



REPORT TO COUNCIL

Council Meeting: August 2, 2022
500 Matterson Drive, Ucluelet, BC V0R 3A0

FROM: BRUCE GREIG, DIRECTOR OF COMMUNITY PLANNING **FILE NO:** 3360-20-RZ22-06

SUBJECT: **BED & BREAKFASTS AND ACCESSORY RESIDENTIAL DWELLING UNITS—AMENDMENTS TO THE UCLUELET ZONING BYLAW AND BUSINESS REGULATION AND LICENSING BYLAW.** **REPORT NO:** 22- 110

ATTACHMENT(S): APPENDIX A – ZONING AMENDMENT BYLAW NO. 1310 , 2022 (WITH PROPOSED AMENDMENTS)
APPENDIX B - ZONING AMENDMENT BYLAW NO. 1310 , 2022 (WITH CHANGES TRACKED)
APPENDIX C – DRAFT UCLUELET BUSINESS REGULATION AND LICENSING BYLAW AMENDMENT BYLAW NO. 1313, 2022

RECOMMENDATION(S):

1. **THAT** Council rescind second reading of *District of Ucluelet Zoning Amendment Bylaw No. 1310, 2022*;
2. **THAT** Council amend *District of Ucluelet Zoning Amendment Bylaw No. 1310, 2022*, to include the changes presented in staff report number 22-110 dated August 2, 2022;
3. **THAT** Council give second reading to *District of Ucluelet Zoning Amendment Bylaw No. 1310, 2022*, as amended;
4. **THAT** Council refer *District of Ucluelet Zoning Amendment Bylaw No. 1310, 2022.*, to a public hearing;
5. **THAT** Council give first, second and third reading to *Ucluelet Business Regulation and Licensing Bylaw Amendment Bylaw No. 1313, 2022*; and,
6. **THAT** Council direct staff to publish notice on the District website and in 2 issues of the Westerly news of the proposed *Ucluelet Business Regulation and Licensing Bylaw Amendment Bylaw No. 1313, 2022*, and provide an opportunity for the public to make written representations or verbal comments to Council prior to adoption of the bylaw.

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.*” A Committee of the Whole meeting was held July 19, 2022, and the recommendations arising from that discussion were subsequently ratified by Council.

COUNCIL DIRECTION AND BYLAW CHANGES:

The Committee-of-the-Whole discussion helped clarify the desired direction on land uses allowed in single-family residential zones. The discussion differentiated between “traditional bed and breakfast (B&B)” uses (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).

The discussion 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 which can achieve the above goals. The following are key changes within the Zoning Bylaw and Business Regulation and Licensing Bylaw to put these into effect:

Zoning Bylaw:

1. Add new definitions to clarify what constitutes a “principal residence”.
2. Update the definition of *accessory residential dwelling unit* (ADU).
3. Replace the regulations for *bed and breakfast* uses with a new section containing the following key 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 *bed and breakfast* use to a maximum of 35% of the home.
 - d. Remove the ability for *bed and breakfast* rooms to have a kitchenette.
 - e. Require that a *bed and breakfast* use must not displace a *secondary suite*.
4. Allow that an ADU may be built in the front, rear or side yards of a property containing a single family dwelling.
5. Allow that an ADU may coexist on a property with a *secondary suite* or a B&B.
6. Allow that a *secondary suite* may coexist on a property with an ADU or a B&B.
7. Add 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.

The *Ucluelet Zoning Amendment Bylaw No 1310, 2022*, has been amended to incorporate these changes. The updated bylaw can be found in **Appendix “A”**, and a version with all changes tracked and explanatory notes is found in **Appendix “B”**.

Business Regulation and Licensing Bylaw:

1. Add new definitions to clarify what constitutes a “principal residence” (mirroring the new definitions in the zoning bylaw).
2. Replace the definition of *bed and breakfast* to align with the definition in the zoning bylaw.
3. Add a new section specifying regulations for *bed and breakfast* uses:
 - a. Require that a B&B operate in the principal residence of the business owner and licence holder, and that the operator be present and available when the B&B has guests;
 - b. Make the *advertisement* of a B&B a business activity requiring a licence;
 - c. Require contact information for the B&B owner operator and, if applicable, an alternate adult operator who can be responsible for responding to inquiries;
 - d. Require that the B&B operator include in all online listings:
 - i. the valid Ucluelet business licence number.
 - ii. the number of off-street guest parking spaces available for each B&B room and a statement that is the maximum number of vehicles a guest is permitted to bring to the premises.
 - iii. the maximum permitted guest occupancy of the B&B pursuant to the zoning bylaw and the issued business licence.
 - e. Require that businesses with accommodation classification operating in residential areas (i.e., B&B’s, Guest Houses and Vacation Rentals) must display a sign complying with the District’s standard - in an exterior location near the property line and visible from the street (e.g., adjacent to the required civic address sign) - noting the business licence number, maximum occupancy, maximum number of guest vehicles and a contact number.
 - f. Require that businesses with accommodation classification operating in residential areas maintain a guest register;
 - g. Require a B&B operator to provide to the Licence Inspector upon request a copy of the guest register and booking records produced by each online listing platform;

A draft *Ucluelet Business Regulation and Licensing Bylaw Amendment Bylaw No. 1313, 2022*, is found in **Appendix “C”**, incorporating these changes.

The amendments to the *Business Regulation and Licensing Bylaw* include a new requirement for a small sign / decal posted where visible from the street as a mechanism to notify neighbours, provide basic information on the scale of permitted tourist accommodation, and provide the business phone number. This would provide a first point of contact in case there are questions or issues with the operation.

The new requirement for vacation rental businesses to include their business licence number in any online advertisements would aid in bylaw investigation and enforcement efforts.

Accessory Dwelling Unit (ADU) setbacks:

The updated Bylaw No. 1310 has removed any limitation of placing an ADU in the front or side yards of residential properties. The regular front yard setbacks would apply per the existing zoning. The side yard setback for an ADU would remain at a minimum of 3m.

Growth of Tourist Accommodation:

Bylaw Nos. 1310 and 1313 would leave the B&B use as an outright accessory use in most residential zones, with a maximum of 3 guest rooms. Council discussed whether to reduce the number of rooms permitted outright, and the majority appeared to support leaving it at the 3-room maximum. The continued allowance of 3-room B&B’s can be expected to result in a growing supply of tourist accommodation in

town. The future pace of this growth is unknown, and one option is to monitor whether the bylaw changes as drafted (if adopted) will have an effect on the tourist accommodation growth rate. The impact on town, and whether further changes are necessary, could be left for another day.

Alternatively, if Council wishes to slow the pace of tourist accommodation growth by reducing the maximum number of B&B rooms, that could be achieved by amending the 3-room maximum written in Bylaw Nos. 1310 and 1313 before consideration of further readings.

“Housekeeping” items:

Two items have been identified to clean up the bylaws in question:

1. In the zoning bylaw, section 403.1(5) states that a business licence is required in order to “register” a secondary suite. The schedule of business licence fees in the business licensing bylaw does not contain a fee for a secondary suite business licence, and staff can find no record of a business licence ever being issued for any of the existing secondary suites in town. Staff consider section 403.1(5) an obsolete requirement; the revised Bylaw No. 1310 would delete this subsection.
2. *Ucluelet Business Regulation and Licensing Bylaw No. 922, 2003*, as amended, contains reference to dates which have been superseded by Council direction. The business licence period for the past several years has been May 1st to April 30th of the following year. The deletion of sections 4.1(c), 4.1(d) and 5.2 – and the amendment of section 7.1 – would bring the bylaw into alignment with the District’s practices. The deletion of Schedule ‘A’ reflects that the business licence fees are now located in the Fees and Charges bylaw. The proposed amendment Bylaw No. 1313 includes these changes.

OPTIONS:

A	<p>That Council give second reading to the revised version of the bylaw and send <i>District of Ucluelet Zoning Amendment Bylaw No. 1310, 2022</i>, to a public hearing, and give three readings to <i>Ucluelet Business Regulation and Licensing Bylaw Amendment Bylaw No. 1313, 2022</i>.</p>	<u>Pros</u>	<ul style="list-style-type: none"> • The changes drafted in Bylaw No. 1310 would update the zoning regulations to slow the recent pattern of commercialization of residential properties and the creation of guest suites. • Bylaw No. 1310 would facilitate the creation of new accessory dwelling units in the form of detached cottages. • Bylaw No. 1313 would assist in monitoring and enforcement of B&Bs, and also provide a means of identifying at the street front where B&Bs are licensed in a neighbourhood. • The bylaws would require that a B&B be operated in the principal residence of the business owner.
		<u>Cons</u>	<ul style="list-style-type: none"> • At some point would need to revisit OCP policies, goals and strategies for balancing tourist accommodation with adequate housing for Ucluelet residents. • Would need to revisit the long-term growth scenario analysis and the “Low(ish) Growth” pattern endorsed by Council in the OCP; all growth scenarios assumed that B&B uses in residential areas would be capped and not continue expanding per the recent trend. Without a

		change in the existing regulations, the balance of housing vs. tourist accommodation may continue to worsen.
	<u>Implications</u>	<ul style="list-style-type: none"> Adopting Bylaw No. 1310 would adjust the Zoning Bylaw to reflect the community priority of creating more affordable and diverse housing opportunities.
B	That Council make further amendments to the zoning bylaw and/or business licensing bylaw as desired.	<u>Pros</u> <ul style="list-style-type: none"> Could align with Council direction. If Council has a clear idea of changes it would like to see, they can be made as the item is being considered by Council.
		<u>Cons</u> <ul style="list-style-type: none"> If amendments need to be referred back to staff, it would be difficult for bylaw amendments to be completed in this Council term.
		<u>Suggested Motion</u> <ul style="list-style-type: none"> That Council, with regard to [<i>District of Ucluelet Zoning Amendment Bylaw No. 1310, 2022</i>], or [<i>Ucluelet Business Regulation and Licensing Bylaw Amendment Bylaw No. 1313, 2022</i>] change _____.
C	That Council abandon <i>District of Ucluelet Zoning Amendment Bylaw No. 1310, 2022</i> .	<u>Pros</u> <ul style="list-style-type: none"> Would satisfy some current property owners.
		<u>Cons</u> <ul style="list-style-type: none"> Ongoing expansion of short-term vacation rentals on residential properties throughout town. Further erosion of the secondary rental housing base in Ucluelet. Further speculation and commercialization of residential properties, exacerbating the inflation of property values. ADU detached cottages would not be permitted as a secondary use in residential zones – owners wishing to build a detached dwelling would still need to first apply for rezoning. New B&B operations could continue to be established in existing residential neighbourhoods. Would need to revisit OCP policies and goals for balancing tourist accommodation with adequate housing for Ucluelet residents. Would need to revisit the long-term growth scenario analysis and the “Low(ish) Growth” pattern endorsed by Council in the OCP; all growth scenarios assumed that B&B uses in residential areas would be capped and not continue expanding per the recent trend. Without a change in the existing regulations, the balance of housing vs. tourist accommodation would continue to worsen.
		<u>Suggested Motion</u> <ul style="list-style-type: none"> No motion required.

NEXT STEPS:

The *Zoning Amendment Bylaw No. 1310, 2022*, has previously been the subject of a public hearing. If amendments are desired, another public hearing would be required.

If Council is considering adopting amendments to the *Business Regulation and Licencing Bylaw*, as laid out in Bylaw No. 1313, it should give notice and provide a means for public input prior to adopting the bylaw. The form of notice is at Council's discretion.

Respectfully submitted:

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