portion of the property). Furthermore, the applicant could offer optional conditions, staff could recommend optional conditions to the applicant, or staff could recommend optional conditions to the Board if the applicant is not agreeable.

#### Bylaw Enforcement

Short term rentals are currently classified as Class II concerns by CSRD Board approved Bylaw Enforcement Policy A-69 - and as per policy; complaints meeting the standard set out in the policy will be triaged and processed for investigation by; the agency/higher level of government responsible taking the lead, budget, staff resources, higher Class I priorities taking precedent. Associated STR complaints for concerns such as septic, Policy A-69 will additionally manage noise or parking; septic - referral to IHA, parking - referral to MoTI and noise - direct referral to the RCMP for consideration for their enforcement response.

As of summer 2024, approximately 700 unique STR listings in CSRD Electoral Areas B-G were documented. As of fall 2024, approximately 700 unique STR listings in Electoral Area A were documented. Almost all STRs are not compliant with zoning where zoning applies. Should the Board wish to entertain elevating their current status and prioritize STR complaints within the enforcement policy, staff can provide a future report outlining the comparison for this request against potential increased budget and staffing resources.

The maximum fine that regional districts can set for prosecutions of bylaw offences under the Offence Act has increased from \$2,000 to \$50,000. This is consistent with the maximum fines for municipalities under the Community Charter.

The maximum municipal ticketing fine that a Regional Districts may set under the Community Charter Bylaw Enforcement Ticket Regulation has increased from \$1,000 to \$3,000 per infraction, per day.

#### Financial Considerations

The CSRD currently charges \$1,150.00 (includes \$150 registration fee) for TUP applications. Given the considerable staff time required to process TUPs and the cost of publishing the required newspaper

notifications, the Board may wish to review Development Services Application Fees Bylaw No. 4000, as amended, and consider increasing the TUP application fee to better reflect the true cost processing cost. It should be noted that other Regional Districts charge \$2,000 for TUP applications considered by a Board.

#### Principle residence requirement – option to opt-in

Effective May 1, 2024, the Province has implemented a principal residence requirement in some areas of the province which limits STRs to the host's principal residence, plus one secondary dwelling unit. Regional districts are exempt from this requirement but can submit a request by resolution to the Minister of Housing to "opt-in" to the principal residence requirement. A local government's resolution must be submitted to the Province by March 31 of each year for the change to take effect November 1 of the same year.

STRs located in the host's principal residence (primary or secondary dwelling unit) are considered "home sharing" operations in which the principal resident of a dwelling unit rents out a part or all of that dwelling unit on a temporary basis. Examples of this include a family renting a basement suite on Airbnb, or a homeowner who travels frequently for business renting out their entire unit while away.

A commercial operation, by contrast, is a STR which is not located in the host's principal residence and is operated in a typically year-round. Commercial STR operators often have multiple listings and result in long-term housing off the market.

Staff believe that the principal residence requirement may be worth considering in the future as it can help address some of the issues that arise from commercial STR operations. These issues include the elimination of housing from the long-term rental market and disruption of residential neighborhoods by dwelling units being used on a full-time commercial basis.

The proposed draft STR TUP policy does not include a principal residence requirement. However, if an owner/operator lives in another permitted dwelling unit on the subject property they may offer this condition in their STR TUP application as method to reduce or eliminate neighbours concerns with their application.

#### Update on Provincial STR Information

By early 2025, the Province expects to establish a STR registry. All short-term rental hosts and platforms will be required to register. Further details about the STR Registry, including whether hosts will be required to prove compliance with local land use, are expected to be announced later this year.

The Province launched a "Notice and Takedown Process" on May 1, 2024. Platforms must remove listings that do not comply with a local government business licence requirements at the request of a local government.

A STR Data Portal was launched on June 30, 2024. Access to the portal is currently only available to local governments that regulate STRs through business licencing. The Province will explore options for providing access to local governments that regulate STRs in other ways (such as through zoning or temporary use permits) in the future.

Local governments can annually request by resolution submitted to the Minister of Housing to opt-in to the Province's principal residence requirement. A local government's resolution must be submitted to the Province by March 31 of each year for the change to take effect November 1 of the same year

#### Update on CSRD STR Communication

The [CSRD's STR information webpage](#) has been updated with the latest Provincial STR information and

contact information. The webpage notes that the CSRD does not currently have a business licensing service for its Electoral Areas and therefore will not be issuing business licences for STRs.

A dedicated webpage explaining [Temporary Use Permits for Short-Term Rentals](#) has been added which includes a clear guide and checklist that needs to be followed when submitting a STR TUP application. Future website updates will be made as new Provincial information is obtained and as CSRD procedures for STR TUPs are fine-tuned.

#### Rationale for Recommendation

Staff recommend that the Committee of the Whole provide support in principle the draft Short-Term Rental (STR) Temporary Use Permit (TUP) Policy P-28 for consideration and endorsement at the November 21, 2024 Board Meeting for the following reasons:

- As a result of Provincial Bill 35 (Short-Term Rental Accommodation Act) the CSRD is currently receiving an influx of STR TUP applications which are challenging to review given the wide range of OCP policy and Zoning Bylaw regulation pertaining to STRs.
- The proposed policy confirms the expectations for the CSRD and the public for when STR TUP applications are considered by the CSRD.
- Expedient Board consideration and endorsement of Policy P-28 will provide a consistent and more efficient approach for reviewing and considering the approval and issuance of STR TUPs where CSRD zoning applies, and a TUP is an option.
- Policy P-28 can be endorsed by the Board and become applicable at one CSRD Board meeting. In comparison, amending the five OCPs and one rural land use bylaw (Salmon Valley Bylaw No, 2500) would take many months to complete.

#### **IMPLEMENTATION**

Following the October 16 CoW meeting, staff recommend the following steps:

1. Staff will review feedback received at the meeting regarding Policy P-28 and review/revise the policy as required.
2. Staff will recommend to the Board at the November 2024 Board Meeting that Policy P-28 be endorsed.

Staff have identified three different options for the Board to receive public feedback when considering Policy P-28:

1. Consider Policy P-28 without public engagement.
  - This approach will enable the policy to be considered by the Board soon, but without any public engagement.
2. Conduct public engagement after endorsing Policy P-28. Make any necessary revisions to Policy P-28 following public engagement.
  - This approach will enable the policy to be considered by the Board soon and the endorsed policy will provide guidance to the CSRD and the public about STR TUP applications, with any necessary policy changes being made once public engagement is completed.
3. Conduct public engagement and make necessary policy revisions prior to Board consideration of Policy P-28.
  - Board consideration the policy would be delayed until public consultation is completed. It is estimated that public consultation could take between two to three months to complete.

While option one proposes policy endorsement without public engagement, options two and three both include an opportunity for the public to provide input. Staff recommend that the Board choose option



two since it allows quick implementation of the policy, but also assures that public engagement would still be conducted. Staff suggest engaging with the public by employing a survey on the “CSRD Connect” page.

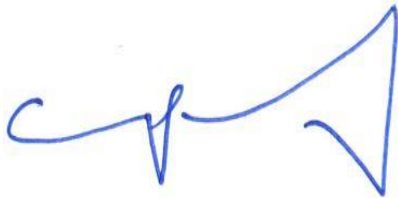
**COMMUNICATION**

This report, including draft STR TUP Policy P-28, will be added to the CSRD’s STR webpage.

**Report Approval Details**

Document Title:	2024-10-16_CoW_DS_STR_TUP_Policy.docx
Attachments:	- P-28_STR_Policy_draft_Oct_2024.pdf - BL830_BL840_BL850_Excerpts.pdf - CSRD_Vacation_Rental_Guiding_Principles_Sheet_July_2016.pdf
Final Approval Date:	Oct 8, 2024

This report and all of its attachments were approved and signed as outlined below:



Corey Paiement

**No Signature - Task assigned to Gerald Christie was completed by assistant Jennifer Sham**

Gerald Christie



Jennifer Sham



John MacLean