

STAFF REPORT TO COUNCIL

Report Prepared By: Julia Dewijn, Planner
Reviewed By: Jake Belobaba RPP, MCIP, Director of Development Services
Meeting Date: July 8, 2025
File No: ZBL 3360-25-05
RE: Zoning Bylaw Amendment to Allow Bed and Breakfast Use in Single Dwelling Residential Zones

RECOMMENDATION:

That Council:

1. Give first and second readings to “Town of Ladysmith Zoning Bylaw 2014, No. 1860, Amendment Bylaw 2025, No. 2213”;
2. Direct staff to refer “Town of Ladysmith Zoning Bylaw 2014, No. 1860, Amendment Bylaw 2025, No. 2213” to the Ministry of Transportation and Transit, following third reading and prior to adoption of the bylaw, pursuant to section 52 of the *Transportation Act*;
3. Direct staff to proceed with scheduling and notification of a public hearing for “Town of Ladysmith Zoning Bylaw 2014, No. 1860, Amendment Bylaw 2025, No. 2213” pursuant to section 464(1) of the *Local Government Act*.

EXECUTIVE SUMMARY:

The purpose of this report is to introduce a proposal to add bed and breakfast as an accessory use to the Single Dwelling Residential – Small Lot A (R-1) and Local Commercial (C-1) Zones for Council consideration. The town-initiated proposal requires a Zoning Bylaw amendment.

PREVIOUS COUNCIL DIRECTION:

Resolution	Meeting Date	Resolution Details
CS 2024-164	July 16, 2024	That Council give first, second and third readings to “Town of Ladysmith Zoning Bylaw 2014, No. 1860 Amendment Bylaw No. 2187”. <i>Motion Carried</i>

INTRODUCTION/BACKGROUND:Background

Bed and breakfasts are traditionally run within single-unit dwellings and offer nightly accommodation to paying guests. Although not required under the Bed and Breakfast

(B&B) regulations in the “Town of Ladysmith Zoning Bylaw 2014, No. 1860”, bed and breakfasts often include breakfast service in addition to lodging.

Under the Town’s zoning regulations, bed and breakfasts have different rules than “short-term rentals” that operate where tourist accommodation is a permitted use or under a Temporary Use Permit (TUP). Generally speaking, a short-term rental is the rental of a complete dwelling unit, whereas a bed and breakfast is the rental of a bedroom without kitchen facilities.

Every bed and breakfast that operates within Ladysmith must have a valid business licence, and bed and breakfasts are permitted in most zones that allow single-family dwellings. However, with recent provincial rule changes related to marketing tourism accommodation through online platforms, unlicensed bed and breakfasts in zones that do not allow bed and breakfasts have been unable to obtain business licences and the subsequent provincial registration numbers required to be advertised on online platforms.

On July 16, 2024 Council passed a resolution to adopt Zoning Bylaw amendments to the Bed and Breakfast regulations, which redefined bed and breakfast accommodation rooms as ‘guest rooms’ and disallowed cooking facilities of any kind within guest rooms.

PROPOSAL:

Bylaw No. 2213 is a Zoning Bylaw amendment to allow bed and breakfast as an accessory use in the Single Dwelling Residential – Small Lot A (R-1-A) and Local Commercial (C-1) zones.

ANALYSIS:

For the reasons outlined below, staff are recommending approval of the proposal.

Official Community Plan

Properties zoned R-1-A and C-1 are designated as Neighbourhood Residential under the OCP. The Neighbourhood Residential designation aims to provide many housing choices with a range of residential types, tenures and densities. Some small-scale commercial uses are supported within this designation. Bed and breakfast use is consistent with the intent of the Neighborhood Residential land use designation.

The Official Community Plan (OCP) does not contain specific policies on bed and breakfasts. However, Table 1 outlines one policy relating to short-term rentals and its impact on long-term rental housing supply, as well as staff’s comments on how this policy relates to B&B use.

Table 1. OCP Policy Analysis

OCP Policy Analysis	
Policy	Staff Comments
3.14. Monitor the impact of short-term rental accommodation on long-term rental housing supply. Consider the short-term rental	Bed and breakfast use does not remove long-term rental housing from market supply because B&B use is not permitted where a legal secondary suite already exists on a

recommendations of CVRD's Workforce Housing Strategy (2022) once complete.	property. Further to this, bed and breakfast guest rooms are not permitted to include kitchens (or kitchenettes), which would otherwise be required in secondary suites.
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Zoning Bylaw

Bed and breakfasts are allowed in designated residential zones, but they must meet the Bed and Breakfast Zoning Bylaw regulations. These regulations state that B&Bs must be located on a property with a 'Single Unit Dwelling', and that B&Bs are prohibited where a caretaker dwelling, coach house dwelling, two-unit dwelling (duplex), or multi-unit dwelling is located.

Table 1 summarizes which zones permit or do not permit single unit dwellings and bed and breakfasts as uses:

Table 2. Summary of Zones allowing single unit dwellings and B&B use.

Residential Zones	Single Unit Dwellings Permitted (Y/N)	Bed and Breakfast Use Permitted (Y/N)	Amendment Proposed to allow B&B
Rural Residential (RU-1)	Yes	Yes	Already permitted
Single Dwelling Residential (R-1)	Yes	Yes	Already permitted
Single Dwelling Residential – Small Lot A (R-1-A)	Yes	No	Yes
Old Town Residential (R-2)	Yes	Yes	Already permitted
Oyster Cove Residential (R-2-B)	Yes	Yes	Already permitted
Medium Density Residential (R-3)	Yes (if lawfully constructed prior to June 15, 2021)	No	No
Low Density Residential (R-3-A)	No	No	No
Manufactured Home Park (MHP-1)	No	No	No
Multi-Family Mixed Use (R-4)	No	No	No
Commercial Zone			
Local Commercial (C-1)	Yes	No	Yes

As B&Bs are permitted under the bed and breakfast regulations to be operated in single unit dwellings, staff consider it appropriate to permit bed and breakfast accessory use in the R-1-A and C-1 zones, where single unit dwellings are permitted principal uses.

It is believed that B&Bs were not originally permitted in the R-1-A zone due to a smaller minimum lot size (before the small-scale multi-unit housing Zoning Bylaw amendments, the R-1-A minimum lot size was 460m², whereas the R-1 minimum lot size was, and remains at, 668m²). However, the B&B and parking regulations in the Zoning Bylaw would allow B&Bs to be accommodated within small-lot zones with no undue impacts.

Additionally, the provincially legislated small-scale, multi-unit housing changes have triggered allowances for additional residential density, and staff note that this may be perceived as promoting increased intensity of use in residential areas.

This proposal would allow B&B accessory use in Local Commercial (C-1) because single unit dwellings are permitted in this zone and no adverse impacts are anticipated.

The Comprehensive Development (CD) zones and the Medium Density Residential (R-3) zone are not included in this proposed Zoning Bylaw amendment due to the site-specific nature of the CD zones and the promotion of higher density residential uses within the R-3 zone.

Parking

Some properties zoned R-1-A (small lot zone) may have more limited area to accommodate off-street vehicle parking required for B&Bs. The Zoning Bylaw requires that one off-street parking space is provided per guest room located in a B&B in addition to the one parking space required for a single unit dwelling. As a result, there may be limitations on the number of guest rooms a R-1-A-zoned property can support should there be inadequate space for the required number of parking spaces, and the number of Development Variance Permit applications for guest parking may increase.

Economic Impact

Allowing additional B&Bs within the Town of Ladysmith provides more accommodation opportunities in the Town for tourists, visitors, and or workers who may contribute to the local economy throughout their stay. As such, it is reasonable to anticipate that allowing B&B use in the R-1-A and C-1 zones could further stimulate the Town's economy by increasing visits to local shops and services.

Based on the analysis presented above, staff recommend that Council give the proposed Zoning Bylaw amendment first and second readings, and direct staff to schedule a public hearing.

ALTERNATIVES:

Council can choose to:

1. Defeat the proposed bylaw.
2. Elect not to hold a public hearing in accordance with section 464(2) of the *Local Government Act* and direct that staff publish notice of the application in accordance with section 467 of the *Local Government Act*.
3. Defer consideration of the application and refer the proposal to a subsequent meeting of Council.
4. Amend the proposed bylaw and give the bylaw first and second readings as amended.
5. Refer the application back to staff for further review, as specified by Council.
6. Refer the application back to the Community Planning Advisory Committee for additional comment.

FINANCIAL IMPLICATIONS:

N/A

LEGAL IMPLICATIONS:

Standard requirements for Council consideration and referrals established under provincial legislation have been accounted for in staff's review of the application and in the recommendations of this report. At this time, there are no special legal considerations for this proposal.

CITIZEN/PUBLIC RELATIONS IMPLICATIONS:

If Council endorses the proposed bylaw amendments a public hearing is required pursuant to section 464(1) of the *Local Government Act*, and newspaper and mail notification must be carried out pursuant to section 466(1) of the *Local Government Act*.

Council can elect not to have a public hearing under 464(2) of the *Local Government Act* because an OCP amendment is not required to approve the proposed rezoning. However, staff recommend holding a public hearing as policies supporting the proposed amendments are not explicit and due to notification requirements, there are no time savings achieved by not holding a hearing.

INTERGOVERNMENTAL REFERRALS:

The application must be referred to the Ministry of Transportation and Transit as required under Section 52 of the *Transportation Act*, since many of the properties subject to the rezoning are located within 800 metres of the Trans-Canada Highway.

No further intergovernmental referrals were sent, as the proposed Zoning Bylaw amendment is not anticipated to impact other government agencies.

INTERDEPARTMENTAL INVOLVEMENT/IMPLICATIONS:

The application was circulated to the Building, Engineering, and Fire departments for review and comment. None of the referred departments expressed concern over the proposal.

COMMUNITY PLANNING ADVISORY COMMITTEE (CPAC) REVIEW:

A CPAC review of this application is not required under the CPAC Terms of Reference, as the proposed Zoning Bylaw amendment is a town-initiated proposal.

ALIGNMENT WITH STRATEGIC PRIORITIES:

- | | |
|---|---|
| <input type="checkbox"/> Core Infrastructure | <input checked="" type="checkbox"/> Economy |
| <input type="checkbox"/> Official Community Plan Implementation | <input type="checkbox"/> Leadership |
| <input type="checkbox"/> Waterfront Area Plan | <input type="checkbox"/> Not Applicable |

I approve the report and recommendations.

Allison McCarrick , Chief Administrative Officer

ATTACHMENTS:

- A. Draft Bylaw No. 2213
- B. R-1-A and C-1 Zone Areas Map

ATTACHMENT A

TOWN OF LADYSMITH

BYLAW NO. 2213

A bylaw to amend "Town of Ladysmith Zoning Bylaw 2014, No. 1860"

The Council of the Town of Ladysmith in open meeting assembled enacts the following amendments to "Town of Ladysmith Zoning Bylaw 2014, No. 1860":

1. Schedule A – Zoning Bylaw Text is amended by adding "Bed and Breakfast subject to Part 6, Section 6.7" as a permitted Accessory Use to the Single Dwelling Residential – Small Lot A Zone (R-1-A) and Local Commercial (C-1).

Citation

2. This bylaw may be cited for all purposes as "Town of Ladysmith Zoning Bylaw 2014, No. 1860, Amendment Bylaw 2025, No. 2213".

READ A FIRST TIME on the ____ day of ____, 2025

READ A SECOND TIME on the ____ day of ____, 2025

PUBLIC HEARING held on the ____ day of ____, 2025

READ A THIRD TIME on the ____ day of ____, 2025

APPROVED BY MINISTRY OF TRANSPORTATION AND TRANSIT on the ____ day of ____, 2025

ADOPTED on the ____ day of ____, 2025

Mayor (D. Beeston)

Corporate Officer (S. Bouma)

Attachment B - R-1-A and C-1 Zone Areas

