



STAFF REPORT TO COMMITTEE

DATE OF REPORT October 17, 2023
MEETING TYPE & DATE Electoral Area Services Committee Meeting of November 1, 2023
FROM: General Manager
Land Use Services Department
SUBJECT: Short-Term Rental Regulations
FILE: 6450-20

PURPOSE/INTRODUCTION

This report provides information about short-term rental regulations in CVRD electoral areas, forthcoming Provincial legislation and regulatory options available to the Board.

RECOMMENDED RESOLUTION

That it be recommended to the Board that staff be directed to consult with electoral area advisory planning commissions on the topic of short-term rentals, and that staff review and provide recommendations to the Electoral Area Services Committee on potential amendments to short-term rental regulations.

BACKGROUND

The Cowichan Valley, like other parts of BC, is experiencing increasing pressure on the long-term rental housing market. Lack of availability is driving up housing costs, displacing renters and contributing to social and economic challenges including labour shortages and impacts to critical services (e.g. health care, education).

There has been a significant increase in short-term rentals (STRs) based on online accommodation platform (OAP) listings in BC; the Province reports an increase of 28,000 listings (20%) over the past year. In the Cowichan Region, there are more than 1,000 active OAP listings for STRs.

Zoning regulations for electoral areas are largely prohibitive of short-term rentals. Despite this, STR uses are becoming increasingly prevalent and challenging to enforce.

A Joint UBCM-Province Advisory Group on STRs produced a report in 2021, which included recommendations to address the growing challenge of STRs:

[https://www.ubcm.ca/sites/default/files/2021-11/Policy%20Areas Housing Priorities%20for%20Short-Term%20Rentals%20Report 2021-10.pdf](https://www.ubcm.ca/sites/default/files/2021-11/Policy%20Areas%20Housing%20Priorities%20for%20Short-Term%20Rentals%20Report%202021-10.pdf)

On October 16, 2023, the Province of BC announced new legislation (largely in response to the Advisory Group report recommendations) to regulate STRs and to provide increased regulatory authority to local governments. This includes:

- Increasing municipal/regional district bylaw fines from \$1,000 to \$3,000/day, and allowing regional districts to set a maximum penalty of \$50,000 for significant offences;
- Requiring STR platforms to share data;
- Requiring STR hosts to join a provincial registry;

- Limiting STRs to principle residences only plus one additional unit on the property in BC municipalities with more than 10,000 people (subject to zoning, which can be more restrictive and with an option for smaller communities to opt-in);
- Removing legal non-conforming rules;
- Providing business license authority to regional districts;
- Requiring STR platforms to provide business license numbers where required by local government bylaw; and
- Launching a provincial STR compliance and enforcement unit.

Further information about the Provincial initiative is available on the Province of BC website:

https://news.gov.bc.ca/files/ShortTermRental_Technical_Briefing.pdf

ANALYSIS

The Board has directed modernization of regional district bylaws including the Official Community Plan and zoning bylaws. This work includes consolidating and updating bylaws to address emerging Board policy direction and present-day challenges such as housing affordability.

Proposed legislation will provide local governments, and regional districts in particular with expanded tools to address STRs.

Staff are recommending a number of immediate actions, which will complement the Provincial initiative.

1. Reviewing CVRD zoning regulations for all 9 electoral areas, considering any defined terms such as temporary accommodation, vacation rental, etc. and how these are regulated within respective bylaws.
2. Defining “short-term rental” and identifying where this type of use should be permitted or prohibited.
3. Creating a temporary use permit (TUP) application opportunity for STR hosts who are not in compliance with zoning regulations.
4. Undertaking pro-active bylaw enforcement.

Items number 2-3, should involve consultation with local advisory planning commissions (APCs) to solicit input on issues related to STRs and where such uses could be permitted or strictly prohibited. A primary objective of this process would be to create a standardized set of regulations for STRs across electoral areas, recognizing that various zones may permit or prohibit these uses.

Item number 4 requires Board approval of a supplementary budget request coming forward with the 2024 budget package. Staff are recommending a 2-year temporary bylaw enforcement officer, dedicated to pro-active STR enforcement. This position may be funded through Function 328 Operating Reserves having no impact on requisition. Pending legislation to enact business licensing authority and Board decision to use this authority, this position could assume responsibility for business license administration, monitoring and enforcement.

Staff are awaiting further details on the option to “opt-in” to provincial legislation currently targeting communities of 10,000 and more people.

Options:

Option A: Consultation with APCs (Recommended)

That it be recommended to the Board that staff be directed to consult with electoral area advisory planning commissions on the topic of short-term rentals, and that staff review and

provide recommendations to the Electoral Area Services Committee on potential amendments to short term rental regulations.

Option B: Consultation with APCs and Consultant-led Public Engagement

That it be recommended to the Board:

1. That staff be directed to consult with electoral area advisory planning commissions on the topic of short-term rentals;
2. That staff prepare a supplemental budget request for consideration of the Board for consultant-led public engagement on short-term rentals; and
3. That following a consultation and engagement process, staff provide recommendations to the Electoral Area Services Committee on potential amendments to short-term rental regulations.

FINANCIAL CONSIDERATIONS

The work would be undertaken by the Community Planning Division. Division staff have received direction to consult on secondary suite housing options. Consultation with APCs on this particular topic may occur in parallel to minimize administrative costs. Should the EASC wish to see broader public consultation, this would require additional budget and may be included as a supplemental budget request for 2024 (if directed by the Board).

Supplemental budget for a temporary bylaw officer will be the subject of budget discussions.

Supplemental budget for consultant-led public engagement on short-term rentals may be the subject of budget discussions, if staff are directed to prepare a supplemental budget request on this topic.

COMMUNICATION CONSIDERATIONS

PlanYourCowichan may be used to communicate information about this project.

STRATEGIC/BUSINESS PLAN CONSIDERATIONS

Supports strategic direction regarding affordable housing and enforcement of short-term rentals.

GENERAL MANAGER COMMENTS

Not Applicable

Referred to (upon completion):

- Community Services (*Arts & Culture, Cowichan Community Centre, Cowichan Lake Recreation, South Cowichan Recreation, Facilities & Transit*)
- Corporate Services (*Finance, Human Resources, Information Technology, Legislative Services*)
- Operations (*Parks & Trails, Recycling & Waste Management, Utilities*)
- Land Use Services (*Building Inspection & Bylaw Enforcement, Community Planning, Development Services, Strategic Initiatives*)
- Strategic Services (*Communications & Engagement, Economic Development, Emergency Management, Environmental Services*)

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Reviewed for form and content and approved for submission to the Committee:

Resolution:

Corporate Officer

Financial Considerations:

Chief Financial Officer