

# REPORT TO COUNCIL



**Date:** Sept 14, 2020

**To:** Council

**From:** City Manager

**Department:** Development Planning Department

**Application:** TA20-0001

**Owner:** 1157695 B.C. LTD., INC.NO.  
BC1157695

**Address:** 1660 Water Street

**Applicant:** Anthony Beyrouti

**Subject:** Text Amendment Application

**Existing OCP Designation:** MXR – Mixed Use (Residential/Commercial)

**Existing Zone:** C7 – Central Business Commercial

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## 1.0 Recommendation

THAT Zoning Bylaw Text Amendment Application No. TA20-0001 to amend City of Kelowna Zoning Bylaw No. 8000 as outlined in Schedule "A" attached to the Report from the Development Planning Department dated September 14, 2020 for Lot A District Lot 139 ODYD Plan 22722 located at 1660 Water Street NOT be considered by Council;

AND THAT the Zoning Bylaw Text Amendment Bylaw NOT be forwarded to a Public Hearing for further consideration.

## 2.0 Purpose

To consider a Staff recommendation of non-support for the proposed site-specific Text Amendment to Short Term rentals as a permitted land use within the C7 zone specifically for the subject property 1660 Water Street.

## 3.0 Development Planning

Staff do not support the site-specific Text Amendment to allow Short Term Rentals for this subject property.

On December 3, 2018, Council directed staff to proceed with preparing bylaws to implement the proposed short-term rental accommodation regulations and licensing requirements related to the regulations. The proposed regulations were based on the guiding principles Council endorsed on July 16, 2018 as well as best practice research and input from residents and stakeholders. Multiple public hearing and Staff engagement occurred with the last public hearing on short term rentals occurring on May 6<sup>th</sup>, 2019. The three guiding principles endorsed by Council are:

1. Ensure short-term rental accommodations do not impact the long-term rental housing supply in a negative way;
2. Ensure short-term rental accommodations are good neighbours; and
3. Ensure equity among short-term accommodation providers.

Staff outlined the proposal to limit short-term rentals to an operator's principal residence, except for select commercial areas. This has been carried through to the regulations with some adjustments based on stakeholder and resident feedback. The result was the introduction of short-term rental accommodation as a new secondary use in an operator's principal residence in single / two-unit residential, multi-unit residential, and mixed-use commercial zones. This meant short term rental accommodations were removed as an allowable land use in all properties zoned C4 and C7. The intent was to guard against an entire building being operated as short-term rental and its associated intense impact to the neighborhood and conflict amongst owners within the building.

The applicant's argument is a single operator of a rental building without specific length of stays (i.e. short- and long-term stays) can mitigate those concerns. There would be a front desk and a mechanism to address complaints. Further, the single owner / operator would be vested in operating the building harmoniously.

Staff are not recommending support as Council recently (in spring / summer of 2019) adopted these regulations. The debates about the impacts of short-term rentals and the impacts of single owner operated short term rentals occurred at that time. Staff recommend the rules be applied consistently within the community with no site-specific exemptions. Pending resource availability, Staff are anticipating a full review of the City's short-term regulations in 2021/2.

#### **4.0 Proposal**

##### **4.1 Project Description**

The proposal is to build a mixed-use development within 3 towers (732 suites total; 534 market residential units, 198 short term rental units and ground floor commercial retail space) at 234-278 Leon Ave, 1620-1630 Water Street and 1660 Water Street. Should the applicant proceed to the Development Permit and Development Variance Permit stage, Staff will bring forth a Council report for those permits detailing the form and character conformance to the design guidelines with analysis of any proposed variances

**Subject Property Map: 1660 Water Street****5.0 Current Development Policies****5.1 Kelowna Official Community Plan (OCP)**

**Compact Urban Form.**<sup>1</sup> Develop a compact urban form that maximizes the use of existing infrastructure and contributes to energy efficient settlement patterns. This will be done by increasing densities (approximately 75 - 100 people and/or jobs located within a 400 metre walking distance of transit stops is required to support the level of transit service) through development, conversion, and re-development within Urban Centres (see Map 5.3) in particular and existing areas as per the provisions of the Generalized Future Land Use Map 4.1.

**Contain urban growth.**<sup>2</sup> Reduce greenfield urban sprawl and focus growth in compact, connected and mixed-use (residential and commercial) urban and village centres.

**Mixed Use.**<sup>3</sup> Integration of residential uses into commercial developments as mixed-use projects is encouraged in Urban Centres, provided that the ground floor use remains commercial.

**Residential Land Use Policies.**<sup>4</sup>

- Support a greater mix of housing unit size, form and tenure in new multi-unit residential and mixed use developments.
- Ensure context sensitive housing development.

<sup>1</sup> City of Kelowna Official Community Plan, Policy 5.3.2 (Development Process Chapter).

<sup>2</sup> City of Kelowna Official Community Plan, (Chapter 1 Introduction).

<sup>3</sup> City of Kelowna Official Community Plan, (Chapter 4 Future Land Use).

<sup>4</sup> City of Kelowna Official Community Plan, Objective 5.22 (Chapter 5 Development Process).

**Commercial Land Use Policies.**<sup>5</sup> Encourage Mixed-use commercial development.

## **6.0 Application Chronology**

Date of Application Received: January 9<sup>th</sup> 2020

Public Notification Received: Aug 31<sup>st</sup> 2020

## **7.0 Alternate Recommendation**

THAT Zoning Bylaw Text Amendment Application No. TA20-0001 to amend City of Kelowna Zoning Bylaw No. 8000 as outlined in Schedule "A" attached to the Report from the Development Planning Department dated September 14, 2020 for Lot A District Lot 139 ODYD Plan 22722 located at 1660 Water Street be considered by Council;

AND THAT the Zoning Bylaw Text Amendment Bylaw be forwarded to a Public Hearing for further consideration;

AND FURTHER THAT final adoption of the Zoning Bylaw Text Amendment Bylaw be considered subsequent to the approval of the Ministry of Transportation and Infrastructure.

**Report prepared by:** Adam Cseke, Planner Specialist

**Reviewed by:** Dean Strachan, Community Planning & Development Manager

**Approved for Inclusion:** Ryan Smith, Community Planning Department Manager

### **Attachments:**

Schedule 'A' Proposed Text Amendments TA20-0001

Attachment 'A' Applicant's rationale and architectural drawing package

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<sup>5</sup> City of Kelowna Official Community Plan, Objective 5.24 (Chapter 5 Development Process).