

COUNCIL REPORT

To: Mayor and Council

From: Administration

Date: January 8, 2024

Subject: Short Term Rentals

RECOMMENDATION:

THAT Council directs staff on next steps.

BACKGROUND:

At the Regular Meeting of July 24, 2023, Council directed staff to provide a report with information about the current state of short-term rental accommodation in Mackenzie. For context, the Province of BC defines short-term rentals as the following:

Short-term rentals are accommodations provided to members of the public in a host's property, in exchange for money, for a period of less than 90 consecutive days. They are generally tourist accommodations that are often found in residential or resort areas. They may be advertised via online platforms such as Airbnb, VRBO, Expedia and FlipKey, but may also include short-term rental offers on other web forums including Facebook Marketplace or found in classified ads in newspapers.¹

DISCUSSION:

The District's Zoning Bylaw and Business Licensing Bylaw allow for short-term rentals in the form of hotel, motel, and bed and breakfast operations. District bylaws do not allow for other forms of short-term rentals, such as those advertised through Airbnb, VRBO, and other online sites. Mackenzie currently has two hotels, two motels, two bed and breakfasts, and one cabin with a total of 194 rooms available.

Anecdotally, there have been reports from residents and organizations for a need for more short-term rentals in the community to support the following:

- Professional recruitment and services such as travel nurses and physicians;
- Proposed major industrial projects in the area; and

¹ <https://www2.gov.bc.ca/gov/content/housing-tenancy/short-term-rentals/straa-definitions>

- Tourism development through increased conferences and sporting event hosting, some of which are already planned for 2024.

A formal assessment has not been completed to support these reports; however, for example, we have been made aware from event organizers that there are not enough rooms available for the upcoming Community Forest Association Conference to be held in Mackenzie in June 2024.

Expanding Short-Term Rental Options

If there is a shortage of vacation accommodation in Mackenzie, the District could continue to encourage new hotel/motel and B&B development and/or look at amending regulations to allow other types of short-term rentals in the community, such as Airbnb.

As seen in other communities, there can be both positive and negative impacts to residents, businesses, and municipal operations when vacation rentals like this are allowed. For example, there could be more options for visitors thus making Mackenzie a more desirable and accessible destination, however neighbours may be impacted by increased noise and parking issues, among other challenges.

Additionally, it should be noted that the District has limited resources to administer new permitting and licensing processes as well as enforce new regulations.

New Provincial Legislation

Recently, the Province of BC announced proposed legislation that will further regulate short-term rentals in communities with a population of more than 10,000 to address the current housing crisis in BC. The general intent of the legislation is to reduce the number of vacation homes, creating more housing available for residents to purchase, as well as give local governments more authority to regulate the use.

With a population of 3281, this legislation would not affect Mackenzie, however, the District's Official Community Plan does somewhat align with these objectives by promoting the preservation and diversification of housing stock for current and future residents (Section 2.1 – Policy 16). While the current legislation governing short-term rentals does not apply to Mackenzie based on its population size, it is a consideration that the District should keep in mind for the future.

The Province has shared the following timeline for the roll-out of their new short-term rental policies and tools:

- **May 1, 2024:** Principal residence requirement (including exempt areas and accommodations), changes to legal non-conforming use protections, and requirement to display valid business licences, where these are required

- **Summer 2024:** Data sharing and enabling provincial support for local governments where platforms fail to remove listings without valid business licences, where these are required
- **Late 2024:** Provincial registry launch and requiring platforms to remove listings without valid provincial registry numbers

Further details on the new legislation and policies can be found on the Province of BC website here: <https://www2.gov.bc.ca/gov/content/housing-tenancy/short-term-rentals>

Other Communities

Research was conducted on communities of comparable population sizes, aiming to analyze and understand the effective management strategies employed in their short-term rental bylaws.

Elkford (population 2,749)

- maximum number of guests for overnight accommodation to 10
- Fees for applications that can be delegated to staff for approval be set at \$1,000 for the three-year period, while fees for applications that cannot be delegated to staff and must go to the Board be set at \$2,000.
- Milestones that will require achievement prior to the RDEK being able to accept applications. This includes developing guidelines around compliance and enforcement; establishing the application process, which will include everything from creation of the application forms to a comprehensive education and awareness campaign; and establishing the procedures for internal review.

Tumbler Ridge (population 2,399)

- Short-Term Rentals are subject to inspection annually
- A Short-Term Rental licence is only valid for one dwelling unit.
- For a Short-Term Rental located within a strata, a letter duly signed by the strata council's President or designate, consenting to the applicant's operation of a Short-Term Rental from the premises.
- Every person carrying on the business of a Short-Term Rental must:
 - a) establish and maintain a daily registry of the name, telephone number, address and vehicle licence plate number, for every overnight guest of the business; and
 - b) upon request from the District, supply a copy of the guest registry to the Licence Inspector.
- The District may request a copy of the guest register on any day of the calendar year between the hours of 8:00 am and 8:00 pm.
- The District may request from the licensee, booking records as produced directly from each online listing platform used to advertise the licensed premises in the current calendar year on any day of the calendar year between the hours of 8:00 am and 8:00 pm.

- Good Neighbour Policy - Applicants for short-term rentals must actively cooperate with neighbours and the District to minimize neighbourhood impact. Applicants are required to sign off on the Good Neighbour Policy. Failure to do so, leading to complaints or violations, may result in license revocation, affecting future renewals, with the District retaining the right to deny renewal based on various grounds, including but not limited to complaints and noncompliance.

Village of Pemberton (population 3,407)

- Part of the current bylaw states that the number of short-term vacation rental licenses available in a calendar year shall not exceed five per cent of the total number of single-family dwelling units located in each of Pemberton's neighbourhoods. This rule aims to manage and control the impact of short-term vacation rentals on the housing stock or community character by placing a numerical limit on the licenses issued;
- Those wishing to operate a vacation rental must first apply for a license. If approved, they must also sign a Good Neighbour Agreement indicating that they will obey noise and parking guidelines in their area;
- Pemberton has only one bylaw officer, and thus enforce primarily on a complaint basis. While VOP staff try to monitor local activity on the short-term rental market, they depend on residents to report any illegal or non-sanctioned rental activity within village borders;
- Short-term vacation rental is only permitted in a lawful dwelling unit that is a principal residence, or a secondary suite, but not both;
- Short-term vacation rental is not permitted in an accessory building or vehicle, recreation vehicle, tent or trailer, other than a carriage house;
- Occupancy shall not exceed two (2) persons per available bedroom, to a maximum of three (3) bedrooms accommodating six (6) guests;
- One (1) off-street parking space shall be provided for each bedroom used as short-term vacation rental.

Valemount (population 1,021)

- Short-term vacation rentals cannot be in combination with any other use (including residential); therefore you may not use a secondary suite as a short term rental.
- Short-term rentals are permitted on lots 1500m² or larger.
- Bed & Breakfasts (B&B) and short-term vacation rentals are currently permitted in zones where the use is considered appropriate, where parking can be accommodated on site, and with minimal impacts to neighbouring properties. Zones that permit smaller properties and higher density are not compatible with B&B or short-term rental uses.
- Rentals permitted for 30 days or less.
- No goods or services other than the rental of rooms is permitted.
- The owner / operator is responsible for compliance with all municipal, provincial and federal laws and regulations.
- No outdoor storage is permitted.

- A manager must be assigned for the Short-Term Vacation Rental Major and must provide a 24-hour contact phone number to the Village.
- The provision of food services to guests (e.g., traditional B&B) shall only be provided if approval from the Health Authority is obtained and copies provided to the Village and a Business License is obtained from the Village.

In reviewing how other communities manage short-term rentals, it is evident that successful frameworks often emerge through extensive community engagement. Various municipalities have navigated the complexities of short-term rental policies by actively involving their residents, local businesses, and other stakeholders in decision-making processes. This collaborative approach ensures a nuanced understanding of community needs and concerns, leading to the formulation of more effective and well-received policies. As we consider potential adjustments to our own regulations, we can draw valuable insights from these examples, emphasizing the importance of robust community engagement to develop policies that are both fair and responsive to the unique dynamics of our locality.

Next Steps

If Council wishes to proceed with allowing short-term rentals in Mackenzie, the following would be the process and community engagement plan:

- Technical review of the current bylaws.
- Community Engagement - Survey, Open House, Pop-up booth
- Prepare and present a "What We Heard" report to Council, staff and public.
- Draft Bylaws and Policies for staff and Council consideration.
- Host a Public Hearing as required by Local Government Act.
- Develop a final one-page Short Term Rentals Info Sheet and Guide for residents and potential operators.
- Develop a comprehensive "Short-Term Rentals" Guide for operators - Share through online and print channels.
- Community Engagement to inform residents and potential operators of new regulations.

Decision Options

Council has the following options:

- 1) Request Administration to move forward with updating District bylaws and policies to allow short-term rentals in Mackenzie;
- 2) Request further information; or
- 3) Leave all bylaws and policies as they are.



COUNCIL PRIORITIES:

Economic Vitality

- The District is a leader on efforts aimed at diversifying the community's economy, supporting local businesses, and attracting new investment to the community. Diversification, a strong business sector and new investment are key to our economic vitality.

RESPECTFULLY SUBMITTED:

Rachelle Dumoulin, Economic Development Clerk

Reviewed By: Corporate and Financial Services

Approved By: Chief Administrative Officer