



City of Richmond

Report to Council

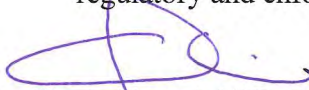
To: Richmond City Council **Date:** March 21, 2017
From: Cecilia Achiam, MCIP, BCSLA **File:** 03-0900-01/2017-Vol
Director, Administration and Compliance 01
Re: **Revised Proposed Bylaws and Options for Short-Term Rentals**

Staff Recommendation

In respect to bed and breakfast (“B&B”) uses in single-family and agricultural zones, implementing a distance buffer between B&B establishments, requiring that the B&B is the primary residence of the owner-operator and to the enhanced enforcement of such short-term rental regulation:

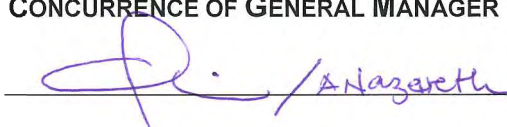

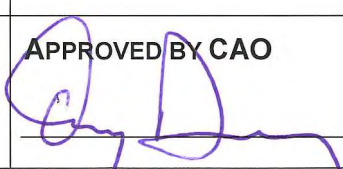
1. That Official Community Plan Bylaw 9000, Amendment Bylaw 9691, which amends Official Community Plan Bylaw 9000 by adding a provision for a 500 meter buffer between B&B establishments be introduced and given first reading;
2. That Bylaw 9691, having been considered in conjunction with:
 - a) the City’s financial plan and capital program; and
 - b) the Greater Vancouver Regional District Solid Waste and Liquid Waste Management Plans;is hereby found to be consistent with said program and plans in accordance with section 477(3)(a) of the *Local Government Act*;
3. That Bylaw 9691 be sent to the Agricultural Land Commission for comment;
4. That Bylaw 9691, having been considered in accordance with section 475 of the Local Government Act and the City’s Official Community Plan Bylaw Preparation Consultation Policy 5043, is found not to require further consultation;
5. That Richmond Zoning Bylaw 8500, Amendment Bylaw 9647 to amend definitions, be introduced and given first reading;
6. That Richmond Zoning Bylaw 8500, Amendment Bylaw 9692 to require a distance buffer between B&Bs, be introduced and given first reading;
7. To incorporate enhanced business licencing requirements and increase fees and penalties, that:
 - a) Business Regulation Bylaw No. 7538, Amendment Bylaw No. 9649;
 - b) Business Licence Bylaw No. 7360, Amendment Bylaw No. 9650;
 - c) Municipal Ticket Information Authorization Bylaw No. 7321, Amendment Bylaw No. 9651; and

- d) Consolidated Fees Bylaw No. 8636, Amendment Bylaw No. 9652; each be introduced and given first, second and third readings;
- 8. That the proposed communication plan described in Attachment 3 of this report explaining the proposed changes (identified in the above recommendation) to the short-term rental regulations be endorsed;
- 9. That:
 - a) the information regarding tax requirements including whether a hotel tax should apply to short-term rentals provided in this report be received for information; and
 - b) staff be directed to engage the Province of British Columbia to discuss regulatory changes to the Provincial Sales Tax in regards to the Municipal and Regional District Tax, including the definition of accommodation providers;
- 10. That staff conduct a one-year review of the City’s proposed short-term rental regulation, and include issues surrounding a requirement for the operator of the short-term rental to be the owner of the property and report back to Council;
- 11. That staff consider options and report back on the issue of short-term rentals for multi-family dwellings; and
- 12. That staff formulate a robust public engagement process to address additional options and regulatory and enforcement gaps for future consideration.



Cecilia Achiam, MCIP, BCSLA
 Director, Administration and Compliance
 (604-276-4122)

Att.

REPORT CONCURRENCE		
ROUTED TO:	CONCURRENCE	CONCURRENCE OF GENERAL MANAGER
Community Bylaws	<input checked="" type="checkbox"/>	
Law	<input checked="" type="checkbox"/>	
Development Applications	<input checked="" type="checkbox"/>	
Policy Planning	<input checked="" type="checkbox"/>	
REVIEWED BY STAFF REPORT / AGENDA REVIEW SUBCOMMITTEE	INITIALS: 	APPROVED BY CAO 

Staff Report

Origin

This report is supplemental to the staff report titled “Short-Term Rentals – Proposed Bylaws and Options”, dated February 27, 2017 from the Director, Administration and Compliance which was considered by General Purposes Committed on March 6, 2017 and by Council on March 13, 2017 (Attachment 1).

At the meeting on March 13, 2017, Council made the following referral:

That the recommendations and the staff report titled “Short-term Rentals – Proposed Bylaws and Options” dated February 27, 2017 from the Director Administration and Compliance, be referred back to staff to continue with the existing approach subject to:

- 1. an additional requirement for a short-term rental operator to be the owner of his/her principal residence;*
- 2. the definition applying to an individual, not a corporate owner; and*
- 3. the definition applying to an owner’s direct family members;*

and report back to the March 27, 2017 Regular (open) Council meeting with the revised Bylaws.

This report supports Council’s 2014-2018 Term Goal #3 A Well-Planned Community:

Adhere to effective planning and growth management practices to maintain and enhance the livability, sustainability and desirability of our City and its neighbourhoods, and to ensure the results match the intentions of our policies and bylaws.

Analysis

A complete analysis has been provided in the staff report titled “Short-Term Rentals – Proposed Bylaws and Options”, dated February 27, 2017 from the Director, Administration and Compliance. This report is only intended to address the requirement for a short-term rental operator of a licenced Bed and Breakfast (B&B) to be the principal residence of the owner or his/her family member as directed by Council on March 13, 2017.

Defining “Owner” and “Family Member”

Staff propose amending the Zoning Bylaw to state that, in addition to the requirement that the B&B be the operator’s principal residence, a B&B is only permitted where the operator is the owner of the dwelling or is the owner’s direct family member.

Staff also propose amending the Business Licence Bylaw, the Business Regulation Bylaw, and the Municipal Ticket Information Authorization Bylaw to:

- a) require licence applicants to be individuals, and not a corporation;

- b) require the applicant to be the owner of the premises, or certify that they are a direct family member of the owner; and
- c) introduce MTI tickets in the amount of \$1,000 if the operator is not the owner or the owner's direct family member (as certified on the application form).

The term "Owner" is defined in the Zoning Bylaw as "any person who is an **owner** of land as defined in the *Community Charter* or any agent or other applicant on behalf of an **owner**." This definition is broader than the registered owner of a property. As directed by Council, staff propose introducing definitions of "registered owner" and "family member" to the Zoning Bylaw, to restrict B&B use to properties where the operator is the registered owner or the registered owner's direct family member (spouse, child, parent, grandparent, or grandchild). While these terms can be interpreted to have broad meanings, the proposed definitions for the Zoning Bylaw are:

"Individual Registered Owner means with respect to land, any individual person who is:
a) the registered owner of an estate in fee simple; or
b) the tenant for life under a registered life estate."

"Family Member means, with respect to a person:
a) the person's spouse;
b) the person's child;
c) the person's spouse's child;
d) the person's parent, or the person's spouse's parent;
e) the person's grandparent, or the person's spouse's grandparent; or
f) the person's grandchild, or the person's spouse's grandchild."

Staff have contacted several local governments (Vancouver, Surrey, Burnaby, Delta, Langley, New Westminster and Fernie) in the region to provide an overview of the requirements of B&B operators and definitions for reference. A summary of findings is provided in Attachment 2.

Public Consultation

In addition to the required public consultation processes for bylaw amendments including Public Notification and Public Hearing, staff have included a Communication Plan (Attachment 3), which was previously presented to Committee and Council for endorsement. The Communication Plan ensures that current licenced B&B operators are notified of the proposed changes; new applicants are well informed by an updated B&B Application Guide and that information on short-term rentals are readily accessible to the general public on the City's website, in brochures and through the City's social media channels.

Financial Impact

None

Conclusion

Regulating short-term rentals in the context of a sharing economy involves complex and evolving issues. The adoption of the regulatory changes and enforcement enhancements outlined in this and past reports, considered by Committee and Council since January 2017, provide a regulatory framework to address short-term rentals as B&Bs in single-family and agricultural zones. The retention of “boarding and lodging” uses enables up to 2 boarders or lodgers in all residential zones.



Cecilia Achiam, MCIP, BCSLA
Director, Administration and Compliance
(604-276-4122)



Carli Edwards, P.Eng.
Chief Licence Inspector
(604-276-4136)

CA:ca

- Att. 1: Staff report titled “Short-Term Rentals – Proposed Bylaws and Options”, dated February 27, 2017
- 2: Summary of B&B Requirements of Selected Local Governments
- 3: Communication Plan



City of Richmond

Report to Committee

To:	General Purposes Committee	Date:	February 27, 2017
From:	Cecilia Achiam, MCIP, BCCLA Director, Administration and Compliance	File:	03-0900-01/2017-Vol 01
Re:	Short-term Rentals - Proposed Bylaws and Options		

Staff Recommendation

In respect to bed and breakfast ("B&B") uses in single family and agricultural zones, implementing a distance buffer between B&B establishments and to the enhanced enforcement of such short-term rental regulation:


1. That Official Community Plan Bylaw 9000, Amendment Bylaw 9691, which amends Official Community Plan Bylaw 9000 by adding a provision for a 500 meter buffer between B&B establishments be introduced and given first reading;
2. That Bylaw 9691, having been considered in conjunction with:
 - a. the City's financial plan and capital program; and
 - b. the Greater Vancouver Regional District Solid Waste and Liquid Waste Management Plans;

is hereby found to be consistent with said program and plans in accordance with section 477(3)(a) of the *Local Government Act*;
3. That Bylaw 9691 be sent to the Agricultural Land Commission for comment;
4. That Bylaw 9691, having been considered in accordance with section 475 of the *Local Government Act* and the City's Official Community Plan Bylaw Preparation Consultation Policy 5043, is found not to require further consultation;
5. That Richmond Zoning Bylaw 8500, Amendment Bylaw 9647 to amend definitions, be introduced and given first reading;
6. That Richmond Zoning Bylaw 8500, Amendment Bylaw 9692 to require a distance buffer between B&Bs, be introduced and given first reading;
7. To incorporate enhanced business licencing requirements and increase fees and penalties, that:
 - a. Business Regulation Bylaw No. 7538, Amendment Bylaw No. 9649;

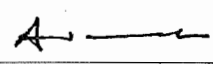

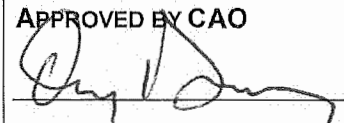
- b. Business Licence Bylaw No. 7360, Amendment Bylaw No. 9650;
- c. Municipal Ticket Information Authorization Bylaw No. 7321, Amendment Bylaw No. 9651; and
- d. Consolidation Fees Bylaw No. 8636, Amendment Bylaw No. 9652;

each be introduced and given first, second and third readings.

- 8. That the proposed communication plan described in Attachment 12 of this report explaining the proposed changes (identified in the above recommendation) to the short-term rental regulations be endorsed; and
- 9. That:
 - a. the information regarding tax requirements including whether a hotel tax should apply to short-term rentals provided in this report be received for information; and
 - b. staff be directed to engage the Province of British Columbia to discuss regulatory changes to the Provincial Sales Tax in regards to the Municipal and Regional District Tax, including the definition of accommodation providers, and
- 10. That staff conduct a one-year review of the City's proposed short-term rental regulation and report back to Council.


 Cecilia Achiam, MCIP, BCSLA
 Director, Administration and Compliance
 (604-276-4122)

Att. 12

REPORT CONCURRENCE		
ROUTED TO:	CONCURRENCE	CONCURRENCE OF GENERAL MANAGER
Economic Development	<input checked="" type="checkbox"/>	
Community Bylaws	<input checked="" type="checkbox"/>	
Law	<input checked="" type="checkbox"/>	
Development Applications	<input checked="" type="checkbox"/>	
Policy Planning	<input checked="" type="checkbox"/>	
REVIEWED BY STAFF REPORT / AGENDA REVIEW SUBCOMMITTEE	INITIALS: 	APPROVED BY CAO 

Staff Report

Origin

This report responds to a number of referrals and resolutions made by Council and General Purposes Committee since January 6, 2017. Staff were directed to:

- 1) *bring forward the appropriate bylaw amendments to the Open General Purposes Committee on March 6, 2017 to*
 - a) *continue and enhance the existing regulations limiting short-term rentals to B&Bs in single-family and agricultural zones only, and*
 - b) *implement a distance buffer between Bed and Breakfast (B&B) establishments;*

- 2) *provide information and respond to various referral questions including:*
 - a. *tax requirements including whether a hotel tax should apply to short-term rentals;*
 - b. *summarize the various approaches regarding short-term rentals that have been considered;*
 - c. *the adequacy of the definition for boarding and lodging;*
 - d. *the number of short-term rental listings on Agricultural Land Reserve land; and*
 - e. *licence / permit fees for boarding and lodging.*

This report supports Council's 2014-2018 Term Goal #3 A Well-Planned Community:

Adhere to effective planning and growth management practices to maintain and enhance the livability, sustainability and desirability of our City and its neighbourhoods, and to ensure the results match the intentions of our policies and bylaws.

Executive Summary

Short-term rentals of residential units have increased recently due to the emergence of the sharing economy and internet service providers that provide easy access to the marketplace. This has provided a business opportunity for some property owners but has also led to an increase of illegal hotel-like operations that are causing a nuisance to their neighbours.

This issue has been discussed at several meetings of Council where staff have been directed to limit short-term rental to those uses already in place but to enhance regulations related to Bed and Breakfasts while strengthening the enforcement of illegal operations. When considering enhancements to the regulations, Council has asked staff to explore a variety of new requirements including, insurance, "spot" rezonings, buffer distances and allowing only owner-operators. The response to these issues as well as a summary of all of the reports is provided in this report.

Having explored a variety of options, including an expansion of licencing schemes, this report puts forward the analysis and details to support a number of bylaw changes in accordance with direction from Council. The bylaw changes include an amendment to the OCP to implement a buffer distance between all new B&B's. Taken together, these bylaw changes introduce new requirements for B&B's and impose new penalties and increased fines for the illegal operations that are not proposed to be licenced.

This report further recommends engaging the province to discuss provincial tax laws to level the playing field between B&B's and hotels. While some of the bylaw changes have statutory requirements for notice periods and a public hearing prior to approval, staff are also proposing a comprehensive communication plan to notify the public of the changes. It will take some time for the outcome of the proposed changes and enhanced enforcement on illegal short-term rentals to show results and so it is recommended that staff conduct a one-year review and report back to Council.

Part 1 – Summary of Present Council Position/Direction

Since January 3, 2017, in addition to this report, Council has received three reports on short-term rentals. All three reports are listed in Table 1 below and reports 1 and 2 are provided in Attachment 1. Attachment 2 to this report summarizes the history of the first three reports and highlights the key recommendations for reference.

Table 1: Reports on Short-Term Rentals

Report Title	Report Dated	Presented to Committee/Council	Outcome
1. Regulation of Short-Term Rental Units	November 29, 2016	General Purposes Committee on January 3, 2017	Recommendations endorsed by Committee and forwarded to January 9, 2017 Council.
		Council Meeting on January 9, 2017	Council did not endorse the recommendations and referred the matter back to staff for further analysis on the implementation of Option 2 (Prohibition).
2. Short-Term Rental Regulations	January 26, 2017	General Purpose Committee on February 6, 2017	Committee referred the report back to staff for further consideration of issues raised at the Committee.
3. Short-Term Rentals – Enforcement and Bed & Breakfast Regulations	February 9, 2017	Closed General Purposes Committee to provide legal advice on options related to referral items	Committee received the legal advice (in closed session) and instructed staff to bring a report to General Purposes Committee on March 6, 2017.

There are a number of current City bylaws that are applicable to and regulate short-term rental units. For example, subject to the regulations in the *Richmond Zoning - Bylaw 8500* (the Richmond Zoning Bylaw) and the City's *Business Regulation – Bylaw 7538* (the Business Regulation Bylaw), the City permits bed and breakfast accommodation (B&B) in residential and

agricultural zones. The Zoning Bylaw also permits and regulates boarding and lodging in residential and agricultural zones.

Council Direction: Council has instructed staff to continue and enhance the existing regulations limiting short-term rentals to B&Bs in single-family and agricultural zones only.

To carry out Council's direction, staff recommend defining "short-term rental", strengthening some of the existing regulations and increasing penalties and fines to support enhanced enforcement of illegal and un-licensed short-term rental operations. Staff note that taking these steps do not preclude further exploration of additional regulations or expansion of short-term rental into other residential zones as directed by Council.

Analysis Regarding Part 1

A. Summary of Proposed Changes to Continue and Enhance the Limitation of Short-Term Rentals to Single Family and Agricultural Zones

In order to implement Council's direction to continue and enhance the existing regulations limiting short-term rentals to B&Bs in single-family and agricultural zones only, a number of bylaw amendments are recommended. Attachment 3 contains two tables that provide an analysis of how each amendment enhances the existing regulations and which bylaws are affected. This attachment also provides a table that summarizes regulations which are not proposed to change, along with a copy of the amended code of conduct that is provided to all licensed B&B's.

Part 2 – Response to Referral Questions and Issues

A. Response to Referrals

This section summarizes all the referrals requested since January 3, 2017 by General Purposes Committee and Council. These referrals are provided in greater detail in Attachment 4.

Referral 1: Implementation a proof of insurance requirement

Staff Response: The City currently does not require B&B applicants to provide proof of insurance prior to being approved for a B&B licence. This is consistent with current practice with other BC jurisdictions. While it would be prudent for B&B operators to obtain the requisite insurance, staff do not recommend that the City take-on the obligation of assuring that the applicable insurance is in place.

Proposed Action: Maintain current practice of not requiring insurance but amend the Richmond Bed and Breakfast Code of Conduct Guidelines (provided in Attachment 3) to recommend that B&B operators carry adequate liability and property damage insurance specifically written for B&B's.

Referral 2: Amending definition of Operator to require Owner/Operator

Staff Response: The current B&B regulations do not require the operator to be an owner. The current regulations require the operator to reside in the unit. Staff have investigated the question of ownership and have concluded that restricting the ability to operate a home-based business, such as a bed and breakfast, to only the owner(s) of the property on which the operation is to be located is likely beyond the authority provided by legislation.

Proposed Action: Strengthen requirement of proof that B&B is the principal residence of the operator.

Referral 3: Establishing a “Spot” (Site Specific) Rezoning Process

Staff Response: Staff were directed to explore mechanisms, including “spot” (site specific) rezoning to address potential negative impacts such as noise, parking, increased traffic, etc., that could occur as a result of a concentration of short-term rentals in a single-family neighbourhood. A number of options were considered. The current B&B regulations do not require rezoning. Requiring “spot” rezoning to change the use to a B&B would be costly, time consuming and onerous for a small business.

Permitting B&Bs is consistent with the planning objective of accommodating a range of uses in the City’s neighbourhoods. At the same time, creating a buffer between B&B’s will prevent the densification of B&Bs thereby reducing over-commercialisation and protecting the character and community values of the neighbourhood. A 500 m buffer will mitigate nuisances including noise, traffic and parking issues. In general, the 500 m buffer would allow approximately one (1) B&B per quarter section when implemented. Based on the location of the 19 existing licenced B&Bs, 7 are within 500 m from another B&B operation. These 7 B&Bs may be, in accordance with the legislation, “grand-fathered” if the 500 m buffer is adopted. For illustration purposes, a map (Attachment 5) outlining single family zones (including Agricultural Zones), the existing licenced B&Bs, and the proposed 500m buffer is included to model the potential impact of implementing the 500 m buffer.

Operationally, a buffer requirement would be relatively easy to verify as part of the Business Licence application review and is preferable to the onerous requirements, costs and processing time associated to spot rezoning.

Proposed Action: Amend the Official Community Plan and the Zoning Bylaw to implement a minimum 500 m separation between B&B operations.

Referral 4: Tax Requirements Including Whether a Hotel Tax Should Apply to Short-Term rentals

Staff Response: Staff were directed to further explore hotel tax and the Whistler “hotel tax” and their applicability to the City. Attachment 6 summarizes the findings. The Municipal and Regional District Tax (MRDT) is the only local level tax that impacts short term rentals, as long as they are classified as “accommodation providers” under the Provincial Sales Tax Act (which governs the MRDT).

The MRDT is legislated by the province and the province determines who remits it. The City does not currently have authority to impose a tax on hotel/short-term rentals. It would require a change in provincial legislation to enable local government to impose a short-term rental tax.

The Whistler hotel/short-term rental tax model is not immediately transferable to Richmond.

Proposed Action: There is no current mechanism to enable a local government to levy a hotel or rental tax on short-term rental. Staff be directed to engage the Province of British Columbia to discuss regulatory changes to the Provincial Sales Tax in regards to the Municipal and Regional District Tax, including the definition of accommodation providers

Referral 5: Summary of Various Approaches That Have Been Considered

Staff Response: In the report dated November 29, 2016, titled “Regulation of Short-Term Rental Units” Staff identified three options for Council, they are:

- Option 1 – *status quo*. Make no changes to the existing City regulatory regime
- Option 2 – prohibit all short-term rentals
- Option 3 – develop regulations specifically tailored to short-term rentals¹

Council considered these options on January 9, 2017 and instructed staff to prepare appropriate bylaw amendments that clarify that short-term rentals are limited to single family and agricultural zones as B&B uses and to implement a distance buffer between B&B establishments.

Many other cities in North America and Europe have taken different approaches to the growth of short-term rentals in their community. Their responses reflect the unique situations in their communities related to housing, tourism, and taxation. Many choose to make different rules for shared spaces (like B&B's where the house is shared) as compared to rental of the entire unit and several have attempted to impose limits on the number of nights to be rented. A summary of the approaches taken in Vancouver, San Francisco, CA, Quebec, Portland, DC, and Austin, Texas, are provided in Attachment 7.

Proposed Action: There are significant variances in the approaches different local governments have taken to address short-term rentals. Should Council wish to consider expanding short-term rental regulations, staff recommend that Council direct staff to develop a separate consultation plan on these alternatives and report back to Council for endorsement for the purpose of public consultation.

¹ Recommended in the staff report but not endorsed by Council.

Referral 6: Review the Adequacy of the Definition of Boarding and Lodging

Staff Response: In the current Richmond Zoning Bylaw 8500 “**Boarding and lodging** means:

sleeping unit accommodation, without cooking facilities in the sleeping units, that is supplied for remuneration for not more than 2 boarders, and which may or may not include meal service, but does not include senior citizen lodges, hotels, motels, congregate housing, bed and breakfasts, agri-tourist accommodation, minor or major community care facilities, secondary suite or coach house.

Boarding and lodging are permitted as a **secondary use** in most residential zones (single family and multi-family) where **secondary use**:

“means one or more **uses** in the list of **secondary uses** in the **zones** of this bylaw that must be:

- a) in conjunction with a **principal use**;
- b) located on the same **lot** as the **principal use**; and
- c) clearly accessory to the principal use. For example, a home business is a secondary use to the principal use of a single detached housing.”

Boarders and lodgers have been permitted in the City’s zoning bylaws since 1956. It is notable that there is currently no duration requirement for a boarder and lodger. Boarding and lodging could be a day, week, month or several months.

There is no reliable record as to the number of boarders and lodgers in the City or if the practice causes a nuisance. While there has not been any formal consultation processes to date, anecdotally staff are told by the School District and sports organizations that boarding and lodging are used to accommodate student exchanges, home stay programs, and sports hosting in all neighbourhoods in Richmond. These programs are seen to be beneficial and to support national and international exchange programs and amateur sports.

A preliminary review of data from data of one of the online listing service (Airbnb listings on January 12, 2017- i.e. data for one day from a single listing service only) indicated that approximately 440 out of 760 rooms available on that day for booking were private rooms in a home. These numbers are for rooms available that day, and not the total number of listings or total number of people potentially hosted. Staff were unable to find data to indicate what percentages of these listings were for home stay and/or sports hosting programs.

Short-term rental of private rooms is a very complex issue. The fact that these rentals are private rooms within dwelling units (i.e. boarding and lodging) would indicate that these homes are occupied and not left vacant. In the context of “vacant home” syndrome where Richmond has a <1% vacancy rate for rental properties, knowing that these homes are occupied could be considered a positive outcome.

Based on the current boarding and lodging regulations there are two options for Council's consideration in the context of short-term rental:

1. ***Status Quo - No change to current definition or practice:*** Boarding and Lodging does not currently require any permit or licences. Records on neighbourhood nuisance do not track whether they are a result of boarding and lodging uses. There is also no evidence that boarding and lodging uses are creating negative impact on the City's utility services. Richmond has a "pay for service" approach to garbage, recycling, water and sewerage utilities. As a result, the cost of any additional usage of City utilities would be recovered; or
2. ***Require a minimum 30 days requirement to boarding and lodging:*** Adding a 30 day minimum to boarding and lodging would eliminate a significant number of short-term rentals in all neighbourhoods but would potentially impact homestay and sports hosting programs significantly.

Proposed Action: Given the lack of data at this point that boarding and lodging has a negative impact to neighbourhood character, staff recommend *status quo* but to monitor and report back to Council after 1 year should Council choose to implement new regulations on boarding and lodging.

Referral 7: The Number of Short-Term Rental Listings in Agricultural Land Reserve

Staff Response: Of the licenced B&B's in Richmond, only one is on agricultural land. In examining the data provided by one of the listing services, "Airbnb", it would appear that only 4-5% of the unlicensed providers are located on agricultural land. The majority of listings are in single family areas, or in multi-family zones in City Centre.

Proposed Action: The proposed changes and enhancements to the licencing scheme and the increased fines and penalties will enable enforcement staff to deal with unlicensed providers on agricultural land and in multi-family zones (where B&Bs are not permitted). These changes and enhancements include the proposal to reduce the number of rooms permitted as part of a B&B in the ALR from 4 to 3.

Referral 8: Licence/Permit Fees for Boarding and Lodging

Staff Response: The City can levy licence and permit fees to recover administration costs (e.g. the cost of inspecting a business premises and administering and enforcing regulations). Richmond has a "pay for service" approach to garbage, recycling, water and sewerage utilities. As a result, the cost of any additional usage of City utilities would be recovered. Attachment 8 provides a comparison of the City's Business Licence Fees with other local jurisdictions.

Proposed Action: This report proposes changes to the Consolidated Fees Bylaw but only to create a separate category for the B&B licence fee. The current licence fee for a B&B is \$162.

Part 3 – Other Considerations

Other considerations that have been presented and discussed at Committees/Council include:

- A. Enforcement on Illegal Short-Term Rentals
- B. Fines and Penalties
- C. Consultation and Communication Processes

These considerations are included in this report to provide a comprehensive overview related to short-term rentals in the City.

A. Enhanced Enforcement on Illegal Short-Term Rentals

The attached memorandum from the Acting Senior Manager, Community Safety, titled “Request for Statistics Related to Enforcement of Short-Term Rentals” dated February 9, 2017 (Attachment 9) provides an overview of the enforcement action taken by Community Bylaws to date.

In addition to an enhanced regulatory regime, staff will be taking intensified enforcement action and pursuing an increase in prosecutions as a deterrent. The City’s Community Bylaws Division has already commenced a proactive approach by monitoring various short-term rental listing web-sites for operations that are not compliant with City regulations and bylaws. The Community Bylaws Division will continue to follow up on these listings.

B. Fines and Penalties

Along with amendments that provide specific prohibitions and enhancements to the B&B licensing regulations, this report also recommends new penalties and increased fines. The new penalties will give enforcement and licence officers more options to deal with illegal operations, including those either refusing to be licenced or those proceeding with activities not permitted in any licencing or land use scheme. The increased fines relate both to illegal operations and to licenced B&B’s not operating within the regulations. A summary of the increased fines is described in Attachment 10.

C. Consultation and Communication Processes

1. **Required Processes:** The public consultation processes required for amendment of the Official Community Plan, Zoning and other Bylaws are summarized in Attachment 11.
2. **Communication Plan:** In addition to the statutory requirements for a public hearing and public notification, it will be important to notify the public of the changes, including those currently operating, or impacted by, any type of short-term rentals.

Staff are recommending the implementation of a communications plan (Attachment 12) that will be implemented should Council adopt the proposed changes in this report.

If the new regulations are adopted by Council, staff will also monitor the implementation of the changes and provide an update to Council on the progress, public feedback, long term impacts on budgets and other programs and further recommendations for enhancements after approximately one year of implementation.

3. **Consultation for Future Short-Term Rental Regulation Changes:** If Council directs staff to explore the regulation of short-term rentals outside the B&B use in the single-family and agricultural zones, or to further explore regulations that other jurisdictions have adopted (e.g. San Francisco, Portland, Quebec) or are contemplating (e.g. Vancouver), it would be recommended that staff be instructed to prepare a full public engagement plan and for Council's consideration and endorsement, separate from the above public notification and public hearing processes described, prior to engaging the public for consultation.

Financial Impact

The temporary full-time bylaw enforcement officers will initially be funded from within the existing Community Bylaws budget. Staff will continue to monitor the implementation of the changes and enforcement costs related to short-term rentals. Should additional funding be required to support ongoing operations, a report will be prepared for Council's consideration.

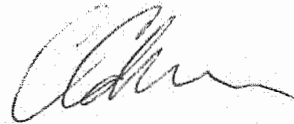
Conclusion

It is challenging for local governments to develop and enforce a short-term rentals regulatory regime. Staff believe that a "phased" approach of stepping up enforcement; adopting the proposed enhanced regulations and guidelines to address the most egregious cases (i.e. illegal and un-licensed operations in the single family and agricultural zones) is a sound response. This would enable a robust public engagement process to address additional options, and regulatory and enforcement gaps for future consideration. This approach does not preclude Council from consulting with the public to further enhance or expand regulations and enforcement for short-term rentals.

The adoption of the Staff Recommendation (p. 1-2) proposed in this report represents a concrete move towards addressing short-term rentals and other emerging trends of the sharing economy going forward.



Cecilia Achiam, MCIP, BCSLA
Director, Administration and Compliance
(604-276-4122)



Carli Edwards, P. Eng
Chief Licence Inspector
(604-276-4136)

- Att. 1: Staff report titled "Regulation of Short-Term Rental Units" dated November 29, 2016 and staff report titled "Short-Term Rentals-Enforcement and Bed and Breakfast Regulations", dated February 9, 2017
- 2: History of Short-Term Rental Staff Reports and Highlights
 - 3: Summary of Proposed Changes and amended Code of Conduct Guidelines
 - 4: Analysis on Referrals from Closed General Purposes Committee, February 20, 2017

February 27, 2017

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- 5: Map of Licenced B&Bs with 500 m Buffer
- 6: Summary of Tax Regimes Related to Short-Term Rentals
- 7: Comparison of Short-Term Rental Regulations in Other Cities
- 8: Comparison of Licence Fees for Bed and Breakfast Businesses
- 9: Memorandum titled "Request for Statistics Related to Enforcement on Short Term Rental", dated February 14, 2017
- 10: Proposed New Penalties and Increased Fines
- 11: Required Public Consultation Process for OCP and Bylaw Amendments
- 12: Proposed Communication Plan: Short-Term Rentals




**City of
Richmond**

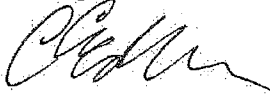
Report to Committee

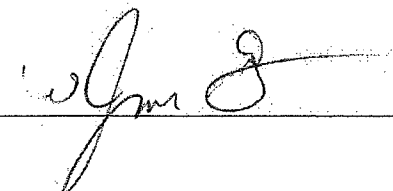


To: General Purposes Committee **Date:** November 29, 2016
From: Doug Long, City Solicitor **File:** 08-4430-03-12
 Carli Edwards, Chief Licence Inspector
Re: Regulation of Short-Term Rental Units

Staff Recommendation

1. That the regulation of short-term rental units as set-out in the staff report from the City Solicitor and Chief Licence Inspector titled "Regulation of Short-Term Rental Units", dated November 29, 2016, be endorsed in principle for the purpose of public consultation;
2. That the public consultation process set-out in the staff report be approved; and
3. That staff be directed to engage with the Province of British Columbia to discuss regulatory changes to the Provincial Sales Tax and Municipal and Regional District Tax in regards to accommodation providers and report back to Council as part of the one-year review of the City's proposed short-term rental regulation.


 Doug Long
 City Solicitor
 (604-276-4339)


 Carli Edwards
 Chief Licence Inspector
 (604-276-4136)

REPORT CONCURRENCE		
ROUTED TO: Economic Development Affordable Housing Community Bylaws Fire Rescue Building Approvals Development Applications Policy Planning Transportation	CONCURRENCE <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	CONCURRENCE OF GENERAL MANAGER (ACTING) 
REVIEWED BY THE SENIOR MANAGEMENT TEAM	INITIALS: 	APPROVED BY CAO 

November 29, 2016

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Staff Report

Origin

This report responds to the following referral from the closed General Purposes meeting held on November 7, 2016:

That staff explore options on regulation and enforcement in respect to daily property rentals in Richmond.

This report supports Council's 2014-2018 Term Goal #3 - A Well Planned Community:

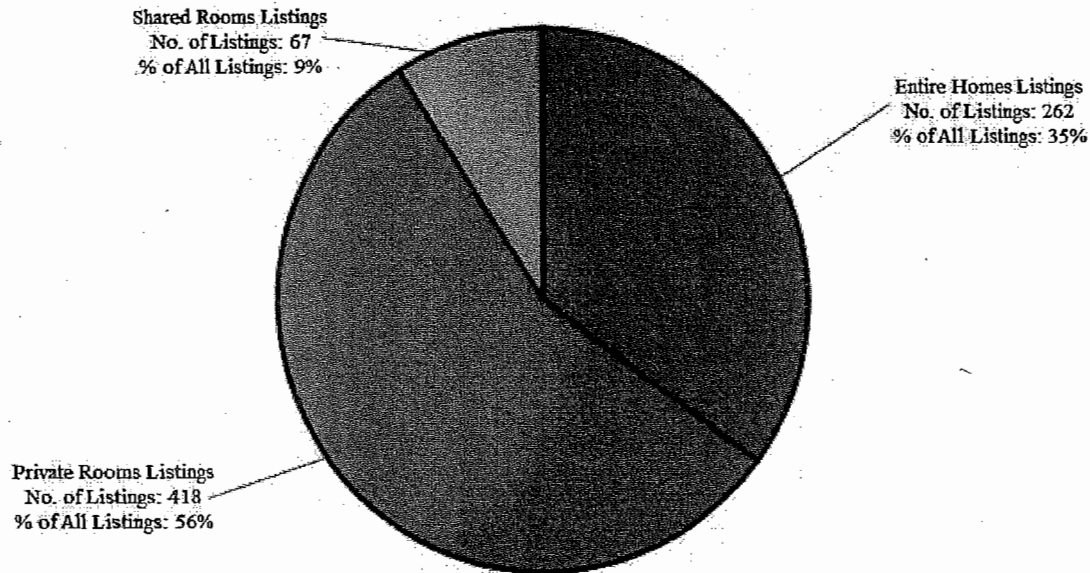
Adhere to effective planning and growth management practices to maintain and enhance the livability, sustainability and desirability of our City and its neighbourhoods, and to ensure the results match the intentions of our policies and bylaws.

Findings of Fact

Short-Term Rental Listings

Short-term rental units in Richmond are listed online on numerous websites which include Airbnb, Vacation Rentals By Owners (VRBO), HomeAway, VacationRentals.com, Travelmob, Homelidays, Abritel, Ownersdirect, Flipkey, Craigslist and Booking.com. On November 16, 2016, there were approximately 1,586 short-term rental listings in Richmond on the above-noted websites. There were approximately 747 short-term rental listings on Airbnb, which accounted for approximately 47% of the total Richmond listings, while approximately 40% of the short-term listings were on VRBO.

Further breakdown of the Airbnb short-term listings show that 35% of the listings were for entire houses/strata units/apartments, 56% were for private room rentals and 9% for shared room rentals. Airbnb defines a private room rental as having a bedroom to yourself but sharing living space with others (operator or other guests), and defines a shared room rental as sharing a bedroom with other people (operator or other guests).

Figure 1: Airbnb Listings for City of Richmond - November 16, 2016 (Total Listings = 747)

Current City Bylaws

There are a number of current City bylaws that are applicable to short-term rental units. For example, subject to the regulations in the *Richmond Zoning - Bylaw 8500* (the Richmond Zoning Bylaw) and the City's *Business Regulation - Bylaw 7538* (the Business Regulation Bylaw), the City permits bed and breakfast accommodation (B&B) in residential zones. The Zoning Bylaw also permits and regulates boarding and lodging¹ in residential zones.

The Zoning Bylaw limits, with exceptions, the permitted use in RS-1 zones to single detached housing², which essentially means housing for a single family/household. As a result, houses that provide multiple accommodations, that are not B&Bs or boarding and lodging, in essence become hotels and are not permitted in the RS-1 zones.

Pursuant to the Business Regulation Bylaw, a person is not permitted to carry on a business in the City without a business licence. Further, the Building Regulation Bylaw may require a building permit for construction or renovation of a house to accommodate short-term rentals.

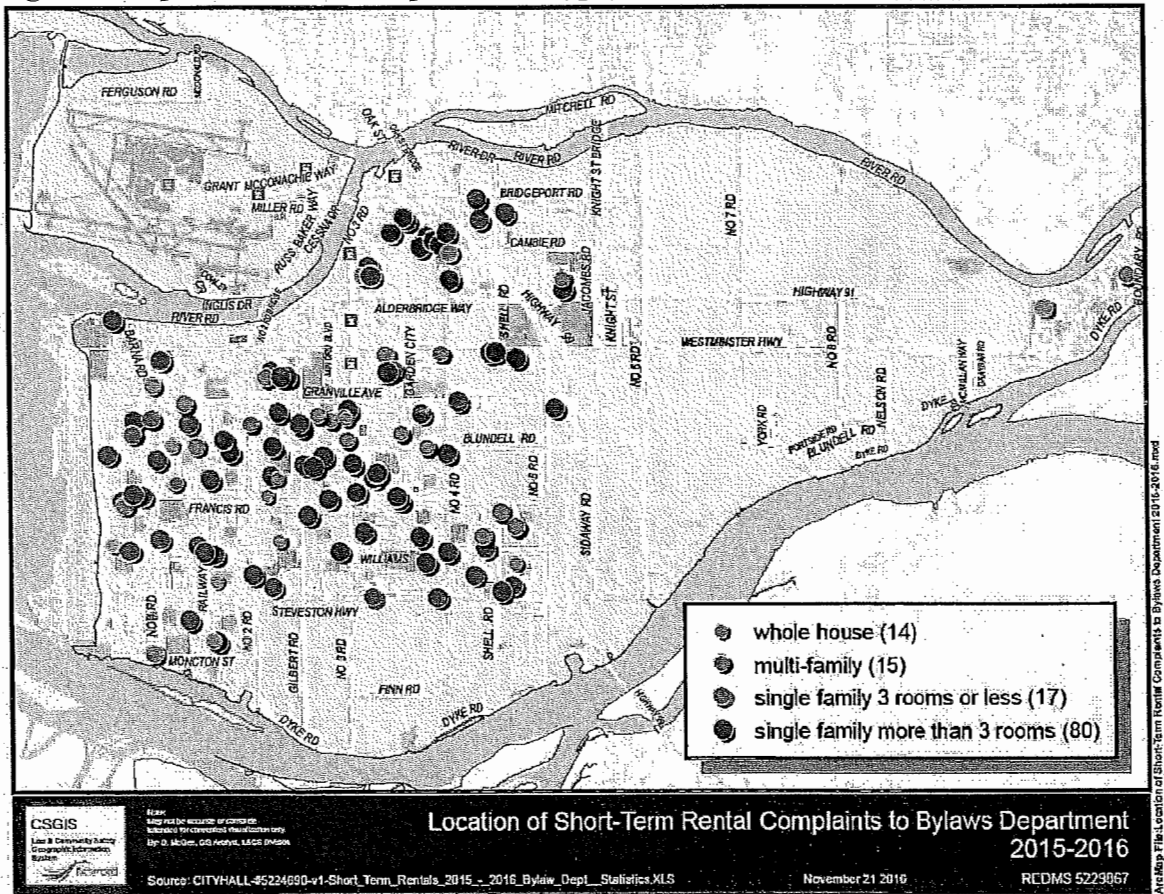
¹ Boarding and lodging means sleeping unit accommodation, without cooking facilities in the sleeping units, that is supplied for remuneration for not more than two (2) boarders, and which may or may not include meal service, but does not include senior citizen lodges, hotels, motels, congregate housing, bed and breakfasts, agri-tourist accommodation, minor or major community care facilities, secondary suite or coach house.

² Single Detached Housing means a detached building containing only one dwelling unit, designed exclusively for occupancy by one household, and may include one room that, due to its design, plumbing, equipment and furnishings, may be used as a secondary kitchen (e.g., a wok kitchen) provided that no more than two kitchens are located in one single detached housing dwelling unit, and includes modular homes that conform to the CSA A277 standards, but does not include a manufactured home designed to CSA Z240 standards or town housing.

While the City has a number of bylaws that are applicable to short-term rentals, current City bylaws do not provide for comprehensive and specific regulation of short-term rentals. As short-term rentals and the share economy are relatively new phenomena, current City bylaws are not tailored to address short-term rentals, with the exception of B&Bs.

In 2015, the City's Community Bylaws department received 26 complaints relating to suspected short-term rental operations. As of December 2016, the number of 2016 complaints is approximately 100. The substance of the complaints, with respect to short-term rentals, includes illegal renovations, parking and noise/nuisance issues. Figure 2 below is a map of the location of complaints and the type of short-term rental generating such complaint.

Figure 2: Map of Location of Complaints and Types Short-Term Rentals



Current Provincial Consultation re Sharing Economy

Pursuant to a Staff Report dated June 13, 2016³, staff recommended that the following comments be sent to the B.C. Minister of Community, Sport and Cultural Development in respect to the Minister's consultation with stakeholders, including municipalities, to explore how the sharing economy may be better integrated and the role of local governments in this process:

1. Integrate public safety as top priority;
2. Enable greater choices to consumers;
3. Incorporate meaningful feedback from the public and relevant stakeholders, including local and regional regulators, sharing economy companies and sharing economy end users;
4. Develop fair and balanced regulations to encourage healthy competition among existing players and new entrants; and
5. Ensure no downloading of responsibilities to local governments through regulatory and enforcement processes.

Analysis

Impacts of Short-Term Rentals

Effect on Rental Housing Stock

Studies are beginning to suggest that short-term rentals adversely affects long-term rental stock. The concern is that rental housing stock is being converted from long-term rentals to short-term rentals. In many cities, this concern is exacerbated by already low rental housing vacancy rates. The current rental vacancy rate in Richmond is less than 1%⁴. The Canada Mortgage and Housing Corporation is of the opinion that a healthy vacancy rate is about 3%. City of Vancouver staff identified in a staff report, dated September 28, 2016, that there is a "strong financial incentive to rent in the short-term"⁵ and if short-term units "were rented long-term instead of short-term, it would have a positive impact on Vancouver's 0.6 rental vacancy rate"⁶.

Land Use Conflicts

Most short-term rentals are located in areas zoned for residential use and not for hotel-like accommodation. Short-term rentals may have a number of impacts or nuisances on a residential neighbourhood or residential strata complex which include parking, noise, poor guest behaviour and so forth. These problems are exacerbated as there is often no management on site to address such issues.

³ Staff Report dated June 13, 2016 from the Director, Administration and Compliance, titled "Forthcoming Provincial Consultation on new Models of Transportation, Accommodation Services and Other Sharing Economy Applications"

⁴ Metro Vancouver. "Metro Vancouver Housing Data Book". March 2016.

http://www.metrovancouver.org/services/regional-planning/PlanningPublications/MV_Housing_Data_Book.pdf

⁵ City of Vancouver. Administrative Report: "Regulating Short-Term Rentals in Vancouver". September 2016.

⁶ Ibid.

Level Playing Field

Hotels and B&Bs pay taxes and fees, which include Good and Services Tax, Provincial Sales Tax, Hotel Room Tax and Business Licence fees and are subject to provincial and municipal regulation and oversight. Short-term rentals are not subject to the same taxes and regulation. As a result, there is an inequity between hotels or B&B accommodations and other short-term rental accommodations.

Health, Fire and Safety

Similarly, hotels must comply with certain building and fire code standards and are subject to health and safety inspections. For example, pursuant to the *Fire Services Act*, a municipality "must provide for a regular system of inspection of hotels". Short-term rentals are usually located in houses or strata lots and, therefore, not subject to the same requirements.

Economic Benefits

Against concerns, short-term rentals can provide economic benefits to residents and the local economy. Short-term rentals are beginning to open up neighbourhoods and provide visitors with the opportunity to experience cities as locals, not tourists. Studies have also documented that users of short-term rentals stay longer and spend more compared to traditional visitors who opt for hotels. Short-term rentals also provide local residents with a means to generate additional income by renting out rooms in their homes⁷.

A study released on November 1, 2016 suggests that the overall annual impact of Airbnb alone on the Vancouver economy is \$402 million in direct and indirect revenue⁸. The study also found that 267,000 guests stayed almost 1.2 million nights and their hosts earned an average of \$60 per night for a total income of \$71 million in 2016. According to Airbnb data, there are an estimated 8,000 Airbnb listings in Vancouver and 4,600 hosts. Earlier Airbnb research on the Vancouver market suggests that the average incremental income each host earns is \$6,600 per year.

This information, and the necessary research and data, is not available for Richmond. The data necessary to conduct a similar economic impact report is owned by Airbnb, who commissioned the research.

Enforcement

Enforcing bylaws that prohibit or regulate short-term rental operations is very challenging. Among other things, the barrier for entry into the short-term rental operator market is low and therefore often results in little, if any, modification of a short-term rental unit such as a house or

⁷ Smith, Brock, Dr., Airbnb 2015-2016 Vancouver Economic Impact Report, Cordova Bay Consulting (November, 2016)

Coles, Peter and Lauf Vanessa, Airbnb and the Vancouver Housing Market, Airbnb (September, 2016).

⁸ Smith, Brock, Dr., Airbnb 2015-2016 Vancouver Economic Impact Report, Cordova Bay Consulting (November, 2016)

Coles, Peter and Lauf Vanessa, Airbnb and the Vancouver Housing Market, Airbnb (September, 2016).

a strata unit. If the threat of bylaw enforcement is perceived the operator may simply choose to stop renting and resume again when the threat has lessened. Further, building and prosecuting a case requires the application of significant staff time and resources. For example, when the Province of Quebec implemented comprehensive laws regulating short-term rentals it increased the number of inspectors from two to 18.

San Francisco's actions in respect to short-term rentals provide a good example of the challenges. San Francisco enacted a comprehensive short-term rental ordinance in 2015 and when doing so created the "Office of Short-Term Rentals" with a staff of six. The San Francisco ordinance included:

- restricting short-term rentals to single family dwellings in which the owner resides for not less than 275 days per year and limiting to 90 days as being the maximum period that an owner could not be present;
- restricting the rentals to primary residences;
- ensuring insurance requirements are met; and
- collecting payment for permit fees and taxes.

After significant difficulties with compliance, almost 80% non-compliance⁹, San Francisco Council passed another ordinance in 2016 which purported to fine the internet booking service \$1000 per day if its operators failed to register under the 2015 ordinance. In July 2016, Airbnb commenced action against the City of San Francisco arguing that the 2016 ordinance breaches its freedom of speech rights under the First Amendment of the United States' Constitution.

To date, local governments in Canada have attempted to regulate internet booking services, like Airbnb and Uber, with little success. The City of Toronto, for example, sought an injunction against Uber on the basis that Uber was operating a taxi business without a business licence. However, the Court found that "Uber's peer-to-peer process operates, in a sense, as a super-charged directory service" that plays no role in taxis bookings and therefore Uber's service was not subject to the City's bylaw. The City of Edmonton experienced a similar unsuccessful outcome against Uber.

Strata Corporations

As strata corporations can prohibit short-term rentals under their bylaws and impose fines for breaches, they can play an important role in regulation. To do so, however, a strata corporation's bylaws need to be specifically drafted to address short-term rentals. If a bylaw is not currently drafted to prohibit short-term rentals, an amendment to the bylaw is required to include this prohibition. The amendment can only be passed if 75% of the owners agree and vote at an annual or special general meeting. Not only might it be difficult to obtain a 75% owner vote, it is also likely that many owners would not agree to such a prohibition as some units may have been purchased to use as short-term rentals or short-term rentals may assist some owners to pay their living expenses.

⁹ City and County of San Francisco. Policy Analyst Report: "Short-Term Rentals 2016 Update". April 7, 2016. Further, in this respect, in 2014 Portland changed its zoning code to regulate short-term rentals. Portland's September 2016 "Accessory and Short-term Rentals Monitoring Report, found that only 22% of short-term listings had been issued short-term rental permits.

Options and Recommendations

Staff identify three options for Council, they are:

Option 1 – *status quo*. Make no changes to the existing City regulatory regime

Option 2 – prohibit all short-term rentals

Option 3 – develop regulations specifically tailored to short-term rentals (**Recommended**)

Option 1 (*status quo*) (Not Recommended) – this option has the advantage that a new and comprehensive regulatory regime would not be implemented and therefore, the very significant difficulties that staff anticipate in implementing, obtaining compliance, monitoring and enforcing a new regime would be avoided. Short-term rentals, however, continue to increase. Also, it is clear, that not only in Canada but globally, there is a trend of more comprehensive regulatory regimes specifically targeting short-term rentals. Like many cities grappling with this relatively new issue, other than for B&Bs, current City bylaws are not tailored to address short-term rentals. Given the same, Option 1 is not recommended.

Option 2 (*prohibit all short-term rentals*) (Not Recommended) – like Option 1 this option would avoid implementing a new and comprehensive regulatory regime and the pitfalls associated with the same. However, staff anticipate that if this option was selected, non-compliance would be significant and, therefore, enforcement would be difficult. Additionally, as identified in this report, there are some economic and social benefits to permitting short-term rentals. For these reasons, staff do not recommend Option 2. If Council wished to implement Option 2, implementation would require an amendment to the Richmond Zoning Bylaw prohibiting rentals for less than 30 days, with the exceptions of hotels, motels, B&Bs, boarding and lodging, agri-tourism accommodation and community care facilities. A draft of the bylaw that would effect this prohibition is Attachment 1 of this report.

Option 3 (*regulatory regime*) (**Recommended**) – having kept in mind the comments provided by the City to the Minister of Community, Sport and Cultural Development in respect to the Minister's consultation regarding the sharing economy, the currently available data and information on the effects of short-term rentals in Richmond, and the experience of a number of jurisdictions including Vancouver, Toronto, Quebec, San Francisco, Portland and others, staff recommend that Council consider Option 3. The regulation anticipated by Option 3 would require amendments to many City bylaws including the Business License Bylaw, Business Regulation Bylaw, Richmond Zoning Bylaw, Municipal Ticket Information Bylaw, and the Consolidated Fees Bylaw. Drafts of the proposed bylaw amendments are Attachments 2, 3, 4, 5 and 6 to this report. If Option 3 is approved by Council, then the amendment bylaws would be introduced to Council by subsequent report(s).

Implementation and Enforcement Challenges with Option 3

Staff acknowledge that it is unusual to make a recommendation but then immediately identify concerns with the recommendation; however, the experience to date from other cities is that there has been significant difficulties with implementing and enforcing the regime. For example, as identified above, in San Francisco and Portland, both of which implemented comprehensive short-term rental regimes in the past two years, even adding staff their experience is that only

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about 20% of short-term rental operators have brought themselves within the regime and obtained the requisite permits. Further, the experience of San Francisco, Portland, and others is that the implementation and enforcement of comprehensive regimes has proved very difficult.

While the trend across the globe is to regulate short-term rentals, staff expect that the short-term regulatory regime proposed in this report will face many of the same implementation and enforcement challenges experienced by other cities. Given the same, in order to hopefully mitigate, staff recommend:

- full public consultation be conducted prior to introduction of any bylaw amendment(s). Staff would report back to Council on the consultation results together with any revisions to the attached draft bylaws resulting from such consultation; and
- once adopted, staff will monitor the short-term regulatory regime, with an emphasis on compliance, enforcement issues with compliance, and complaint issues. Staff would report back to Council on the first anniversary of adoption, and on the second anniversary of adoption, on compliance and enforcement together with any recommended changes.

Staff strongly believe that an essential mechanism in assisting implementation and enforcement is to work collaboratively with the principal booking platforms, such as Airbnb. Possible outcomes may include the booking platforms referring prospective users to Richmond's short-term rules and/or requiring a local permit as a condition of use of the booking platform. If Council endorses a regulatory approach set-out in this report, then staff will begin to engage the principal booking platforms.

Business Licence

Staff recommend that short-term rental operators require a short-term rental business licence. For the purposes of the regime, a short-term rental is a rental for less than 30 days. The requirement for a business licence has the following benefits:

- it identifies the short-term operator;
- it informs patrons that the operation is regulated;
- it allows for a particular type of license for each type of permitted short-term rental;
- it allows a business licence fee to be charged which will assist in the costs of administering regulation and enforcement; and
- it permits the City a mechanism through initial business licence issuance and subsequent annual renew to set terms and conditions upon which the City may issue and renew the business licence.

The initial principal elements of the proposed regime for a short-term rental are set-out below.

Regulations Applying to All Short-Term Rentals

The following regulations apply to all short-term rentals:

- all short-term rental operators must have a business licence;
- rentals of less than 30 days are not permitted in any dwelling in the City, unless such dwelling is a permitted short-term rental, forms part of a hotel or a motel, or is used for boarding and lodging, agri-tourist accommodation, community care facility, or dormitory in compliance with all applicable bylaws;

- short-term rentals are not permitted if the dwelling unit contains a secondary suite, agri-tourists accommodation, minor care facility, or child home care business, or the lot has a granny flat or a coach house;
- the short-term rental unit must be the short-term operator's primary residence. Annual confirmation required;
- compliance with zoning, building, fire and other applicable City bylaws is required; and
- if the applicant is not the owner, the owner must sign the licence application and renewal.

Regulations Applying to Specific Categories of Short-Term Rentals

Staff propose the following three initial categories:

- Type A – Entire Single-Detached Home
- Type B – Portion of Single Detached Home (essentially current B&B regulations)
- Type C – Strata Units

Type A – Entire Single-Detached Home

- single-detached dwelling only (no duplexes, row houses, etc.);
- no more than six patrons at any one time, and as one booking;
- building and fire inspections are a condition of obtaining and maintaining a business licence; and
- notice of operations, including operator contract information, provided to neighbours.

Type B - Portion of Single-Detached Home

- single-detached dwelling units only;
- no more than six patrons at any one time;
- no more than three guest rooms with two guests each;
- one parking stall per guest room;
- permitted signage prescribed; and
- building and fire inspections, and health inspections (if serving breakfast) are a condition of obtaining and maintaining a business licence.

In addition to the current B&B rules above, staff also recommend the following addition to the existing regulations:

- notice of operations, including operator contract information, provided to neighbours

Type C – Strata Unit

- regulations apply to strata corporations comprised of five or more strata units – no short-term rentals in strata corporations having four or less strata units;
- no more than six patrons at any one time;
- bylaws of the strata corporation must permit short-term rentals; and
- strata council must sign the licence application and renewal.

Some Key Rationales and Further Explanations

Principal Residence Only

There are two underlying rationales for this requirement. First, as the principal residence of the short-term rental operator, use for short-term rentals is less likely to impact long-term rental stock. Second, as the short-term operator's residence, it is more likely that the operator will be present thereby resulting in more oversight.

Single-Detached Dwelling Units Only (Type A and B)

The principal rationale is to reduce impacts on long-term rental stock. By limiting to single-detached dwellings only, the following types of units are excluded from short-term rental:

- affordable housing units; and
- market rental duplexes, row houses, townhouses and apartments.

A secondary rationale is mitigating nuisances and parking issues that may arise as a result of short-term rentals.

Little Regulation on Short-Term Rental of Strata Units (Type C)

Regulation is more limited for strata units as a strata corporation has, pursuant to the *Strata Property Act*, the tools to prohibit, regulate and enforce a short-term rental regime crafted by the particular strata corporation.

The rationale for requiring the strata corporation to have at least five strata units is to prevent duplexes, triplexes and row houses, in which short-term rentals would otherwise not be permitted, from being permitted under Type C simply as a result of being stratified. Further, strata corporations of more than five strata units are more likely to have a functional strata council.

Parking

The rationale for:

- not requiring additional parking for Type A (Entire Single-Detached Home) short-term rentals, is that this type of short-term rental would occur when the owners were not present, therefore, there should be limited or no increased parking;
- one parking stall per guest room for Type B (Portion of Single-Detached Home) short-term rentals, is to preserve existing B&B rules; and
- not requiring additional parking for Type C (Strata Unit) short-term rentals, is that parking for owners and guests of most strata lot units will be regulated by the strata corporation.

Notice Provisions

The rationale for requiring notice to neighbours is to better inform neighbours of the type of short-term operation and, in particular, as the notice includes the name, telephone number and

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email address of the operator, this will permit neighbours to contact the operator in the event of complaints.

Enforcement

The challenges with respect to the enforcement of short-term rental regulations have been set out above. Before setting out staff's recommendations, below is an over-view of the formal bylaw enforcement mechanisms.

Provincial Court Prosecutions

Provincial Court prosecutions by way of long-form information under the *Offence Act* have the benefit of potentially large fines (up to \$10,000 per day) and injunctive relief which could prohibit operators from continuing illegal short-term rental operations. On the other hand, obtaining the evidence necessary to be successful in a prosecution, expenses (including staff and legal costs), and obtaining Court time (which can take many months) are the down-side of a Provincial Court prosecution. As to collection of awarded fines and penalties, a court order may be collected in the same way as a judgment; however, the outstanding fines and penalties cannot be added to the tax roll.

Municipal Tickets

Bylaw officers may issue tickets for bylaw infractions pursuant to the municipal ticket or "MTI" provisions of the *Community Charter*. The maximum amount of a ticket is \$1,000 per offence, and if the offence is a continuing offence a maximum of \$1,000 per day. If the person disputes the ticket, then the matter must be referred to the Provincial Court for a hearing. Unpaid tickets can be collected in the same way as a judgment.

Local Government Bylaw Notice Enforcement Act

Pursuant to the *Local Government Bylaw Notice Enforcement Act*, the City has adopted the Notice of Bylaw Violation Dispute Adjudication bylaw. This bylaw creates a more informal adjudication system. An adjudicator, appointed by the Province, hears disputes and determines if the contested bylaw contravention occurred, so as to confirm or cancel the bylaw notice, or if compliance agreements have been breached. The ordinary rules of evidence are not applicable and the burden of proof is lesser. With some exceptions, decisions are final. The maximum penalty is \$500 per contravention of the bylaw. Continuing violations require separate bylaw notices for each violation.

Generally, in addition to an enhanced regulatory regime, staff recommend intensified enforced action and an increase in prosecutions as a deterrent. More specifically, staff recommend:

- short-term rental operators are the focus of regulatory enforcement, not the booking service;
- continuing use of Municipal Tickets with fines for fundamental breaches of the proposed regulation being set at the maximum, \$1000 per occurrence. For example, the fine for a non-resident operator under the current B&B regime is \$250. Staff recommend that a

similar breach under the proposed short-term rental regime would be \$1000. A full set-of proposed fines is set-out in Attachment 5; and

- use of formal “long-form” prosecution, including injunctive relief, in egregious cases of bylaw violation.

Coupled with the three recommendations above, staff identify three other enforcement matters. First, enforcement will likely require further resources, and as such this issue is identified below. Second, the viability of making use of *Local Government Bylaw Notice Enforcement Act* regime for short-term rentals be studied. Third, and perhaps fundamental, the City may wish to collaborate and coordinate with the on-line booking services to provide, and regulate, the short-term rental market. As discussed earlier, staff recommend engaging the on-line booking services in the “Public Consultation” section, set out below.

Next Steps and Public Consultation and Monitoring

As to public consultation, before amendments to the Business Licence and Business Regulation bylaws are adopted by Council, the *Community Charter* requires that public notice of the amendments must be given and “persons who consider they are affected by the bylaw” must be given the opportunity “to make representation to council.” In respect to the amendments to the Richmond Zoning bylaw, a public hearing must take place prior to adoption.

Given the nature and complexity of regulating short-term rentals, staff recommend that Council conduct full public consultation beyond the statutory requirements and prior to introduction of the bylaws to Council. Consultation would include the public, housing advocates, short-term rental operators, users and booking companies. Further, consultation would include the Let’s Talk Richmond website and a dedicated email address for receiving comments. Consultation may include a public open house. Staff will incorporate feedback from the community and stakeholder consultation into a subsequent report and may include such feedback into the proposed bylaws. Consultation will take place in Spring 2017 and staff will report back to Council in Spring 2017.

Outstanding Matters

Outstanding Matters fall into two categories. The first category is a general list of outstanding matters. The second category identifies some regulations that, while not included in the regulation above, could be considered as additions or modifications to the regulatory regime recommended in this report.

General Outstanding Matters

Given the complexity of this matter, staff continues to address several matters in respect to short-term rentals. These matters include the following:

1. **Full Richmond Analysis** – the requirement of a business licence that staff recommend to Council is similar to what Vancouver staff recommended to their Council. However, based on differing regulation and anecdotal evidence, it may be the case that the

Richmond short-term rental operations will differ from Vancouver's and this difference may be important in regulation.

For example, it may be the case that in Richmond there are more owners dealing directly with end users and, therefore, do not rely on booking platforms to find guests. If this is the case, then tracking short-term rentals in Richmond may be more difficult than in Vancouver. Also, the majority of Richmond's enforcement efforts to date that are associated with short-term rentals have been based on nuisance complaints, such as noise and parking violations. In contrast, according to a recent Vancouver survey, noise and property damage effects of short-term rentals were of least concern to respondents while quality, affordable, long-term housing was of most concern.¹⁰

Furthermore, there are many types of short-term rental scenarios beyond what is immediately visible through online listing sites. Some scenarios include:

- a. multiple owners within a multi-family building where a management company that operates within the same building or across multiple buildings rents out to end users;
- b. single owners of multiple properties across multiple multi-family buildings renting directly to end users;
- c. single owners of multiple properties across multiple multi-family buildings where a management company rents out to end users;
- d. single owners renting out single units in a multi-family building renting directly to end users; and
- e. single owners in large single-family dwellings with multiple rooms renting out to single or multiple end users.

To assess the effectiveness of regulation, additional research is required to quantify the short-term rental scenarios above and the impacts of regulation in each scenario. Such additional research would require data owned by the management companies and the online booking providers. Therefore, engaging with stakeholders is necessary to conduct a full Richmond analysis, including assessment of the economic benefits of short-term rentals. The results from the full Richmond analysis can be integrated into the 1-year regulation review and follow-up regulatory amendments.

Assessing economic benefits would also be part of this study.

2. **Taxes** – a concern identified above is in respect to short-term rental providers not paying the same 8% Provincial Sales Tax (PST) and 3% Municipal and Regional District Tax (MRDT) paid by hotels and motels. Generally, there is an exemption from PST and MRDT if an operator offers less than four units, the units may be in more than one location, for accommodation in British Columbia.

The Provincial government has commenced collecting PST and MRDT on certain short-term operators in Richmond. There are approximately 20 residential units in Richmond that are currently remitting and payees change in conjunction with ongoing government

¹⁰ According to a recent Vancouver staff report, the Talk Vancouver online survey took place in July and August 2016 and received 6,475 responses.

enforcement efforts. Key criteria used to determine the payees includes properties offered as units of accommodation by third parties on behalf of owners, with four or more units offered by the third party. The Province then looks at whether the provider simply lists the units and/or processes payments on behalf of the owners, or whether they have more control with setting prices, managing maintenance, check-in, and the like. Airbnb type services for instance, do not meet the definition of accommodation and are not required to register. Those types of businesses are offering marketing type services only and the units they list are not subject to PST or MRDT.

On November 23, 2016, the City received a letter from the Richmond Hotel Association (RHA) advocating that Richmond Council request that the Province remove the 8% PST and 3% MRDT exemption on accommodation of four rooms or less (Attachment 7), suggesting that such action will facilitate enforcement of local short-term rental regulations. Removing the four-room maximum exemption would level the tax regime across all types of accommodation providers and has the potential to facilitate local enforcement through information sharing between jurisdictions. However, it would also increase the regulatory burden for traditional bed and breakfasts, which are currently exempt from the 8% PST and 3% MRDT.

The Province's approach to taxing short-term rentals, described above, indicates that it is not immediately considering changes to the provincial regulation to lift the four-room exemption. However, considering the position of the Richmond Hotel Association and the broader hotel community, further discussion with the Province is required in respect to taxation of short-term rentals and accommodation providers.

3. **Financial Enforcement Costs** – staff are reviewing the potential revenues derived from a short-term rental licencing regime (both licence fees and fines) and costs of enforcement of the regulation. Once a financial analysis is complete, a resource increase request may be made.
4. **Notice of Bylaw Violation Dispute Adjudication Bylaw** – this bylaw is not currently used in respect to zoning or business license infractions. Staff will study its effectiveness for enforcing short-term rental regulation.
5. **Development of a Code of Conduct for Short-Term Rentals** – staff recommend that similar to the City's code of conduct for B&Bs, a short-term rental code of conduct be developed.
6. **Provincial Consultation** – the Province of British Columbia is currently undertaking consultation with stakeholders, including municipalities, to explore how the sharing economy may be better integrated and what the role of local governments will be in this process. This process may result in the Province developing tools that could assist local governments for managing the sharing economy. Staff will be monitoring the Provincial government's progress in its sharing economy consultation process.

Possible Short-Term Rental Elements

Possible short-term rental elements not included in the regime proposed above include:

1. **Cap on Number of Short-Term Rental Nights** – some cities limit the number of rental nights (San Francisco and Portland for example). This would support the principal residence rule and better prevent the dwelling from becoming a dedicated short-term dwelling. Staff have not included this element in the report, as monitoring is extremely difficult. Vancouver decided not to include such a cap in their proposed regimes for this reason;
2. **Prescribed Number of Days Required for Principal Residence** – while a short-term rental business licence will require identification confirming that the short-term rental unit is the operator's principal residence, this regime can be manipulated. A prescribed number of days required to qualify as an operator's principal residence would add some certainty, but again monitoring and confirmation is difficult;
3. **Linking the Short-Term Operator to Ownership of Short-Term Rental Unit** – ownership would act to limit the number of short-term rentals and, as there is often a link between ownership and principal residence, an ownership requirement could reinforce the principal residence requirement. Ownership could be as restrictive as the registered owner, or expanded to include relatives of the registered owner or even long-term lessees;
4. **Increasing the Number of Guests Permitted in Type B (B&B, Portion of Single Detached Homes)** – it may be the case that, in some cases or neighbourhoods, operations could allow for more rooms/person without adversely impacting the neighbourhood. So as to keep the existing B&B rules, staff have not recommended an increase in permitted guest/rooms. However, consistent with the current B&B regime in Agriculture zones AG1, AG3 and AG4 a B&B may have up to four guest rooms, and in Single detached heritage zone ZS11 – London Landing (Steveston) a B&B may have up to five guest rooms;
5. **Creating a New Type of Permitted Short-Term Rental Unit** – it may be that to accommodate the market, a new type of short-term rental with less units/persons and lesser regulation than Type B could be created. For example, a regime with only two permitted rooms but, provided that impacts are addressed, with lesser regulation may be an option. As another example, unlike Type B rentals, which are only permitted in detached single family houses, short-term rental might be permitted in duplexes or row houses. Staff, have not recommended the creation of this additional short-term rental type but, by preserving (and not requiring a business license) the current boarding and lodging regime (no more than two boarders and lodgers) this market may already be partially accommodated; and
6. **Operator in Type B (B&B, Portion of Single Detached Homes) Must Be Present in Dwelling Concurrently with Short-Term Rental Use** – this may increase monitoring. Currently the dwelling must be where the operator resides (i.e. primary residence), but not that the operator must be residing there while the business is being run.

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Staff will continue to investigate both the possible short-term rental elements and the general outstanding matters identified above and any other further matters and, together with the results of public and stakeholder consultation, will report back to Council in Spring 2017.

Financial Impact

Staff will continue to monitor the investigation and enforcement costs relating to short-term rentals, and if the need for staff increases is determined, staff will report back to Council in Spring 2017.

Conclusion

Short-term rentals pose a challenge to local governments in developing and enforcing a regulatory regime. Staff have recommended that Council consider Option 3 set-out above which is a business license regime. As developing practical regulation and effective enforcement is challenging, full public consultation prior to bylaw introduction is recommended. Thereafter, once the bylaws are adopted, staff will report back to Council after a 12 month trial period.



Doug Long
City Solicitor
(604-276-4339)



Carli Edwards
Chief Licence Inspector
(604-276-4136)

- Att. 1: Richmond Zoning Bylaw No. 8500, Amendment Bylaw No. 9647
- 2: Richmond Zoning Bylaw No. 8500, Amendment Bylaw No. 9648
- 3: Business Regulation Bylaw No. 7538, Amendment Bylaw No. 9649
- 4: Business Licence Bylaw No. 7360, Amendment Bylaw No. 9650
- 5: Municipal Ticket Information Authorization Bylaw No. 7321, Amendment Bylaw No. 9651
- 6: Consolidated Fees Bylaw No. 8636, Amendment Bylaw No. 9652
- 7: Letter from the Richmond Hotel Association to the City dated November 23, 2016



City of Richmond

Report to Committee


To: General Purposes Committee **Date:** January 26, 2017
From: John McGowan **File:** 03-0900-01/2017-Vol
 General Manager, Law and Community Safety 01
 Cecilia Achiam
 Director, Administration and Compliance
Re: Short-Term Rental Regulations


Staff Recommendation

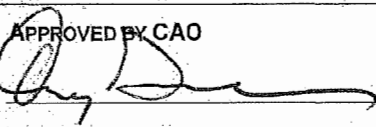
That in respect to the regulation of short-term rentals and the enforcement of such regulation:

1. Richmond Zoning Bylaw No. 8500, Amendment Bylaw, 9647 be introduced and given first reading; and
2. That:
 - a. Business Regulation Bylaw No. 7538, Amendment Bylaw No. 9649;
 - b. Business Licence Bylaw No. 7360, Amendment Bylaw No. 9650;
 - c. Municipal Ticket Information Authorization Bylaw No. 7321, Amendment Bylaw No. 9651; and
 - d. Consolidated Fees Bylaw No. 8636, Amendment Bylaw No. 9652
 each be introduced and given first, second and third readings.

3. That the proposed communication plan described in Attachment 3 of this report be endorsed.


 John McGowan
 General Manager, Law and Community Safety
 (604-276-4104)


 Cecilia Achiam
 Director, Administration and Compliance
 (604-276-4122)

REPORT CONCURRENCE		
ROUTED TO:	CONCURRENCE	
Affordable Housing	<input checked="" type="checkbox"/>	
Community Bylaws	<input checked="" type="checkbox"/>	
Fire Rescue	<input checked="" type="checkbox"/>	
Law	<input checked="" type="checkbox"/>	
Building Approvals	<input checked="" type="checkbox"/>	
Development Applications	<input checked="" type="checkbox"/>	
Policy Planning	<input checked="" type="checkbox"/>	
REVIEWED BY STAFF REPORT / AGENDA REVIEW SUBCOMMITTEE	INITIALS DW	APPROVED BY CAO 

January 26, 2017

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Staff Report

Origin

This report addresses the resolutions from Council on January 9, 2017:

1. *That the matter be referred back to staff for analysis on the implementation of Option 2 (Prohibition of all short-term rentals as defined in the staff report titled "Regulation of Short-Term Rentals" dated November 29, 2016), and that staff report back with all appropriate bylaw amendments and information including a proposed enforcement program;*
2. *That staff review the current rules governing Bed and Breakfast operations in Richmond and provide an analysis including the current number of Bed and Breakfast operations in Richmond; and*
3. *That staff recommend a process for public consultation for Council's consideration on the proposed program, bylaw amendments, and information in response to the staff referral given in Parts (1) and (2) of this resolution.*

Analysis

A previous staff report titled "Regulation of Short-Term Rental Units", dated November 29, 2016 from the City Solicitor and Chief Licence Inspector (the "previous report") provided detailed analysis on regulations and enforcement in respect to short-term rental units in Richmond. The report presented three short-term options for consideration and at the Council meeting on January 9, 2017, Council endorsed "Option 2" (Prohibition of all short-term rentals), as described in the previous report.

1. Proposed Bylaw Amendments to achieve Option 2 (Prohibition of all short-term rentals)

The existing regulations in the Richmond Zoning Bylaw (bed and breakfast ("B&B") and boarding and lodging regulations in particular) combined with the requirement for a business licence in the Business Licence and Business Regulation Bylaws currently act to restrict short-term rentals. However, unlike many other jurisdictions, short-term rentals, being rentals of less than 30 days (except for B&Bs, boarding and lodging, approved hotels, motels, agri-tourist accommodation, community care facilities and dormitories), are not explicitly prohibited. Consequently, in order to implement "Option 2", staff recommend bylaw amendments that;

1. Provide an explicit prohibition of short-term rentals (except for the most common types currently allowed such as B&Bs and boarding and lodging) and remove agri-tourist accommodation from the Agriculture (AG1) zone;
2. Change the existing B&B regulations; and
3. Increase fines for non-compliance.

Table 1 provides a description of the Zoning Bylaw amendments being proposed to provide an explicit prohibition on short term rentals (except for B&Bs, boarding and lodging, approved hotels, motels, agri-tourist accommodation, community care facilities and dormitories). This

includes a number of proposed amendments that will align zoning regulations with Council direction to limit short-term rentals.

Table 1 – Zoning Bylaw Amendments

Change	Rationale
Add explicit prohibition of Short-term Rental (less than 30 days) of Dwelling Units	All short-term rental explicitly prohibited except for B&Bs, boarding and lodging, approved hotels, motels, agri-tourist accommodation, community care facilities and dormitories
Remove Agri-tourist accommodation as a permitted use in the Agriculture (AG1) zone	This type of short-term rental is not considered an appropriate out-right use but could be considered on a site by site basis.
All B&B operations limited to 3 rooms	Current bylaw includes exceptions for Agricultural Zone (AG1) and for site specific London Landing zone (ZS11)

For example, this report proposes removing agri-tourist accommodation as an out-right permitted use in the Agriculture Zone and that it be considered through site specific rezoning applications only. Agri-tourist accommodation is a permitted farm use in the Agricultural Land Reserve (“ALR”) but the Agricultural Land Commission (“ALC”) legislation permits the City to regulate or prohibit the use. Given that this use may be interpreted to be similar in nature to a hotel, staff believe that any proposals for agri-tourist accommodation should be considered through a site specific rezoning. This will ensure that proposals are consistent with the intended smaller-scale operation of such uses in the ALR. Site specific rezoning applications would allow the details of the agricultural operation and the proposed agri-tourist accommodation activity to be considered by Council and the public through the statutory rezoning process.

The changes proposed to the Zoning bylaw will also eliminate the exceptions that allow some areas of the City to provide 4, instead of 3, B&B rooms per home. Currently, homes in the ALR and in London Landing are permitted 4 B&B rooms. Reducing this to 3 will align with the City wide regulations.

The proposed amendments do not propose changing regulations related to boarders or lodgers. The current zoning bylaw allows 2 boarders/lodgers and this typically includes international students on home stay programs or cultural and sports exchanges. There are also no changes proposed to the status of secondary suites. Secondary suites are currently not eligible to be B&B’s and the new regulations further clarify that they are not permitted to be rented out on a short term basis.

Table 2 provides a summary of how the existing B&B regulations are proposed to be enhanced. In most cases, it is proposed that the the current regulatory regime remain unchanged, but there are several proposed additional requirements including requiring owner consent and neighbourhood notification. These proposals will strengthen the B&B regulations, especially

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considering the growth and increased interest in short-term rentals. These changes also modernize the bylaws and respond to the public input received in writing and from the delegations at the January 9, 2017 Council meeting.

Table 2 – Existing and Proposed B&B Requirements

Bed and Breakfast Regulations	Existing Requirement	Proposed Future Requirement
Business Licence required	√	√
Must comply with zoning, building, fire and other City bylaws	√	√
No cooking facilities in guest rooms	√	√
Minimum size of guest rooms	√	√
One parking stall per guest room required	√	√
Signage permitted	√	√
Must be operator's Primary Residence	Yes, but Residence is not defined	Principal Residence now specifically defined and new rules added
Owner consent required	No	Required
In Dwelling with Boarding and Lodging	Not permitted	Not permitted
In Dwelling with Secondary Suite	Not permitted	Not permitted
Same site as Coach House/Granny Flats	Not specified	Not permitted
No more than 4 guest rooms in the ALR (2 guests each)	√	Removed -Harmonize with other residential zones
No more than 3 guest rooms in all residential zones where B&B are permitted	√	Reduce the max. no. of guest room in ALR from 4 to 3 to harmonize requirements in all residential zones
Notice of operations to neighbours as condition of licence	No	Required

In order to make these changes, amendments are proposed to the Zoning, Business Regulation, Business License, and Municipal Ticket Information Authorization. This report also proposes changes to the Consolidated Fees Bylaw but only to create a separate category for the fee. The licence fee for a B&B remains at \$162.

Along with amendments that provide specific prohibitions and enhancements to the B&B licensing regulations, this report also recommends new penalties and increases to fines. The new penalties will give enforcement and licence officers more options to deal with illegal operations, including those either refusing to be licenced or those proceeding with activities not permitted in any licencing or land use scheme. The increased fines relate both to illegal operations and to licenced B&B's not operating within the regulations. A summary of the bylaw amendments and increased fines is shown in Table 3.

Table 3 –Proposed New Penalties and Increased Fines

Type of Fine	Penalty (can be applied for each day the offense occurs)	Current Fine	Proposed Fine
Issued as a Municipal Ticket	For a licenced B&B – Failure to maintain Fire Evacuation Plan	\$250	\$1,000
	For a licenced B&B – No access to Guest Register	\$250	\$1,000
	For a licenced B&B – Premises not operator's Principal Residence	\$250	\$1,000
	Rentals for 30 days without a Licence	N/A	\$1,000
	For any B&B – excess guest rooms	\$250	\$1,000
	For any B&B – excess guest capacity	\$250	\$1,000
	For any B&B – excess guest room capacity	\$250	\$1,000
Imposed through prosecution in Court	Conviction for an Offence under the Business Regulation Bylaw	\$2,000	\$10,000
	Conviction for an Offence under the Business Licence Bylaw	\$2,000	\$10,000

2. Proposed Enforcement Program to Address Un-licenced Short-Term Rentals

In the previous report, a search on numerous websites identified approximately 1,600 short-term rental listings in the Richmond area. Further research is being conducted to define the scope of the issue, eliminate duplication of listings and to potentially identify other advertising sites for short-term rentals.

As noted in the previous report, enforcement in other jurisdictions has proven to be very difficult. A collaborative approach working with the principal booking platforms may provide

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the ability for the City to ensure that prospective hosts are aware of the local rules and requirements for listing their property.

Community Bylaws will be the lead department. Support will be provided by Business Licensing, Richmond Fire Rescue, and Building Inspections. This will provide a broad scope of authority to manage and investigate short-term rental properties found to be in contravention of current and amended municipal bylaws. Compliance will be achieved through an integrated graduated enforcement program. The first step in the process is to mail out warning letters to all identified properties to ensure they are aware of the Bylaw requirements governing short-term rentals. That will be followed up by conducting an inspection of the property (both scheduled and unscheduled). Non-compliance will result in the issuance of Municipal Ticket Informations and other fines. The final step in the process would be a prosecution against property owners who remain in contravention.

Bylaw staff are currently researching and identifying properties currently listed on short-term rental web sites. They are also developing a matrix to prioritize the identified properties and are actively managing the most egregious cases at this time. Other home owners who are not properly licensed to offer short-term rental accommodation will be contacted both in person and in writing and provided with information on the licensing requirements. This notice will also direct them to cease operations immediately or until such time as they are in compliance.

To allow for a proactive rather than a reactive approach, Community Bylaws has redeployed three existing resources to immediately address those illegal short-term rental operations which have been identified as having a significant impact on the community. These residences have recently been inspected or have been scheduled for inspections in the near future. The City has also undertaken a hiring process to employ four additional temporary bylaw enforcement officers to address the short-term rental issues in Richmond. This additional staff is expected to be in place by the end of February 2017.

Community Bylaws will conduct an assessment of the impact of these enforcement initiatives and report back to the General Purposes Committee in six months.

3. Current Bed and Breakfast options in Richmond

There are currently 19 B&Bs in the City of Richmond (Attachment 1) that have been licenced according to the requirements in the Business Licence and Business Regulation Bylaws. In addition to the requirements in the Bylaws, the B&B's are provided with the City of Richmond Bed & Breakfast Information Package (Attachment 2). This package provides information on application requirements and expectations for lawful operations and is available in print at City Hall and on the City's website¹.

Eighteen of the licenced B&B's are operating in good standing as Licencing staff have received complaints about only one current operation. Staff are currently investigating the complaint and

¹ <http://www.richmond.ca/shared/assets/bedandbreakfastinfopackage30758.pdf>

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any recommendation for licence suspension or cancellation will be brought back to Council for consideration.

Consultation

This report proposes changes to the existing regulations governing B&B operations, including new rules and increased fines for non-compliance. While agri-tourist accommodation is proposed to be removed as a permitted use from the Agriculture (AG1) zone, the use will continue to be defined so that site-specific rezoning applications may be considered by Council. There are no increases proposed to the existing licence fees and no new types of short-term of licences being proposed. Collectively, changes to these bylaws will require public notification and a public hearing.

As to the proposed amendment to the Richmond Zoning Bylaw, should Council endorse and grant first reading to the proposed Zoning Amendment Bylaw, then it will be forwarded to the next Public Hearing (anticipated to be March 20, 2017). Public notification for the Public Hearing, including notification in the newspaper, will be provided as required under the Local Government Act. The public will have an opportunity to comment at the Public Hearing on the proposed Zoning Amendment Bylaw prior to final consideration of the amendment.

The process for amendments to the Business Licence, Business Regulation, Municipal Ticket Information Authorization and Consolidated Fees bylaws (collectively, the "Amendment Bylaws") requires public notification prior to final consideration. Should the General Purposes Committee endorse the proposed Amendment Bylaws, and if Council grants bylaw readings in accordance with the Community Charter, the public will be given notice and the opportunity to make representations to Council prior to final adoption.

In addition to the statutory requirements for a public hearing and public notification, it will be important to notify the public of the changes, including those currently operating or impacted by any type of short-term rentals. The communications plan in Attachment 3 provides a summary of actions and deliverables that will be implemented should Council adopt the proposed changes in this report.

If the new regulations are adopted by Council, staff will also monitor the implementation of the changes and provide an update to Council on the progress, public feedback, long term impacts on budgets and other programs and further recommendations for enhancements in June, 2017.

Financial Impact

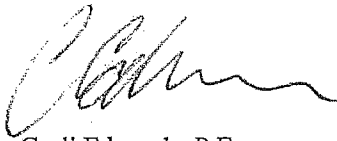
The temporary full time bylaw enforcement officers will initially be funded from within the existing bylaws budget. The investigation and enforcement costs will be monitored and should additional funding be required to support ongoing operations, a report will be prepared for Council's consideration. Operational impacts due to Staff re-deployment will be mitigated by drawing upon experienced temporary staff to backfill required positions.

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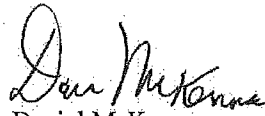
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Conclusion

The proposed changes to various bylaws outlined in this report provide practical regulations that are simple to understand and comply with. The clarity of regulations would enhance enforcement, which, together with the increased penalties would provide further deterrent for non-compliance.



Carli Edwards, P.Eng.
Manager, Customer Services and Licencing
(604-276-4136)



Daniel McKenna
Acting Senior Manager, Comm Safety
(604-276-4273)

- Att. 1: Current Licenced B&B in Richmond
2: City of Richmond Bed & Breakfast Information Package
3: Communications Plan

History of Short-Term Rental Staff Reports and Highlights

Corresponding Report	Short-Term Rental Options Proposed in Report	Description	Key Highlights
<p>Staff report titled "Regulation of Short-Term Rental Units" dated November 29, 2016 and presented to General Purposes Committee on January 3, 2017 (http://www.richmond.ca/cityhall/council/agendas/gp/2017/01/03/17_minutes.htm) and Council on January 9, 2017. (http://www.richmond.ca/agendas/Open_Council_1-9-2017.pdf)</p>	<p>Option 1: Status Quo (Not recommended)</p>	<p>No changes to bylaws and regulations</p>	<p>1. B&B are currently permitted in single family and Agricultural Zones</p> <ul style="list-style-type: none"> • 3 room with 2 guests maximum /room in single family zones • 4 rooms with 2 guests maximum/room in AG zones • A Business Licence is required to operate B&Bs <p>2. Lodgers and Boarders</p> <ul style="list-style-type: none"> • Max 2 lodgers or boarders are permitted in all residential zones with no licencing requirement <p>Not endorsed by Council</p>
<p>On January 3, 2017, General Purposes Committee moved and seconded:</p>	<p>Option 2: Prohibit all short-term rentals (Not recommended)</p> <p>Option 3: Tailored short-term rental regulations (Recommended)</p>	<p>Full-ban of short term rental</p> <p>Define short term rental</p> <p>Tailor regulations to address short-term rentals in different residential zones (single family, town house and condo, etc.)</p>	<p>Not endorsed by Council</p> <p>Council instructed staff to move ahead with bylaw preparation to define "short term rental"</p> <p>1. Proposed Short-Term Rental Categories with Associated Custom Regulations:</p> <ul style="list-style-type: none"> • Type A – Entire Single-Detached Home • Type B – Portion of Single-Detached Home • Type C – Strata Unit (5 or more units/building) <p>2. Addressed public consultation related to bylaw amendments and included a communication plan</p> <p>Not endorsed by Council</p>
<p>On January 9, 2017, Council did not endorse any of the 3 proposed options and passed the following resolution:</p>	<p>1. That the matter be referred back to staff for analysis on the implementation of Option 2 (Prohibition of all short-term rentals as defined in the staff report titled "Regulation of Short-Term Rentals" dated November 29, 2016), and that staff report be approved; and</p> <p>2. That the public consultation process set-out in the staff report be approved; and</p> <p>3. That staff be directed to engage with the Province of British Columbia to discuss regulatory changes to the Provincial Sales Tax and Municipal and Regional District Tax in regards to accommodation providers and report back to Council as part of the one-year review of the City's proposed short-term rental regulation.</p>	<p>On January 9, 2017, Council did not endorse any of the 3 proposed options and passed the following resolution:</p>	<p>1. That the matter be referred back to staff for analysis on the implementation of Option 2 (Prohibition of all short-term rentals as defined in the staff report titled "Regulation of Short-Term Rentals" dated November 29, 2016), and that staff report be approved; and</p> <p>2. That staff review the current rules governing Bed and Breakfast operations in Richmond and provide an analysis including the current number of Bed and Breakfast operations in Richmond; and</p> <p>3. That staff recommend a process for public consultation for Council's consideration on the proposed program, bylaw amendments, and information in response to the staff referral given in Parts (1) and (2) of this resolution.</p>

History of Short-Term Rental Staff Reports and Highlights

Corresponding Report	Short-Term Rental Options Proposed in Report	Description	Key Highlights
<p>Staff report titled "Short-Term Rental Regulations" dated January 26, 2017 considered by General Purpose Committee on February 6, 2017 (http://www.richmond.ca/agendafiles/Open_GP_2-6-2017.pdf)</p>	<p>Enhanced B&B regulations and Code of Conduct</p>	<p>1. Enhanced B&B regulations and Code of Conduct</p> <p>2. Increase penalties and fines</p>	<p>1. Enhance B&B regulations and code of conduct guidelines</p> <ul style="list-style-type: none"> • Require proof of primary residency for operator • Require owner consent for B&B if the operator is not the owner • Limit B&B to a maximum of 3 bedroom with a maximum of 2 guests/bedroom in both single-family and agricultural residential zones • Require notice to neighbours that a B&B licence has been approved and to provide contact information to neighbours <p>2. Increase penalties and fines</p> <ul style="list-style-type: none"> • Increase Municipal Ticket from \$250 to \$1,000 maximum per daily offence • Increase maximum fine for conviction from \$2,000 to \$10,000 (imposed through prosecution in Court)
<p>Enhanced Enforcement</p>	<p>Enhanced Enforcement</p>	<p>Temporarily increase the number of Community Bylaw Inspection staff to tackle illegal short-term rentals</p>	<p>Community Bylaws is in the process of hiring 4 temporary Community Bylaw Officers and take proactive action to close down illegal short-term rental in addition to taking action on the basis of complaints.</p>
<p>Council did not endorse the staff recommendation and passed the following referral motion:</p>			
<p><i>That the staff report titled, Short-Term Rental Regulations be referred back to staff for a detailed analysis of the pros and cons of and options relating to:</i></p>			
<ol style="list-style-type: none"> 1. <i>implementing a proof of insurance requirement;</i> 2. <i>amending definition of operator to also include owner operator; and</i> 3. <i>establishing a "spot" (site specific) rezoning process; and report back.</i> 			
<p>(Closed) Staff report, dated February 9, 2017 titled "Short-Term Rentals - Enforcement and Bed & Breakfast Regulations" to GP Committed on February 20, 2017 to provide legal advice on options that presented themselves from the previous General Purposes Meeting.</p> <p>Note: The report meets the statutory closed meeting criteria: 90(1)(i) the receipt of advice that is subject to solicitor-client privilege, including communications necessary for that purpose</p>	<p>Incorporated changes to address Council's concerns to enhance regulations to limit short-term rentals as B&B in single-family and agricultural zones</p> <p>Requested direction to prepare a report for the Open General Purposes Committee on March 6, based on the endorsed approach, including the appropriate bylaw amendments, and without the legal opinion attached</p>	<p>Temporarily increase the number of Community Bylaw Inspection staff to tackle illegal short-term rentals</p>	<p>Community Bylaws is in the process of hiring 4 temporary Community Bylaw Officers and take proactive action to close down illegal short-term rental in addition to taking action on the basis of complaints.</p>

Table A: Proposed Changes to Short-Term Rental Regulations

Requirement		Where is this Regulated?	Process for Approval
1.	All short-term rental explicitly prohibited except for B&Bs, boarding and lodging, approved hotels, motels, agri-tourist accommodation, community care facilities and dormitories	Richmond Zoning Bylaw	Amendment requires a public hearing prior to final approval by Council
2.	No more than 3 guest rooms to be permitted in all residential zones where Bed and Breakfasts are permitted	Richmond Zoning Bylaw	Amendment requires a public hearing prior to final approval by Council
3.	Bed and Breakfast is not permitted on site with a Coach House or Granny Flat	Richmond Zoning Bylaw	Amendment requires a public hearing prior to final approval by Council
4.	Remove Agri-tourist accommodation as a permitted use in the Agriculture (AG1) zone	Richmond Zoning Bylaw	Amendment requires a public hearing prior to final approval by Council
5.	All new B&B's to be separated by 500 m (1640 ft.) to limit over commercialization and to mitigate potential nuisance	Official Community Plan Bylaw and Richmond Zoning Bylaw	Amendments require a public hearing and consultation with the ALC prior to final approval by Council
6.	Operator must provide evidence, annually, that Bed and Breakfast is their Principal Residence	Business Licence Bylaw	Public notification of proposed changes required prior to final approval by Council
7.	Property Owner must consent to Bed and Breakfast business	Business Licence Bylaw	Public notification of proposed changes required prior to final approval by Council
8.	Neighbours must be notified of Bed and Breakfast operation and be provided operator contact information	Business Licence Bylaw	Public notification of proposed changes required prior to final approval by Council
9.	Convictions for an offense under the Business Licence or Business Regulation Bylaw can be imposed a fine of up to \$10,000 (imposed by Provincial Court as a result of bylaw prosecution)	Business Licence and Business Regulation	Public notification of proposed changes required prior to final approval by Council

Requirement		Where is this Regulated?	Process for Approval
10.	Renting rooms, or residential units, for periods of less than 30 days to be issued MTI ticket	Municipal Ticket Authorization Bylaw	Public notification of proposed changes required prior to final approval by Council
11.	Increased fines for MTI tickets, \$250 to \$1000, for: <ul style="list-style-type: none"> • Failure to maintain fire evacuation plan • No access to guest register • Premises not operator's Principal Residence • Excess guest rooms • Excess guest capacity • Excess room capacity 	Municipal Ticket Authorization Bylaw	Public notification of proposed changes required prior to final approval by Council
12.	Operators of Bed and Breakfasts are encouraged to carry adequate liability and property damage insurance	Code of Conduct	Amendments to be made by staff following Council approval of overall program changes
13.	Bed and Breakfast operators are to be available 24 hours a day when hosting guests	Code of Conduct	Amendments to be made by staff following Council approval of overall program changes

Table B: Summary of Existing Regulations (not proposed to change)

Requirement	Where is This Regulated?
A Business Licence is required to operate a Bed and Breakfast	Business Licence Bylaw
Home must comply with zoning, building, Fire and other City bylaws	Business Licence Bylaw
No cooking facilities allowed in guest rooms	Business Regulation Bylaw
Minimum size of rooms permitted for Bed and Breakfasts	Richmond Zoning Bylaw
One parking stall is required for each guest room in a Bed and Breakfast	Richmond Zoning Bylaw
All residential zones allow 2 boarders and lodgers per dwelling unit	Richmond Zoning Bylaw
Bed and Breakfasts are not permitted on a site with a secondary suite	Richmond Zoning Bylaw

Highlight of Proposed Changes

BED AND BREAKFAST CODE OF CONDUCT GUIDELINES (PROPOSED)

The City of Richmond expects the operators of Bed and Breakfast establishments permitted in residential zones to respect the residential character of their neighbourhoods. In addition to complying with all requirements of the Zoning Bylaw and the Business Regulation Bylaw that are applicable to such establishments, the City expects operators to adhere to the following Code of Conduct. In the event that the City receives complaints regarding the operation of a Bed and Breakfast establishment that indicate a failure to adhere to this Code of Conduct, the operator may be required to show cause why their business licence should not be suspended or revoked, or the Licence Inspector may refuse to renew the business licence.

No Residential Dwelling Alterations

With the exception of the small exterior signage permitted by the zoning regulations, no alterations should be made to the exterior of a residential dwelling indicating that it operates as a bed and breakfast establishment.

Noise

The operation of a bed and breakfast establishment should not produce noise detectable beyond the boundary of the premises that would be in excess of that associated with an ordinary residential use. Operators may wish to consult the noise regulations in the City's Public Protection Health Bylaw, available on the City's website:

http://www.richmond.ca/_shared/assets/Bylaw_6989_12140924694.pdf

Traffic and Parking

Operators should be aware that some of the most common complaints regarding bed and breakfast operations in residential neighbourhoods are associated with guest parking and traffic. Complying with City parking and traffic regulations and using on-site parking spaces will eliminate many potential complaints. Operators should ensure that they bring these regulations and amenities to the attention of guests upon check-in.

Insurance

It is recommended that bed and breakfast operators carry adequate liability and property damage insurance specifically written for bed and breakfasts. There are several organizations and service providers that provide further information and assistance, including the BC Bed & Breakfast Innkeepers Guild at www.bcsbestbnbs.com.

Privacy of Neighbours

The use of outdoor spaces such as patios, terraces and gardens by bed and breakfast guests can affect the privacy of neighbours. Such areas should be located, oriented and screened so as to

minimize their impact on neighbouring properties. Operators should also manage check-in and checkout times to minimize the impact of this activity on the neighbourhood.

Guest Services

Operators should be available 24 hours a day when they are hosting guests. If they need to go off-site during a guests' stay, they should be available by phone. In addition, guest rooms should be clearly identified on each door in order to provide adequate safety and security for the guests.

Dealing with Complaints

If approached by neighbours with complaints regarding their bed and breakfast establishment, operators should attempt to resolve the complaint on the basis that residents of residential neighbourhoods have a legitimate expectation of privacy and normal residential amenity, with which the operation of a bed and breakfast operation in the neighbourhood is not intended to significantly interfere. Records of such complaints, and how the operator has dealt with them, should be retained for reference in the event that the City is requested to become involved in the matter.

CITY OF RICHMOND ZONING BYLAW 8500 (PROPOSED)

“Bed and breakfast” means the commercial accommodation of guests for periods of 30 days or less, in a single detached housing dwelling unit in accordance with section 5.5 of this bylaw.

5.5 Bed and Breakfast

- 5.5.1 A bed and breakfast use is permitted only in a single detached housing dwelling unit.
- 5.5.2 A bed and breakfast use is not permitted in a single detached housing dwelling unit or on a lot that contains a secondary suite, a granny flat, or a coach house, or a boarding and lodging, minor community care facility, agri-tourist accommodation, or child care home business use.
- 5.5.3 A bed and breakfast use is permitted only in a single detached housing dwelling unit that is the principal residence of the operator.
- 5.5.4 No facilities or equipment used for the preparation of food shall be installed or provided in a room used for bed and breakfast guest accommodation.
- 5.5.5 A bed and breakfast use is limited to a maximum of three guest rooms unless otherwise provided in this bylaw.
- 5.5.5A Bed and breakfast use of a single detached housing dwelling unit is limited to accommodation of a maximum of 6 guests at one time.
- 5.5.6 A room used for bed and breakfast guest accommodation shall not be equipped, furnished or used to provide accommodation for more than two guests.

- 5.5.7 A room used for bed and breakfast guest accommodation shall have a floor area of not less than 9.75 m².
- 5.5.8 One fascia sign with maximum dimensions of 0.3 m by 0.6 m is permitted on each premises used for a bed and breakfast use, unless otherwise provided in this bylaw.
- 5.5.9 A vehicle parking space provided in respect of a guest room may be provided in a tandem arrangement with another such parking space or a space required in respect of the residential use of the building.
- 7.7.1 Bed and Breakfast Establishments are required to provide one on-site parking space for each guest room.

CITY OF RICHMOND BUSINESS LICENCE BYLAW 7360 (PROPOSED)

- 2.4.1 Every Bed & Breakfast Establishment applicant must at the time of application:
- (a) certify that they reside in the premises as their principal residence and provide proof that the premises are the applicant's principal residence. To demonstrate that the premises is their principal residence, an applicant must be able to produce copies of the applicant's government issued picture identification showing the applicant's address as the premises, and copies of either one or both of the following:
 - (i) a tax assessment for the current year for the lot upon which the premises are constructed showing the applicant as payor, or
 - (ii) a utility bill (electricity, district energy, gas, or telephone) issued within the previous 3 months for the premises showing the applicant as payor, or
 - (iii) such other evidence as required by the City from time to time;
 - (b) provide proof that the owner of the premises has consented to the use of the premises as a bed & breakfast establishment by providing one of the following, as applicable:
 - (i) if the applicant is an owner of the premises, a copy of legal title to the premises showing the applicant as an owner in fee simple or leasehold, or
 - (ii) if the applicant is not an owner of the premises, a copy of legal title to the premises identifying the owner and a declaration from the owner of the premises certifying that use of the premises as a short-term rental is permitted; and
 - (c) provide a copy of the guest register format to be used in the recording of guests stays under the *Hotel Guest Registration Act* (British Columbia).
 - (d) prepare a notification letter that:
 - (i) describes the operation and the number of bedrooms that will be rented to overnight guests; and
 - (ii) includes information on how to contact the operator by phone;

- (e) mail or deliver the notification letter to all residents and owners of residential dwellings (i) abutting or across the street from the premises, or (ii) within a 50 metre radius of the premises, whichever is greater;
- (f) provide a copy of the notification letter and a list with the addresses of all persons that received the notification letter;
- (g) provide a copy of the fire evacuation plan required by the Business Regulation Bylaw;
- (h) provide floor plans, drawn to scale, of the entire floor area of each level of the residence, indicating the use of each room of the residence and clearly identifying the guest rooms to be used in the bed & breakfast establishment;
- (i) provide a property site plan showing:
 - (i) the location and dimension of the driveway identifying vehicle parking spaces for residences and guests for each guest room;
 - (ii) the location of the residence on the property with setbacks indicated from all property lines;
 - (iii) landscaping and open areas as required by the Zoning Bylaw;
 - (iv) signage size and placement as permitted by the Zoning Bylaw; and
- (j) pay the required annual bed & breakfast business licence fee specified in the Consolidated Fee Bylaw No. 8636 for the Bed & Breakfast Use category of this bylaw.

Referral 1 - Implementing a proof of insurance requirement

The City does not require B&B applicants to provide proof of insurance prior to being approved for a B&B licence. This is consistent with current practice in other BC jurisdictions. Staff do not recommend any changes to this practice. Instead, the Richmond Bed and Breakfast Code of Conduct Guidelines (Attachment 2) has been amended to recommend that B&B operators carry adequate liability and property damage insurance specifically written for B&B's and further that the Code of Conduct Guidelines make reference to the BC Bed & Breakfast Innkeepers Guild at www.bcsbestbnbs.com for information and reference.

In the past, Tourism BC operated a voluntary "Approved Accommodation Program" where tourist accommodation operators (e.g. hostels, B&Bs, camp grounds, etc.) could apply to be granted "Approved Accommodation" status. Once the accommodations were inspected and approved by Tourism BC, they were eligible to be listed in the British Columbia Approved Accommodation Guide, which was a widely distributed and popular resource for domestic, regional and international visitors. This voluntary accreditation program no longer exists as the program was too costly to apply across the province and on-line listing services became the principle means for travelers to compare and book tourist accommodations.

It is not the role of a regulator to ensure that a business has adequate insurance. While it would be prudent for B&B operators to obtain insurance, the City might be taking on unnecessary risk exposure to liability if the City requires proof of insurance as a requirement to grant a business licence for B&B.

Staff feel that a responsible and effective approach to address the concern related to an insurance requirement is to strongly encourage B&B operators to obtain adequate insurance coverage in the Bed and Breakfast Code of Conduct Guidelines (Attachment 2) and future communication materials and to advise operators of this "best practice".

Referral 2 - Amending definition of Operator to also include Owner/Operator

Staff have reviewed this issue and are of the view that the applicable legislation likely does not permit restriction requiring an operator to be an owner. Staff note that the current B&B regulation does not require an operator to be an owner. The current regulations require an operator to be "a person who resides" in the premises.

The requirement that the B&B be the principal residence of the owner or operator, rather than owner as occupier vs. operator as occupier, seems to be the key to ensure accountability. Staff are proposing to require owner or operators to provide proof of residency as part of the Business Licence application and annual Business Licence renewal process. This would ensure that the B&B location is the primary residence of the B&B owner or operator. This is consistent with current practice in other BC jurisdictions, the current Richmond Business Licence regulations and the requirements in the voluntary Tourism BC "Approved Accommodation Program" (now defunct) noted in Referral 1 above.

Furthermore, there is no indication that owner vs. tenant operator of B&B affects the neighbourliness of a licenced B&B operation in Richmond. For example, the City has received only one complaint about a licenced B&B, which currently requires that the home is the primary

residence of the owner or operator. In this instance of complaint, the particular business under review is operated by an owner. All other nuisance complaints received by the City were caused by non-licensed establishments.

Referral 3 - Establishing a “spot” (site specific) rezoning process

Staff have considered several options to regulate the location and number of B&Bs and have identified the options set-out below.

General Prohibition - “Spot” (Site Specific) rezoning (NOT RECOMMENDED)

Staff were directed to explore mechanisms, including “spot” (site specific) rezoning to address potential negative impacts such as noise, parking, increased traffic, etc., that may occur if too many short-term rental operations are located within close proximity within a single-family neighbourhood.

The mechanism to require site specific rezoning is well established and the implementation is technically feasible. Should this option be pursued, all future B&B’s would be required to complete a rezoning process and the approved use would be permitted to remain on the site unless the zoning is subsequently amended. However, subject to the applicable legislation, some existing B&B’s would be considered legal non-conforming and could continue to operate. Staff are concerned that deploying such a sophisticated regulatory tool for essentially a “home occupation” type business would be counter-productive. Table 1 below illustrates the pros and cons of implementing such a scheme.

PROS	CONS
Neighbourhood Input: Neighbouring residents have the opportunity to provide input as part of the notification process.	Costly Process: A B&B licence costs \$162. With the spot zoning option, there will be a rezoning application fee of \$2,261. Further costs, such as plan and submission preparation and site notification signs may also be required.
Council Oversight: Council assesses each application and sets requirements and conditions that reflect site specific conditions.	Lengthy Process: Spot rezoning application processes can be lengthy (especially considering the small scale of B&B businesses) and the administrative process requires time for notice of a public hearing.
	Discourage Compliance: Experience from other jurisdictions that implemented complex regulatory requirements indicated a low compliance rate. Spot rezoning may be too onerous for small business operators and further discourage compliance.

Table 1: Pros and Cons for "Spot" Site Specific Rezoning

Staff do not recommend implementing site specific rezoning requirement for B&B’s.

Option 2: Zoning Areas or Sub-Areas – Create geographic areas or sub-areas within each single family and agricultural zone in which B&Bs would be permitted (**NOT RECOMMENDED**)

Discussion in GP Committee on February 6, 2017 also included exploration of implementing limits based on geographical areas whereby some areas would permit B&Bs and some areas would not. This approach could not limit the number of B&Bs in each area. Staff have reviewed this mechanism and while this can be achieved through zoning regulation, there is very little precedence for this approach and staff are unable to propose an equitable way to determine what those limits should be and how many B&B licences would be acceptable to a neighbourhood.

Staff do not recommend geographical limits for B&Bs.

Option 3: Limiting by Text – Create a special class, by description, to limit the properties where a B&B could be located. (**NOT RECOMMENDED**)

In this option, B&Bs would be restricted to single family residential properties having certain characteristics. For example, a characteristic could be a certain lot size. Properties having the characteristic would permit B&Bs and those not having the characteristic would not. Determination of the characteristics would be based on sound planning principles. This option is not recommended as it may be considered as “purported to limit the number of B&Bs or the location of B&Bs” and would likely not be a valid use of the Zoning Bylaw.

Option 4: Minimum Buffer Distance between B&B Operations – Implement a minimum buffer to achieve specific planning objectives. (**RECOMMENDED**)

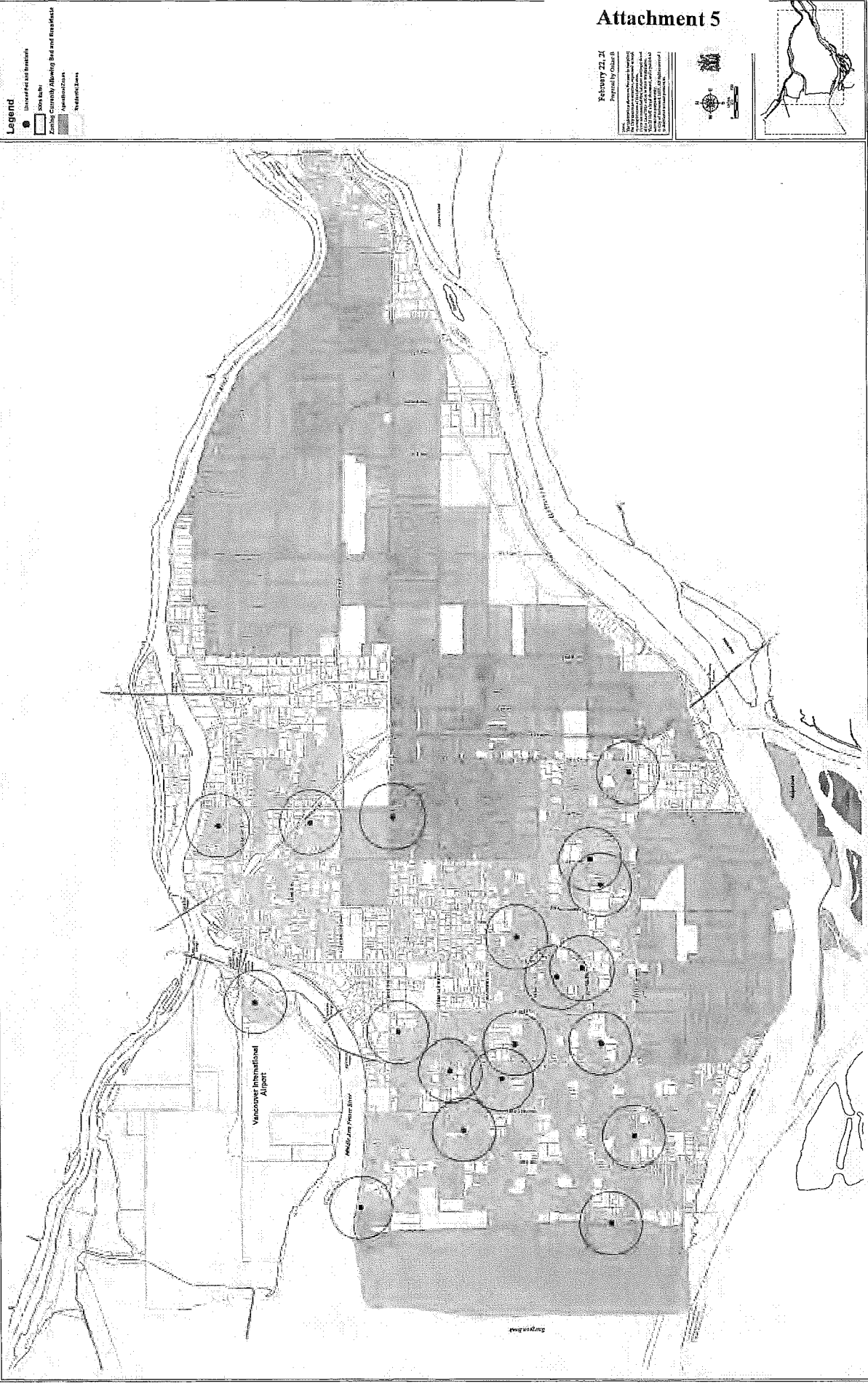
Permitting B&Bs is consistent with the planning objective of accommodating a range of uses in the City’s neighbourhoods (Section 3.2 Neighbourhood Character and Sense of Place encourages neighbourliness and character retention that are compatible in single family neighbourhoods). At the same time, creating a buffer between B&B’s will prevent the densification of B&Bs thereby reducing over-commercialisation and protecting the character and community values of single family neighbourhoods.

A 500 m buffer will mitigate nuisances including noise, traffic, and parking issues. Staff suggest a 500 m (1640 ft.) separation between B&B operations for consideration should Council adopt Option 4. This distance has been recommended because it is similar to the minimum distance to separate uses that may have negative impact from, school, park or community centres.

A text amendment to the Official Community Plan and the Zoning Bylaw would be required. A buffer requirement would be relatively easy to verify as part of the Business Licence application review and would avoid the need for spot rezoning.

The adoption of a minimum 500 m (1640 ft.) distance between B&B operations would be a consistent application that has a proven record. Staff suggests that any buffer applied to B&B operations would be measured as a radius from the centre of the lot that contains the B&B business. Staff have prepared the necessary bylaw amendments should Council endorse and adopt Option 4,.

Licensed Bed and Breakfasts with 500m Buffer

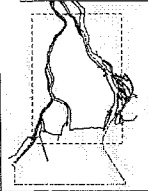
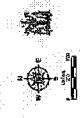


Legend

- Licensed Bed and Breakfast
- 500m Buffer
- Zoning
- Amenities/Zone
- Neighbourhood

Attachment 5

February 22, 2011
Prepared by: [Name]
[Address]
[City, Province, Postal Code]
[Phone Number]
[Email Address]



Summary of Tax Regimes Related to Short-term Rentals

Current Taxes – Level Playing Field

A concern identified is in respect to short-term rental providers not paying the same 8% Provincial Sales Tax (PST) and 3% Municipal and Regional District Tax (MRDT) paid by hotels and motels. Generally, there is an exemption from PST and MRDT if an operator offers less than four units, the units may be in more than one location, for accommodation in British Columbia.

On November 23, 2016, the City received a letter from the Richmond Hotel Association (RHA) advocating that Richmond Council request that the Province remove the 8% PST and 3% MRDT exemption on accommodation of four rooms or less (Attached), suggesting that such action will facilitate enforcement of local short-term rental regulations. Removing the four-room maximum exemption would level the tax regime across all types of accommodation providers and has the potential to facilitate local enforcement through information sharing between jurisdictions. However, it would also increase the regulatory burden for traditional bed and breakfasts, which are currently exempt from the 8% PST and 3% MRDT.

The Province's approach to taxing short-term rentals, described above, indicates that it is not immediately considering changes to the provincial regulation to lift the four-room exemption. However, considering the position of the Richmond Hotel Association and the broader hotel community, further discussion with the Province is required in respect to taxation of short-term rentals and accommodation providers.

The Municipal and Regional District Tax (MRDT) - Applicable to Richmond

The Municipal and Regional District Tax (MRDT) is the only local level tax that impacts short term rentals, as long as they are classified as "accommodation providers" under the PST Act (which governs the MRDT).

The MRDT is legislated by the Province and the Province determines who remits it. In Richmond, this includes the 23 hotel properties and (as of last year) approximately 20 suites operated by other providers. The Province uses the following criteria to charge these additional providers the MRDT:

"The criteria we use is based on the definitions of "accommodation" and "accommodation provider" in the Provincial Sales Tax Act (PSTA). In the case of properties offered as units of accommodation by third parties on behalf of owners, we first look at the number of units they offer. If it is less than four, they would not be required to register or collect tax regardless of the specific nature of their contract with the owners. When four or more units are offered by the third party, we then examine the specific nature of their business.

It can get complicated, but essentially it comes down to what they are responsible for and in control of regarding the individual units. In order to meet the definition of an

accommodation provider, we look at whether they simply list the units and perhaps process payments on behalf of the owners, or whether they have more control such as setting prices, managing maintenance, check-in, and the like. Air B&B type services for instance, do not meet the definition of accommodation and therefore are not required to register. Those types of businesses are offering marketing type services only and the units they list are not subject to PST or MRDT.”

The following observations and Richmond-specific items regarding the MRDT apply:

- The list of additional providers collecting MRDT changes often, as the Province carries out ongoing enforcement of its own legislation. This is problematic, as the MRDT legislation requires that the MRDT be voted on every 5 years by at least 51% of accommodation providers with 51% of the rooms at a given point in time and for a period of 5 years.
- The Richmond Hotel Association and the BC Hotel Associations are engaging the Province in discussions regarding the MRDT, seeking that all accommodation providers, including B&Bs, be required to pay the MRDT (B&Bs are currently exempt).
- Technically, should the Province expand its definition of accommodation providers in the future to include short term rentals, Richmond will become recipient of the associated MRDT. However, it is unclear how the MRDT voting mechanism will be adjusted (under the current practice, an operator with five rooms represents the same vote as a hotel with 300 rooms; furthermore, multiple fragmented ownership of properties will make it difficult to arrive at a majority MRDT vote in the future, if the Province requests that each provider vote for the MRDT, so the MRDT may not be successful in the future unless the provincial voting regulations change).
- The City has submitted its application to the Province to increase the MRDT to 3% and it is expected that this process will complete on or before June 30, 2017.
- No material changes in the MRDT are anticipated under the current Provincial government term.

The Resort Municipality of Whistler Act – Applicable to Whistler

Whistler is a grandfathered tourism community under the MRDT regulation and the destination marketing organization Tourism Whistler (not the RMOW) receives the MRDT and a provincial grant (both Provincially legislated), as well as a membership fee from all short-term tourism rentals. All owners of what is designated "Resort Lands" in Whistler must be a Member of Tourism Whistler and contribute assessment fees to support ongoing destination marketing and sales initiatives. Those who purchase property on Resort Lands are required to declare, annually, how they are using the property in order to determine associated assessment fees. Generally, those owners using their property for nightly rentals are required to pay commercial fees in addition to the common fees which are paid by all Members (regardless of property use).

More information on the RMOW fees can be accessed on their website:
<https://members.whistler.com/documents-public/fees.pdf>.

Staff Recommendation:

That

- a. the information regarding tax requirements including whether a hotel tax should apply to short-term rentals provided in this report be received for information; and
- b. staff be directed to engage the Province of British Columbia to discuss regulatory changes to the Provincial Sales Tax in regards to the Municipal and Regional District Tax , including the definition of accommodation providers, and report back to Council as part of the one-year review of the City's proposed short-term rental regulation;

Attachment 7



November 18, 2016

Mayor Brodie and Members of Council
City of Richmond
6911 No. 3 Road
Richmond, BC V6Y 2C1

RE: Request to rescind Provincial Tax Regulation 78(1)(b)

Dear Mayor and Council,

We understand the City of Richmond has been working to mitigate the negative impacts of nightly short-term rentals in our community. We strongly support these efforts and commend Council for its leadership on this issue. However, we are concerned that Council's resources in this matter are stretched, and that meaningful action from the provincial government is required to resolve this issue in a timely manner.

Richmond Hotel Association represents 20 hotels with the City of Richmond and our members over the last year have experienced continual challenges with assisting new or existing employees to locate affordable monthly rental accommodation. The vacancy rate is often near zero, and in some cases we have lost potential employees due to this chronic rental shortage. Making matters worse, there are no indications this trend will change in the year ahead.

As Council well knows, many British Columbians have embraced short-term residential rental companies such as Airbnb and Vacation Rental by Owner (VRBO). While these online platforms have in some cases brought new visitors and tourism spending to BC, they have also negatively impacted the availability and affordability of monthly rental accommodations. One of the challenges is that these agencies are not subject to the same regulatory, legal, taxation, health and safety, or insurance laws as traditional accommodation providers.

For example, residents who offer fewer than four rooms for rent do not have to collect provincial sales taxes when renting those accommodations. This exemption has created an unclear business environment, and made it all but impossible for municipalities—even those with stringent bylaws targeting short-term rental accommodations—to effectively enforce the rules.

Eliminating section 78(1)(b) of BC's *Provincial Sales Tax Act* (Provincial Sales Tax Exemption and Refund Regulations) will eliminate this exemption and significantly enhance our community's enforcement regime. Not only will it encourage our local renters to register their business income fairly, but it will also increase voluntary compliance among landlords who risk finding themselves off-side with both local bylaws and the provincial tax code.

On behalf of the Board of Directors, we therefore respectfully request that the City of Richmond write to the Minister of Finance and formally request that *Provincial Sales Tax Act* exemption 78(1)(b) be rescinded. Council's support in this matter will be vital to encouraging effective action from BC's provincial government. We have attached a sample letter for Council's consideration.

Yours truly,



Gary Collinge
Chair

Richmond Hotel Association

cc: RHA Board of Directors

Comparison of Short-Term Rental Regulations in other Cities

Vancouver

The City of Vancouver does not presently have laws or policies in place dedicated to regulating the types of home sharing promoted by platforms such as Air BNB. Their zoning bylaw currently prohibits rentals of less than 30 days, unless in approved zones for Hotel or Bed and Breakfast businesses, accompanied by an appropriate City business licence. Recently, Vancouver reported to their Council recommending changes to the regulations and proposed allowing short term rentals in all units, as long as the units are the principal residence of the operator. The proposal has been approved to go out to public consultation in order to refine the policy approach and report back with bylaw amendments and an implementation plan.

San Francisco

San Francisco is the home of California based company, Airbnb, and enacted an ordinance effective February 1, 2015 legalizing short-term rentals in the city. Under the new law, all buildings containing one or more rental units are eligible for short-term rental, subject to the following restrictions:

- Short term rentals are permitted only in units where the owner or resident resides for at least 275 days per year;
- In the event that the host is not present for the rental, the unit may only be rented up to 90 days per year;
- Permanent residents are allowed to rent out their primary residences, but not locations in which they don't live, or second or vacation homes;
- Hosts are required to register and obtain a permit from the Office of Short Term Rental, and pay a \$50 fee every two years;
- Hosts are required to be covered by liability insurance with at least \$500,000 in coverage;
- Hosts who are tenants are not allowed to charge their guests more rent than they are paying to their current landlord;
- The 14% San Francisco hotel tax--called the "Transient Occupancy Tax"--must be collected from renters and paid to the city; and
- Tenants must to notify their landlords before they engage in short-term rentals of their units.

Quebec

Québec is the first Canadian Jurisdiction to regulate the home-sharing industry. The new provincial laws came into effect during April 2016, and require owners who "regularly" rent out their properties to obtain the same provincial certification as hotel and bed-and-breakfast operators. Approval for certification requires that home-sharing operations do not violate any municipal zoning bylaws. Under this scheme, travellers are charged lodging taxes of up to 3.5 per cent.

Occasional hosts are not required to obtain provincial certification and comply with the same regulations as are regular hosts. The current legislation does not make a clear distinction as to what constitutes each category of host. In order to facilitate the new legislation, the government increased its number of inspectors tasked with enforcing hotel laws from two to eighteen.

Portland

The City of Portland adopted regulations that define what is allowed as an Accessory Short-Term Rental (ASTR). A basic definition for a City of Portland ASTR is where an individual or family resides in a dwelling unit and rents bedrooms to overnight guests for less than 30 days. The regulations allow ASTRs in houses, attached houses, duplexes, manufactured homes on its own lot, and accessory dwelling units. Bedrooms in legal detached accessory structures can also be rented to overnight guests and count towards the maximum size limit.

There are two types of ASTRs, each with a specific permitting process:

- Type A - is one where the resident rents no more than 2 bedrooms to overnight guests. A Type A Accessory Short-Term Rental Permit is required, which includes a safety inspection as part of the permit approval and neighborhood notification.
- Type B - is one where the resident rents between 3 and 5 bedrooms to overnight guests. A Land Use Conditional Use Review application is required along with a site inspection or self-certification for the same safety features as the Type A rental.

Austin, Texas

Austin has five short-term rental licences categories. In Austin, an owner can rent his or her entire principal residence up to 179 nights per year and but can also rent a portion of their unit with no time limits. Austin also allows an owner to obtain a permit for on-site accessory dwellings (suite or coach house) with no annual night cap.

Austin also issues short-term rental licences for units that are not principal residences. In this case, the numbers of licences issued are capped at 3% of total housing units in residential areas and 25% of housing units in commercial areas. In all cases, the City of Austin's 9% Hotel Occupancy Tax applies to short-term rentals.

Comparison of Licence Fees for Bed and Breakfast Businesses

City	Bed and Breakfast Licence Fee
Vancouver	\$46 annual (\$54 App fee)
Surrey	\$105
Victoria	\$100
Kelowna	\$27.50
Kamloops	\$67.20
Burnaby	\$380 initial fee, \$130 for renewal
White Rock	\$150
Coquitlam	\$85
Nanaimo	\$165
North Vancouver	\$19 per room
Prince George	\$87
Pitt Meadows	\$49
Abbotsford	\$130
Maple Ridge	\$110
Richmond	\$162



City of Richmond

Memorandum Community Bylaws

To: Mayor and Councillors
From: Daniel McKenna
 Acting Senior Manager
 Law & Community Safety
Date: February 14, 2017
File: 12-8075-20-AMANDA
 #/2017-Vol 01
Re: Request for Statistics Related to Enforcement of Short Term Rentals

This memo will provide an update on enforcement activities by Community Bylaws regarding illegal hotels/bed and breakfasts/short term rentals since the last report to Council titled "Regulation of Short-Term Rental Units" dated November 29, 2016.

1. Since December 1, 2016 the Community Bylaws Staff has received 17 illegal hotel complaints and 10 illegal suite complaints. An additional 46 complaints have been received from a licenced Bed and Breakfast operator, most of which had been previously identified by Community Bylaws Staff.
2. At this time Community Bylaws have a total of 130 open investigations. This includes 61 addresses found on various short term rental web sites and 38 illegal hotel and 31 illegal suite complaints received from the public.
3. Research of current short term rental addresses identified approximately 21% of the residences located outside of single family zones.
4. Since December 1, 2016 Community Bylaws Staff have inspected 23 short term rental accommodations. These inspections were conducted to identify any structural changes and modifications made to the building which may accommodate short-term rentals.
5. Community Bylaws Staff have been verbally notifying short-term rental operators to cease operations when they have been identified through the inspection process. Operators who may be operating illegally and identified through searches conducted on short term rental web sites, will be issued a letter to cease and desist immediately. Failure to comply could result in inspections, fines and prosecutions. This letter has recently been reviewed and approved by Law. The distribution of this letter will commence immediately.
6. Bylaw officers have recently begun issuing tickets for contraventions under Zoning Bylaw 8500 and Business Regulation Bylaw 7538. To date there have been three tickets issued for contraventions to an operator of a licenced B&B. Another property owner operating an illegal hotel has been charged and a trial date of July 18 to July 20, 2017 has been set. The

owner has ceased operations and the matter is currently under negotiation with a view to reaching a settlement.

7. Since December 1, 2016 Community Bylaws Staff have closed down six illegal short-term rentals.
8. The four additional Bylaw Enforcement Officers will prioritize investigations and enforcement of illegal hotels/bed and breakfasts/short-term rentals as follows:
 - a. Public complaints
 - b. Web identified addresses:
 - i. Agricultural properties
 - ii. Single Family properties
 - iii. Multi Family properties

This is a synopsis of the enforcement action taken to date. A combination of intensified enforcement and the adoption of the proposed regulations will provide the opportunity to more effectively and efficiently address the illegal short-term rental issue in Richmond.



Daniel McKenna
Acting Senior Manager, Community Safety

DM:rg

pc: John McGowan, Acting GM, Law and Community Safety
Andre Nazareth, GM, Finance and Corporate Services
Doug Long, City Solicitor
Carli Edwards, P.Eng., Chief Licence Inspector
Ron Graham, Manager, Community Bylaws

Proposed New Penalties and Increased Fines

Type of Fine	Penalty (can be applied for each day the offense occurs)	Current Fine	Proposed Fine
Issued as a Municipal Ticket	For a licenced B&B – Failure to maintain Fire Evacuation Plan	\$250	\$1,000
	For a licenced B&B – No access to Guest Register	\$250	\$1,000
	For a licenced B&B – Premises not operator's Principal Residence	\$250	\$1,000
	Rentals for 30 days without a Licence	N/A	\$1,000
	For any B&B – excess guest rooms	\$250	\$1,000
	For any B&B – excess guest capacity	\$250	\$1,000
	For any B&B – excess guest room capacity	\$250	\$1,000
Imposed through prosecution in Court	Conviction for an Offence under the Business Regulation Bylaw	\$2,000	\$10,000
	Conviction for an Offence under the Business Licence Bylaw	\$2,000	\$10,000

Required Public Consultation for OCP and Bylaw Amendments

This report proposes changes to the existing regulations governing B&B operations, including new rules and increased fines for non-compliance. While agri-tourist accommodation is proposed to be removed as a permitted use from the Agriculture (AG1) zone, the use will continue to be defined so that site-specific rezoning applications may be considered by Council. There are no increases proposed to the existing licence fees and no new types of short-term of licences being proposed. Collectively, changes to these bylaws will require public notification and a public hearing.

As to the proposed amendments to the Official Community Plan (OCP) and Richmond Zoning Bylaw, should Council endorse and grant first reading to the proposed Official Community Plan (OCP) and Zoning Amendment Bylaws, then they will be forwarded to the next Public Hearing (anticipated to be April 18, 2017). The Agricultural Land Commission will be notified as the OCP amendment proposed is within the ALR. Richmond Official Community Plan Bylaw 9000, Amendment Bylaw 9691 having been considered in accordance with OCP Bylaw Preparation Consultation Policy 5043, is hereby found to not require further consultation beyond the Public Hearing (as shown in the table below). Public notification for the Public Hearing, including notification in the newspaper, will be provided as required under the Local Government Act. The public will have an opportunity to comment at the Public Hearing on the proposed Zoning Amendment Bylaw prior to final consideration of the amendment.

Required Public Consultation Process for OCP Amendments

OCP Consultation Summary

Stakeholder	Consultation
The Board of the Greater Vancouver Regional District (GVRD)	No consultation necessary, as the proposed amendments are consistent with the Regional Growth Strategy.
The Councils of adjacent Municipalities	No consultation necessary as adjacent municipalities are not affected.
First Nations (e.g., Sto:lo, Tsawwassen, Musqueam)	No consultation necessary as First Nations are not affected.
Richmond School Board	No consultation necessary as schools are not affected.
TransLink	No consultation necessary as no transportation or road network changes are proposed.
Provincial and federal government and their agencies	No consultation necessary as they are not affected.
Vancouver International Airport Authority (VIAA)	No consultation necessary as it is not affected.
Richmond Coastal Health Authority	No consultation necessary as it is not affected.

The process for amendments to the Business Licence, Business Regulation, Municipal Ticket Information Authorization and Consolidated Fees bylaws (collectively, the "Amendment Bylaws") requires public notification prior to final consideration. Should the General Purposes Committee endorse the proposed Amendment Bylaws, and if Council grants bylaw readings in

accordance with the Community Charter, the public will be given notice and the opportunity to make representations to Council prior to final adoption.

In addition to the statutory requirements for a public hearing and public notification, it will be important to notify the public of the changes, including those currently operating or impacted by any type of short-term rentals. The communications plan in Attachment 12 provides a summary of actions and deliverables that will be implemented should Council adopt the proposed changes in this report.

Communication Plan: Short-term Rentals

Purpose:

Disseminate the proposed changes using a wide range of communication tools to increase understand of and compliance with the regulations:

Highlight of Proposed Communication Plan:

Communication Tool	Timing
Question and answer guide for frontline staff	<ul style="list-style-type: none"> • Immediately following Council granting first reading • Immediately following adoption of new bylaws
News release to be issued immediately following Council's decision	<ul style="list-style-type: none"> • Immediately following Council granting first reading • Immediately following adoption of new bylaws
Print advertisements in the local community paper and ethnic newspapers	<ul style="list-style-type: none"> • Standard advertisement for Public Hearing • After adoption of new bylaws
Prepared letter/email for distribution to residents operating legal B&Bs	<ul style="list-style-type: none"> • Acknowledge legal operations and provide them with additional regulations for annual renewal
First and second notices to residents hosting unlicensed short-term rentals	<ul style="list-style-type: none"> • In co-ordination with Bylaw Enforcement to notify illegal short-term rental operators on bylaw changes and invitation to submit for approval for those who fit the criteria
Updated brochure to explain the changes to the bylaw and related requirements	<ul style="list-style-type: none"> • Immediately following adoption of new bylaws
Web page and social media content	<ul style="list-style-type: none"> • Immediately following Council granting first reading • Immediately following adoption of new bylaws
Prepared letter/email to send to stakeholders such as AirBnB and Expedia	<ul style="list-style-type: none"> • After adoption of bylaws to invite cooperation from these companies to only host legally approved short-term rentals on their websites

Attachment 2

Owner as B&B Operator a Review (as of March 16, 2017)

Municipality	Bylaw		Req. Operator to reside in B&B	Req. B&B Operator to be Owner
Richmond	Zoning Bylaw		Yes	No
	Business Licence Bylaw		With amendment	No
	Business Regulation Bylaw		With amendment	No
Vancouver	Zoning Bylaw 3575	<p>Defined as a Service Use</p> <p>"Bed and Breakfast Accommodation" means the use of a dwelling unit as temporary accommodation for tourists or transients where the room rate includes breakfast provided on the premises.</p> <p>11.4 Bed and Breakfast Accommodation -- subject to the following:</p> <p>11.4.1 A maximum of two bedrooms accommodating a maximum of four bed and breakfast guests may be permitted in a dwelling unit.</p> <p>11.4.2 The provision of bed and breakfast accommodation shall not be permitted coincidentally with the keeping of boarders and lodgers.</p> <p>11.4.3 The operator of the bed and breakfast accommodation shall reside in the dwelling unit</p>	Yes	No
	License Bylaw 4450	"Bed and Breakfast Accommodation" means the use of a dwelling unit as temporary accommodation for tourists or transients where the room rate includes breakfast provided on the premises.	No	No
	Guidelines (1989)	Nothing related to ownership or operators. Safety related.	No	No
Vancouver (con't)	Website http://vancouver.ca/doing-business/bed-and-breakfast-business.aspx	<p>A Bed and Breakfast is temporary accommodation that is provided by a homeowner from within a residence. Under the Bed and Breakfast regulations, the homeowner must live in the residence.</p> <p>A Bed and Breakfast is limited to a maximum of Two bedrooms and Four guests</p> <p>Requirements: One additional parking space; Payment of a one-time Development and Building permit fee; An approved safety inspection from a City Inspector; City of Vancouver Business Licence</p>	Yes	Maybe, but non-binding

Municipality	Bylaw		Req. Operator to reside in B&B	Req. B&B Operator to be Owner
Surrey	Zoning Bylaw No. 12000	<p>“Bed and Breakfast” means a business operation carried on by the members of a family as a home occupation to provide temporary sleeping accommodations, with or without meals being provided, all provided for a prescribed charge on a daily basis, where the maximum length of occupancy by any patron is not more than 30 days in a 12-month period.</p> <p>“Family” means 1 or more persons occupying a dwelling unit and living as a single non-profit housekeeping unit.</p> <p>“Home Occupation” means an occupation or profession carried on as a business by a person residing in the same dwelling unit as the business, but shall exclude social escort services, automotive service uses and tow truck operations.</p> <p>Uses Permitted in Specific Zones</p> <p>(a) Bed and Breakfast: Where the bed and breakfast use is permitted, the following conditions shall apply:</p> <ul style="list-style-type: none"> i. Not more than 6 patrons shall be accommodated within 1 dwelling unit; ii. Not more than 3 bedrooms shall be used for the bed and breakfast operation; iii. No cooking facilities or other facilities for the keeping of food shall be provided for within the bedrooms intended for the said operation; iv. Parking of cars, trucks, house trailers, campers or boats operated by the patrons shall be provided for within the lot; v. No patron shall stay within the same dwelling for more than 30 days in a 12-month period; and vi. A valid business license has been issued for the use. <p>(c) Where the bed and breakfast use and boarders or lodgers are permitted the maximum number of patrons accommodated for both uses shall not exceed 6.</p> <p>(d) The bed and breakfast use and boarders or lodgers are not permitted in a building containing a secondary suite.</p>	Yes	No

Municipality	Bylaw		Req. Operator to reside in B&B	Req. B&B Operator to be Owner
Surrey (con't)	Business License Bylaw 13680	<p>"Bed and Breakfast" means a business operation carried on by the members of a family as a home occupation to provide temporary sleeping accommodations, with or without meals being provided, all provided for a prescribed charge on a daily basis, where the maximum length of occupancy by a patron is not more than 30 days in a 12-month period.</p> <p>Bed and Breakfast 43. (1)Every proprietor of a bed and breakfast must: (a)supply the Inspector with the number of bedrooms intended for the operation, the daily rate of charge, and whether meals are to be provided; (b)keep the records of all patrons, including dates of arrival and departure; (c)post the daily rate of charge at an easily visible location in the premises; and (d)request inspection of the premises at the time the business license application is made. (2)No proprietor of a bed and breakfast will accommodate more than six people at the premises</p>	Yes	No
Burnaby	Zoning Bylaw	<p>"BOARDING, LODGING OR ROOMING HOUSE" means a dwelling in which more than 2 sleeping units are rented, with or without meals being provided, to more than 2 and not exceeding 15 persons, other than members of the family of the lessee, tenant or owner, and excludes the preparation of meals within the rented units. "FAMILY" means (a) persons related by blood, marriage, adoption or foster care, or (b) a group of not more than three unrelated non-transient persons living together as a single non-profit group in a dwelling unit and using common cooking facilities and excludes boarders, lodgers and servants but includes a person living alone.</p>	Yes	No
Delta	Zoning Bylaw 2750	<p>Bed and Breakfast Unit: A room, which may also include a bathroom, occupied or intended to be occupied by persons requiring temporary lodging while absent from their normal or permanent place of residence.</p>	No	No

Municipality	Bylaw		Req. Operator to reside in B&B	Req. B&B Operator to be Owner
City of Langley	Zoning Bylaw 2100	<p>Home Occupation means an occupation or profession carried on for profit within a dwelling unit by a person residing in the same dwelling unit in a manner ancillary to the residential use of the building and includes a bed and breakfast (limited to two (2) sleeping rooms) and a Child Care Centre (limited to eight (8) children), but excludes retail sales.</p> <p>Home occupations shall be permitted in all Residential Zones provided that such occupations:</p> <ul style="list-style-type: none"> i) Must be conducted by a resident of the residential building in which they are permitted and shall not employ more than one person not resident therein; ii) Shall meet all Provincial and Federal health and safety requirements and produce no public offence or nuisance, by noise, vibration, smoke, odour, dust, heat, glare, electrical interference or by any other means; and iii) Shall not give any external indication of the existence of the occupation, other than a name plate not exceeding 0.2 m² [2.15 ft²] by displays, floodlighting, storage of materials, alteration of the appearance of buildings or by any other means. 	Yes	No
	Business Licence Bylaw 2916	<p>36. Home Occupations</p> <p>(2). Home occupation businesses must be in compliance with all home occupation regulations enacted in the City's zoning bylaw.</p>	Yes	No
Township of Langley		<p>“AGRICULTURE USE” means a building or use for</p> <ul style="list-style-type: none"> h) bed and breakfast facilities, allowing a maximum of three sleeping units in either a principal or accessory building, subject to: <ul style="list-style-type: none"> i) being specifically permitted by the Agricultural Land Commission; ii) being an accessory use on the property; iii) being limited to one establishment per legal parcel; iv) being located on a lot having a minimum lot size of 1.7 ha (4.2 acres); v) the bed and breakfast lot being owner occupied; vi) complying with health, fire and building codes; and vii) obtaining a valid business licence. 	Yes	Yes

Municipality	Bylaw		Req. Operator to reside in B&B	Req. B&B Operator to be Owner
New Westminster	Zoning Bylaw 6680	<p>BED AND BREAKFAST means a home based business to provide temporary sleeping accommodations on not less than a daily basis, including the provision of a daily breakfast.</p> <p>HOME BASED BUSINESS means an accessory use to an authorised residential use in which one or more residents carry on a business, and for greater certainty, includes a bed and breakfast, but does not include child care.</p> <p>190.28 j) every operator of a home based business must first receive permission from the landlord or strata corporation in order to operate a home based business;</p> <p>(p) a bed and breakfast</p> <p>i) may not accommodate no more than four guests except that one additional guest for every 500 square feet (46.45 square metres) of floor space in the dwelling unit over 2,000 square feet (185.80 square metres) is permitted, to a maximum of 10 guests;</p> <p>ii) may occupy one Off-Street parking or one on-street parking per bed and breakfast bedroom, provided that not more than two spaces per every three bed and breakfast bedrooms are occupied; and</p> <p>iii) in the case where a house contains a secondary suite, may be operated in either the principal residence or the secondary suite, but not both.</p>	Yes	No

Municipality	Bylaw		Req. Operator to reside in B&B	Req. B&B Operator to be Owner
Ferne	Zoning Bylaw 1750	<p><i>BED AND BREAKFAST USE - RESIDENTIAL</i> means: an owner occupied dwelling unit located in a residential zone in which not more than three (3) bedrooms are rented to paying customers on an overnight basis. One on site parking stall is required per room.</p> <p><i>BED AND BREAKFAST USE - COMMERCIAL</i> means: an owner occupied dwelling unit located in a commercial zone in which up to four (4) bedrooms are rented to paying customers on an overnight basis.</p> <p>3.6 BED AND BREAKFAST A bed and breakfast operation is an establishment where overnight accommodation is provided in fixed roof structures, where washroom facilities may or may not be shared and meals may or may not be provided. They shall take place within an inhabited residence or commercial area and are divided into two categories: residential and commercial, and are guided by the following general provisions.</p> <p>.1 Bed and Breakfast - Residential:</p> <ul style="list-style-type: none"> a) shall be owner occupied in a residential zone; b) shall not provide more than three (3) rooms for the purpose of paying guests within the home; c) one parking space must be provided on site for each room to be rented; d) the employment of one additional staff, who does not live in the primary residence, is allowed to assist with the operation of the bed and breakfast facility. <p>.2 Bed and Breakfast - Commercial:</p> <ul style="list-style-type: none"> a) shall be owner occupied in a commercial zone; b) a bed and breakfast commercial shall not provide more than four (4) rooms for the purpose of paying guests within the home; c) one parking space must be provided on site for each room to be rented; d) built form and signing shall conform to the City of Fernie Building Facade Design Guidelines, if located in a commercial Development Permit Area. e) the employment of two additional staff, who do not live in the primary residence, are allowed to assist with the operation of the bed and breakfast facility; f) a bed and breakfast commercial operation may allow limited retail sales to occur, for the sales of crafts, baking or convenience goods, providing the space used for display and sales of the goods does not exceed 120 sq. m. 	Yes	Yes

Municipality	Bylaw		Req. Operator to reside in B&B	Req. B&B Operator to be Owner
Coquitlam	Zoning Bylaw 3000	<p>BOARDING means the rental and occupation of a sleeping unit which is attached to or part of a dwelling unit, either with common cooking facilities, or where regular meals are provided; includes bed and breakfast accommodation.</p> <p>508 Accessory Uses (1) Boarding Use A boarding use: (a) must not accommodate more than two boarders per dwelling unit; (b) in the form of bed and breakfast accommodation, may provide accommodation for one family or two boarders; and (c) must be completely enclosed within a building.</p>	No	No
Victoria	Zoning Bylaw	<p>“Transient Accommodation” means: a) the use of land or a building for the temporary accommodation of visitors, and without limitation includes hotels, motels, vacation rentals and bed and breakfast accommodation; but b) does not include the accommodation of visitors without receipt of payment or other consideration, where that accommodation is incidental to and normally associated with the permitted residential use of a dwelling unit. “Home Occupation” means making, servicing, or repairing goods, or providing services for hire or gain by any person, wholly within a dwelling unit occupied by that person, but does not include the following except as provided in Schedule D: a) the sale of goods on or from the dwelling unit or its premises; b) the provision of escort services within a multiple dwelling; c) small-scale commercial urban food production.</p> <p>Schedule D. 11. Subject to the following requirements, where any building is used as a single family dwelling, up to two bedrooms may be used for transient accommodation as a home occupation. (1) Notwithstanding Section 4, meals or food services may be provided to any customers but not after 12:00 noon. (2) No liquor shall be provided to any customers. (3) One parking space for each room available for transient accommodation shall be provided on the lot and a parking space may be located behind another parking space. (4) No sign may be erected, used, or maintained for the purpose of advertising transient accommodation use within a single family dwelling.</p>	<p>Yes, if B&B up to two bedrooms</p> <p>Yes, in particular zones</p>	No

Municipality	Bylaw		Req. Operator to reside in B&B	Req. B&B Operator to be Owner
Victoria (con't)	Licence Bylaw 89-071	<p>18. Subject to Clause 19, a person letting individual rooms, suites of rooms, or lodgings for hire, either in a hotel, rooming house, apartment house, lodging house or elsewhere, and whether or not board or meals are supplied to the occupants thereof \$100.00, plus \$5.00 for each room let or available for letting</p> <p>19. Any persons who</p> <p>(a) have 2 or fewer rooms or suites for rent in a dwelling unit where the dwelling unit is occupied by its owner, the dwelling unit remains as a single legal title, and the interval at which rent is payable on the suite or rooms is <u>one month or longer</u>, or</p> <p>(b) let a room or suite of rooms under a registered lease with an initial or renewal term of 99 years or more are not required to take out or hold a license under Clause 18.</p>	No	No

Proposed Communication Plan: Short-term Rentals

Purpose:

Disseminate the proposed changes using a wide range of communication tools to increase understand of and compliance with the regulations:

Highlight of Proposed Communication Plan:

Communication Tool	Timing
Question and answer guide for frontline staff	<ul style="list-style-type: none"> • Immediately following Council granting first reading • Immediately following adoption of new bylaws
News release to be issued immediately following Council's decision	<ul style="list-style-type: none"> • Immediately following Council granting first reading • Immediately following adoption of new bylaws
Print advertisements in the local community paper and ethnic newspapers	<ul style="list-style-type: none"> • Standard advertisement for Public Hearing • After adoption of new bylaws
Prepared letter/email for distribution to residents operating legal B&Bs	<ul style="list-style-type: none"> • Acknowledge legal operations and provide them with additional regulations for annual renewal
First and second notices to residents hosting unlicensed short-term rentals	<ul style="list-style-type: none"> • In co-ordination with Bylaw Enforcement to notify illegal short-term rental operators on bylaw changes and invitation to submit for approval for those who fit the criteria
Updated brochure to explain the changes to the bylaw and related requirements	<ul style="list-style-type: none"> • Immediately following adoption of new bylaws
Web page and social media content	<ul style="list-style-type: none"> • Immediately following Council granting first reading • Immediately following adoption of new bylaws
Prepared letter/email to send to stakeholders such as AirBnB and Expedia	<ul style="list-style-type: none"> • After adoption of bylaws to invite cooperation from these companies to only host legally approved short-term rentals on their websites



Richmond Official Community Plan Bylaw 9000
Amendment Bylaw 9691
(B&B Buffer)

The Council of the City of Richmond, in open meeting assembled, enacts as follows:

- 1. Richmond Official Community Plan Bylaw 9000 is amended at Section 3.2 (Neighbourhood Character and Sense of Place), Objective 1 , by adding the following to the policies listed below "Single Family Land Uses":
- to limit the commercialization of single family neighbourhoods, and to mitigate potential impacts on traffic, parking congestions, and noise in single family neighbourhoods, bed and breakfast operations shall be located no less than 500 metres apart;"
2. This Bylaw may be cited as "Richmond Official Community Plan Bylaw 9000, Amendment Bylaw 9691".

FIRST READING

MAR 27 2017

PUBLIC HEARING

SECOND READING

THIRD READING

ADOPTED

CITY OF RICHMOND
APPROVED by [Signature]
APPROVED by Manager or Solicitor [Signature]

MAYOR

CORPORATE OFFICER



**Richmond Zoning Bylaw No. 8500
Amendment Bylaw No. 9647**

The Council of the City of Richmond, in open meeting assembled, enacts as follows:

1. Richmond Zoning Bylaw No. 8500, as amended, is further amended at Section 3.4:
 - a. by deleting and replacing the definition of **Agri-tourist accommodation** with the following:

“Agri-tourist accommodation means accommodation for an **agri-tourist operation** on a farm, limited to 10 sleeping units in total of seasonal campsites, seasonal cabins or the short-term use of **bedrooms.**”
 - b. by adding the following definition after the definition of **“exhibition & convention facilities”**:

“Family member means, with respect to a person:

 - a) the person’s spouse;
 - b) the person’s child;
 - c) the person’s spouse’s child;
 - c. by adding the following definition after the definition of **“hutch”**:

“Individual registered owner means with respect to land, any individual person who is:

 - a) the registered owner of an estate in fee simple; or
 - b) the tenant for life under a registered life estate.”
 - d. by adding the following definition after the definition of **“open space”**:

“Operator means the person who operates the **bed and breakfast.**”; and
 - e. by adding the following definition after the definition of **“premises”**:

“Principal residence means a **dwelling** in which an **operator** ordinarily resides. A person can only have one **principal residence.**”

2. Richmond Zoning Bylaw No. 8500, as amended, is further amended at Section 5.5:
 - a. by deleting subsection 5.5.2 and replacing it with the following:

“5.5.2. A **bed and breakfast use** is not permitted in a **single detached housing dwelling unit** or on a lot that contains a **secondary suite**, a **granny flat**, or a **coach house**, or a **boarding and lodging**, **minor community care facility**, **agri-tourist accommodation**, or **child care home business use**.”;
 - b. by deleting subsection 5.5.3 and replacing it with the following:

“5.5.3. A **bed and breakfast use** is permitted only in a **single detached housing dwelling unit** that is the **principal residence** of the **operator**, where the **operator** is an individual and not a corporation.

5.5.3A. A **bed and breakfast use** is permitted only in a **single detached housing dwelling unit** where the **operator** is the **individual registered owner** of the **dwelling** or the **individual registered owner’s family member**.”; and
 - c. by inserting the following as a new subsection 5.5.5A. following 5.5.5.:

“5.5.5A. **Bed and breakfast use** of a **single detached housing dwelling unit** is limited to accommodation of a maximum of **6 guests** at one time.”.

3. Richmond Zoning Bylaw No. 8500, as amended, is further amended by adding the following after Section 5.19 as new Section 5.20:

“5.20 Short Term Rental of Dwelling Units

5.20.1 No person shall use or permit to be used any **dwelling unit**, or portion thereof, for accommodation for a period of less than thirty (30) days unless such **dwelling unit** forms part of a **hotel** or a **motel**, or is used for **boarding and lodging**, **agri-tourist accommodation**, **community care facility**, **dormitory**, or **bed and breakfast use** in compliance with all applicable bylaws.”

4. Richmond Zoning Bylaw No. 8500, as amended, is further amended:
 - a. at section 14.1.3 by deleting “**agri-tourist accommodation**”;
 - b. at section 14.1.11.4 by deleting section 14.1.11.4 and replacing it with the following:

“4. *Intentionally deleted.*”; and
 - c. at section 15.11.11.1 by deleting section 15.11.11.1 and replacing it with the following:

“1. *Intentionally deleted.*”.

5. This Bylaw is cited as **“Richmond Zoning Bylaw No. 8500, Amendment Bylaw No. 9647”**.

FIRST READING

PUBLIC HEARING

SECOND READING

THIRD READING

OTHER CONDITIONS SATISFIED

ADOPTED

MAR 27 2017

CITY OF RICHMOND
APPROVED by <i>CG</i>
APPROVED by Director or Solicitor <i>JA</i>

MAYOR

CORPORATE OFFICER



Richmond Zoning Bylaw No. 8500
Amendment Bylaw No. 9692
(B&B Buffer)

The Council of the City of Richmond, in open meeting assembled, enacts as follows:

- 1. Richmond Zoning Bylaw No. 8500, as amended, is further amended at Section 5.5 by inserting the following as a new subsection 5.5.10. following 5.5.9.:
"5.5.10. Each bed and breakfast use must be no less than 500 m apart, measured from the centre point of each lot."
2. This Bylaw is cited as "Richmond Zoning Bylaw No. 8500, Amendment Bylaw No. 9692".

FIRST READING

PUBLIC HEARING

SECOND READING

THIRD READING

OTHER CONDITIONS SATISFIED

ADOPTED

MAR 27 2017

Series of horizontal lines for recording dates and actions.

CITY OF RICHMOND
APPROVED by [Signature]
APPROVED by Director or Solicitor [Signature]

MAYOR

CORPORATE OFFICER