

# **Short-Term Rental Regulation Review**

August 12, 2025 Regular Open Council Meeting  
Item F.3

# Item No. F.3 – STR Regulation Review

## **Background**

*OCP Bylaw No. 1375, 2021*

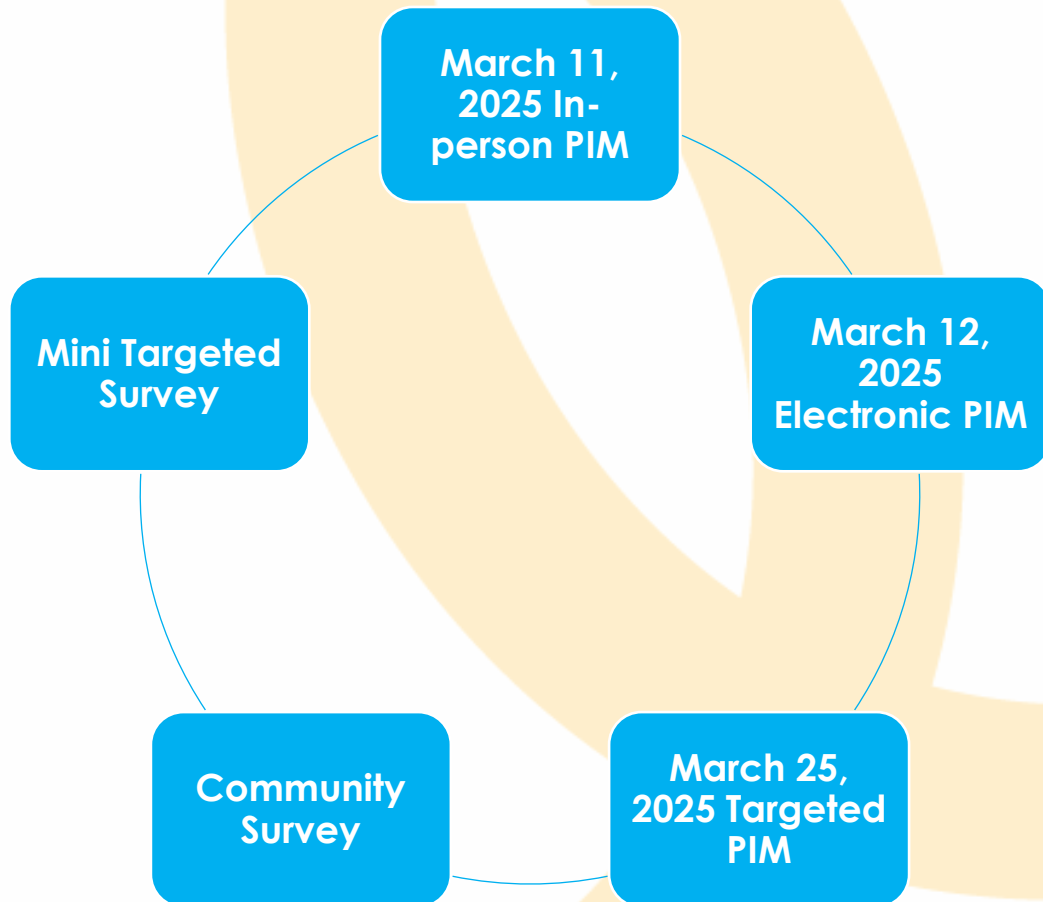
- *Consider establishing a policy to regulate short-term rentals as an option for tourist accommodations and to ensure that long-term rental housing stock is protected;*
- *Consider implementing a short-term rental permitting process to regulate the use of residential properties for commercial uses;*
- *Allow a wide variety of ownership and rental structures for tourist accommodation facilities within the Tourist Commercial designation, including rental pool, short term rentals ...*

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## **Background**

- Further to policy direction in the OCP, the Short-Term Rental (STR) Regulation Review project was initiated by Council in 2022.
  - Purpose: To explore options to incorporate short-term rentals in a way that balances positive and negative impacts of such uses.
- STR “Pilot Program”
  - 2-3 year trial period
  - Permit STRs in the RS1 Zone within a principal dwelling unit, secondary suite or accessory dwelling unit;
  - Require applicants to demonstrate that they meet basic health and safety considerations, provide adequate on-site parking, and comply with the Principal Residence Requirement

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## Summary of Public Engagement

- Three Public Information Meetings were held and advertised via:
  - Newspaper;
  - eNews;
  - Mailed letters;
  - Project webpage.
- Two surveys (one broad, and one targeted)
- Findings summarized in a What We Heard Report prepared by Urban Systems

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## Summary of Public Engagement

### General Support for STRs

- There was an overwhelming majority of support from participants for the allowance of STRs in Osoyoos with some form of regulation.

### General Support for Proposed STR Pilot Program

- There was a smaller majority of support from participants regarding the proposed STR Pilot Project and related amendment bylaws.

### Tourism and Economic Impacts

- Many participants noted the impact of STRs on the Osoyoos economy, both positive (supporting tourism) and negative (reducing housing availability and impacts on low/fixed-income households, families, and workers).

### Enforcement and Administration

- A key discussion/question topic that emerged from participants regarded the ability and cost for the Town to implement, administer, and enforce the STR Pilot Program.

### Principal Residence Requirement

- There was mixed support for the Town maintain the principal residence requirement. Supportive participants noted the ability to better enforce and regulate STRs while those who were unsupportive noted it as a barrier for STR operation.

### Understanding of the STR Pilot Program

- There was confusion from some participants on the proposed STR Pilot Program, principal residency requirements and related draft amendment bylaws. There was demand for more simple guides and resources to help explain the STR process and requirements for prospective operators if the program is implemented.

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## Summary of Proposed Amendments

- Introduce new policies related to STRs at Section 6 of the OCP Bylaw;
  - Supporting STRs on lands designated LR & TC where consistent with zoning, discouraging uses not consistent with zoning, supporting review processes to assess impact on housing and ensure cost-recovery.
- Permit “short-term rental accommodation” as a permitted accessory use in the Small-Scale Multi-Unit Residential (RS1) and Agriculture (AG) Zones under the Zoning Bylaw;
- Introduce new zoning regulations related to STRs
  - On-site parking (1 space/bedroom);
  - Maximum accommodation limits (2 patrons/bedroom)\*
- Introduce new fines related to STRs
  - \$3,000/\$500 (advertisement without business license; operating STR where not permitted), \$1,500/\$250 (advertising contrary to business licence)

\* New modification since original introduction to COTW

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## Summary of Proposed Amendments

- Reminders from previous Council considerations:
  - The STR Pilot Program would not impose a “cap” on the number of business licenses that can be issued for STRs.
  - Section 36 of the *Short-Term Rental Accommodations Act* stipulates that the use of a property for an STR cannot benefit from non-conforming use rights.
    - If Council were to ever decide to roll back the pilot program, or modify its approach to the regulation of STRs, this can be undertaken without creating a class of “grandfathered” operations.
- STR Pilot Program would be implemented via OCP, zoning, enforcement bylaw amendments in tandem with proposed Business License No. 1400.
  - STRs assessed for zoning compliance at business license stage.
  - Draft Business Licence Bylaw No. 1400 sets out application requirements to support zone check.

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## Options

1. THAT the Official Community Plan Amendment Bylaw No. 1375.07, 2025, Zoning Amendment Bylaw No. 1395.04, 2025, be read a first and second time and proceed to public hearing;  
  
AND THAT the Business Licence Bylaw No. 1400, 2025, Municipal Ticketing Information (MTI) Amendment Bylaw No. 1279.25, 2025, and Bylaw Notice Enforcement (BNE) Amendment Bylaw No. 1392.01, 2025, be read a first and second time;  
  
AND THAT Council considers the process, as outlined in this report dated August 12, 2025, to be appropriate consultation for the purpose of Section 475 of the Local Government Act;  
  
AND THAT, in accordance with Section 477 of the Local Government Act, Council has considered Amendment Bylaw No. 1375.07, 2025, in conjunction with its Financial and applicable Waste Management Plans;  
  
AND THAT the holding of a public hearing for Official Community Plan Amendment Bylaw No. 1375.07, 2025, and Zoning Amendment Bylaw No. 1395.04, 2025, be scheduled for the Regular Open Council meeting of September 9, 2025;  
  
AND THAT staff give notice of the public hearing in accordance with the requirements of the Local Government Act.
2. Status Quo