

THE CORPORATION OF THE
CITY OF WHITE ROCK
CORPORATE REPORT



DATE: March 25, 2024
TO: Mayor and Council
FROM: Anne Berry, Director, Planning & Development Services
SUBJECT: Secondary Suite and Short-Term Rental Regulations Zoning Bylaw Update

RECOMMENDATIONS

THAT Council:

1. Receive the March 25, 2024, corporate report from the Director of Planning & Development Services, titled “Secondary Suite and Short-Term Rental Regulations Zoning Bylaw Update” and
 2. Grant First, Second, and Third Readings to Zoning Amendment Bylaw No. 2500, and waive the Public Hearing requirement in accordance with Section 464 (2) of the *Local Government Act*; and
 3. Grant First, Second and Third Readings to Zoning Amendment Bylaw No. 2501.
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EXECUTIVE SUMMARY

This report presents Zoning Bylaw updates to permit secondary suites in all single-family residential R- zones and align the City’s short-term rental regulations with new Provincial regulations, in accordance with recent provincially legislated requirements (Bills 44 & 35).

INTRODUCTION/BACKGROUND

The purpose of this report is to introduce zoning bylaw amendments necessary to bring City regulations into compliance with new Provincial requirements for secondary suites and short-term rentals. This is also the first step towards the required regulatory updates as a result of the recently introduced housing legislation.

Bill 35 Short-term Rental Regulations

In October 2023, Bill 35 was enacted to put in place restrictions on short-term rentals in an effort to curb the loss of housing in favour of vacation rentals. This legislation will come into effect on May 1, 2024. Under provincial definitions, a short-term rental is a rental for a period of 90 days or less. The *Act* set requirements that prohibit a property owner from offering a Short-Term Rental for rent unless the Short-Term Rental being offered is in that person’s principal residence, in a secondary suite or other accessory dwelling unit on the same property as the principal residence such as a basement suite or laneway home, or in both (the “Principal Residence Requirement”). If a Short-Term Rental is being offered for rent, the advertising will have to include: a valid registration number and a valid business licence number (if a business licence is

required to operate a Short-Term Rental). It also allows the local government to be more restrictive than the base provincial requirements.

Staff had initially assessed the City's regulations to be in compliance with the new regulations, and in fact, the City meets all the requirements of the new legislation. However, the City restricts the definition of a short-term rental to not more than 30 days, which establishes the division between short-term rental and long-term tenancies. While the *Act* allows the City to have stronger regulations, upon further review it has been determined that an update to the zoning bylaw is recommended to ensure the City aligns with the 90-day parameters, to provide for ease of enforcement and community expectations. This broadens the maximum permitted length of stay for short-term rentals and redefines the division between a short-term rental and a long-term tenancy.

In order to align with the new legislation, the following amendments are required:

- Update the definition of “short term rental or accessory vacation rental” to reflect the new 90 day provisions.
- Delete references to “accessory vacation rental” and replace with “short term rental.”
- Updates to Sections 5.5 (Accessory Registered Secondary Suite) and 5.8 (Short Term Rental) to amend the current 30 day provisions to reflect the new 90 day provisions.

Bill 44 Small Scale Multi-Unit Housing – Secondary Suite Provisions

On December 7, 2023, Bill 44 was enacted, implementing new regulations for Small Scale Multi Unit Housing (SSMUH) regulations in areas identified as Restricted Zones (zones which as of the date of enactment of the legislation permit single family and duplex use). The new legislation requires secondary suites/Accessory Dwelling Units (ADUs) as an outright permitted use on single family lots province-wide, with some conditions related to ADUs on lots not serviced by municipal sewer systems.

In the case of White Rock, this means that single family lots which are currently not zoned to permit suites (typically based on a minimum lot size), are now eligible for suites. The City has four R-zones which must be updated by removing the limitations prohibiting secondary suites:

1. RS-1 One Unit Residential Zone
2. RS-2 One Unit (Small Lot) Residential Zone
3. RS-3 One Unit (Small Lot, Hillside) Residential Zone
4. RS-4 One Unit (12.1m Lot Width) Residential Zone

Further, several of the City's Comprehensive Development Zones were crafted for the purposes of single-family type dwelling units, and do not include provisions for secondary suites. These zones will need to be reviewed more comprehensively as part of the SSMUH implementation and will form part of a later update to the City's Zoning Bylaw.

At this time staff are also not recommending any changes to the City's secondary suite parking requirements (one space for the suite in addition to the parking requirements for the single-family home) as residential parking requirements will be reviewed as part of the SSMUH implementation. In the meantime, should an applicant not be able to comply with the parking requirements they would still have the opportunity to apply for a variance to the parking provisions within the bylaw.

Clarification has been provided that any existing Section 219 Covenants prohibiting secondary suites that pre-date the implementation of the new Provincial legislation remain valid.

FINANCIAL IMPLICATIONS

A limited increase in building permit applications is anticipated as a result of the secondary suite amendments. Staff anticipate that there will potentially be a reduction in the number of short-term rental licenses as property owners consider the new 90 day requirements versus long-term residencies.

LEGAL IMPLICATIONS

The City is required to align its regulations to Bill 44 SSMUH requirements by June 30, 2024, and the new Short-term Rental requirements (Bill 35) come into effect on May 1st. Failure on the part of the City to comply may result in an order from the province implementing changes to the City's zoning bylaw.

Implementing these zoning changes now also enables staff and property owners to bring non-compliant suites into compliance, providing an alternative to decommissioning the suites ahead of any June 30th amendments, and provides time for short-term licence holders to make adjustments.

COMMUNICATION AND COMMUNITY ENGAGEMENT IMPLICATIONS

Under the new legislation, public hearings can no longer be held for amendments to the zoning bylaw that facilitate small scale multi-unit housing, therefore a public hearing is not being held for the secondary suite related zoning bylaw amendments, and staff recommend waiving the public hearing requirement for the short-term rental updates.

Notification of these bylaw amendments has been published in the Peach Arch News and on the City's website. As these amendments affect more than ten (10) properties a mailout is not required.

In addition to social media updates, a mailout to holders of short-term rental licences advising them of the new changes will help to increase awareness and encourage compliance.

INTERDEPARTMENTAL INVOLVEMENT/IMPLICATIONS

Building permits will continue to be required for any new secondary suites and to legitimize any existing non-permitted secondary suites.

The City has a program in place to help identify unlicensed short term vacation rentals. The City will continue to utilize this program for enforcement, however, it is anticipated that an increase in calls for enforcement may occur as short-term rental owners adjust to the new regulations.

ALIGNMENT WITH STRATEGIC PRIORITIES

This report and associated bylaw amendment are in alignment with the following strategic priorities of Council:

- Consider strategy and review bylaw rules for Short-term Rentals (Airbnb's).

OPTIONS / RISKS / ALTERNATIVES

The proposed bylaw amendments are intended to begin the City's path to compliance with new provincial housing related legislative requirements. If the City does not implement these changes, staff anticipate that the province will step in and order the changes if compliance is not obtained by June 30, 2024.

The following alternative is available for Council's consideration:

1. Defer bylaw readings at this time and include these amendments as part of the future package of SSMUH zoning bylaw amendments.

CONCLUSION

This is the first step towards the required regulatory updates as a result of the recently introduced housing legislation, and short-term rental regulations. Staff recommends adopting these amendments to the zoning bylaw to commence implementation of the provincially mandated changes to land use regulations.

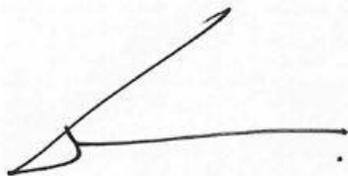
Respectfully submitted,



Anne Berry
Director, Planning & Development Services

Comments from the Chief Administrative Officer

I concur with the recommendations of this corporate report.



Guillermo Ferrero
Chief Administrative Officer

Appendix A: Proposed Short Term Rental Zoning Bylaw Amendment No. 2500
Appendix B: Proposed Secondary Suite Zoning Bylaw Amendment No. 2501