

Refers to Item #1  
Public Hearing of October 24, 2017

## MEMORANDUM

October 17, 2017

TO: Mayor and Council

CC: Sadhu Johnston, City Manager  
Paul Mochrie, Deputy City Manager  
Janice MacKenzie, City Clerk  
Lynda Graves, Manager, Administration Services, City Manager's Office  
Rena Kendall-Craden, Director, Communications  
Kevin Quinlan, Chief of Staff, Mayor's Office  
Francie Connell, Director, Legal Services  
Gil Kelley, General Manager, Planning, Urban Design and Sustainability  
Kathleen Llewellyn-Thomas, General Manager, Community Services  
Darrell Reid, Fire Chief, Fire and Rescue Services  
Kathryn Holm, Chief Licence Inspector  
Patrick Ryan, Chief Building Official

FROM: Kaye Krishna, General Manager, Development, Buildings and Licensing

SUBJECT: Regulating Short-Term Rentals in Vancouver

### Context

On July 11, 2017, Council referred proposed regulations on short-term rental accommodation to Public Hearing, scheduled for October 24, 2017. The purpose of the Public Hearing is to explain the proposed regulations, allow the public to voice their opinions, and allow staff to answer questions ahead of Council deliberations on whether to implement the policy.

Legal Services has posted drafts of the proposed amendments to the Zoning and Development By-law, Licence By-law and Ticket Offences By-law, generally in accordance with the Policy Report dated July 5, 2017, entitled "Regulating Short-Term Rentals in Vancouver". Since referral, staff recommend minor changes and additions to the proposed regulations which are described in this Memorandum.

## Maintaining the Existing “Bed and Breakfast” Business Licence

Bed and Breakfast Operators currently must provide breakfast for guests, reside in the premises throughout the stay, and supply off-street parking - requirements which are not proposed for the new Short-Term Rental Operator business licence. Bed and Breakfasts must also be zoned accordingly, and meet enhanced fire standards compared to residential homes. In addition, Bed and Breakfasts may currently offer two separate accommodations, whereas the proposed Short-Term Rental Operator business licence allows only one rental accommodation per licence.

The July 5 Policy Report stated that “the existing ‘Bed and Breakfast’ business licence would be replaced with the ‘Short-Term Rental Operator’ business licence”, and that “proposed short-term rental regulations would replace existing regulations governing the operations of traditional Bed and Breakfasts”. The report also stated that existing Bed and Breakfast Operators could continue offering two accommodations if they applied for an exemption.

However, following additional analysis and deliberation, staff now recommend maintaining the existing Bed and Breakfast business licence to:

- Provide the option for existing Bed and Breakfast Operators to keep their current business licence if preferred;
- Avoid licence condition exemptions for existing Bed and Breakfast Operators who offer two separate accommodations;
- Avoid non-conformance issues related to existing by-laws;
- Reflect that traditional Bed and Breakfasts may follow a different business model than the emergent short-term rental accommodation market.

The posted by-law amendments maintain the Bed and Breakfast business licence, providing existing Bed and Breakfast Operators with a choice of whether to keep their current licence, or apply for the Short-Term Rental Operator business licence and comply with the associated requirements (which include a restriction to one accommodation per licence without exception).

## Supporting Implementation and Enforcement

Staff are also recommending minor changes and additions to the regulations proposed in the July 5 Policy Report to support implementation and enforcement, including:

- **A New Offence for Marketing Short-Term Rentals.** Establishing a new offence in the Ticket Offences By-law specifically prohibiting the marketing or advertising of short-term rental accommodation without a valid business licence.
- **Liability Insurance Recommendations.** Rather than requiring Short-Term Rental Operators obtain liability insurance through the Licence By-law, the City would instead recommend adequate insurance coverage, but defer matters relating to liability to the appropriate jurisdiction.
- **Inspection Powers.** Consistent with inspection access requirements in Section 7 of the existing Licence By-law, the City would require Short-Term Rental Operators give the Fire Chief or the Chief Licence Inspector, or any member of staff authorized by the Fire Chief or the Chief Licence Inspector, access to the Short-Term Rental Accommodation at any reasonable hour.

No action is required by Council, as the draft Zoning and Development By-law, Licence By-law, and Ticket Offences By-law amendments have been prepared to reflect the changes and additions to the July 5 Policy Report described in this Memorandum.

The proposed regulations for short-term rentals were developed based on extensive engagement, policy review, comparative analysis of other cities, and in coordination with other City of Vancouver initiatives such as Housing Vancouver and the Empty Homes Tax. Staff are looking forward to hearing from the public regarding these important regulations, so that the City may select the best pathway forward to regulate short-term rentals to enable supplemental income for residents, economic development, and tourism; without undermining the long-term rental market or neighbourhood fit in residential areas.

Sincerely,

A handwritten signature in black ink, appearing to read 'Kaye Krishna', with a horizontal line extending to the right.

Kaye Krishna  
General Manager, Development, Buildings and Licensing

