



STAFF REPORT

DATE: June 18, 2024 **FILE:** 0550-04 Board

TO: Chair and Directors,
Regional Board

FROM: Dave Leitch
Chief Administrative Officer

RE: **BYLAW NO. 563 – ELECTORAL AREA B SHORT TERM RENTAL AMENDMENTS**

PURPOSE/PROBLEM

To consider first 2 readings for Bylaw No. 563 which proposes zoning bylaw amendments to regulate Short-Term Rentals (STR's) in Electoral Area B in response to Bill 35, *Short-Term Accommodations Act, 2023*.

EXECUTIVE SUMMARY

The attached report was considered at the June 12, 2024 meeting of the Electoral Areas Services Committee at which time the following resolutions were passed:

Vonesch/Mawhinney: EASC 200/24

THAT the Committee recommend that Bylaw No. 563 being Cortes Island Zoning Bylaw 2002, Amendment No. 34 be forwarded to the Board for first and second reading.

Vonesch/Mawhinney: EASC 201/24

THAT the Committee recommend that the Board authorize a public hearing to consider Bylaw No. 563, and

THAT the public hearing be held at a date and time to be determined.

The actions below are offered in support of the Committee's recommendations.

RECOMMENDATIONS

1. THAT the report from the Chief Administrative Officer be received.
2. THAT Bylaw No. 563, being a bylaw to amend the zoning regulations applicable to Cortes Island, now be introduced and read a first time.
3. THAT Bylaw No. 563 be given second reading.
4. THAT an in-person public hearing to consider Bylaw No. 563 be scheduled for 5:00 p.m. on Monday, July 8, 2024 at Mansons Hall located at 983 Beasley Road, Cortes Island, BC, and
THAT the holding of the public hearing be delegated to the Electoral Area B director.

Respectfully:

A large, stylized handwritten signature in blue ink, appearing to read 'Dave Leitch', is written over a horizontal line. The signature is fluid and cursive, with a long, sweeping tail that extends downwards and to the right.

Dave Leitch
Chief Administrative Officer

Prepared by: *E. Watson, Manager, Corporate Operations*

Attachments: Bylaw No. 563
Copy of June 12, 2024 report to the Electoral Areas Services Committee



BYLAW NO. 563

A BYLAW TO AMEND THE ZONING REGULATIONS APPLICABLE TO CORTES ISLAND

WHEREAS the former Comox-Strathcona Regional District has, by Bylaw No. 2455, adopted zoning regulations for Cortes Island and vicinity pursuant to Part 14 of the *Local Government Act*;

AND WHEREAS a bylaw of the former Comox-Strathcona Regional District that regulates the use or development of land within the area comprising the Strathcona Regional District remains in force until amended or repealed;

AND WHEREAS the Regional Board wishes to amend the aforesaid Bylaw No. 2455 having due regard to the requirements of the *Local Government Act*;

NOW THEREFORE the Board of Directors of the Strathcona Regional District, in open meeting assembled, enacts as follows:

Amendments

1. Bylaw No. 2455, being Cortes Island Zoning Bylaw 2002, is hereby amended as set out in Schedule 'A', attached to and forming part of this bylaw.

Citation

2. This bylaw may be cited for all purposes as Bylaw No. 563, being Cortes Island Zoning Bylaw 2002, Amendment No. 34.

READ A FIRST TIME ON THE ____ DAY OF _____, 2024

READ A SECOND TIME ON THE ____ DAY OF _____, 2024

READ A THIRD TIME ON THE ____ DAY OF _____, 2024

RECONSIDERED, FINALLY PASSED AND ADOPTED ON THE ____ DAY OF _____, 2024

Chair

Corporate Officer

SCHEDULE 'A'

SECTION ONE TEXT AMENDMENTS

- 1) Part 200 'INTERPRETATION', is amended by replacing the existing definition for BED AND BREAKFAST with the following:

'BED AND BREAKFAST' means the use of a room or rooms without cooking facilities in an owner-occupied dwelling for the temporary sleeping accommodation of the travelling public, with breakfast meals being prepared and served to guests.

- 2) Part 200 'INTERPRETATION', is amended by replacing the existing definition for RESORT with the following:

'RESORT' means a commercially operated facility providing temporary accommodation for transient guests where the primary attraction is generally recreational feature(s) or activities and accommodation is in a lodge, separate units or a combination of both. Resort use can include associated accessory uses such as meeting rooms, restaurants, gift shops and recreational facilities, but shall not include campsites or campgrounds and excludes the use or the occupancy of units for permanent residential use OR SHORT-TERM RENTAL and/or bed and breakfast. See also "AUTO COURT, HOSTEL, HOTEL, INN, LODGE, MOTEL, and TOURIST ACCOMMODATION".

- 3) Part 200 'INTERPRETATION', is amended by inserting a new definition for the following:

'SHORT-TERM RENTAL' means the rental of a dwelling unit or portion thereof to the travelling public for a period of less than ninety (90) consecutive days and includes Bed and Breakfasts.

- 4) Part 200 'INTERPRETATION', is amended by replacing the existing definition for TOURIST ACCOMODATION with the following:

'TOURIST ACCOMODATION' means the provision of temporary accommodation for the travelling public which may include a hostel, hotel, lodge, motel, inn, or resort, and associated accessory uses such as meeting rooms, restaurants, gift shops and recreational facilities, but shall not a include campsite or campground and excludes the use or the occupancy of units for permanent residential use or short-term rental. See also "AUTO COURT, HOSTEL, HOTEL, INN, LODGE, MOTEL, and RESORT".

- 5) Part 300 'GENERAL REGULATIONS', Subsection 301 "Uses Permitted in All Upland Zones" is amended by inserting item "g)" as follows:

g) Short-Term Rentals accessory to residential use.



STAFF REPORT

DATE: June 12, 2024

FILE: 0540-04 EASC

TO: Chair and Directors
Electoral Areas Services Committee

FROM: Dave Leitch
Chief Administrative Officer

RE: **BYLAW NO. 563 - ELECTORAL AREA B (CORTES ISLAND) SHORT-TERM RENTALS**

PURPOSE

To consider zoning bylaw amendments to regulate Short-Term Rentals (STRs) in Electoral Area B in response to Bill 35, the *Short-Term Rental Accommodations Act, 2023*.

POLICY ANALYSIS

Part 14 "Planning and Land Use Management" of the *Local Government Act (LGA)* addresses local governments' roles regarding official community plans and zoning bylaws, namely s.471 (Official Community Plans), s.479 (Zoning Bylaws) and ss.464 - 465 (Public Hearings on Bylaws).

EXECUTIVE SUMMARY

Bill 35, the *Short-Term Rental Accommodations Act (STRAA)*, amends the *Local Government Act* and *Community Charter* to strengthen the ability of local governments, including regional districts, to regulate STRs and enforce STR bylaws. An optional provision of the STRAA is the Principal Residence Requirement, which limits the operation of STRs to a host's principal residence, plus one secondary suite or accessory dwelling unit (ADU) located on the property. The decision to opt-in must be made annually. For 2023, Electoral Area B has opted in to the principal residence requirement.

Since Bylaw No. 2455, being the *Cortes Island Zoning Bylaw, 2002*, does not contemplate STRs at this time and, with the implementation of the new legislation, it is necessary for the SRD to amend the bylaw to both define STRs and regulate their permissiveness. To inform these amendments, the SRD conducted a series of community surveys from July 2023 to March 2024, to engage communities and gather input on potential STR regulation options and concerns. Given the feedback provided through consultation efforts, it is recommended that the SRD permit STRs in all zones as an accessory use to residential use. Findings from the three (3) surveys have been used to inform the proposed amendments to the zoning bylaws.

Based on the above considerations, Bylaw No. 563 has been prepared for the Committee's consideration.

RECOMMENDATIONS

1. THAT the report from the Chief Administrative Officer be received; and
2. THAT the Committee recommend that Bylaw No. 563 being Cortes Island Zoning Bylaw 2002, Amendment No. 34 be forwarded to the Board for first and second reading.
3. THAT the Committee recommend that the Board authorize a public hearing to consider Bylaw No. 563, and

THAT the public hearing be held at a date and time to be determined.

Respectfully:



Dave Leitch
Chief Administrative Officer

BACKGROUND

Regulating STRs can bring several benefits to communities, addressing various social, economic, and environmental concerns. Firstly, regulating STRs preserves housing supply. By regulating STRs, local governments can prevent the conversion of long-term rental units and affordable housing into short-term accommodations, which helps maintain the availability of housing for residents. As discussed in the Ministry of Housing’s “Priorities for Action on Short-Term Rentals” report (UBCM, 2021);

“existing data on vacancy in the primary rental market (purpose built rental) shows no consistent correlation with short-term rental listings or bookings activity, but the true impact of short-term rentals is in the secondary market (other housing forms), which is more fluid and difficult to measure. The lack of consistent definition of what constitutes a “permanent dwelling” and limited capacity of governments to monitor listings makes it nearly impossible to determine the actual scale of diversion from rental housing stock in a statistical sense, but observations by local governments across the province indicate there is a significant unmeasured threat to long-term housing. As 70% of B.C.’s renter households rely on secondary rental market housing, and in some communities up to 100% of rental housing is in the secondary market, there is a strong case for responding to the potential impacts of short-term rentals even in lieu of appropriate data sources.”

Secondly, regulating STRs can help maintain neighbourhood stability. Excessive STR activity can disrupt the stability and character of residential neighborhoods, leading to a transient population and reducing community cohesion. Regulation helps mitigate issues such as noise, traffic, and parking problems, which can arise from high turnover and occupancy rates associated with STRs. Regulation also helps maintain fair competition which ensures a level playing field between STRs and traditional accommodation providers, like hotels and bed-and-breakfasts, who are subject to similar regulations and taxes. These regulations help create a balanced approach that allows the benefits of STRs to be enjoyed while mitigating potential negative impacts on local communities.

In July 2023 the Strathcona Regional District ran a community survey on the possibility of regulating Short-Term Rentals (STRs) on Cortes Island as part of the Electoral Area B Zoning Bylaw Review project. The survey received 181 responses, 78% of which were from permanent residents on Cortes Island. When asked if they would like to see STRs permitted in the Zoning Bylaw, 69% responded with “Yes” and 31% responded “No.” When asked where Short-Term Rentals should be permitted, 81 respondents said that Short-Term Rentals should be permitted “everywhere on Cortes.” A high-level overview of the survey responses is summarized in Attachment 1.

PLANNING ANALYSIS

Following the community survey, the SRD held a public open house in December 2023 in order to both give community members another way to provide feedback on STRs and other zoning bylaw topics discussed, and also to delve deeper into how STRs could potentially be regulated. Five (5) additional long form written comments were received at the open house in support of allowing STRs. Seven (7) additional votes were placed on a poster board in support of allowing STRs in all upland zones. Sixteen (16) votes on the poster board indicated permitting STRs in both owner occupied and secondary dwellings.

Subsequent to this consultation for the Cortes Island Zoning Bylaw Review project, the Provincial government then enacted Bill 35, the *Short-Term Rentals Accommodation Act, 2023*. The Act restricts STRs to principal residences in communities with a population of over 10,000 as well as neighbouring communities. By default, Cortes Island was exempt from this requirement but then opted in before the March 31st, 2024 deadline. Regardless of whether or not STRs are subject to the Provincial principal residence requirement or not, in order to operate a STR on your property, it must be permitted within the zoning of the property.

This amendment is supported by the Cortes Island Official Community Plan section 304.1 item (c) which states, “to be an economically stable community through diversity of business activity that allows the community to be financially resilient,” and section 304.5 item (b) which states, “allow individuals a broad range of activities on private property provided they do not interfere with their neighbour’s enjoyment of their property in the context of a rural environment.”

FINANCIAL IMPLICATIONS

Fees for the OCP and rezoning application process have been applied in accordance with the Regional District’s Planning Procedures and Fee Bylaw (Bylaw No. 5).

LEGAL IMPLICATIONS

This report and the recommendations contained herein follow the *Local Government Act* (LGA) and Regional District bylaws. This includes the zoning of land, which includes the surface of the water, set out in s.479 of the LGA.

CITIZEN/PUBLIC RELATIONS IMPLICATIONS

Should a recommendation be made in support of these proposed amendments, a public hearing shall be held at a date and time to be determined at the discretion of the Board.

INTERDEPARTMENTAL INVOLVEMENT/IMPLICATIONS

The planning department will be responsible for all aspects of the bylaw amendment process. Additionally, corporate services staff resources will be required with respect to adoption of the bylaws.

Submitted by:



Aniko Nelson
Senior Manager, Community Services

Prepared by: M. Starkey, Manager Planning and Parks, and A. Girdler, Planner II

Attachments:

Attachment 1 – Survey Summary
Bylaw No. 563



BYLAW NO. 563

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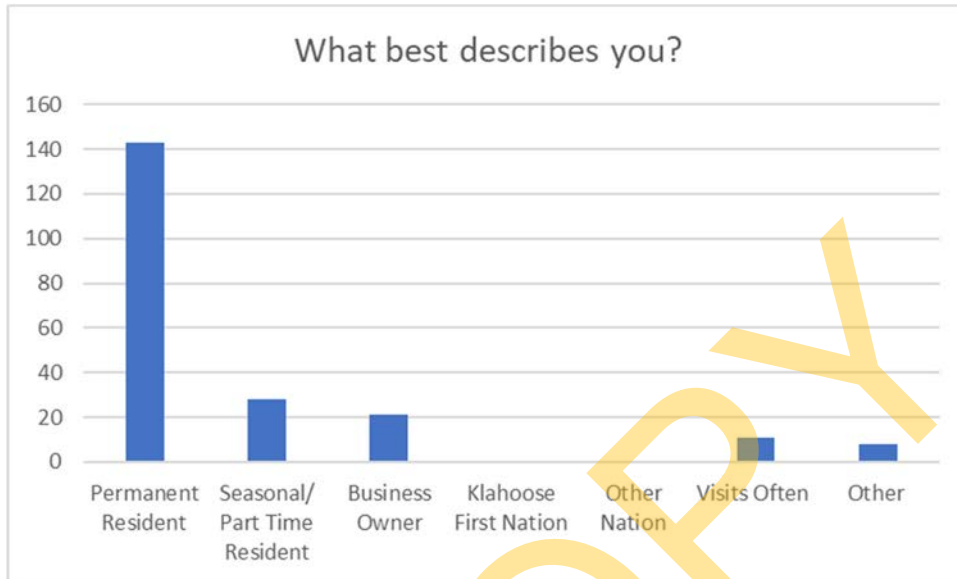
g) Short-Term Rentals accessory to residential use.

Area B: Cortes – Zoning Bylaw Review Website Page

Short-Term Rentals Community Survey Results Summary

The Strathcona Regional District would like to extend a huge thank you to the people of Cortes Island for your interest and responses on the topic of Short Term Rentals.

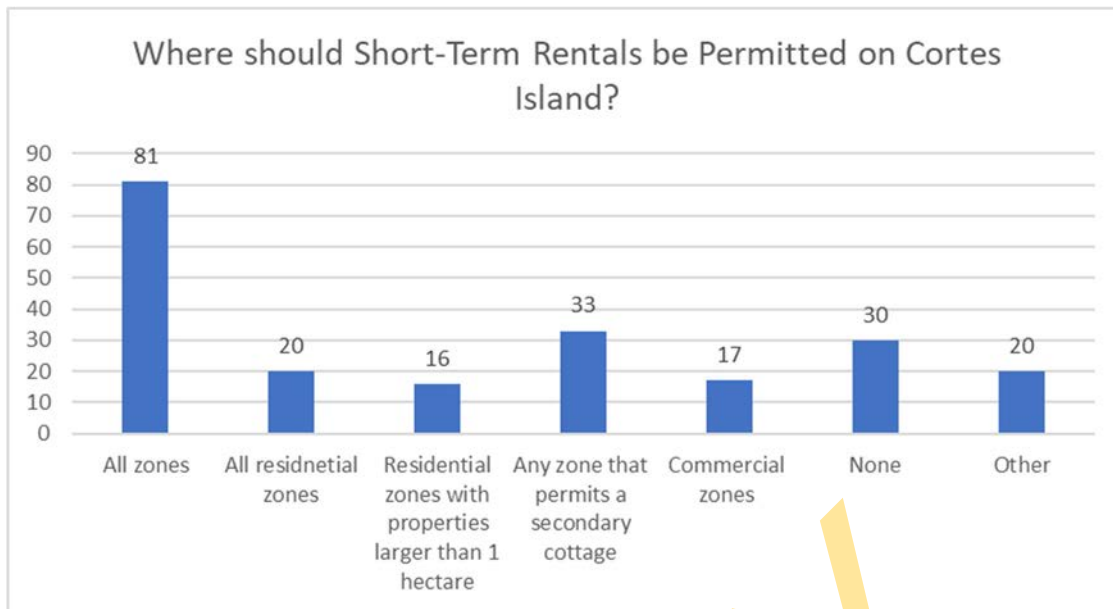
The survey received **181** responses. **78%** of responses were from permanent residents on Cortes Island.



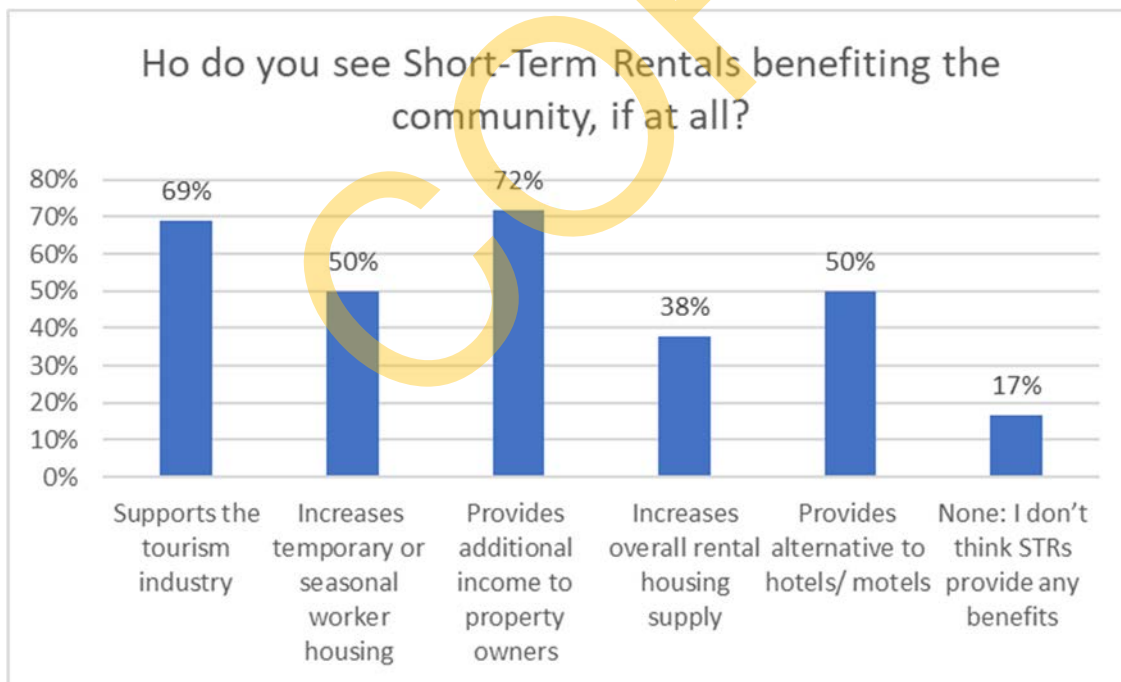
When asked if they would like to see Short Term Rentals permitted in the Zoning Bylaw, **69%** responded with "Yes" and **31%** responded "No."



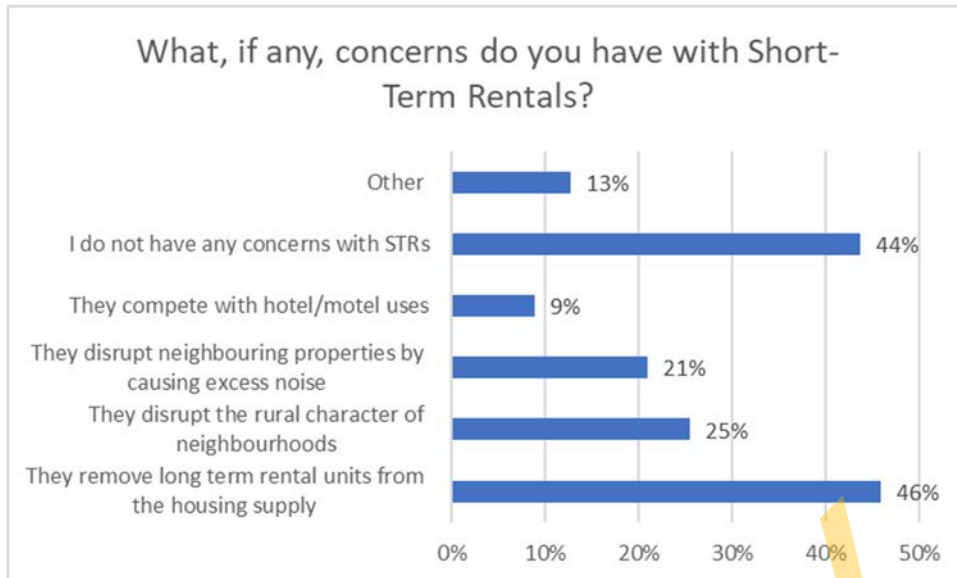
When asked where Short-Term Rentals should be permitted, 81 respondents said that Short-Term Rentals should be permitted "everywhere on Cortes" and 33 respondents said, "any zone which permits a secondary cottage." Additionally, a common theme among the 20 respondents who gave more details in the "other" category was that Short-Term Rentals should be limited to properties where there is also a permanent resident living on the property. 30 respondents said "None" indicating that Short-Term Rentals should not be permitted anywhere on Cortes.



When asked “How do you see Short-Term Rentals benefiting the community, if at all?” **72%** of respondents said that “providing additional income to property owners” was a benefit of Short-Term Rentals. 69% indicated that Short-Term Rentals support the tourism industry, and 50% indicated that Short-Term Rentals increase temporary worker housing and provide an alternative to hotels/motels.



When asked about concerns with Short-Term Rentals, 46% of respondents said they were concerned that Short-Term Rentals would remove long term rental units from the housing supply. Additionally, 25% of respondents said they were concerned that Short-Term Rentals would disrupt the rural character of neighbourhoods. 44% of respondents indicated that they did not have any concerns with Short-Term Rentals.



Some common concerns listed within the “other” category include the following:

- Increased ferry traffic
- Availability of water
- Environmental impacts including garbage and sewage
- Fire safety
- Not paying fair property taxes
- Noise
- No oversight/ a long term resident should be on site
- Increased traffic on Island
- Inadequate septic systems
- Attitudes and behaviours of tourists
- Increased population

Lastly, the survey asked if there was anything else respondents would like to tell the SRD. The following is a high-level summary of the comments received:

- High cost of living and taxes make home ownership difficult to afford
- Short-Term Rentals should be taxed and revenue collected can go towards affordable housing
- Short-Term Renters are prioritized over long term renters, long term housing should be priority
- Concerns with Short-Term Rentals impact on water supply
- Travel to and from Cortes is exceeding ferry capacity
- Allow Short-Term Rentals only when a full time resident is located on the same property
- Short-Term Rentals lack cohesion a community needs
- Short-Term Rentals are a commercial use
- Cortes needs more housing
- There is a lack of housing for teachers, trades, and young workers
- Higher demand for housing in the summer months
- Being a landlord to long term tenants also has risks and hardships
- Owners should need to pay for a permit to operate a Short-Term Rental

- Temporary resident tax/ empty homes tax
- Corporations like AirBnB and VIRBO hurt the community
- Short-Term Rentals should be limited to secondary dwellings only

In summary, it is clear that there are strong feelings among the permanent community members on Short-Term Rentals and we sincerely thank all respondents for their input.

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