

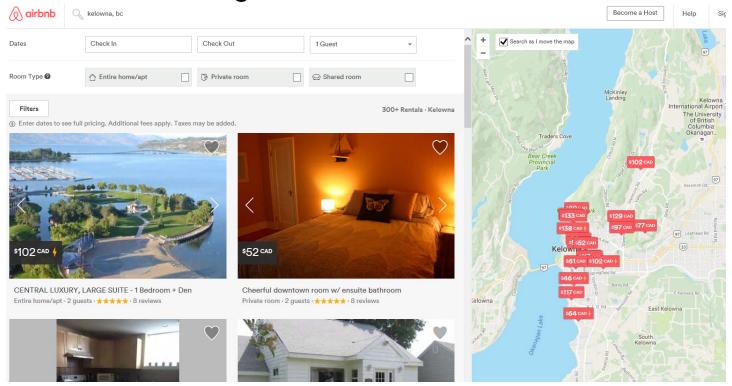
# SHORT TERM VACATION RENTALS

August 22, 2016



## BACKGROUND

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 landuse 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%</p>



#### 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