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**FROM:** BRUCE GREIG, DIRECTOR OF COMMUNITY PLANNING

**FILE NO:** 3360-20-RZ24-06 / 6630-27

**SUBJECT: ZONING AMENDMENTS – B&B REGULATIONS AND NEW R1-H ZONE**

**REPORT NO:** 24-44

**ATTACHMENT(S):** APPENDIX A – DRAFT BYLAW NO. 1344  
APPENDIX B – DRAFT BYLAW NO. 1345

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### RECOMMENDATION:

Staff seek direction on where Council would like to go with the options for the zoning amendments in draft Bylaws No. 1344 and 1345. The table provided at the end of this report includes options for Council to consider.

### BACKGROUND:

In 2022, Council considered various options to amend the Ucluelet zoning regulations that apply to Bed and Breakfast (B&B) accessory uses in single-family residential areas. Initially, this included exploring a B&B overlay to distinguish those properties permitted to operate a B&B as a secondary use from other single-family residential properties. Following much community discussion, Council at the time provided direction to staff to draft bylaw amendments that would forgo a B&B overlay but instead distinguish between the “traditional B&B” use (as a room or rooms within a home rented out to a vacationing guest and utilizing the main entrance to the home with a high interaction level between the guest and the owner) and a “Guest Suite” (as a vacation rental suite with a private entrance and requiring limited interaction between the owner and guest).

At its [August 2, 2022](#), meeting Council confirmed the following goals:

- Preserve traditional B&B use in residential areas and consider ways to slow or contain “Guest Suite” type uses in residential areas.
- Establish a balance between residential and tourist commercial accommodation in residential zones to prioritize residential uses and maintain the “Low-ish Growth Scenario”.
- Stop or slow the loss of existing long-term rental suites.
- Add ADUs as a permitted secondary use in residential zones.
- Limit the impact of B&Bs and/or accessory residential units on the public streetscape and the supply of public on-street parking.
- Provide a method of notifying neighbours when a business licence is being issued for commercial tourist accommodation in residential areas.

Council discussed and provided direction on a number of specific actions to the above goals. Changes were adopted to both the *Business Regulation and Licensing* bylaw and *Zoning* bylaw. The [Ucluelet Zoning Amendment Bylaw No. 1310, 2022](#), adopted September 6th of that year, contained a number of amendments including:

1. Added new definitions to clarify what constitutes a “principal residence”.
2. Updated the definition of *accessory residential dwelling unit* (ADU).
3. Replaced the regulations for *B&B* uses with a new section containing the following changes:
  - a. Clarify that the bed and breakfast must be located in the *principal residence* of the B&B operator.
  - b. Clarify a maximum of 3 bedrooms and maximum 2 guest per room.
  - c. Limit the area devoted to the *B&B* use to a maximum of 35% of the home.
  - d. Remove the ability for *B&B* rooms to have a kitchenette.
  - e. Require that a *B&B* use must not displace a *secondary suite*.
4. Allowed that an ADU may be built in the front, rear or side yards of a property containing a single family dwelling.
5. Allowed that an ADU may coexist on a property with a *secondary suite* or a B&B.
6. Allowed that a *secondary suite* may coexist on a property with an ADU or a B&B.
7. Added a maximum width for new driveways connecting to the public road right-of-way, to maintain the potential for areas of uninterrupted public boulevard and on-street parking.

Specific to the desire to limit new B&B’s to the “traditional B&B” model, Bylaw No. 1310 inserted the following regulations in section 404.1 of the zoning bylaw:

- “(7) *Consistent with a traditional bed and breakfast use a bed and breakfast use must include a minimum service of a continental breakfast.*
- “(8) *A bed and breakfast use must be accessed from the main entry of the home in which it operates, and cannot operate remotely utilizing coded entry locks and/or key lock boxes.*
- “(9) *Any exterior door to rooms used for bed and breakfast uses must not be utilized as the principal entrance and exit to the bed and breakfast use.*
- “(10) *A bed and breakfast use is an integral part of the home and must not have a separated or locked-off common area.”*

In the fall of 2023, the Province adopted Bill 35 - 2023 [Short-Term Rental Accommodations Act](#) (the “*STRA Act*”). The stated goals of the *STRA Act* are “to strengthen tools to support local government enforcement of short-term rental bylaws, return short-term rentals to the long-term housing market, and establish a provincial role in the regulation of short-term rentals”. With the enactment of the *STRA Act*, the Province removed legally non-conforming protection specifically for *short term rental* uses effective May 1<sup>st</sup>, 2024. At its [April 16, 2024](#), meeting Council received a report addressing these changes and identifying that half of the currently licenced B&B operations in Ucluelet were legally non-conforming with respect to section 404.1 of the zoning bylaw – particularly subsections (8) and (9). At the April 16<sup>th</sup> meeting, Council addressed the immediate conflict created by this non-conformity by resolving:

*“THAT Council direct staff to renew those existing Bed and Breakfast business licences that are legally non-conforming to section 404 of the zoning bylaw as of April 30, 2024, for a period of one year, notwithstanding section 2(2) of Ucluelet Business Regulation and Licensing Bylaw No. 922, 2003.”*

Business licence renewals have therefore proceeded, otherwise as normal.

At its April 16<sup>th</sup> meeting Council also resolved as follows:

“THAT Council direct Staff to present zoning amendment bylaws intended to:

- remove amendments to the Zoning Bylaw established by *Zoning Amendment Bylaw 1310*;
- create a version of the R1 Zone with no accessory B&B use to apply to future development.”

### **Draft Bylaw Amendments:**

#### Section 404 B&B regulations:

A draft of *District of Ucluelet Zoning Amendment Bylaw No. 1344, 2024*, is attached to this report (see **Appendix “A”**). This amendment bylaw would remove four sections of the B&B regulations currently found in the zoning bylaw that result in the majority of non-conformities in existing B&B operations. Specifically, three of the subsections (404.1(8), (9) and (10)) require that B&B rooms be accessed through the host’s main entrance – as in a “traditional” B&B. These parts of the regulations, along with subsection 404.1(7) (a.k.a. “the muffin clause”) – would be removed by adopting Bylaw No. 1344.

The overarching intent of adopting these regulations in 2022 was to slow down the proliferation of “guest suites” attached to single-family homes in residential areas (either as part of new construction or through the conversion of secondary suites).

There is an unresolved question of the total sustainable amount of tourist accommodation growth in Ucluelet, and its impact on the balance of secure housing opportunities accessible to locals. In alignment with the strategic priorities of Council, that broader question will be the focus of further work and community discussion this year.

#### New R-1H Zone:

According to the second part of the April 16<sup>th</sup> Council motion, a draft of *District of Ucluelet Zoning*

Prior to the adoption of Bylaw No. 1310, section 404.2(c) of the zoning bylaw clarified that B&B’s, “must not be combined with or located, in whole or in part, in a *duplex, multiple family residential building, mixed commercial/ residential, mixed industrial/residential, accessory residential dwelling unit, or in a secondary suite or a single family dwelling that has a secondary suite.*” Bylaw No. 1310 changed the requirements so that section 404.2(4) of the zoning bylaw now requires that B&B’s, “must not be located in an *accessory residential dwelling unit, in a secondary suite or in the area of a single family dwelling which was formerly a secondary suite.*” The changes adopted with Bylaw No. 1310 enable a B&B to coexist with a secondary suite, so that a homeowner does not have to choose one over the other, and also provides some protection for existing long-term rental units. The last part of the regulation – precluding a B&B use in an area formerly used as a secondary suite - has been key for stopping the conversion of secondary suites into short-term rental B&B guest suites. Bylaw No. 1344 as drafted would not change this regulation in section 404.2.

*Amendment Bylaw No. 1345, 2024*, is also attached to this report (see **Appendix “B”**). This amendment bylaw would add a new single-family residential zone, patterned on the existing R-1 zone but with no *Bed and Breakfast* accessory use. Bylaw No. 1345 would not apply this new zoning designation to any properties at this time; if adopted the new R-1H zone would be “on the books” for potential designation of lands that were subject to development proposals and rezoning applications in the future.

The draft Bylaw No. 1345 in Appendix B includes a number of sections that are highlighted in yellow: these sections differ from the existing R-1 zoning regulations to align with the recommended provisions that the Province has published for local governments to comply with the site standards for Small-Scale Multi-Unit Housing.

The highlighted provisions of the draft Bylaw No. 1345, and the corresponding regulations in the current R-1 zone, are as follows:

	current R-1 Zone	draft R-1H zone
<b>max. height - main house</b>	8.5m (28ft) or 2-1//2 storeys	11m (36ft) or 3 storeys
<b>max. height – accessory dwelling</b>	3.75m (12ft) to 6.5m (21ft) (depending on roof slope and location).	8m (26ft) or 2 storeys
<b>min. front setback – principal</b>	7.5m (25ft)	6m (20ft)
<b>min. front setback – accessory</b>	7.5m (25ft)	6m (20ft)
<b>side yard setback - accessory dwelling</b>	1.5m (5ft)	1.2m (4ft)

A separate report will be presented to Council on changes to align the municipal bylaws with the recent changes made by the Province to the *Local Government Act*; Council could move forward with the amendments in Bylaw No. 1345 at this time, or determine the best timing for this piece of the zoning puzzle within the broader context of regulatory changes to help address the housing challenges in the community.

**ANALYSIS OF OPTIONS:**

<b>A</b>	Proceed with Bylaw No. 1344.	<b><u>Pros</u></b>	<ul style="list-style-type: none"> <li>• Would align the zoning regulations with the direction provided by Council on April 16<sup>th</sup>.</li> <li>• Would remove non-conformity for many existing B&amp;B operations.</li> </ul>
		<b><u>Cons</u></b>	<ul style="list-style-type: none"> <li>• On its own, adopting Bylaw No. 1344 may accelerate the construction of purpose-built B&amp;B units and result in a growing number of short-term rentals rather than additional housing units in residential areas.</li> </ul>
		<b><u>Implications</u></b>	<ul style="list-style-type: none"> <li>• Because the sole purpose of the bylaw is not for permitting a housing development, the prohibition in section 464(3) of the <i>Local Government Act</i></li> </ul>

		<p>would not apply; Council therefore must either hold a public hearing or by resolution waive the holding of a public hearing.</p> <ul style="list-style-type: none"> <li>Should Council give first readings to the bylaw, Staff would give the required notice for a public hearing at a date to be determined.</li> </ul>	
	<b>Suggested Motion</b>	<ul style="list-style-type: none"> <li><b>1. THAT</b> Council give first reading to <i>District of Ucluelet Zoning Amendment Bylaw No. 1344, 2024</i>;</li> <li><b>2. THAT</b> Council give second reading to <i>District of Ucluelet Zoning Amendment Bylaw No. 1344, 2024</i>;</li> <li><b>3. THAT</b> Council refer <i>District of Ucluelet Zoning Amendment Bylaw No. 1344, 2024</i>, to a public hearing.</li> </ul>	
<b>B</b>	Amend the draft Bylaw No. 1344 before proceeding.	<b>Pros</b>	<ul style="list-style-type: none"> <li>Would ensure the bylaw amendments match Council’s expectations.</li> </ul>
		<b>Cons</b>	<ul style="list-style-type: none"> <li>Unknown at this time.</li> </ul>
		<b>Implications</b>	<ul style="list-style-type: none"> <li>Unknown at this time.</li> </ul>
		<b>Suggested Motion</b>	<ol style="list-style-type: none"> <li><b>1. THAT</b> Council directs staff to amend the draft <i>District of Ucluelet Zoning Amendment Bylaw No. 1344, 2024</i>, to: <i>[specify desired changes]</i></li> </ol>
<b>C</b>	Not proceed with Bylaw No. 1344 at this time.	<b>Pros</b>	<ul style="list-style-type: none"> <li>May allow for bylaw amendments to align with other upcoming zoning changes.</li> <li>May continue to slow the growth of B&amp;B short-term rentals, until such time as Ucluelet adopts a mechanism for balancing the number of tourist beds with the need for more housing to serve residents.</li> </ul>
		<b>Cons</b>	<ul style="list-style-type: none"> <li>Would not remove the non-conformity for many existing B&amp;B operations; other bylaw amendments would be necessary to achieve that objective.</li> </ul>
		<b>Implications</b>	<ul style="list-style-type: none"> <li>Further work to address the priorities of Council.</li> </ul>
		<b>Suggested Motion</b>	No motion is required.
<b>D</b>	Proceed with Bylaw No. 1345.	<b>Pros</b>	<ul style="list-style-type: none"> <li>Would create a new R-1H zone that includes single-family residential and accessory residential uses with no accessory short-term rentals.</li> </ul>
		<b>Cons</b>	<ul style="list-style-type: none"> <li>Further community conversations on housing may result in other amendments that would see the R-1H zone amended in the near future; the question is one of best timing.</li> </ul>
		<b>Implications</b>	<ul style="list-style-type: none"> <li>Staff would give the required notice that Council will be considering first reading and potential adoption of the bylaw at a future meeting.</li> <li>Because the bylaw creates a zone that is solely for the purpose of developing housing, Council should not hold a public hearing on the bylaw.</li> </ul>
		<b>Suggested Motion</b>	<b>THAT</b> Council directs staff to give notice of first reading of <i>Ucluelet Zoning Amendment Bylaw No. 1345, 2024</i> .

Respectfully submitted: **Bruce Greig, Director of Community Planning**  
**Duane Lawrence, CAO**