



Standing Committee Report Electoral Area Services Committee

To: Electoral Area Services Committee
From: Director of Development and Engineering Services
Date: March 5, 2026

Subject: Short-Term Rental (STR) Accommodation Bylaw Amendments

Objective: To seek the Electoral Area Services Committee's endorsement of proposed bylaw amendments in relation to Short-Term Rental (STR) accommodation uses for RDCO's Electoral Areas.

Discussion:

On December 18, 2025, the Regional Board received a report on proposed Short-Term Rental Accommodation bylaw updates, and a public engagement strategy informing these updates, that would shift the current regulatory approach for Short-Term Rental (STR) operations in Electoral Area West and East. The objective of these amendments is to provide more clarity and flexibility, and balance housing needs while supporting supplementary revenue options, tourism and economic growth in Central Okanagan Electoral Areas. At this meeting, the Regional Board provided the following resolutions:

THAT the Regional Board direct staff to initiate community engagement on proposed bylaw updates in relation to Short-Term Rental uses in Central Okanagan Electoral Area West and Central Okanagan Electoral Area East,

AND THAT Regional Board direct staff to prepare draft bylaw amendments for Short-Term Rental uses for Regional Board consideration following the completion of public engagement.

This report outlines the results of public engagement conducted between January and mid-February 2026, as well as presents the proposed bylaw amendments for consideration by the Regional Board. Included is a "What We Learned" Report prepared by RDCO's engagement consultant, Urban Systems (Attachment No. 1). Urban Systems has also provided a Recommendations Memorandum (Attachment No. 2), drawing upon their extensive experience with short-term rental regulation reviews for other local governments.

Public Engagement Results

The "What We Learned" (WWL) report provides an overview of findings from the public engagement consultation. This included an online survey, a virtual session, and three in-person open houses in Electoral Areas East and West that resulted in 899 total engagement participants. It was determined that of the 847 online survey respondents, 251 (30%) live or own property within RDCO Electoral Areas East or West, while the remainder of respondents lived within a neighbouring jurisdiction or from other areas. While all submissions were reviewed, the experiences and viewpoints of the respondent group

representing people that live or own property in RDCO Electoral Areas were weighted most significantly in the proposed bylaw amendments as these residents are directly affected by the proposed updates.

In general, the Electoral Area respondent group was supportive to the proposed Short-Term Rental policy changes. More than half of this group expressed support for the proposed policy direction, with 48% strongly supportive and 15% somewhat supportive (63% in total). Within this group there were 41 respondents who indicated they operate a short-term rental (a response group comprising 28% of existing STR licensees) and all but one of these responses indicated they own property within the RDCO. A minority of respondents (26%) are opposed, with key concerns about potential changes to neighbourhood character and potential nuisance and security issues. The WWL report found “a mixed level of confidence from Electoral Area residents and property owners towards RDCO’s ability to enforce regulations”, with 31% “very confident,” and 27% “not at all confident”.

Overall, recommended policy changes such as use of secondary suites and allowance for off-site operation had majority support from respondents. It is noteworthy that the survey revealed strong support from Electoral Area residents and property owners for STR use within accessory homes (68% of respondents ‘strongly’ or ‘somewhat’ support this).

Technical Recommendations

1) Licensing and Penalty Costs

Urban Systems (Attachment No. 2) has concluded that the proposed STR policy approach addresses most community concerns and reflects best practices. In their words: “Engagement results suggest that there is broad support for the proposed regulatory approach, and the proposed policy framework largely aligns with best practices for administration and regulation of short-term rentals”. They recommend that RDCO increases the proposed licensing costs and penalty amounts and pays close attention to consistent enforcement of penalties for any nuisance operators to build public confidence in enforcement and maintain neighborhood character, quality of life and security across both Electoral Areas. Staff have drafted proposed bylaw amendments for STR-specific penalties and licensing fees in response to this recommendation.

2) Public Communications and Education

Urban Systems also advises that RDCO invest in a communications program that is comprehensive and detailed, alongside the rollout of any new licensing regime. Engagement results suggest that there may be confusion amongst residents as to what requirements will be in place, such as building permits, business licenses, and how these relate to provincial requirements. Communications materials can clarify these issues and should also emphasize the importance of life safety as it relates to short-term rentals to help residents and operators understand the rationale for the policy updates.

3) Options for Other Unit Types

Finally, engagement results indicated interest in more flexibility to use accessory homes for Short-Term rentals. Staff have taken note of this and still recommend restricting STR uses from accessory homes at this time. The policy guidance in rural area Official Community Plans (OCPs) and Zoning Bylaw No. 871 indicate that accessory homes should only be used for either agricultural workers or family on larger properties (greater than 4.0 hectares) and as such, allowing STR uses would significantly differ from the intended use of an accessory home.

Summary of Proposed Bylaw Amendments

Attachment No. 3 provides a summary table of the proposed amendments to five existing RDCO bylaws to regulate Short-Term Rentals in Electoral Area West and Electoral Area East. Draft bylaw amendments have been prepared and are included in Attachments 5 to 9 of this report. These proposed bylaw amendments allow for the administration of a Short-Term Rental licensing framework that is consistent with the proposed policy approach presented to the public in the early part of January. Included are changes to the Regional District's Zoning Bylaw No. 871, Joe Rich Rural Land Use Bylaw, Business Licensing and Regulation Bylaw (including fees), as well as ticketing bylaws utilized for Bylaw Enforcement staff.

Highlights of the proposed bylaw amendments include the following:

- Consolidating “Bed and Breakfast” use into a new “Short-Term Rental accommodation” use
- Adding STR as an accessory use to 3 new zones: R2, RC1 and CD1 (Sunset Ranch)
- Allowing “full home” STR use or the use of a secondary suite as an STR
- A maximum of 4 bedrooms and 8 people in overnight stay per STR use
- Allocating a minimum of 1 parking space to the STR use
- Requiring a “designated representative” to respond to a nuisance complaint within 2 hours
- Requiring a RDCO-issued sign (with contact information for the designated representative) for each authorized STR licence to be posted and visible from a public roadway
- Requiring an application administrative intake fee of \$200 and an annual licence renewal fee of \$400 to partially reflect the RDCO's costs of administering the STR licensing system, and
- Introducing STR-related fine amounts to a maximum of \$500 for Bylaw Offence Notices (BONs) and \$1000 for a Municipal Ticket Information (MTI).

Below is a table of how the proposed licensing fees and the fine amounts compare to five neighbouring jurisdictions that also regulate Short-Term Rentals.

Table 1: STR License Fees Jurisdictional Comparison

Jurisdiction	Application Fee	Renewal Fee	Notes
RDCO Current (BnB only)	\$100	\$265	
RDCO Proposed	\$200	\$400	
City of Kelowna	\$50	\$345	
City of West Kelowna	\$250	\$500	
District of Lake Country	\$100	\$350	
District of Peachland	\$112*	\$112	*Seasonal application fee is \$56
RDOS	\$500	\$500	Applies to STRs in Electoral Areas A, D, E, and I

As indicated in Table 1, RDCO's current application fee and annual license renewal fee is within the range of comparable fees for neighbouring jurisdictions. To more effectively cover the costs of administering the STR licensing system and align with regional standards, Staff proposes to increase

these fees to be mid-range of our neighbouring comparisons to a one-time application fee of \$200 and an annual license renewal fee of \$400. This is consistent with the licensing fee recommendations provided by Urban Systems for RDCO’s new STR licensing approach (see Attachment No. 2).

The RDCO currently has a general penalty system in place that does not address specific issues relating to STRs. A review of five similar jurisdictions reveals that each has STR-specific bylaw offences, differing in detail and fine amounts (see Attachment No. 4). Except for the District of Peachland, all have Municipal Ticket Information (MTI) amounts of \$1000 or more in place to address more complex enforcement issues with nuisance STR operators. The City of West Kelowna is noteworthy in its “three strikes” approach to penalties, with STR-specific offence fines starting at \$100 and then escalating to \$250 for the second and \$500 for the third in its Bylaw Offence Notice (BON) system. The proposed updates to RDCO fees of \$500 for BONs and \$1000 for MTIs take a moderate approach that allows for several STR-specific offences with updated penalties that reflect the regional average.

Next Steps:

The diagram below presents the process undertaken to date on updating Short-Term Rental policy for Central Okanagan Electoral Areas East and West:



With the recommendation of the Electoral Area Services Committee, staff propose to present these bylaw amendments to the Regional Board on March 19, 2026 for consideration of 1st and 2nd reading and the scheduling of a public hearing for amendments to both Zoning Bylaw No. 871 and Joe Rich Rural Land Use Bylaw No.1195. If initial readings are provided, it is proposed that the public hearing be scheduled on April 16, 2026. Following the public hearing, bylaw amendments can be considered for third reading.

The proposed amendment to Zoning Bylaw No. 871 will require approval from the Ministry of Transportation and Transit after third reading is provided by the Regional Board. Under the *Transportation Act*, “bylaws that regulate land use or density in an area within 800 metres of a controlled access highway require approval by the Minister of Transportation and Infrastructure”. For this reason, under the proposed schedule, the May 14, 2026 Regional Board meeting is the earliest that Zoning Bylaw amendments could be adopted to allow for the new flexibility for STR operators.

Recommendation:

THAT the Electoral Area Services Committee endorses the proposed bylaw amendments in relation to Short-Term Rental (STR) accommodation uses for RDCO’s Electoral Areas as presented in the report from the Director of Development and Engineering Services dated March 5, 2026.

Respectfully submitted by: Barbara Everdene, Regional Planning Specialist

Report Approved by: Danielle Noble-Brandt, Director of Development and Engineering Services

Approved for Agenda: Sally Ginter, Chief Administrative Officer

- Attachment(s):
1. What We Learned Report
 2. Urban Systems Memorandum
 3. Summary of Proposed Bylaw Amendments
 4. STR Fines Jurisdictional Comparison
 5. Bylaw No. 1586, Amendment No. 290 to Zoning Bylaw No. 871
 6. Bylaw No. 1587, Amendment No. 28 to Joe Rich Rural Land Use Bylaw No. 1195
 7. Bylaw No. 1588, Amendment No. 5 to Ticket Information Utilization Bylaw No. 1537
 8. Bylaw No. 1589, Amendment No. 4 to Bylaw Notice Enforcement Bylaw No. 1538
 9. Bylaw No. 1590, Amendment No. 1 to Business Licensing and Regulation Bylaw No. 1555
 10. STR Accommodation Bylaw Amendments Presentation
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