

To: Her Worship Mayor McKortoff and Members of Council

From: Christopher Garrish, Planner

Date: August 12, 2025

Subject: Land Use Bylaw Amendments - Short-Term Rental Regulations Review

Tracker No: AI-684

Recommendation:

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 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*.

CAO Comments:

Approved for Council consideration.

Executive Summary:

The purpose of this report is to present options and seek further direction from Council with respect to proposed amendments to the Town's Official Community Plan (OCP), Zoning, Municipal Ticketing Information (MTI), Bylaw Notice Enforcement (BNE) bylaws as they relate to the regulation of short-term rental accommodation (STR) units.

Background:

Under the Town's Official Community Plan (OCP) Bylaw No. 1375, 2021, Council has adopted the following policies in relation to short-term rental accommodations:

- 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 (s. 6.B.3.1(e));
- Consider implementing a short-term rental permitting process to regulate the use of residential properties for commercial uses (s. 6.B.3.2(h)); and
- Allow a wide variety of ownership and rental structures for tourist accommodation facilities within the Tourist Commercial designation, including rental pool, short term rentals ... (s. 7.C.2.4.(e)).

Further to this policy direction, a project to recommend policies and/or programs that could be used in relation to the regulation of short-term rental accommodations was initiated by Council in 2022.

This included exploring options with the community to determine the best approach for incorporating short-term rentals in a manner that balances the positive and negative impacts associated with these uses and further included a series of public engagement initiatives.

One such option was the implementation of a Short-Term Rental “Pilot Program” that would last for a 2-3 year period and, amongst other things, would:

- Permit STRs in the RS1 Zone, in either a principal dwelling unit, secondary suite or accessory dwelling unit;
- Require applicants to demonstrate that they meet basic health and safety consideration, can provide sufficient on-site vehicle parking and comply with the provincial “Principal Residence Requirement”.

Council Consideration:

At its meeting of October 10, 2023, the Committee of the Whole (COTW) of Council resolved that the “Committee of the Whole suggest to Council that Administration proceed with the next steps for full-implementation of the Short-Term Rental Program in 2025.”

At its meeting of March 12, 2024, the COTW of Council received an update on the Short-Term Rentals timeline to date from Urban Systems staff. There was no resolution provided in relation to this update.

At its meeting of September 24, 2024, Council adopted Zoning Bylaw No. 1395, 2024, which carried forward an allowance for short-term rental accommodation uses in a new CT4 Zone, but otherwise maintained an existing prohibition on STRs in residential zones.

At its meeting of December 10, 2024, the Committee of the Whole (COTW) considered a number of land use bylaw amendments related to the Short-Term Rental Regulation Review and resolved that these be initiated, and that public engagement on the proposed OCP and Zoning Bylaw amendments be commenced.

At its meeting of May 13, 2025, the COTW received, for information, a “What We Heard Report” summarizing the consultation undertaken in relation to the proposed amendments and was further advised that “the implementing amendment bylaws associated with the STR Pilot

Program, as well as any recommendations for potential changes to the bylaws, will be provided to Council at a forthcoming meeting for consideration.”

Referrals:

Approval from the Ministry of Transportation and Transit (MoTT) is required prior to adoption as the proposed amendments involve lands within 800 metres of a controlled access highway (i.e. Highway 97 & 3).

Pursuant to Section 476 of the *Local Government Act*, the Town must consult with the relevant School District when proposing to amend an OCP for an area that includes the whole or any part of that School District. In this instance, School District No. 53 has been made aware of the proposed amendment bylaw.

Pursuant to Section 477 of the *Local Government Act*, after first reading Council must consider the proposed OCP amendment in conjunction with current Town financial plan and Regional District waste management plan.

The proposed OCP amendment has been reviewed by the Regional District of Okanagan-Similkameen Solid Waste Department and the Town's Finance Department, and it has been determined that the proposed bylaw is consistent with RDOS's current waste management plan and the Town's financial plan.

Pursuant to Section 475 of the *Local Government Act*, the Town must consult with the Agricultural Land Commission (ALC) when proposing to amend an OCP which might affect agricultural land. Both the ALC and the Ministry of Agriculture have been made aware of the proposed amendment bylaw.

Public Process:

The following public engagement work was undertaken in relation to the proposed amendments:

- March 11, 2025: A Public Information Meeting (PIM) was held at the Sonora Community Centre at 8505 68th Avenue in Osoyoos and was attended by approximately 40 members of the public;
- March 12, 2025: An electronic PIM was held via video conference (i.e., Zoom) and was attended by approximately 35 members of the public;
- March 25, 2025: A targeted electronic information and input session was held via video conference for strata-titled hotel, motel, resort and tourist accommodation operators, unit owners and associated rental management companies;
- Community survey; and
- Mini survey for strata-titled hotel, motel, resort and tourist accommodation operators, unit owners and associated rental management companies.

Administration recommends that the written notification of affected property owners, the public meetings as well as formal referral to the agencies listed at Attachment No. 1, should be

considered appropriate consultation for the purpose of Section 475 of the *Local Government Act*. As such, the consultation process undertaken is seen to be sufficiently early and does not need to further ongoing.

Any comments received to date in relation to this application have been included as a separate item on the Regular Open Council Meeting Agenda.

Analysis:

Further to the previous direction provided by Council, and to support the introduction of new land use policies and regulations to support an STR “Pilot Program”, Administration is proposing the following amendments:

- Adding a new suite of policies related to short-term rental accommodations at Section 6 (Community Goals and Policies) of the Town’s Official Community Plan (OCP);
- Permitting “short-term rental accommodation” as a permitted accessory use in the Scale Multi-Unit Residential (RS1) and Agriculture (AG) zones under the Zoning Bylaw;
- Introducing new zoning regulations related to STR uses, such as on-site vehicle parking requirements (1 per bedroom) and maximum accommodation limits (e.g. 2 patrons per bedroom); and
- Introducing new fines related to operating an STR use contrary to zoning and the business licence bylaws.

Council is asked to be aware that the proposed zoning regulations related to STRs have been modified since consideration at COTW, specifically by replacing the previous limitation of no more than four (4) bedrooms to a maximum occupancy of eight (8) patrons at any one time, to two (2) patrons per bedroom.

Council is further asked to be aware that, by permitting “short-term rental accommodation” in the RS1 and AG zones, there will be no cap on the number of business licences that may be issued for these businesses.

Of note, under Section 36 (Authority to continue use does not apply) of the *Short-Term Rental Accommodations Act*, the use of a property for an STR cannot benefit from non-conforming use rights under the *Local Government Act*.

Accordingly, if the “Pilot Program” is determined to be inappropriate in future, Council retains the ability to revise its approach to the regulation of STRs and amend its land use bylaws, without creating a class of “grandfathered” STR operations.

Alternative:

Conversely, other options are available to Council such as modifying the draft land use amendment bylaws in order to address any areas of concerns. Administration will take direction from Council on what revisions may be required.

Alternatively, the option to retain the existing approach to the regulation of STRs is available to Council but is not recommended.

Options/discussion:

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.

Implications:

- a) Community: The bylaws respond to increasing public concern regarding the impact of short-term rental accommodations (STRs) on housing availability and affordability by introducing clear policy and regulatory frameworks as well as enforcement tools.
- b) Organizational: the bylaws provide clearer policy and regulatory direction for Town staff when dealing with issues around STRs and address concerns associated with the potential flouting of Town bylaws in relation to unregulated commercial activity occurring in residential zones (e.g. estimate of 200-300 unpermitted STRs occurring within the Town's boundaries).
- c) Budget / Financial / Risk Implications: the bylaws establish the regulatory basis for issuing business licences for STRs and introducing new fines related to non-compliance, which may facilitate a more consistent approach to enforcement, fewer complaints, and a reduction in staff time spent responding to complaints about STR operations.
- d) Significant Dates: January 1st marks the commencement of a new business licencing year and implementing changes to the OCP and Zoning bylaws is a prerequisite to issuing licences for STR operations.
- e) Sustainability: in conjunction with Council's decision to opt-in to the provincial "Principal Residence Requirement", the bylaw should encourage the retention of dwelling units for

residential use.

Others Consulted:

(see Agency Referral List at Attachment No. 1)

Attachments:

No. 1 – Agency Referral List

No. 2 – Official Community Plan Amendment Bylaw No. 1375.07

No. 3 – Zoning Amendment Bylaw No. 1395.04

No. 4 – Municipal Ticket Information Amendment Bylaw No. 1279.25

No. 5 – Bylaw Notice Enforcement Amendment Bylaw No. 1392.01

Regular Open Council Report

Attachment No. 1 – Agency Referral List

Referrals to be sent to the following departments and agencies as highlighted with a ☒, prior to Council considering first reading of Official Community Plan Amendment Bylaw No. 1375.07:

	Ministry of Transportation and Infrastructure	<input checked="" type="checkbox"/>	Chief Administrative Officer
<input checked="" type="checkbox"/>	Agricultural Land Commission	<input checked="" type="checkbox"/>	Corporate Officer
	Archaeology Branch (MFLNRORD)	<input checked="" type="checkbox"/>	Chief Financial Officer
	Interior Health Authority	<input checked="" type="checkbox"/>	Operational Services
<input checked="" type="checkbox"/>	Ministry of Agriculture & Lands	<input checked="" type="checkbox"/>	Building Inspector
	Ecosystem Section (MFLNRORD)	<input checked="" type="checkbox"/>	Fire Department
<input checked="" type="checkbox"/>	School District	<input checked="" type="checkbox"/>	Osoyoos Indian Band
	Fortis BC	<input checked="" type="checkbox"/>	RDOS
	Eastlink		RCMP
	Telus		

TOWN OF OSOYOOS

BYLAW No. 1375.07

A Bylaw to Amend Official Community Plan Bylaw 1375, 2021

The council of the Town of Osoyoos, in open meeting assembled, ENACTS AS FOLLOWS:

1. This bylaw may be cited for all purposes as “Town of Osoyoos Official Community Plan Amendment Bylaw 1375.07, 2025.”
2. The Town of Osoyoos Official Community Plan Bylaw No. 1375, 2021, is amended by:
 - i) deleting sub-section 6.B.3.1(e) and renumbering all subsequent sub-sections.
 - ii) deleting sub-section 6.B.3.2(h) and renumbering all subsequent sections.
 - iii) adding a new sub-section 6.B.3.3 (Short-Term Rental Accommodations) under Section 6.B.3 (Housing and Our Neighbours - Policies) to read as follows:
 - .3 Regulate short-term rental accommodations in a manner that supports the protection of long-term rental housing stock.
 - a) Support the provision of paid accommodation for visitors through short-term rental accommodations on lands designated Low Density Residential (LR) where the operation takes place within a single detached dwelling, accessory dwelling, or secondary suite on a parcel which is the owner and operator’s principal residence.
 - b) Support the provision of paid accommodation for visitors through short-term rental accommodations on lands designated Tourist Commercial (TC) where the operation takes place within a resort residential building.
 - c) Discourage the use of a residential dwelling unit or a building or structure accessory to the residential use of a parcel for the temporary commercial accommodation of paying guests that does not comply with the regulations for a “short-term rental accommodation” use, as established pursuant to the zoning bylaw, and considers such uses to be “tourist accommodation”.
 - d) Discourage the use of a residential dwelling unit for a “tourist accommodation” purposes.
 - e) Discourage short-term rental accommodations within multi-family residential developments (i.e. apartment buildings and townhouses) due to concerns around the provision of on-site vehicle parking.
 - f) May consider the use of a residential dwelling unit for a “tourist accommodation” purpose through the issuance of a temporary use permit (TUP).
 - g) Support the regular review of short-term rental accommodations in order to understand their impact on rental housing affordability and supply.
 - h) Support the regulation of short-term rental accommodations in a manner that supports a cost-recovery model by periodically reviewing associated business

license fees against the cost of short-term rental accommodation program administration.

iv) deleting sub-section 6.E.3.3(e) and renumbering all subsequent sections.

Read a first and second time on the ____ day of _____, 2025.

Public hearing held on the ____ day of _____, 2025.

Read a third time on the ____ day of _____, 2025.

Adopted on the ____ day of _____, 2025.

Mayor

Corporate Officer

TOWN OF OSOYOOS

BYLAW NO. 1395.04, 2025

A Bylaw to amend the Zoning Bylaw No. 1395, 2025

WHEREAS Council deems it desirable to amend the Zoning Bylaw.

NOW THEREFORE BE IT RESOLVED THAT the Council of the Town of Osoyoos in open meeting assembled **ENACTS AS FOLLOWS:**

1. This Bylaw may be cited for all purposes as “Zoning Amendment Bylaw No. 1395.04, 2025”.
2. The “Town of Osoyoos Zoning Bylaw No. 1395, 2024,” is amended by:
 - i) adding a new Section 7.7 (Short-Term Rental Accommodations) under Section 7.0 (Specific Use Regulations) to read as follows:

7.7 Short-Term Rental Accommodations

A short-term rental accommodation is permitted where listed as a permitted use, provided that:

1. the maximum number of patrons that may be accommodated within a dwelling unit shall not exceed two (2) per bedroom;
 2. *A bed and breakfast operation* has not been licenced to occur on the parcel.
 3. for parcels situated within the Agricultural Land Reserve (ALR), a “non-adhering residential use” approval from the Agricultural Land Commission (ALC) has been granted for the short-term rental accommodation use or the use is otherwise permitted under the *ALC Act* and regulations.
- ii) adding an entry for “short-term rental accommodation” under the “Residential” sub-section of Table 10.2.1 (Required Off-Street Vehicle Parking Spaces) to read as follows:

USE	REQUIRED NUMBER OF SPACES
<i>short-term rental accommodation</i>	1 per <i>sleeping unit</i>

- iii) adding a new sub-section 11.1.1(k) (Permitted Uses) under Section 11.1 (Small-Scale Multi-Unit Residential (RS1) Zone) to read as follows:
 - k) *short-term rental accommodation*, subject to Section 7.7.
- iv) adding a new sub-section 19.1.1(l) (Permitted Uses) under Section 19.1 (Agriculture (AG) Zone) to read as follows and renumbering all subsequent sections accordingly:
 - l) *short-term rental accommodation*, subject to Section 7.7.

READ A FIRST AND SECOND TIME this _____ day of _____, 2025.

PUBLIC HEARING held on this _____ day of _____, 2025.

READ A THIRD TIME this _____ day of _____, 2025.

Approved pursuant to Section 52(3) of the *Transportation Act* this _____ day of _____, 2025.

ADOPTED this _____ day of _____, 2025.

Mayor

Corporate Officer

TOWN OF OSOYOOS

BYLAW No. 1279.25

A Bylaw to amend the Municipal Ticket Information Bylaw No. 1279, 2011

WHEREAS Council deems it desirable to amend the Municipal Ticket Information Bylaw No. 1279, 2011;

NOW THEREFORE the Municipal Council of the Town of Osoyoos, in open meeting assembled **ENACTS AS FOLLOWS:**

1. This Bylaw may be cited as “Municipal Ticket Information Amendment Bylaw No. 1279.25, 2025”.
2. The Town of Osoyoos Municipal Ticket Information Bylaw No. 1279, 2011, is hereby amended as follows:
 - a) by replacing “Schedule 3 - Business Licensing Bylaw No. 1045, 1997” in its entirety with the following:

SCHEDULE 3

Business Licence Bylaw No. 1400, 2025

COLUMN 1 OFFENCE	COLUMN 2 SECTION	COLUMN 3 FINE	
			If paid within 30 days
Operating a business without a valid business licence	3.1	\$150.00	\$120.00
Advertisement by any means of a Short-Term Rental Accommodation without a valid business licence	2(d), Schedule A	\$3,000	\$3,000
Advertisement of a Short-Term Rental Accommodation with more bedrooms and/or sleeping units than identified in a valid business licence.	2(d), Schedule A	\$1,500	\$1,500
Failure to display a valid Business Licence	15.1	\$150	\$100

- b) by replacing the row referencing Section 5.4 in the Table to Schedule 23 (Zoning Bylaw No. 1395, 2024) in its entirety with the following:

COLUMN 1 OFFENCE	COLUMN 2 SECTION	COLUMN 3 FINE	
			If paid within 30 days
Operating a use not listed in respect of a particular zone	5.4		
i) short-term rental accommodation		\$3,000.00	\$3,000.00
ii) all other uses		\$1,000.00	\$900.00

Read a first and second time on the ____ day of _____, 2025.

Read a third time on the ____ day of _____, 2025.

Adopted this _____ day of _____, 2025.

MAYOR

CORPORATE OFFICER

TOWN OF OSOYOOS

BYLAW No. 1392.01

A Bylaw to amend the Bylaw Notice Enforcement Bylaw No. 1392, 2025

WHEREAS Council deems it desirable to amend the Bylaw Notice Enforcement Bylaw No. 1392, 2025;

NOW THEREFORE the Municipal Council of the Town of Osoyoos, in open meeting assembled **ENACTS AS FOLLOWS:**

1. This Bylaw may be cited as “Bylaw Notice Enforcement Amendment Bylaw No. 1392.01, 2025”.
2. The Town of Osoyoos Bylaw Notice Enforcement Bylaw No. 1392, 2025, is hereby amended as follows:
 - a) by replacing the table referencing “Business Licensing Bylaw No. 1045, 1997” under Schedule “A” in its entirety with the following:

Business License Bylaw No. 1400, 2025					
Section	Description	A1 – Penalty	A2 – Early Payment Penalty	A3 – Late Payment Penalty	A4 – Compliance Agreement Available (Max 50% reduction in penalty amount where compliance agreement is shown as “Yes”)
3.1	Operating a business without a valid business license	\$150	\$120	\$160	Yes
2(d), Schedule A	Advertisement by any means of a Short-Term Rental Accommodation without a valid business license	\$500	\$450	\$500	No
2(d), Schedule A	Advertisement of a Short-Term Rental Accommodation with more bedrooms and/or sleeping units than identified (with a valid business license)	\$250	\$200	\$275	No
15.1	Failure to display a valid business license	\$150	\$100	\$275	Yes

- b) by replacing the row referencing Section 5.4 in the table referencing “Zoning Bylaw No. 1395, 2024” in its entirety with the following:

Section	Description	A1 – Penalty	A2 – Early Payment Penalty	A3 – Late Payment Penalty	A4 – Compliance Agreement Available (Max 50% reduction in penalty amount where compliance agreement is shown as “Yes”)
5.4	Operating a use not listed in respect of a particular zone	\$500	\$450	\$500	No

Read a first and second time on the ____ day of _____, 2025.

Read a third time on the ____ day of _____, 2025.

Adopted this _____ day of _____, 2025.

MAYOR

CORPORATE OFFICER