Report to Council

Date:	March 4th, 2019
File:	0100-01
To:	City Manager
From:	Greg Wise, Business Licensing Manager
Subject:	Short-Term Rental Accommodation Business Licence and Regulation Bylaw No. 11720

Recommendation:

THAT Council receives for information, the report from the Business Licensing Manager, dated March 4, 2019, with regards to creating a new Short-Term Rental Accommodation Business Licence and Regulation Bylaw;

AND THAT Bylaw No. 11720 being Short-Term Rental Accommodation Business Licence and Regulation Bylaw be forwarded for reading consideration;

AND THAT Bylaw No.11771 being Amendment Bylaw No. 23 to Bylaw Notice Enforcement Bylaw No. 10475 be forwarded for reading consideration;

AND THAT Council provide an opportunity for persons who consider themselves affected by this application to make representations to Council during the March 12, 2019, Public Hearing on the associated Text Amendment Bylaw No 11766;

AND FURTHER THAT Council direct staff to give notice of its intention to provide for public input on Bylaw No. 11720 being Short-Term Rental Accommodation Business Licence and Regulation Bylaw by advertising in the in the Daily Courier on Wednesday, March 6th, and Friday, March 8th; in the Okanagan Saturday edition on March 9th and by being posted on the City Hall Notice Board on Tuesday, March 5, 2019.

Purpose:

To consider a new Business Licence and Regulation Bylaw for Short-Term- Rental Accommodations and to allow for members of the public to make representations to Council regarding the proposed Bylaw.

Background:

On December 3, 2018, Council directed staff to proceed with preparing bylaws to implement the proposed short-term rental accommodation regulations and licensing requirements related to the short-term rental accommodations. The proposed regulations were based on the guiding principles Council endorsed on July 16, 2018, as well as best practice research and input from residents and stakeholders.

Recent proposed Zoning amendments to allow short-term rental accommodation within Zoning Bylaw 8000, will require associated Business Licence regulations and conditions pertaining to the operation of such short-term rental accommodations.

The regulations aim to balance the desire to allow short-term rentals as an option for tourists and visitors with the need to protect long-term rentals and to limit impacts on neighbouring properties. Establishing these regulations will help provide clarity to residents about how short-term rentals can be operated. The zoning amendments define short-term rental accommodation as a new use, identify more specific regulations associated with it, and introduce it as a principal or secondary use in the appropriate zones. The proposed Licence regulations are in keeping with Council approved Guiding Principles and in step with the "Housing Needs Assessment", and "Healthy Housing Strategy" and will further clarify regulations pertaining to the operation of such short-term rental units within the community.

Business Licencing

All short-term rentals, including legal non-conforming operations, will require a business license. Staff are proposing a business license fee of $345 where the short-term rental is in the operator's principal residence, and a fee of $750 where it is not the operator's principal residence. These fees are within range of several other BC Municipalities that have initiated regulations for short-term rentals and would be adjusted annually with the Consumer Price Index. Fees are intended to support cost recovery for licensing and compliance requirements associated with short-term rental accommodations and to provide equity among operators.

Staff will work with applicants to inform them of the license requirements and conditions. A comprehensive communications plan and support documentation has been developed to roll out the new program. It is anticipated following adoption and approval of the new bylaw, licencing will commence early Spring of 2019, a formal start date will be communicated to the public as part of a larger education package on the subject.

To support the first two guiding principles (protection of long-term housing, and ensure short-term rental accommodations are good neighbours) and that rental units are safe, staff propose the following documentation, conditions and operational requirements as part of the new license regime:

Highlights of licence requirements and conditions are as follows:

- All short-term rental accommodation operators are to hold an annual Business Licence.
- All operators are to sign a Good Neighbour Agreement with the City, agreeing to be a responsible good neighbour short-term rental operator.

- Principal residence operators must provide documentation confirming the residential address is the operator's principal residence.
- Submit proof of property ownership, or if a tenant, documentation confirming approval of provision of the short-term rental accommodation by the applying tenant/operator.
- Operators that are located within a strata, will need to provide documentation confirming the short-term rental does not conflict with any strata bylaws.
- Operators, or the "Responsible Person" are required to respond to any complaints.
- Operators will ensure all marketing of the short-term rental accommodation indicates a business licence number and the number of approved rental sleeping units (bedrooms).
- Provide a self-evaluation safety audit and attestation form confirming fire and life safety measures are addressed.
- Provide a floor plan indicating safety exits, fire alarm and fire extinguisher locations and display the plan in the accommodation.
- Provide a parking plan which conforms to the parking requirements of the Zoning bylaw.

Compliance with Regulations:

Should the proposed regulations move forward, staff will initiate a communications plan to notify the public of these new regulation requirements, and will focus on education and information distribution in the initial quarter of the year, prior to directing resources to a proactive compliance model. To support compliance efforts and mitigate impacts to staff resources, staff propose contracting a third party company with software capable of searching listings across multiple online accommodation platforms to effectively provide accurate and enforceable information. These companies offer a range of services, including license application platforms and listings identification to more robust monitoring and communications services. Complaint-based enforcement through Bylaw Services will still form part of the compliance strategy, particularly as it relates to nuisance issues. Education will be the initial focus. Compliance will be pursued as needed in a fair but firm manner for those in breach of any bylaw conditions, including the Good Neighbour Agreement.

Next Steps

Should the proposed Zoning Bylaw amendments and Business Licence Bylaw regulations be adopted, those looking to operate a short-term rental would be required to obtain a business license prior to operating. Staff will provide communication and a simple application package for the operators to complete.

Staff will also review and report back to Council after two tourist seasons following implementation of new regulations. A review presents an opportunity to consider how the regulations are working, as well as to explore whether or not other suggestions should be incorporated into the regulation of short-term rental accommodation. Furthermore, as the industry continues to evolve, a review gives staff and Council the opportunity to review the regulations as they relate to ongoing changes in the accommodation industry and within our community.

Internal Circulation:
Community Planning Department Manager
Bylaw Services Manager
Community Communications Manager
Fire Chief

Legal/Statutory Authority:
Sections 8(6) and 15 of the *Community Charter*, S.B.C. 2003, c. 26

Legal/Statutory Procedural Requirements:
Community Charter 59(2) give notice of intention and to provide opportunity of those affected to make representation to Council
Community Charter S.59(3) advertise in a manner that Council considers reasonable

Financial/Budgetary Considerations:
Estimated $320,000 annually for business licensing and enforcement (approved in budget). Business license fees to support cost recovery.

Personnel Implications:
One new License and Bylaw Inspection Officer and one new Administrative Clerk needed to support licensing needs associated with short-term rental accommodation (approved in budget). The positions will be shared with the need for additional resources to support demands of new cannabis retail sales establishments and cannabis production facilities.

Communications Comments:
A comprehensive Communications plan has been developed to educate both internal departments and external stakeholders and the General Public of these new regulations and the licencing process requirements.

Submitted by: Greg Wise, Business Licensing Manager

Approved for inclusion: Derek Edstrom, (Acting) Divisional Director
Community Planning and Strategic Investments

cc: R. Smith, Community Planning Department Manager
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