

## ADMINISTRATIVE REPORT



**TO:** Planning & Development Committee

**FROM:** J. Zaffino, Chief Administrative Officer

**DATE:** March 21, 2024

**RE:** Short-Term Rental Accommodations Act – “Principal Residence Requirement”

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### Administrative Recommendation:

**THAT the Regional District of Okanagan-Similkameen submit a request to the Minister of Housing for the following electoral areas to “opt-in” to the “Principal Residence Requirement” under the *Short-Term Rental Accommodations Act*:**

i) *TBD*

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### Purpose:

The purpose of this report is to provide options in relation to the pending deadline for an electoral area to request to “opt-in” to the Provincial “Principal Residence Requirement” under the *Short-Term Rental Accommodations Act*.

### Background:

On October 26, 2023, the *Short-Term Rental Accommodations Act* received Royal Assent and is intended, amongst other things, to “give local governments stronger tools to enforce short-term rental bylaws.”

One of the ways that the Act does this is through the introduction of a “Principal Residence Requirement”, which limits short-term rentals to the host’s principal residence; and one (1) secondary suite or one (1) accessory dwelling unit.

The Province's “Principal Residence Requirement” is intended to function as a minimum requirement, or a “floor”, meaning that local governments may choose to have more restrictive short-term rental bylaws depending on local needs.

The “Principal Resident Requirement” applies to all municipalities with a population of 10,000 and over, and will go into effect on May 1, 2024. For Regional District electoral areas, the Province is providing an “opt-in” process.

To “opt-in”, the Regional District is required to submit a resolution to the Province by **March 31<sup>st</sup>** of each year for the change to take effect **November 1<sup>st</sup>** of the same year.

Of note, ski resorts in rural areas and BC Parks resorts are exempt from the “Principal Residence Requirement”, even if the electoral area within which they are situated elects to “opt-in”. Within the Regional District, this would apply to Apex Mountain Resort and Manning Park.

In addition, property that has been assessed as “farm” (Class 9) by BC Assessment is exempt from the “Principal Residence Requirement”, regardless of whether the land is designated as Agricultural Land Reserve (ALR).

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### Board Consideration:

At the January 18, 2024, meeting of the Planning and Development (P&D) Committee of the Regional District Board, it was moved and seconded that “the Regional District of Okanagan-Similkameen not submit a request to the Minister of Housing to ‘opt-in’ to the ‘Principal Residence Requirement’ under the Short-Term Rental Accommodations Act for 2024-25.”

It was subsequently resolved that “consideration of the motion to not submit a request to the Minister of Housing to ‘opt-in’ to the ‘Principal Residence Requirement’ be postponed to the second meeting in February to enable staff to take the matter to APCs and communicate information to citizens.”

In recognition of the timelines available to the Board in which to submit a resolution to the Minister regarding an Electoral Area “opting-in” and to clarify how the matter was to be communicated to citizens, Administration brought forward Public Engagement Options for consideration at the first meeting in February (e.g. February 8, 2024) of the P&D Committee.

The Committee subsequently resolved that “the Regional District hold an Electoral Area Directors workshop on the matter of ‘opting in’ to the Provincial Residence Requirement.”

A workshop on the matter of “opting in” to the Provincial “Principal Residence Requirement” was subsequently held following the Board’s regular meeting of February 22, 2024, and included electoral area as well as municipal Directors.

### **Analysis:**

In considering this issue, Administration maintains its previous recommendation that the Regional District not opt-in to the “Principal Residence Requirement” for 2024-25, as this will allow projects, such as the Vacation Rental Review and Housing Needs Report Update to be completed.

These projects will provide the Regional District with a greater understanding of the role played by short-term rental accommodations in the electoral areas in terms of both housing affordability and economic development.

It is further anticipated that specific policy and/or program recommendations will result from these projects, particularly in relation to the regulation of short-term rental accommodations. Whether such policy directions align with the provincial “Principal Residence Requirement” may inform the merits of electoral areas requesting to “opt-in” for 2025.

Finally, deferring a decision on “opting-in” to 2025, will allow the Regional District to explore other aspects of the new provincial short-term rental accommodation regulations, including implementation of a Business Licencing scheme and reviewing the fines applied to vacation rental infractions under the Municipal Ticket Information Bylaw (e.g. increase from \$1,000 to \$3,000).

### Alternative:

Conversely, the option is available to the Board to request of the Minister that certain electoral areas “opt-in” to the “Principal Residence Requirement” under the Act.

This would allow the Regional District to benefit from additional provincial enforcement resources when an operator contravenes applicable provincial regulations.

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**Alternatives:**

1. THAT the Regional District of Okanagan-Similkameen not submit a request to the Minister of Housing to “opt-in” to the “Principal Residence Requirement” under the *Short-Term Rental Accommodations Act* for 2024-25.