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## STAFF REPORT

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**TO:** ADVISORY PLANNING COMMISSION  
**FROM:** BRIGID REYNOLDS, CONSULTING TOWN PLANNER  
**SUBJECT:** SHORT TERM RENTAL FRAMEWORK  
**MEETING DATE:** OCTOBER 23, 2025

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### PURPOSE

To seek input on a short term rental framework to narrow the scope.

### BACKGROUND

Many residential property owners have been renting out their home, rooms in the home or secondary suites as short-term vacation rentals. In 2023 the Province adopted the *Short Term Rental Accommodation Act* (the Act) as part of its Homes for People Action Plan. Some but not all the regulations in this new Act apply to the Town of Lake Cowichan. Effective May 1, 2024, for applicable local governments, the Act limits short term rentals (STR) to a host's principal residence and one secondary suite or detached accessory dwelling unit. The Town's Zoning Bylaw permits short term rentals in limited way.

At its regular meeting on January 30<sup>th</sup>, 2025, the APC discussed the matter and made the following recommendations to Council to consider:

- The use of increased enforcement against illegal short-term rentals to favour the availability of attainable housing.
- The opt-in principal residence provision under Bill 35 to permit legal short-term rentals in Lake Cowichan
- The use of Temporary Use Permits to allow homeowners to participate in the short-term rental market.

At its regular meeting on April 22, 2024 Council received a staff report outlining the following options

1. Accept the report for information only and maintain the existing regulations in Zoning Bylaw and require a zoning bylaw amendment if a property owner wants to operate a short-term rental including bed and breakfast.
2. Consider passing a resolution to 'opt-in' to the Provincial legislation establishing a regulation for short term rentals including the bed and breakfast use.
3. Consider amending the Zoning Bylaw to permit short-term rentals in residential zones with the principal residence requirement.
4. Consider amending the Zoning Bylaw to permit short-term rentals in residential zones with no principal residence requirement.

Council's direction was that the matter will be brought forward as a topic at the upcoming Public meeting to be held on May 5th, 2025 for public input.

This item was one of many at the May 5<sup>th</sup> community meeting and the resulting direction was to bring the item back to Council in a workshop setting to discuss the matter.

This memo seeks some recommendations from the APC on how to proceed.

## **ZONING BYLAW**

The Zoning Bylaw identifies two types of short-term rentals (STR) in the Zoning Bylaw and these are defined and regulated as follows:

1. *Short-Term Vacation Rental* means a building that contains a room, or a set of rooms, which may have a kitchen; and that is offered for rent to the travelling public on a temporary basis of 31 days or less and is subject to all the conditions listed under Part VI Conditions for Short Term Vacation Rentals.

Short term vacation rental is permitted in one zone district C-3 Lakefront and Riverfront Commercial for the specific property of 38 North Shore Drive (Lot 1, Section 6, Plan 5631). Short term vacation rental is not a permitted use in any residential zones.

2. *Bed And Breakfast* means an owner-occupied single detached dwelling containing a maximum of two (2) rooms without cooking facilities intended primarily for the temporary overnight accommodation for the travelling public, with breakfast meals prepared and served to guests by means of a common kitchen and dining facilities used by the owner-occupier.

Bed and breakfast accommodations are a type of short-term vacation rental and are specifically permitted as an accessory use in the R-2 Urban Residential zone and R-5 B Single Detached and Duplex zone (Point Ideal). The use is also permitted as a site-specific accessory use for the property located at 207 North Shore Rd (Lot 3, Block 4, Section 5, Plan 1750).

Having these two uses in the Zoning Bylaw creates confusion. There are numbers of bed and breakfast operations that essentially function as short term rentals.

## **OPTIONS**

The Town can

1. Opt-in to the Principal Residence requirement and not change the Zoning Bylaw.
2. Amend the Zoning Bylaw to permit short-term rentals broadly.
3. Amend the Zoning Bylaw to permit short-term rentals in a more restricted way.

### **Principles to Guide this Framework**

It can be helpful to identify high level principles to guide this type of review. These principles could include for example, protect long term rental, equity for renters and home owners, minimize resource demands on the Town, minimize negative impacts to neighbours...

Are there other principles recommended by the APC to guide this review.

### **Principal Residence Requirement**

Section 15 of the *Short Term Rental Accommodation Act* allows local governments who are exempt from the Provincial regulations to 'opt-in' by submitting a written request with a council resolution. By 'opting-in' the Town would take on the principal residence requirement of the Act without having to change the Zoning Bylaw. The Province would enforce the principal residence requirement. This opt-in request must be submitted to the Minister of Housing by March 31 of each year to take effect November 1 of the same year.

This approach is the most minimal regulatory approach and doesn't address the existing issues in the Zoning Bylaw.

### **Elements of a Short Term Rental Regulation**

Amending the Zoning Bylaw to permit short term rentals would typically include regulations related to the following elements. These are introduced here to discussion purposes.

1. Principal Residence – because the Town has a population less than 10,000 this doesn't apply unless the Town chooses to regulate this
2. Housing typology – the types of dwellings where STRs are permitted. This could range from single detached homes to multi-family units and include secondary suites and detached accessory dwelling units.

3. Zone districts – This could include just residential zone district or include commercial zone districts where residences are permitted.
4. Number of night stays – The Provincial Act identifies short term rentals are those where the stay is less than 90 nights. Without identifying a maximum number of nights someone could rent out a STR for as many nights in a year as they would like to.
5. Number of STRs on a property and or in the community – the Provincial Act permits the principal residence to be rented as a STR and one secondary suite or accessory dwelling, so essentially two per property.
6. Signs – home based businesses are permitted a small sign 0.56 m2 in size.
7. Parking – home based businesses are required to provide two additional parking spaces. The Province is directing local governments to minimize parking requirements for new residential development.
8. Inspections – inspections can range from self-reporting to onsite inspections by Building Dept and Fire Dept staff to ensure that life safety issues are addressed. And that the STR is proposed in a home that was constructed with a building permit. Some local governments require additional fees for inspections.
9. Business Licence – requiring a business licence gives the Town great enforcement tools. Specific conditions can be adopted and if an operator is in breach of these conditions, the licence can be revoked temporarily or permanently depending on the nature of the breach. Business licence fees don't usually cover the cost of inspections.

What other elements might be appropriate for the Town of Lake Cowichan to consider in this matter?

### **Community Engagement**

There are ranging opinions as to whether the Town should regulate this use. What are some options to engage the community on this matter? Options include the following or some combination thereof:

- Hold an open house
- Send a survey to owners and tenants
- Hold a town hall meeting
- Don't engage the community
- Post a notice on the website

### **Recommendation**

Staff are seeking direction and recommendations from the APC

1. to identify the guiding principals for this project
2. to identify a preferred option from the following:
  - a. Opt-in to the Principal Residence requirement and not change the Zoning Bylaw.
  - b. Amend the Zoning Bylaw to permit short-term rentals broadly.
  - c. Amend the Zoning Bylaw to permit short-term rentals in a more restricted way.
3. To identify any additional elements that should be considered for the framework.

Signed:

***Brigid Reynolds***

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Contract Planner