



THE CORPORATION OF THE CITY OF VERNON

MINUTES OF THE

AFFORDABLE HOUSING ADVISORY COMMITTEE

HELD WEDNESDAY, JUNE 29, 2022

COUNCIL CHAMBERS (OKANAGAN LAKE ROOM) CITY HALL

PRESENT Annette Sharkey, Social Planning Council of North Okanagan
Catherine Lord, Vernon Seniors Action Network Rep.
Chuck Winn, Builder Rep.
Councillor Fehr, Chair
Councillor Gares, Council Appointed
Glory Westwell, Habitat for Humanity Rep.
Heather Herman, Interior Health (Alternate)
Jayme McKillop, Community at Large Rep.
Nanette Drobot, Supportive Housing Advisor, BC Housing
Zuni England, Community at Large Rep.

ABSENT Megan Thorne (Interior Health)
Councillor Paul Britton, City of Armstrong
Councillor Quiring (Non-Voting Alternate)

DELEGATION Kim Flick, Director, Community Infrastructure & Development

STAFF Barbara Everdene, Long Range Planner
Roy Nuriel, Planner, Economic Development
Shawn Knuhtsen, Manager, Building & Licensing
Tracy Mueller, Committee Clerk

ORDER The meeting was called to order at **3:00 PM**

LAND ACKNOWLEDGEMENT *As Chair of the City of Vernon's Affordable Housing Advisory Committee, and in the spirit of this gathering, I recognize the City of Vernon is located in the traditional territory of the Syilx people of the Okanagan Nation.*

ROUND TABLE INTRODUCTIONS Before the start of the meeting round table introductions were conducted and new members were welcomed by the Chair.

**ADOPTION OF THE
AGENDA**

Moved by **C. Lord**, and seconded by **Councillor Gares**:

THAT the agenda for the Affordable Housing Advisory Committee meeting of June 29, 2022, be adopted as amended to **discuss the Short-Term Rental Policy in advance of the Delegation Presentation.**

CARRIED

**ADOPTION OF THE
MINUTES**

Moved by **A. Sharkey**, and seconded by **N. Drobot**:

THAT the minutes of the November 4, 2021, Affordable Housing Advisory Committee meeting be adopted as presented.

CARRIED

The Agenda was varied to discuss Short Term Rental (STR) regulations prior to the Delegation Presentation.

**SHORT TERM
RENTAL (STR)
REGULATIONS**

B. Everdene, Long Range Planner, was in attendance and provided a PowerPoint presentation overview of proposed new Short-Term Rental (STR) Regulations.

- Council directed Administration to develop STR regulations at the meeting on June 27, 2022.
- STR units are primarily for tourists and visitors; bookings are generally handled through an online platform.
- In May 2020, the City conducted a public survey on short term rentals. Although the survey did not directly ask the public if they wanted to see regulation, there were many comments received expressing support for regulations.
- The presentation included a snapshot from an intelligence platform called AIRDNA which pulls information / listings from both Airbnb, Inc., and Vacation Rentals by Owner (VRBO), which showed 274 STR operations in Vernon located all across the City.
- Although not every single STR operator within Vernon is registered with Airbnb and VRBO sites; they are the most popular and it does give a reasonable snapshot of STR activity within Vernon.

- Short Term Rentals (STRs) are a growth industry and is expected to expand in popularity in the years to come. Through regulation, there is an opportunity to guide how and where this growth will happen in Vernon.

H. Herman, Interior Health (Alternate) arrived at 3:14 PM

- The City is currently proposing to add two new business licensing categories to Business Licensing Bylaw #5480 as follows:
 1. **STR Minor License** – applicable anywhere in the City, a portion of a principal residence would be allowed to have a STR. It must be the operator’s principle residence and there must be a responsible person on site throughout the rental period (owner or designate).
 2. **STR Major License** – a higher degree of commercial operation, allowable only in the Hillside Residential District Development Permit area. In a major license an STR could be a portion or entire property, the key point is that a responsible person would have to be available at all times, does not need to be onsite but they need to be on call 24 hrs.
 - The proposed approach also includes amendments to Zoning Bylaw #5000 to allow short term rentals as a secondary use in appropriate zones.
- **Monitoring and Enforcement** – there should be good regulations and the capacity to enforce in a real way. The City envisions enforcing the new STR business license with incremental fines for noncompliance with the terms of the license and the Good Neighbour Bylaw. The City is exploring a clause where STR business licenses would not be renewed in situations of repeated noncompliance.

Raising application fees and fines can help to bring more revenue to the City and fund the cost of a more robust compliance program.

- **Public Consultation** - Staff noted that this information would be shared with the Tourism Commission and there will be more public engagement. It will go back to the August 15, 2022 Council meeting with proposed amendments.

The following comments and questions were posed by members of the Committee:

- The Committee asked for data regarding the number of complaints received about STRs. In response, staff noted that the Bylaw department reported 49 STR-related complaints last year (out of a total of 6,000) with the majority related to noise.
- Clarification was requested regarding the geographic application of the proposed STR Major Business License.
 - Staff noted that under this proposal, STR Major operations would not be allowed in Neighbourhood Districts 1 and 2 (except for the Waterfront Neighborhood Plan area) in order to protect availability of long-term rental housing in the City core; staff further noted that this may change the scale of operations for some STR operators.
- The Committee asked if the data shows how many STR operators are renting their whole house, versus a portion of the house.
 - Staff noted that they do not yet have enough access to data on this but expect to learn more with the public survey and potentially through third-party STR compliance companies.
- It was discussed that there is a need for STRs to support tourism in Vernon; however, there is concern about retaining long term, affordably-priced rental housing in the City and how new regulations will achieve that.
 - Staff noted that best practice research has shown that STR's are having a negative impact rental housing supply. This is not only happening in Vernon but across Canada.

- Having a requirement for a principal resident on site is the single most effective tool to avoid speculation and outside community investment in STRs in areas where rental housing supply needs protection.
- Not every STR operator will be willing to consider offering a long-term rental; there are a number of home owners who are not interested in taking on long-term rentals for a variety of reasons.
- Staff noted that as it grows, the STR industry will place further challenges on the already low vacancy rate in the City. The average price per night is \$130 / night. Many homeowners are making more money with STRs vs. long-term rentals. One objective of the proposed regulations is to create more incentives for long-term rentals, while allowing residents to choose what type of accommodation they would like to provide, if any;
- The Committee discussed that there are individuals who purchased properties as investment tools; however, as a rental, if a tenant does not pay, and they elect not to leave, there is a considerable cost and process involved to evict. Some homeowners have opted in to the short-term rental market due to these challenges.
- Notably there are a significant number of first-time home buyers who intentionally purchased homes with rental suites because they need assistance with paying their mortgage.
- The Committee encouraged staff to include a question in the public survey on whether STR operators are renting out a portion of their home or their entire property.
- The Committee asked if existing STR operations that do not meet the proposed new regulations could be grandfathered into the new regulatory regime.
 - Staff clarified that the zoning / legal system is such that if it is listed as a permitted use, and anything not prohibited is illegal. The proposed regulatory regime will include amendments to the zoning bylaw.

- Staff clarified that unless STR operations are compliant with their zoning (Resort Residential or Resort Commercial and Residential) and/or have a valid B&B business license, they are **illegal** and cannot be grandfathered.
 - Should new regulations be approved, there will be a grace period to allow eligible STR operators to obtain licenses and come into compliance.
- In addition to STRs, there are 1400 motel rooms in the City of Vernon. Staff will encourage hotel and motel operators to participate in the public survey
- Staff noted that the Building Code now allows for secondary suites in more types of buildings, but in order to be licensed, STR units would need to meet Building Code requirements. It was discussed that licensing could strengthen egress and fire safety performance of existing rental suites.
- The Committee expressed concern regarding the loss of affordable housing when old motels are redeveloped. Staff noted that BC Housing is actively preserving this type of affordable housing stock where possible.
- It was discussed that every affordable unit that comes to Vernon is welcome.
- The Committee asked if the Province was considering changes to the *Residential Tenancy Act* as it is challenging to navigate.
 - It was discussed that the *Act* is meant to protect both parties, it is straight forward, and if both parties follow the procedures, consensus could be found.
 - It was noted that the temporary eviction ban in BC at the beginning of the COVID-19 pandemic was challenging for some landlords.
- It was noted that some landlords consider STRs as less of a headache than long term rentals as they do not involve dealing with evictions

- It was noted that the CRA views STRs as commercial operations
- The Committee asked if there were any jurisdictions that put a cap on the number of STRs permitted in a given neighbourhood. Staff in response noted that the City of Nelson limited the number of STRs per block. Ultimately, the bylaw was amended because it was difficult to manage.
- The City of Vernon will be looking at best practices from other municipalities
- In terms of further consultation, there will be a public survey launched on July 19, 2022 and should Council adopt the bylaw amendments as proposed on August 15, 2022, there will be a public hearing on September 6, 2022.

DELEGATION PRESENTATION

Kim Flick, Director, Community Infrastructure & Development, was in attendance to provide an overview of the Committee Terms of Reference (TOR) and Bullying / Harassment Policy.

The following comments were made:

- **Terms of Reference** - The TOR was reviewed with the Committee and the roles and responsibilities were discussed.
- **Housing Strategy** - We started to develop the housing strategy for Vernon, following the regional housing studies done by The Regional District of North Okanagan (RDNO). The goal is to wrap all the threads together and the aim is to have an Affordable Housing strategy as part of this Council term.
- **Bullying / Harassment Policy** - In terms of Bullying / Harassment Policy there is a respectful workplace policy. Every individual has the right to come to a meeting, work and expect a bullying and harassment free environment. The policy outlines the steps available.
- **Council Committee Structure** – Minutes are recorded in writing, and the adopted minutes go to Council; therefore, Advisory Committee, Commission and Board quorum is critical.

Recommendations and resolutions from the Committee must be ratified by Council.

- **Committee Expectations** – Please do not communicate with other levels of government on behalf of the Committee, good and expenditures cannot be charged to the City and the Media cannot be contacted.
- **Recommendations** – Resolutions are at the discretion of Council; the Committee is welcome to make recommendations.

INFORMATION ITEMS:

NORTH OKANAGAN REGIONAL HOUSING STRATEGY FEEDBACK

Roy Nuriel, Planner, Economic Development, provided an overview regarding the North Okanagan Regional Housing Strategy Feedback.

The following comments were made:

- The City was asked to provide comments to RDNO on the Regional Housing Strategy.
- At the November 4, 2021, Affordable Housing Advisory Committee meeting; Laura Frank attended as a delegation and presented the draft Strategy and requested feedback / comments from members of the Committee.
- The RDNO is working on compiling the feedback received from Vernon and is pulling together comments from some of the other communities surveyed as part of the Consultation process.

The following comments questions were posed by members of the Committee:

- The committee asked if the impact of the price increase in the last 8 months – 1 yr. will it have an impact.
 - Staff noted that the Housing Needs Assessment for the Region focused on different areas, in terms of affordable needs for the communities.
 - The housing needs assessment should be updated to reflect the new information from Statistics Canada.

However, the statistics do not change the urgency of the need or the recommendations that are going forward.

- The Committee asked how many requests from developers have come forward for condo / townhouse development projects as there is a need for first time home buyers and individuals who are downsizing.
 - Staff noted that Vernon has shifted to multi-family townhouse complexes with higher density.

**CITY OF VERNON
ATTAINABLE
HOUSING STRATEGY
& IMPLEMENTATION
PLAN**

Roy Nuriel, Planner, Economic Development, provided an overview of the City's Attainable Housing Strategy & Implementation Plan as follows:

- Staff noted that Vernon Housing Strategy will be developed in conjunction with the Official Community Plan (OCP) for Vernon.
- In the next few months, Administration will combine the information compiled over the last few years.
- The Affordable Housing Committee will be engaged to provide ideas and be a part of the consultation / discussion process in forming the plan.
- The last few housing strategies put together by the RDNO will inform the trends. It was noted that in discussions with developers, staff are drilling down to find out some of the obstacles associated with providing attainable housing in terms of zoning.
- Housing Policy and Land Designation will be a large part of the new OCP review. Housing is a continuum and certain portions of the continuum take care of themselves.
- Supportive housing is the domain of BC housing and the province. Affordable rentals and affordable markets need to be targeted with new ideas.
- It was discussed that affordable housing was identified as a need with this term; unfortunately, floods, pandemics and natural disasters have created challenges.

The following comments questions were posed by members of the Committee:

- The definition of affordable / attainable was requested. The Committee discussed that it is challenging to overlay definitions. With BC Housing, rental stock is geared to low to moderate income, the missing middle.
 - Staff clarified that the definitions are different between agencies. Affordable is with government involvement, attainable is “market housing” so that units are available to people with average incomes.
- It was discussed that there are challenges for people to get into the market and afford payments. A question was posed regarding housing co-ops and if that is still a mechanism that is still used.

INFORMATION ITEMS:

There were no Information Items discussed.

NEXT MEETINGS

The Chair noted that the next two (2) meeting dates for the Affordable Housing Advisory Committee are as follows:

- 1. Wednesday, August 10, 2022**
- 2. Friday, September 09, 2022**

The meetings will be held in Council Chamber (Okanagan Room) at City Hall at 3:00 PM.

ADJOURNMENT

The Affordable Housing Advisory Committee meeting of June 29, 2022, was adjourned at the call of the Chair at **4:35 PM**.

CERTIFIED CORRECT:



Chair