



REPORT TO COMMITTEE-OF-THE-WHOLE

Council Meeting: July 19, 2022
500 Matterson Drive, Ucluelet, BC V0R 3A0

FROM: BRUCE GREIG, DIRECTOR OF COMMUNITY PLANNING **FILE NO:** 3360-20-RZ22-06
SUBJECT: B&B, SHORT TERM RENTAL AND ACCESSORY RESIDENTIAL DWELLING UNITS **REPORT NO:** 22-99
ATTACHMENT(S): NONE

RECOMMENDATION(S):

THAT the Committee of the Whole recommend that Council direct staff to amend the *District of Ucluelet Zoning Amendment Bylaw No. 1310, 2022* and the Ucluelet Business Regulation and Licensing Bylaw No. 922, 2003, to meet the objectives and policy changes identified in the July 19, 2022 Committee of the Whole report No. 22-99.

BACKGROUND:

After the public hearing held on June 28, 2022, and discussion in the Council meeting held June 29, 2022, Council resolved, *“THAT Council, with regard to Zoning Amendment Bylaw 1310, 2022, direct staff to amend the bylaw and refer the bylaw to a Committee of the Whole meeting.”*

Before amendments are drafted to the Bylaw, a Committee-of-the-Whole discussion would help clarify the desired direction on a number of aspects of the land uses contemplated in single-family residential zones. The following questions are offered to prompt and focus discussion on some key areas. Naturally there are some contradictions to be found between prior Council policy, goals, priorities and current understanding based on public input at the recent public hearing, results of the Housing Needs Report, etc. Discussion of the following points could help staff understand where the desired balance lies among what could be competing needs or priorities within the community. Following discussion by the Committee, staff expect that bylaw amendments could be developed for Council to consider in August, if desired.

POINTS FOR DISCUSSION AND DIRECTION:

Based on past Council discussions staff have outlined a series of clarification questions and potential options that are available to the District to manage the growth of tourist accommodations in residential zones. Staff have also identified additional potential actions for Councils consideration. Within the table staff have identified the management tool the municipality would use to affect the change if pursued. Additionally, Staff have indicated that if Council were to pursue the action whether it would affect new or existing properties.

For clarity within this report **B&B** is in reference to a traditional bedroom within a home that is rented out to a guest and utilizes the main entrance to the home and has a high interaction level between the guest and the owner. A **Guest Suite** is in reference to a vacation rental suite (may be listed on VRBO, Air B&B or similar platform) that has a private entrance and requires limited or no interaction between the owner and a guest.

B&B/ GUEST SUITE USES:

Context: At the public hearing held on June 28th, 2022, and discussion in the Council meeting held June 29, 2022, multiple participants and Councilors indicated their desire to continue to allow property owners to open and operate a B&B, which were referred to variously as being run by residents, potentially involving breakfast and other more traditional B&B elements. Multiple comments also expressed concern over perceived differences between vacation rentals or AirBnBs and B&Bs. This shows a potential need for increased clarity in the meaning of B&B use and greater information for Council to differentiate between the varied modes of tourist accommodation uses in residential zones.

Does the Committee support undertaking the following goal?

| | Pursue | |
|---|--------|----|
| | Yes | No |
| Goal A: Preserve traditional B&B use in residential areas and consider ways to slow or contain Guest Suite uses in residential areas. | | |

If yes, please indicate support for the appropriate actions to support this goal

| Actions | Management Tool | | | Affecting | | Pursue | |
|--|-----------------|----|-----|-----------|----------|--------|----|
| | Zoning | BL | TUP | New | Existing | Yes | No |
| 1. differentiate between a “traditional” B&B room (i.e.: connected within the main house with interaction between the host and guests) and short-term rental Guest Suite (i.e.: with separate entrance and self-contained sleeping, eating and bathing facilities, limited or no required guest- host interaction) | ✓ | ✓ | | ✓ | ✓ | | |
| 2. remove B&B as an outright permitted accessory use in residential zones | ✓ | | | ✓ | ✓ | | |
| 3. remove Guest Suite as an outright permitted accessory use in residential zones | ✓ | | | ✓ | ✓ | | |
| 4. require that a B&B and/ or Guest Suite may only operate in the principal residence of the business license holder | ✓ | ✓ | | ✓ | ✓ | | |
| 5. require that a B&B and/ or Guest Suite may only operate in the principal residence of the business license holder, during times that they are present / available to respond in person within 24 hours | ✓ | ✓ | | ✓ | ✓ | | |

GROWTH AND TOURIST ACCOMMODATION DENSITY:

Context: The “Low-ish Growth Scenario” adopted by Council in the District of Ucluelet Official Community Plan 2022 states a desire to establish a higher ratio of residential versus tourist accommodation (60% Residential, 40% Tourist Accommodation) in Ucluelet. This could involve reducing the density of tourist commercial uses (reducing the number of allowed B&B rooms from the current three) in residential areas, while avoiding removing the use from Ucluelet property owners. Council also discussed the possibility of limiting the number of business licenses for B&Bs (“capping” the total). Many BC communities, such as Nelson, Squamish, Whistler, Rossland, Sidney, Parksville and Gibsons include stricter limits on density of B&B uses in residential zones through fewer allowed units or caps on the number of B&Bs or guest suites per neighbourhood.

Does the Committee support undertaking the following goal?

| | Pursue | |
|---|--------|----|
| | Yes | No |
| Goal B: Establish a balance between residential and tourist commercial accommodation in residential zones to prioritize residential uses and maintain the “Low-ish Growth Scenario”. | | |

If yes, please indicate support for the appropriate actions to support this goal

| Actions | Management Tool | | | Affecting | | Pursue | |
|--|-----------------|----|-----|-----------|----------|--------|----|
| | Zoning | BL | TUP | New | Existing | Yes | No |
| 1. reduce the number of Guest Suites permitted as an outright secondary use from 3 to 1 | ✓ | ✓ | | ✓ | ✓ | | |
| 2. reduce the number of B&B rooms permitted as an outright secondary use from 3 to 1 | ✓ | ✓ | | ✓ | ✓ | | |
| 3. allow consideration for additional Guest Suites and/or B&B rooms through a Temporary Use Permit | ✓ | ✓ | ✓ | ✓ | ✓ | | |
| 4. cap the number of B&Bs in residential zones | | ✓ | | ✓ | ✓ | | |
| 5. cap the number of guest suites in residential zones | | ✓ | | ✓ | ✓ | | |

LONG-TERM RENTERS:

Context: Staff have noted a growing trend of conversion of secondary suites to guest suites, resulting in evictions of long-term tenants, and a reduction in available long-term rental options in Ucluelet. Several comments at the Public Hearing on June 28th indicated that this has contributed to a growing lack of available employees facing many Ucluelet employers. Multiple comments at the Public Hearing on June 28th and the Council meeting on June 29th also indicated a desire to be able to operate both a long-term secondary suite and B&B use in the same residential dwelling.

Management Tools to take action on these directives may include Zoning, Business Licenses and Temporary Use Permits. Actions could affect new and existing residences.

Does the Committee support undertaking the following goal?

| | Pursue | |
|--|--------|----|
| | Yes | No |
| Goal C: Stop or slow the loss of existing long-term rental suites. | | |

If yes, please indicate support for the appropriate actions to support this goal

| Actions | Management Tool | | | Affecting | | Pursue | |
|--|-----------------|----|-----|-----------|----------|--------|----|
| | Zoning | BL | TUP | New | Existing | Yes | No |
| 1. investigate the potential to restrict or prohibit the conversion of long-term rental suites to tourist accommodation uses | ✓ | ✓ | ✓ | ✓ | ✓ | | |
| 2. maintain a low barrier for an owner to start a B&B (e.g., at a time of changing household finances) | | ✓ | ✓ | ✓ | ✓ | | |
| 3. permit property owners to operate B&B room(s) and long-term secondary suite or ADU rental on the same property | ✓ | | | ✓ | ✓ | | |
| 4. only permit a Guest Suite to operate on a residential property at the same time a long-term secondary suite or accessory residential dwellings unit (ADU) is occupied on the property | ✓ | ✓ | ✓ | ✓ | | | |

ACCESSORY DWELLING UNITS:

Context: At the discussion in the Council meeting held June 29, 2022, Council indicated a desire to pursue the allowance of ADUs in residential zones, potentially with greater flexibility in regulation to ensure more property owners may be eligible.

Does the Committee support undertaking the following goal?

| | Pursue | |
|---|--------|----|
| | Yes | No |
| Goal D: Add ADUs as a permitted secondary use in residential zones. | | |

If yes, please indicate support for the appropriate actions to support this goal

| Actions | Management Tool | | | Affecting | | Pursue | |
|--|-----------------|----|-----|-----------|----------|--------|----|
| | Zoning | BL | TUP | New | Existing | Yes | No |
| 1. allow ADUs to be located in the front, rear or sides of residential properties | ✓ | | | ✓ | ✓ | | |
| 2. set greater setbacks for an ADU than for other accessory buildings (such as sheds) | ✓ | | | ✓ | ✓ | | |

OTHER:

Does the Committee support undertaking the following actions?

| Actions | Management Tool | | | Affecting | | Pursue | |
|--|-----------------|----|-----|-----------|----------|--------|----|
| | Zoning | BL | TUP | New | Existing | Yes | No |
| 1. limit the impact to public on-street parking from private guest accommodation | ✓ | ✓ | | ✓ | | | |
| 2. change the minimum requirement for the number of off-street vehicle parking spaces for tourist accommodation in residential zones | ✓ | ✓ | | ✓ | | | |
| 3. require notification of neighbours before a new B&B or Guest Suite is authorized | | ✓ | ✓ | ✓ | | | |
| 4. require input from neighbours before a new B&B or Guest Suite is authorized | | ✓ | ✓ | ✓ | | | |

NEXT STEPS:

Following discussion and direction on the above, staff anticipate preparing draft amendments to the Zoning Amendment Bylaw No. 1310, 2022, and possibly draft amendments to the Business Regulation and Licencing Bylaw. Amendments and referral to a public hearing could occur at a meeting in early August, depending on Council's direction.

Respectfully submitted:

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