

REPORT TO COUNCIL TEXT AMENDMENT



Date: March 3, 2025
To: Council
From: City Manager
Address: n/a
File No.: TA25-0001

1.0 Recommendation

THAT Zoning Bylaw Text Amendment Application No. TA25-0001 to amend the City of Kelowna Zoning Bylaw No. 12375 as outlined in Schedule "A" attached to the Report from the Development Planning Department dated March 3, 2025 be considered by Council;

AND THAT final adoption of the Zoning Bylaw Text Amending Bylaw be considered subsequent to the approval of the Ministry of Transportation and Transit.

2.0 Purpose

To amend the Zoning Bylaw to align short-term rental regulations with the Provincial short-term rental legislation.

3.0 Background

On January 22, 2024, Council approved regulations prohibiting new secondary use short-term rental accommodation in Kelowna. Only existing secondary use short-term rentals with a valid business licence could continue to operate after May 1, 2024.

On May 1, 2024, new Provincial legislation under *Bill 35 – Short-Term Rental Accommodations Act* came into effect. Under the Act, new requirements for short-term rentals included mandatory licensing, registration, and a principal residency requirement.

At the January 20, 2025, Council meeting, staff presented data regarding local short-term rentals, tourism, and housing. Council directed staff to bring forward bylaw amendments to align local regulations with provincial standards.

Previous Council Resolution

Resolution	Date
THAT Council receives the report from the Development Planning Department, dated January 20, 2025, regarding Short-Term Rental accommodation;	January 20, 2025
AND THAT Council directs staff to bring forward draft bylaws to align local regulations with provincial standards.	

4.0 Development Planning

In response to Council direction, Staff recommend amending the Zoning Bylaw to align with Provincial short-term rental legislation by:

- Adding short-term rental accommodation to the permitted use of a dwelling unit;
- Removing restrictions on short-term rental accommodations in secondary suites and carriage houses;
- Requiring short-term rental accommodation to be operated by a principal resident;
- Limiting short-term rentals to a maximum of three (3) bedrooms per dwelling unit;
- For a lot with a single detached dwelling (with or without a secondary suite) and a carriage house, allowing a maximum of two (2) dwelling units and five (5) bedrooms to be used for short-term rental accommodation per parcel;
- For lots with multi-dwelling housing, allowing each dwelling unit to be used for short-term rental with a maximum of (3) bedrooms;
- Removing outdated provisions that allowed short-term rental accommodation as a permitted principal use in specific zones and on specific parcels.

Timing & Next Steps

If Council supports the proposed bylaw amendments, the new regulations are anticipated take effect in April 2025. This timeline would allow short-term rental accommodation operators to register with the Provincial registry and obtain a business licence prior to the peak tourist season.

Staff are also preparing amendments to the Short-Term Rental Accommodation Business Licence and Regulation Bylaw No. 11720 which will be brought forward to Council in March 2025.

5.0 Current Development Policies

Objective 4.14 Protect the rental stock in Urban Centres.	
Policy 4.14.3 Short-Term Rentals.	Ensure short-term rental accommodations limits impact on the long-term rental housing supply.
Objective 5.13 Protect the rental housing stock.	
Policy 5.13.3 Short-Term Rentals	Ensure short-term rental accommodations do not negatively impact the long-term rental housing supply.
Objective 6.10 Prioritize the construction of purpose-built rental housing.	
Policy 6.10.5 Short-Term Rentals	Ensure short-term rental accommodations limits impact on the long-term rental housing supply.

Report prepared by: Mark Tanner, Planner Specialist
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Reviewed by: Adam Cseke, Development Planning Manager

Reviewed by: Nola Kilmartin, Development Planning Department Manager

Approved for Inclusion: Ryan Smith, Divisional Director, Planning & Development Services

Attachments:
Schedule A: Proposed Text Amendment

For additional information, please visit our Current Developments online at www.kelowna.ca/currentdevelopments.