



City of Kelowna Regular Council Meeting Minutes

Date:	Tuesday, November 21, 2023
Location:	Council Chamber City Hall, 1435 Water Street
Members Present	Mayor Tom Dyas, Councillors Ron Cannan, Maxine DeHart*, Charlie Hodgee, Mohini Singh, Luke Stack, Rick Webber and Loyal Wooldridge*
Members Participating Remotely	Councillor Gord Lovegrove
Staff Present	City Manager, Doug Gilchrist; Deputy City Clerk, Laura Bentley; City Clerk, Stephen Fleming; Divisional Director, Planning, Climate Action & Development Services, Ryan Smith; Planner II, Kimberly Brunet; Licensing and Systems Improvement Supervisor, Graham March
Staff Participating Remotely	Legislative Coordinator (Confidential) Clint McKenzie

(* Denotes partial attendance)

1. Call to Order

Mayor Dyas called the meeting to order at 3:01 p.m.

2. Reaffirmation of Oath of Office

The Oath of Office was read by Councillor Hodgee.

3. Confirmation of Minutes

Moved By Councillor Cannan/Seconded By Councillor Hodgee

THAT the Minutes of the Public Hearing and Regular Meeting of October 17, 2023 be confirmed as circulated.

Carried

4. Call to Order the Public Hearing

Mayor Dyas called the Hearing to order at 3:04 p.m.

Councillor DeHart declared a conflict of interest as they own units on Sunset Drive that could be rented short term and departed the meeting at 3:06 p.m.

Councillor Wooldridge declared a conflict of interest as they hold a short term rental license and departed the meeting at 3:06 p.m.

5. Individual Bylaw Submissions

5.1 **START TIME 3:00 PM - Short-Term Rental Accommodation Regulatory Amendments - TA23-0013 (BL12590) - City of Kelowna**

Staff:

- Provided introductory remarks regarding the intent of the bylaw amendments.
- Displayed a PowerPoint presentation summarizing the proposed amendments to the Zoning Bylaw regarding short term rental accommodations.
- Provided background of regulations and the reason for the changes.
- Outlined the proposed changes and provided a summary of the provincial legislation.

The Deputy City Clerk provided comments on the proposed bylaw and decision before Council.

The Deputy City Clerk invited anyone participating online or in the gallery who deemed themselves affected to indicate they wish to speak followed by comments from Council.

Gallery:

Winston Ben, Chapman Pl.

- Short-term rental owner and operator.
- Support staff proposal
- Commented on the lack of clarity regarding provincial legislation.
- Requested that Council advocate in the provincial process of drafting regulation.
- Requested Kelowna opt out of the Province's principal residence requirement and 3% vacancy rate criteria as it is unfair.
- Spoke to current legislation and requested site-specific variances for existing principal residence buildings to continue.

Marilyn Strong, Kelowna

- Displayed a PowerPoint presentation.
- Operates a short-term rental in their house.
- Requested that Council modify or defer the decision.
- Spoke to who will benefit and who will lose with the changes.
- Suggested modifications to the restrictions and allowing licence applications before the end of 2023.
- Requested Council defer their decision until the Province finalizes its regulations.

Michaela Burn, Wilson Ave.

- Owns and operates a short-term rental in their house.
- Concerned changes will transform legitimate short-term rentals to non-conforming uses.
- Premature to change City regulations until provincial regulations are known.
- Requested a moratorium on new short-term rental licences to allow time to assess the impact of the upcoming legislation.

Mary Nona, Birch Ave

- Removing short-term rentals does not meet any of the City's short term rental principles from 2018/2019.
- Spoke to volunteer work at KGH and Cancer Clinic and hearing from families in attendance not having adequate accommodations.
- Spoke to short-term rentals filling a need in the community.
- Spoke to the recommendations having a negative impact to those supplementing their income with a secondary business.
- Students, fixed term contractors, families to KGH and tourists visiting will be negatively impacted.
- Spoke to lack of equity of the program and need to enforce where needed.

Susanne Young, Belmont Rd.

- Displayed a PowerPoint presentation outlining concern for the recommendation to remove short-term rentals.
- Spoke to the positives of short-term rentals.
- Spoke to challenges of enforcement and compliance.
- Spoke to problem of student accommodation being addressed by short-term rentals as well as travelling nurses and the impact on KGH if they are removed.
- Spoke to staff's previous recommendations in 2018 on short-term rentals.

Mark, Grainger Rd.

- Request that Council defer and modify recommendation based on provincial regulations.

Clayton Robertson, Collinson Ct.

- Spoke to multigenerational approach and not being able to afford rent without help from family as an apprentice electrician.
- Spoke to family experience with renters and damage to rental unit.
- Spoke to coverage provided by rental agencies for AirBnBs.
- Removal of short term rentals is detrimental to the rights of home ownership.
- Costs of developing units escalating and impacting housing availability.
- Spoke to digitalizing and speeding up the process for multifamily developments.
- Short-term rental regulations and the federal government immigration legislation are at odds.
- Short-term rentals help bring more people to Kelowna and a positive accommodation alternative.

Jarod Vastratta, Upper Mission

- Spoke to short-term rentals in his neighbourhood negatively impacting his house including property damage and loud activity.
- Spoke to short-term rentals increasing the cost of housing and contributing to the lack of affordable housing.

Marty Coymen, Belagio Way

- Concerned with the recommendation.
- They will not be changing their rental property to long term rentals.
- Spoke how unaffordable it is to live in Kelowna without a good paying job.
- Spoke to government regulations resulted in the lack of housing options.
- Concerned that those who do not have a licence will not be able to get one.

The meeting recessed at 4:14 p.m.

The meeting reconvened at 4:24 p.m.

The Mayor made remarks regarding the public hearing conduct.

Staff provided comment regarding bed and breakfast use for principle residences.

No name provided, Clifton Rd N.

- Operate a short-term rental.
- Suggested short-term rentals will not be converted to long-term rentals.
- Acknowledged negative operators and experiences of others.
- Supports more enforcement.
- Spoke to a housing crisis and renovations and the concerns with rentals.
- Spoke to short-term rentals being a viable option for students and apprenticing trades people.
- Spoke to the economic benefits of short-term rentals.

Robin, Deans Dr.

- Spoke to being a renter and a full-time registered nurse trying to buy a house and cannot afford anything.

JP Letnick, Steele Rd.

- Spoke to being a realtor and the number of vacant homes and significant inventory on the market with most of them not being used for short-term rentals.
- Spoke to the public confusion between short-term rental licences and bed and breakfast licences.
- Spoke to difficulty removing problematic long-term renters.
- Requested advocacy on provincial legislation.

Paul Smith, Walker Dr.

- Spoke to challenges converting short-term rentals to the long-term in a rental pool.
- Spoke to benefits of short term rentals versus hotel setting for people with disabilities giving them greater flexibility.
- Spoke to affordability of short-term rentals versus traditional hotel/motel accommodation.

Wesley Favro, Enterprise Way

- Requested Council to support the proposed amendments recommendation of staff and reduce short-term rentals in community short term rental restrictions.
- Short-term rentals disrupt social fabric of neighbourhoods and impact affordable housing.

Penny Pearson, Glenwood Ave.

- Supports the proposed text amendment.
- Requested Council looks at the community as a whole and balance between tourism and the need for affordable and available housing.
- Allow existing operators to continue operating short-term rentals.
- Believes some will convert to long-term rentals to have additional income.
- Spoke to approach in Quebec with fines being paid by online platforms that host illegal short-term rentals.

Kris Stewart, Ethel St.

- Spoke to using Air BnB for their carriage house for short-term rentals for several years.
- Will not be converting to long-term rental with their experience with inability to remove problem tenants.
- Owns a travel nurse company and the carriage house is used as a short-term rental for nurses at hospital a couple months at a time.
- Spoke to applications in process should be processed.
- Spoke to legislation being known from province first before Council makes a decision.

Paul Davies, Rutland

- Spoke to requesting Council to defer their decision until provincial legislation is confirmed.
- Operates a short-term rental in his principal residence.
- Referenced Priority for Action on Short Term Rentals published by UBCM.
- Data doesn't support short-term rentals impacting long-term rental market.
- Spoke to correlation versus causation.

Online:

Ben Jollymore, Yates Rd.

- Opinions don't reflect the population of Kelowna.
- Spoke to being an engineer and currently a renter who is not able to afford home ownership in the Kelowna housing market.
- Spoke to the recommendation being one small step in lowering housing costs and expects 50/50 or more of residents in favour of the proposed amendments.
- Shared screen to show Airbnb pricing higher in the off season of February compared with less costly hotels.
- Requested Council support the recommendation to help lowering housing costs and encourage housing options.

Colin Metcalfe, St Paul St.

- Spoke to needing to sell their home if legislation to remove short-term rentals is enacted. Invested in Kelowna because of option for short-term rentals.
- New provincial legislation will harm tourism industry and make hotel stays more expensive.
- Recommend table zoning bylaw change until we know what impact Bill C35 will have.
- Spoke to impact on the economy if no one can afford to visit.

Jordan Kinghorn, Cook Rd.

- Counsel for Playa Del Sol.
- Provided some background to Playa Del Sol being exempt to the proposed amendments.
- Building developed and used for vacation rentals.
- Asked the City to continue to support short-term rentals at Playa del Sol and other resort communities to support tourism and economy
- Advocate to the Province if needed.

Gallery:

Deena Steele, Kelowna

- Short term rental operator. Spoke to concerns of housing affordability.
- Request defeating the bylaw amendments as we need more details from the Province.
- Shared some of the positive impacts of short-term rentals including strong wages for cleaners and support businesses.
- Spoke to the positive impacts of short-term rentals for the film industry and the health industry for practitioners and visiting family members seeking medical care.
- Spoke to clients not being interested in the long term market and would instead opt out to allow executive rentals with 90 day minimum stays.
- Requested Council advocate on community's behalf to the Province regarding support for enforcement for exemptions.

Michael Cesnik, Stockwell Ave.

- Spoke to policy approach to regulating short-term rentals.
- Many options are available to consider via the context of a short-term rental policy.

Tim Layler, Hollywood Dr S.

- Works at a short term property management company.
- Concerned with removing parking restrictions, need offstreet parking so not to impact streets.
- Requested the amendment be reviewed and tabled later so it can be put together in conjunction with incoming provincial legislation.
- Spoke to creating bylaws for tourism designation zoning for principal use properties to be exempt from provincial restrictions.

Mike Pearson, Kelowna

- Spoke to being a renter and being involved with several supportive housing sites.
- Consider age and economic status of those opposing amendments.
- Need for additional housing supply.
- Consider voices not being represented here.
- More affordable housing needed across all demographics.
- Supports proposed amendments.

Patty Little, Pandosy Ave.

- Young family taking on additional jobs to make ends meet.
- Spoke to unaffordability of the market and the need for tenants to make ends meet.
- Have used extra room in house as short-term rental for additional income.
- Many circumstances where removing short-term rental as secondary use will exacerbate housing affordability issue instead of reduce it.
- Consider more specific instead of broad approach.
- Cost of housing and interest rates are the problem.
- Short-term rentals are more affordable for travelling, especially in larger groups.

- Concerned the removal of short term rentals will exacerbate the rental market causing their family to have to consider renting.

Megan Parnell, Glenmore

- Spoke to being a long-term landlord that frequently travels.
- Not opposed to long-term rental solutions.
- Wants a choice in what to do with their property.
- Spoke to monetary order with a problematic long-term tenant and the need to raise rental rates due to expenses for landlords.
- Gather more feedback from long-term tenants and landlords.
- Allow short-term rentals because removing won't increase long-term rental availability.
- Requested advocacy to balance residential tenancy rules to support landlords.

Online:

Maria Shaw, Richter St.

- Supports the recommendation to remove short-term rentals as they affect affordability for everyone.
- Spoke to many posting for jobs at hotels.
- Travelers for work prefer hotels instead of shared accommodation.

Blake Roberts, Kelowna

- Spoke to those short-term rentals legally zoned as principal use.
- Spoke to the need for units as they are assisting home owners pay their taxes.
- Spoke to the financial hardship this will have to many short-term rental owners.
- Told when OCP and zoning changed that non-conforming use provisions apply and short term rentals will continue to be allowed.
- Units put at risk when OCP was changed.
- Online Accommodation Platform tax goes to City of Kelowna for low-income housing.
- City created problem by allowing short-term rentals, need to fix housing problem.
- Spoke to need to work with the Province on amending short-term rentals.

Staff provided comments on impacts of provincial legislation as it may impact purpose built short-term rental properties regardless of City zoning.

Gallery:

Taylor Cameron, Fuller Ave

- A homeowner and realtor, short-term rental operator and landlord.
- Displayed a PowerPoint presentation outlining the provincial registry, city approved licenses, and the need to give local governments stronger tools to enforce short-term rental bylaws.
- Spoke to lacking data evidence that converting to long-term rentals will make units affordable.

Luke Turri, Mission Group Developments

- Submitted correspondence to Council and MLAs.
- New provincial legislation will create unintended consequences for City if exemptions are not provided for principal use buildings.
- Spoke to tourist commercial zoning accommodations being challenged in the peak season if short-term rentals are removed; need a Kelowna-specific solution.
- Advocate to the Province to allow for specific exemptions, especially for tourism commercial, before regulations are developed.

The meeting recessed at 5:57 p.m.

The meeting reconvened at 6:20 p.m.

Online:

Cheryl Spelliscy, Sutherland Ave

- Spoke to having a vacant suite and waiting to the provincial legislation to come out before renting out to potential health care workers and students.
- Spoke to need to continue allowing short term rentals.
- Spoke to timing being unclear between City regulations and provincial legislation.
- Spoke to need to mitigate for resort style communities.

Brad Hallam

- Unable to speak due to technical issues with their microphone. Staff will come back to give another opportunity to speak.

Kyle

- Did not unmute or turn video on. Staff will come back to give another opportunity to speak.

Dana

- Did not unmute or turn video on. Staff will come back to give another opportunity to speak.

Gallery:

Jillian Crowel, Green Rd.

- Realtor who is seeing many units selling that are not to be owner occupied.
- Not in favour of removing short-term rentals.
- Spoke to the history of rentals in Kelowna.

Steve Nicholson, Sunset Dr.

- In favour of short term rentals.
- Spoke to units being set up as tourist accommodations, similar amenities to hotels.
- Spoke to need for options other than hotels.
- Several projects are coming online.

Andre Blanleil, Marina Way

- Resort municipalities not affected by new provincial legislation.
- Kelowna has high tourism draw, concerns for limited tourist accommodation.
- Spoke to a downtown zone needing to be established as a short term rental zone as principal use.
- Owns property in Discovery Bay; spoke to their unit being rented out to students and nurses who need short-term rentals.
- Concerned other problems are being created by trying to solve one issue.
- Hotel stays are not always an affordable option for families.

Derek Weatherhead, Kelowna

- Local realtor, does not operate a short-term rental.
- Spoke to increase in short term rentals and the need for them.
- Housing and helping others gain housing has been important part of their life.
- Citizens being blamed for using properties in certain way instead of government focusing on mechanisms to support housing affordability.
- Commented on previous development applications in outlying areas being denied.
- Removing people's rights without putting units back into housing market.

Online:

Andrew McNeil, Kelglen Cr.

- Spoke to their unit and the rental conditions.
- Want short-term rental in basement suite as mortgage helper.
- Keep short-term rentals as secondary use.
- More affordable than hotel, setup is not conducive to long-term rental.
- Denied short-term rental business licence because of being located in a suite.

- Do not want to entertain long-term rentals and will not open up their residence to long term.

Leanne W., Shanks Rd., Okanagan Vacation Rentals

- Licensed property manager, real estate agent and rental management company.
- Deals with complaints about short-term rentals.
- Spoke to removing opportunity for short-term rentals will negatively impact tourism.
- Some short-term rentals benefit from the blend between tourism and student use.
- Concerned with unemployment that will occur for rental cleaning staff.
- Concerned property values will decrease in those area where short-term rentals are removed.

Brad Hallum

- Does not operate a short-term rental.
- Operates small tour business downtown, most guests book directly through AirBnB and Trip Advisor.
- Concerned about going out of business if short-term rentals are removed.
- Requested follow existing rules and have short-term rentals remain viable options.
- Requested Council to reconsider and allow short-term rentals to remain as an option for visitors to come to Kelowna.

Caio Oliveira, Kelowna

- Sent correspondence.
- Spoke to new provincial rules being driven by issues in Vancouver.
- Spoke to removing short-term rentals being unfair and that owners should not be told what to do with personal property.
- Concerned not everyone will be able to afford owning a house.

No one else came forward in the gallery or online.

Staff responded to questions from Council.

The Deputy City Clerk provided comments on Council's options.

The Mayor provided comments.

There were no further comments.

6. Termination

The Hearing was declared terminated at 7:22 p.m.

7. Call to Order the Regular Meeting

Mayor Dyas called the meeting to order at 7:22 p.m.

8. Bylaws Considered at Public Hearing

8.1 START TIME 3:00 PM - Short-Term Rental Accommodation Regulatory Amendments - BL12590 (TA23-0013) - City of Kelowna

Moved By Councillor Stack/Seconded By Councillor Webber

THAT Bylaw No. 12590 be read a second and third time.

Moved By Councillor Cannan/Seconded By Councillor Hodge

THAT Council defer consideration of the bylaw until the Province confirms short-term rental regulations.

CARRIED
Councillor Lovegrove - Opposed

The original motion was not considered due to deferral.

Staff provided comments on procedural matters.

9. Termination

The meeting was declared terminated at 7:29 p.m.

Mayor Dyas

Deputy City Clerk

lb/cm