

ADMINISTRATIVE REPORT

TO:	City Planning Committee
FROM:	Administration
DATE:	October 19, 2026
RE:	Zoning Bylaw Amendment – Short-Term Rental Development Permit Grace Period

ISSUE

Amendment to the Zoning Bylaw to implement a Development Permit grace period for short-term rentals.

REFERENCE

- [Whitehorse 2040 Official Community Plan](#)
- [Zoning Bylaw 2025-37](#)
- [Short-Term Rental Compliance Grace Period Policy \(Council Policy #2026-01\)](#)
- [Proposed Zoning Bylaw Redline](#)
- Proposed Amending Bylaw 2026-35 (Attachment 1)

HISTORY

Zoning Bylaw 2025-37 (Zoning Bylaw) was adopted by Council on May 11, 2026. It includes definitions and regulations for short-term rentals, which came into force on October 1, 2026. The delay in coming into force was intended to provide time to bring forward related changes to the Business License Bylaw, the Fees and Charges Bylaw, and the Housing Development Incentives Policy to fully implement the new short-term rental program.

Requiring short-term rental operators to obtain a Development Permit and Business License immediately upon the regulations coming into force would have placed existing operators in non-compliance with municipal requirements until the necessary approvals were obtained. This period of non-compliance could increase costs for short-term rental operators by limiting the expenses they could claim as deductions on their income tax returns.

Council amended the Business License Bylaw at third reading to establish a grace period, until April 1, 2027, on the requirement to obtain a Business License. Council also adopted the Short-Term Rental Compliance Grace Period Policy, which temporarily paused the Development Permit requirement, and directed Administration to bring forward an amendment to the Zoning Bylaw to defer that requirement until April 1, 2027.

The proposed schedule for the Zoning Bylaw amendment is:

Planning Committee:	October 19, 2026
First Reading:	October 26, 2026
Newspaper Ads:	October 30 and November 6, 2026
Public Hearing:	November 23, 2026

Report to Committee:	January 4, 2027*
Second and Third Reading:	January 11, 2027*

**Committee and Regular Council meeting schedule for 2027 is still to be confirmed*

ALTERNATIVES

1. Proceed with the amendment under the bylaw process; or
2. Do not proceed with the amendment.

ANALYSIS

The Zoning Bylaw requires Development Permits for most forms of development, including short-term rentals. The Short-Term Rental Compliance Grace Period Policy provides that short-term rentals may operate without a Development Permit until April 1, 2027. As the Zoning Bylaw continues to require a Development Permit, an amendment is needed to align the bylaw with Council's direction and provide certainty that short-term rentals may operate without a Development Permit until April 1, 2027.

The proposed amendment establishes a temporary grace period rather than an exemption from the Development Permit requirement. Accordingly, all short-term rentals, including those established before April 1, 2027, must obtain a Development Permit by that date to remain in compliance with the Zoning Bylaw. The amendment also allows the Development Officer to issue Development Permits during the grace period, enabling operators to obtain approvals before the deadline.

The proposed amendment would be backdated to October 1, 2026, to coincide with the date the short-term rental regulations came into force and provide clarity regarding the period during which the grace period applies.

ADMINISTRATIVE RECOMMENDATION

THAT Council direct that Bylaw 2026-35, a bylaw to amend the Zoning Bylaw to implement a Development Permit grace period for short-term rentals, be brought forward for consideration under the bylaw process.