

THE CORPORATION OF THE DISTRICT OF SUMMERLAND INFORMATION REPORT

DATE: November 22, 2021

TO: Graham Statt, Chief Administrative Officer

FROM: JoAnn Peachey, Planner II

SUBJECT: Short-Term Rentals – Public Engagement Results

STAFF RECOMMENDATION:

That Council pass the following resolution:

THAT the Short-Term Rentals – Public Engagement Results Report dated November 22, 2021 by the Planner II, be received for information.

STRATEGIC PRIORITY:

Good Governance – A regulatory framework for short-term rentals supports the continuation of providing high-quality services to residents of the District. Short-term rental regulation review has been a strategic priority project of Council's since 2018.

CULTURAL IMPACT STATEMENT

Strategic Direction No. 1: "Reflect Summerland's cultural value in municipal decisions and projects" – incorporate culture in local tourism promotion strategies; review municipal bylaws to ensure they do not impede cultural development or community beautification.

PURPOSE:

To present Council with a summary of public engagement results for the short-term rental regulation review.

BACKGROUND:

At its August 23, 2021 meeting, Council resolved to pass the following resolutions:

THAT Council direct staff to draft a regulatory framework based on a permissive regulated approach modeled after the City of Penticton to allow and licence short-term rentals; and

THAT Council direct staff to initiate the public engagement strategy on short-term rentals to receive feedback on the draft regulatory framework and to identify any additional priorities for consideration.

Staff have drafted a regulatory framework based on the permissive regulated approach of the City of Penticton to include:

• Allowing short term rentals in all Urban Residential, Rural Residential, and Commercial zones that allow for a dwelling use

- Allowing short term rentals in all types of dwellings (single family, multi-family, suites, etc.)
- Allowing year-round operations
- Limiting maximum occupancy to 6 people (without further public consultation)
- For properties with a single detached dwelling and a secondary suite/carriage house, limiting number of short-term rentals to one per property
- Requiring a business license to operate a short-term rental
- Requiring a Health & Safety Inspection to obtain a business license
- Requiring a Good Neighbour Agreement to obtain a business license

As part of the public engagement on short-term rentals, a survey was available online and paper copies were available at Municipal Hall from September 28, 2021 - October 29, 2021, and an online open house was held on October 20, 2021, via Zoom. 547 people participated in the survey and approximately 36 people attended the open house. A further 6 people provided written public submissions and several others informally inquired about the project via email or phone.

Public engagement opportunities were advertised throughout September and October on the District's social media (3 postings), in the newspaper (2 editions), in the District's newsletter (2 editions), through direct mail to all Summerland postal codes, on the District's main webpage and on the District's dedicated webpage for the project.

Written comments

There was an opportunity for the public to provide written submissions at any time during the public engagement. Attachment No. 1 provides all written submissions received up to the date of this report. Additional comments were also provided at the end of the public survey (Attachment No. 2).

Open house

The open house was an opportunity for the public to ask questions about the short-term rental regulation review. Most of the meeting was a question-and-answer session where participants used the chat function to ask questions or raised their hand to speak. A question-and-answer sheet was prepared after the meeting and posted on the dedicated webpage for short term rentals in response to the questions asked during the meeting and in the survey comments (Attachment No. 3).

The questions raised at the open house meeting focused on parking, licencing fees, the good neighbour agreement, occupancy limits and bylaw enforcement issues.

Survey Results

There were 547 respondents to the short-term rentals survey and a summary of the results are attached along with graphs/tables (Attachment No. 4). Of those that completed the survey (respondents), 78% identified themselves as a full-time Summerland resident and 6% identified themselves as a part-time Summerland resident. 11.7% identified themselves as owning or managing a short-term rental in Summerland ("STR Operators"), of which 82.8% also identified themselves as a full-time Summerland Resident. 50.8% of respondents (278) identified themselves as living next to a short-term rental.

55% of all respondents generally agree with allowing short term rentals in Summerland; however, there are strong opinions on both sides where 40% strongly agree and 27% strongly disagree.

The tables below are meant to provide a summary of responses as they relate to the draft regulations, other possible regulations, approaches to mitigate impact to housing and approaches to mitigate impact to neighbours.

Some of survey questions were based on a Likert scale indicating the level to which they agreed or disagreed (Table 1 and 2) or their level of concern. In Table 1 and 2, resident support includes those that responded either strongly agree or somewhat agree to the related question and resident opposition includes those that responded either strongly disagree or somewhat disagree. Some respondents were neutral/no opinion, and some did not provide an answer to the question. Such responses are not listed in the summary below but are included in Attachment 1.

DISCUSSION:

Response to Draft Regulations:

The table below (Table 1) compares the draft regulations with the level of support and opposition of respondents to those particular elements of the permissive approach.

Overall, the survey indicates respondent support for allowing short term rentals year-round and in the proposed zones, requiring business licences to operate a short-term rental and requiring a health and safety inspection and good neighbour agreement to obtain a business licence. The table below also shows that there are some dwelling types that have more support than others and that the use of carriage houses and secondary suites have the most support.

The survey indicates strong opinions on both sides as to the use of single detached dwellings for short term rentals (with slightly more in favour than against) and allowing short term rentals in Urban Residential zones (with 33% strongly agreeing and 31% strongly disagreeing). Items in red indicate that there is more opposition than support. It is noted that the survey results identified that most respondents disagreed with following elements of the draft regulations:

- The use of multiple family (townhouse/apartment) and duplex units for short term rentals (53%, 53% and 55% respectively).
- Any property owner or tenant (with owner's permission) being allowed to operate a short-term rental (62%).

Table 1: Summary of Draft Regulation Response

Draft Regulation	Respondent support	Respondent opposition	
Where to Allow			
Urban Residential zones	50%	43%	
Rural Residential zones (Country Residential)	56%	31%	
Commercial zones that allow dwellings	52%	23%	
What Dwelling Type to Allow			
Single family dwellings	48%	47%	

Secondary suites	60%	33%
Carriage Houses	60%	33%
Duplex Units	41%	53%
Townhouse Units	38%	53%
Apartment Units	35%	55%
Mobile Homes	51%	28%
Draft Regulation	Respondent	Respondent
	support	opposition
Who to Allow to Operate		
Off-site operators (given proposed regs)	53%	40%
Any property owner or tenant (with owner's permission)	40%	62%
When allowed to operate		
Year-round	53%	35%
Up to 12 months as most appropriate maximum	40%	
Other Regulations		
Limiting maximum occupancy to 6 people (without further public consultation)	35%	33% -6 too many 20% 6- too few or no limit
For properties with a single detached dwelling and a secondary suite/carriage house, limiting number of rentals to one per property	67%	22%
Licencing Requirements		
Requiring a business license to operate a short term rental	74%	19%
Requiring a Health & Safety	71%	18%
Inspection to obtain a business license		
Requiring a Good Neighbour Agreement to obtain a business license	73%	16%

Response to Other Approaches:

The table below (Table 2) displays respondent support or opposition to another layer of possible locations to allow short term rentals, additional licencing requirements and additional licencing terms.

The survey indicates very strong support for requiring 24/7 operator availability, 2 Hour Maximum Response Time to complaints for operators, and public display of operator contact info on site.

Interestingly, although when asked if an operator being present *on site* during a guest's stay should be a condition for obtaining a business licence 52% generally agreed, when asked if operator should be allowed to be *off-site* if 24/7 operator availability, 2 Hour Maximum Response Time, and public display of operator contact info on site was required, 53% agreed. This indicates that there is a general preference for on-site operators but there may be support for off-site operators if particular terms or conditions are met.

There is also very strong support for requiring a parking plan to obtain a business licence.

Table 2: Response to Other Requirements or Permissions

Draft Regulation	Respondent	Respondent			
	support	opposition			
Where to Allow	Where to Allow				
Agricultural zones	51%	28%			
Licencing Requirements					
Draft Regulation	Respondent	Respondent			
	support	opposition			
Parking plan	82%	12%			
Health and Safety Checklist with Random	63%	26%			
Inspections					
Licencing Terms					
24/7 Operator Availability	74%	14%			
2 Hour Maximum Response Time to Complaints	72%	17%			
Public Display of Operator Contact Info On Site	68%	20%			
Off-site operators (given above Licencing Terms)	53%	40%			
Operator on site during guest's stay	52%	34%			

Concern with Potential Impacts: Housing

The survey also asked respondents to rate their level of concern with potential impacts of short-term rentals in Summerland. The majority of respondents are concerned about less housing being available for long term housing and higher housing prices/rents due to short term rentals (60% and 55% respectively).

Based on the survey results, there is support for allowing short term rentals in general and as proposed in the draft regulations. However, there is also support for limiting short term rentals by dwelling unit type, which can serve as a mitigating approach for the potential impact on a particular housing supply. Most respondents did not support the use of multiple family dwelling units (duplex, townhouse, apartment) for short term rentals.

Disruption to Neighbours:

The majority of respondents are concerned about the following potential impacts to neighbours: large gathering/parties (69%), noise (67%), use of street parking (58%), loss of privacy (54%) and loss of neighbourhood feel/character (53%).

Based on the survey results there is strong support for licencing requirements to mitigate potential impact to neighbours using a variety of methods. There is also support for operators losing their licence when an operator is repeatedly not abiding by the licence terms.

The table below compares the wide spectrum of approaches to limit potential impact to neighbours.

Table 3: Zoning regulations to address potential impact to neighbours

Approach	Concern	The Idea	Example Communities	Survey Results
Limiting total occupancy	Large gatherings, parties, noise	Lower occupancy deters "party houses", and	Kelowna, Penticton*,	Only 11% of respondents believe
		reduces probability of	Nelson,	·

		behavioural issues with guests	Revelstoke, Squamish**, North Vancouver, West Kelowna	there should be no occupancy limit. 35% of respondents agree with a 6 person limit (without further public consultation).
Limiting guests per bedroom	Large gatherings, parties, overcrowding	Prevents overcrowding and allows higher occupancy in larger units	Oliver, RDOS	Some written comments suggested increasing occupancy for larger units
Additional parking	Use of street parking	Additional parking required on-site to minimize impacts on street parking	Kelowna, Squamish**, Penticton*	67% of respondents support requirement for additional on-site parking and 82% agree with requiring a parking plan.
Good neighbour agreements	Noise, littering	Additional mechanism to shut down "party houses"/repeat offenders	Penticton, Kelowna	73% of respondents agree with requiring a good neighbour agreement
24/7 Operator Availability	Delays in resolution of bylaw offences	Licencing term to require operator to be available at all times and increased accountability of operators		74% of respondents agree with requiring 24/7 operator availability
2 Hour Operator Response Time	Delays in resolution of bylaw offences	Licencing term to require operator to respond within 2 hours of complaint and increased accountability of operators		72% of respondents agree with requiring 2-hour response time for operators
Public Display of Operator Contact Info	Not being able to identify and contact off-site operators	Direct contact for quicker response time and increased accountability of operators	Penticton	68% of respondents agree with requiring public display of contact info

^{*}Penticton allows for "High Occupancy Major" Vacation rentals for occupancy of 7 or more guests, subject to a public process where immediately adjacent neighbours are given opportunity to support/not support. If 40% or more of the neighbours oppose, the licence is denied. Additional parking required.

Impact to Other Tourist Accommodations:

Based on the survey results, there was less concern with the impact of short-term rentals on hotels, motels and traditional bed and breakfasts (61% less concerned, not at all concerned or neutral/no opinion). Some written responses indicated a need for additional taxes on short term rentals.

Impact to Neighbourhood Feel/character:

The majority of survey participants also indicated concern for the loss of neighbourhood feel/character with 41% very concerned and 10% concerned. Based on the survey results there is strong support for limiting short term rentals to one per property where there is both a single

^{**}Squamish indirectly limits occupancy with a maximum number of additional parking spaces (no more than 3, which equates to 6 bedrooms). Occupancy limits under their Building Bylaw and Fire Service Bylaw.

detached dwelling and a suite (secondary suite or carriage house) on site. There is also strong support for the use of a good neighbour agreement which is meant, in part, to ensure that a short-term rental operates in a manner that is respectful of neighbours. A parking plan or additional parking requirements are also supported and could be used as a way to mitigate the change in neighbourhood feel from overflow of guest parking into local streets.

LEGISLATION and POLICY:

Official Community Plan
Zoning Bylaw 2000-450
Business Licencing Bylaw 95-004
Bylaw Notice Enforcement Bylaw 2000-375
Fees and Charges Bylaw 98-001
Good Neighbour Bylaw 2021-023
Municipal Ticketing Information Bylaw 95-030

FINANCIAL IMPLICATIONS:

Financial implications will be dependent on the implementation of the preferred approach and will be presented along with the bylaws at a later date.

SUPPORTING DOCUMENTS:

- 1. Public Submissions
- 2. Written Comments
- 3. Question and Answer Sheet
- 4. Survey Results
- 5. Presentation Slides

CONCLUSION:

This report was to provide information to Council on the results of the public engagement process for short term rental regulatory changes. District Staff will be bringing forward applicable amendment bylaws to Council for consideration at a later meeting. It is currently targeted that these amendment bylaws will be ready for Council consideration at its next meeting of December 13.

Respectfully submitted, Reviewed by, Endorsed by,

JoAnn Peachey Brad Dollevoet Graham Statt

Planner II Director of Development Chief Administrative Services Officer

Presentation: Yes \boxtimes No \square