



Subject:	Vacation Rental and Bed and Breakfast Use Review
Date:	June 18, 2024
Presenter:	Justin Rebello, Supervisor, Planning and Development
Department:	Planning

REPORT SUMMARY

The purpose of this report is to update the Governance Committee (Committee) on proposed *Land Use Bylaw* amendments and associated public engagement relating to the Vacation Rental and Bed and Breakfast uses. In alignment with Council’s Strategic Plan, these amendments would contribute to more effective service delivery and promote thoughtful growth by securing near-term improvements to sections of the *Land Use Bylaw* that are currently problematic.

An assessment of current County processes, and best practices employed within other municipalities for the Vacation Rental and Bed and Breakfast uses, are provided within this report.

ADMINISTRATION’S RECOMMENDATION

THAT the Governance Committee receives the Vacation Rental and Bed and Breakfast Use Review report as information.

BACKGROUND

Administration’s current work plan includes continuous assessment and evaluation of current uses, rules and regulations contained within the *Land Use Bylaw*. Potential amendments have been prioritized that provide greater clarity and efficiency in implementation of the *Land Use Bylaw*. On January 16, 2024, the Committee received a presentation from Administration proposing several amendments to the *Land Use Bylaw* including the Vacation Rental and Bed and Breakfast use. The Committee then directed Administration to present a review of the Vacation Rental and Bed and Breakfast uses back to the Committee no later than the end of Q2, 2024.

DISCUSSION

Vacation Rentals

The *Land Use Bylaw* defines a Vacation Rental as “a Dwelling Unit that is rented online via a hospitality service brokerage company that arranges lodging such as Airbnb, Vrbo, TurnKey, HomeAway etc.”

Although Vacation Rental is set out as a use in the *Land Use Bylaw*, there are no rules to guide or mitigate the use. Therefore, development permit applications proposing this use have been challenging to assess and manage and has led to Development Authority decisions being appealed to the SDAB.

The Vacation Rental use generally entails full use of the principal dwelling, accessory buildings, and outside spaces on a property, and any planning conditions that may be placed on a Vacation Rental permit to minimize impacts on adjacent landowners are difficult to monitor and enforce upon. Greater rules and regulations that are enforceable are required to manage this use more effectively.

Vacation Rental and Bed and Breakfast Use Review

Rocky View County Overview

The Vacation Rental use was added to the County's *Land Use Bylaw* on September 8, 2020, when *Land Use Bylaw C-800-2020* came into full force and effect. There are currently twenty-one (21) approved development permits for the Vacation Rental use, which are all temporary development permits and range from Tiny Dwellings to Single Dwelling Homes on large parcels of land. Since the use was introduced, there have been seven (7) Development Permits refused by Administration and/or the Subdivision Development and Appeal Board, and eight (8) Development Permits whose temporary development permits have expired.

In regard to tax assessments, the County's property assessment reflects the use of the property, with consideration to the land use and development permit designation. As a Vacation Rental is considered a residential dwelling unit, the parcel would be assessed as such under the Residential assessment classification and would not trigger a Commercial assessment classification.

The County's Bylaw Enforcement team responds to complaints received in relation to Vacation Rentals. Where compliance is required, the owner is directed to apply for a Development Permit. Any enforcement action in relation to conditions within an approved Development Permit is evaluated on a case-by-case basis.

Regulatory Research

Vacation Rentals are typically classified as a Short-Term Rental (up to a maximum of 30 days), where no lease is signed between a tenant and landlord. Where a lease is signed between a landlord and tenant, this typically involves month-to-month, or annual contracts, which fall under the Residential Tenancies Act (RTA). The RTA provides a framework for landlord and tenant relations in Alberta, setting minimum standards of conduct for both landlords and tenants. It governs the rights and responsibilities both parties have towards each other, and in some cases, both. Vacation Rentals do not fall under the RTA.

Municipalities provide for Vacation Rentals through various regulatory means, requiring a combination of a Development Permit or Business License, and in some cases, both. If allowed, Vacation Rentals are listed under most residential districts regardless of size, and not based on locational principles.

Common regulations across municipalities include:

- The applicant to demonstrate they are the property owner, and the property is their primary residence;
- Requiring all bedrooms to have one or more egress windows;
- Maximum number of guests based on the number of bedrooms provided (two (2) per bedroom);
- Minimum parking requirement per bedroom or guest;
- Consent from the Home Owners' Association or Condo Board, if applicable;
- A Fire Inspection Plan;
- Enforcement measures dealt with on a complaint basis;
- Annual business license requirements and/or temporary development permits; and,
- Ability to revoke a business license and/or development permit.

Recommendations

Based upon a comprehensive review of other municipalities, and to ensure proposed rules and regulations reflect the Rocky View County context, Administration will be seeking public input and legal advice to explore regulatory approaches relating to the Vacation Rental use, including those listed in the table below. Stage 2 engagement on the Municipal Development Plan project will also be seeking input on overall support for Vacation Rentals and whether the use should be guided to certain locations within the County.

Vacation Rental and Bed and Breakfast Use Review

Regulatory Approach	Rationale
<p>Limiting Vacation Rentals to those parcels where the applicant can demonstrate that the property is their primary residence;</p> <ul style="list-style-type: none"> • “Owner” means the registered owner of Land pursuant to the Land Titles Act, • “Primary Residence” is the primary residential dwelling that an individual occupies for a majority of the calendar year. At the time of application, the applicant shall provide proof of primary residence (such as a driver's license). 	<p>This would limit the time that properties are rented out and would increase accountability of the owner to neighbours in the area.</p>
<p>Setting requirements for the owner to clearly outline expectations for guest behaviour and to manage guest activity. Measures to be explored could include on-site check-ins by owners or management companies, installation of security cameras, and the assignment of a local contact to be available in the event of complaints.</p>	<p>Ensuring closer supervision of guest behaviour would reduce the potential for uncontrolled activity and nuisance occurring on the site and, where any issues do occur, it would encourage the owner to act promptly.</p>
<p>Limiting Vacation Rentals by number of guests, bedrooms, or dwelling type.</p>	<p>This would limit the intensity of the use and lessen the potential for nuisance from large gatherings at a property.</p>
<p>Requirement for an operations and noise management plan. This could include:</p> <ul style="list-style-type: none"> • Requiring parking spaces on-site to cater to the number of guests proposed; • Limiting hours of operation for outdoor areas; • Defining the type and location of activities allowed on site; and, • Prohibiting any business signage for the vacation rental use. 	<p>This would ensure that the owner is proactive in limiting the operation of the Vacation Rental to reflect the residential or agricultural character of the surrounding area. Placing restrictions on the location of activities would also allow for clearer enforcement of staying within these defined areas of the property.</p>
<p>Requiring proof of consent from a Home Owners' Association (HOA) or Condominium Board, where applicable. Many communities in the County have HOA requirements separate to the County, including restrictions on business uses and vacation rentals.</p>	<p>This would ensure that the property owner has consulted with the HOA or Condominium Board and that they align with all requirements for the community. It would also help to create awareness amongst residents that the Vacation Rental is being proposed in the area.</p>
<p>Requiring that required fire safety measures and inspections are in place. This would include a requirement for all bedrooms to have a satisfactory means of egress and a requirement for the County's Fire Services department to undertake a Fire Smart inspection to ensure that all National Fire Code requirements will be met.</p>	<p>This would ensure the safety of all guests at the property and that the owner is accountable for operating the Vacation Rental as a regulated business.</p>

Vacation Rental and Bed and Breakfast Use Review

<p>Only providing temporary development permits for Vacation Rentals and providing clear direction for modification or cancellation of development permits where on-going non-compliance with a development permit is substantiated.</p>	<p>Temporary development permits would allow the Development Authority to regularly monitor the impact of a Vacation Rental and to take appropriate action in the event of non-compliance with the conditions imposed on a development permit.</p>
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Administration is also proposing to amend the definition for the Vacation Rental use, to clarify that the use is for short term rentals (up to a maximum of 30 days), in a dwelling unit on a property, which is the primary residence of the applicant.

Bed and Breakfasts

More recently, applicants have tried to propose a Vacation Rental use under a Bed and Breakfast use. Consequently, there is a need to examine the regulations applied to the Bed and Breakfast use alongside the Vacation Rental use to ensure that the two uses are discretely defined and managed.

The *Land Use Bylaw* defines Bed and Breakfast as “an accessory use of a principal dwelling and where temporary sleeping accommodation is provided for up to three guest rooms.”

Generally, Bed and Breakfast uses offer a unique experience for travelers than traditional forms of accommodation in hotels or motels by providing a homelike ambiance and a personal level of attention. Typically, the accommodation is not self-contained in that the bathroom and breakfast facilities may be shared with other guests and/or with the host family. An important feature distinguishing the Bed and Breakfast use from other forms of tourist accommodation is that the primary function of the property is a residence, with the bed and breakfast operation being a complementary or accessory use.

This differs from a Vacation Rental use, where the entire residential property is generally used without the property owner being on-site to accommodate and monitor their guests.

Recommendations

Bed and Breakfast uses have been generally less problematic than Vacation Rentals for surrounding residential and agricultural areas due to their nature as an accessory use to the principal residential use, and the scale of the use being limited to three guest bedrooms. However, to provide further clarity and distinction from the Vacation Rental use, it is proposed to amend the *Land Use Bylaw* definition for the Bed and Breakfast use, confirming that the use is operated by permanent residents of the property. Reference could also be made to ensure that the owner remains on site throughout the course of business operations as hosts providing meals and other services to guests.

Next Steps

Administration proposes to conduct County wide public engagement to receive feedback on the areas of regulation outlined in this report. Feedback received will then be considered as part of the forthcoming *Land Use Bylaw* amendments in relation to the Vacation Rental and Bed and Breakfast use, which will be presented to Council through a public hearing held in Q4, 2024.

ALTERNATE DIRECTION

Administration does not have an alternate direction for Governance Committee's consideration.

ATTACHMENTS

None.

