



SHORT TERM VACATION RENTALS

August 22, 2016

► Number of short term vacation rentals increasing in Kelowna's neighbourhoods

IMPACTS ON RENTAL SUPPLY

- ▶ Approx. 500 short term rentals in City
- ▶ City has total of 12,736 rental units
- ▶ City housing policies indicate 300 new units needed per year to maintain healthy market

POTENTIAL IMPACTS

- ▶ Conversion of existing housing stock to vacation rentals (impact on rental supply)
- ▶ Lost tax revenue
- ▶ Inequitable rules when compared to the broader hotel industry
- ▶ Potential lack of compliance with health and safety regulations
- ▶ Neighborhood disruptions

IMPACT ON BYLAW SERVICES

- ▶ 50 complains in 2015
- ▶ Complaints related to noise and parking

CURRENT LAND USE POLICY

- ▶ Vacation rentals not permitted in residential zones other than RM6 - High Density Residential Zone
- ▶ Min. tenancy period on all other residential properties = 30 days

POLICY/REGULATORY OPTIONS

- ▶ Land Use
- ▶ Business Licensing
- ▶ Prohibition

LAND USE CONTROLS AVAILABLE

- ▶ Limit short-term vacation rentals to specific zones
- ▶ Create “sub-zone” in identified areas that would require minor rezoning
- ▶ Create geographical separation requirements between vacation rentals
- ▶ Combine vacation rentals and B&Bs into single land-use category
- ▶ Require additional vehicle and boat trailer parking for single family dwelling/room rental

BUSINESS LICENSING

- ▶ City's legal Counsel indicates business licensing requirements more amenable to enforcement than use or zoning restrictions
- ▶ Business licensing provides powers to suspend and impose terms
- ▶ Council could identify specific number of business license to issue
 - ▶ number linked to rental vacancy rate
 - ▶ New license are not issued when vacancy rate < 3%

RECOMMENDED STRATEGY

- ▶ Combination of Zoning and Business Licensing restrictions
 - ▶ Amend Zoning Bylaw to recognize short term rental land use use
 - ▶ Add specific use restrictions
 - ▶ Restrict number of Business Licenses issued potentially linked to vacancy rate
 - ▶ Distinguish between full home rentals and room rentals

RECOMMENDED STRATEGY - ENFORCEMENT

- ▶ Recommended strategy may require additional bylaw resources in the first few years of implementation to ensure compliance
- ▶ Business license fee should be set accordingly

OTHER OPTIONS

- ▶ Enforce City's current Zoning Bylaw regulations
 - ▶ No tenancies shorter than 30 days in residential zones
- ▶ Complaint based enforcement strategy replaced with active/monitoring enforcement
- ▶ Likely require additional resources

RECOMMENDATION

- ▶ That Council receives for information the report from the Community Planning Department dated August 22, 2017 (the “Report”) with regard to options for regulating short-term rentals;
- ▶ AND THAT Council directs staff to bring forward to an afternoon meeting for Council’s consideration the bylaw amendments required to implement the “Recommended Strategy” as identified in the Report