

## **DISTRICT OF NORTH VANCOUVER COUNCIL WORKSHOP**

Minutes of the Council Workshop for the District of North Vancouver held at 5:03 p.m. on Tuesday, November 28, 2017 in the Committee Room of the District Hall, 355 West Queens Road, North Vancouver, British Columbia.

**Present:** Mayor R. Walton  
Councillor M. Bond  
Councillor J. Hanson  
Councillor R. Hicks  
Councillor D. MacKay-Dunn

**Absent:** Councillor R. Bassam  
Councillor L. Muri

**Staff:** Mr. D. Milburn, General Manager – Planning, Properties & Permits  
Mr. J. Gordon, Manager – Administrative Services  
Mr. T. Lancaster, Manager – Community Planning  
Ms. J. Paton, Manager – Development Planning  
Ms. C. Archer, Confidential Council Clerk  
Mr. F. Donnelly, Research Analyst

### **1. ADOPTION OF THE AGENDA**

#### **1.1. November 28, 2017 Council Workshop Agenda**

**MOVED by Councillor MACKAY-DUNN**

**SECONDED by Councillor BOND**

THAT the agenda for the November 28, 2017 Council Workshop is adopted as circulated.

**CARRIED**

### **2. ADOPTION OF MINUTES**

Nil

### **3. REPORTS FROM COUNCIL OR STAFF**

#### **3.1. Short-Term Rentals**

File No. 13.6480.30/003.002.000

Mr. Dan Milburn, General Manager – Planning, Properties & Permits, reported that Council had requested more information on short-term rentals (STR's) and related issues in the District. It was noted that all businesses require a business licence and STR's are not permitted under the Zoning Bylaw.

Mr. Tom Lancaster, Manager – Community Planning, provided an overview of STR's, noting that they are defined as rentals of less than thirty days. Mr. Lancaster reported that STR's exist worldwide and are facilitated by a number of online platforms, the best known of which is Airbnb.

Mr. Lancaster reported that every major city and many smaller cities are grappling with the same issues as the District regarding STR's. Mr. Lancaster provided an overview of the potential benefits and challenges of STR's, highlighting:

- Disruption of the traditional industry, including hotels and motels;
- Facilitates tourism in areas not serviced by hotels;
- Impact on housing affordability and availability of rental stock;
- Increased noise and traffic;
- Security concerns; and,
- Lack of regulation, including fire, health and safety inspections and licensing.

Council discussion ensued and the following comments and concerns were noted:

- Commented that platforms such as Airbnb have significant earnings from District properties and do not pay any local taxes or fees;
- Noted that licenced bed and breakfast businesses in the District pay fees;
- Queried if property owners pay income tax on STR income;
- Queried how other municipalities handle STR's; and,
- Commented regarding the negative impact on available housing, noting apartments and houses are being purchased for STR use that would otherwise be available as owned or rental housing.

In response to a question from Council regarding differences between STR's and bed and breakfast businesses, staff advised that a STR may include a whole house and a bed and breakfast is a room only, with no kitchen. Staff further noted that short-term rental of a whole house or a suite is a non-residential use and prohibited under District bylaws. A bed and breakfast is allowed in a residence as a commercial operation, with the owner present, and certifications, including Foodsafe, are required.

Mr. Lancaster reviewed existing STR's in the District, reporting that the total number of units fluctuates by season and year-to-year. In June 2017, there were 666 listings, representing 588 unique properties, across all platforms. Mr. Lancaster provided a map of the listings, noting they are spread out evenly across the District.

Mr. Lancaster advised that there have been fewer than ten properties receiving complaints regarding STR's since 2009, with some subject to multiple complaints. It was noted that residents may not be aware that STR's are prohibited, leading to fewer complaints.

In response to a question from Council regarding revenues, staff advised that STR's generate as much as three times the revenue as long-term rentals.

Council discussion continued and the following comments and concerns were noted:

- Commented that managing STR's requires more work than having long-term tenants;
- Expressed concern that any new regulations not negatively affect student home stay rentals or sports billets;
- Commented regarding the fairness of some groups paying their share and some not;
- Commented regarding the intention of the Official Community Plan to protect single-family neighbourhoods;

- Commented that STR's provide an option for travellers;
- Recommended licensing and regulation, with strict bylaw enforcement;
- Commented regarding security concerns raised by having strangers in residential neighbourhoods; and,
- Commented that hotel guests are required to register, provide identification and pay hotel tax.

Mr. Lancaster reviewed the approach taken by other municipalities regarding STR's, noting that there is no consistent approach to regulation and many are waiting to take action. The City of Vancouver requires a business licence and allows STR's only in principal residences. STR's are allowed in secondary suites and laneway homes only if they are primary residences. This approach helps prevent potential rental stock in the form of unrented secondary suites and non-primary residences from being used as STR's. It was noted that the intent of allowing laneway homes (coach houses in the District) is to increase housing options, not to provide additional STR stock. The program launches in Vancouver in April 2018. Mr. Milburn reported that the three possible revenue sources being explored by the City of Vancouver are a hotel tax, which would only contribute to tourism marketing; business licensing; and a share of the revenue from each rental. It was noted that changes to the *Vancouver Charter* would be required to introduce new taxation in the City of Vancouver and to the *Community Charter* for other municipalities, including the District.

The meeting recessed at 5:37 pm and resumed at 5:41 pm.

Mr. Lancaster reported that the number of STR's in the City of Richmond dropped from over one thousand to approximately five hundred following the introduction of regulations.

Mr. Lancaster reported that staff is seeking direction from Council on how to approach STR's and if they will be allowed at all. Mr. Lancaster noted there are a range of policy approaches from permissive to restrictive, with monitoring and enforcement staffing resources required. Mr. Lancaster further noted that regulation is possible at the Provincial level, which is in place in Quebec, where STR's are required to pay hotel tax.

Mr. Lancaster reported that Tofino and Whistler have taken an aggressive approach to STR's due to the negative effect on service industry job housing.

Mr. Felim Donnelly, Research Analyst, provided an overview of the approaches and stages at which other municipalities are addressing STR's. Mr. Donnelly advised that some municipalities are deliberating, some undertaking community consultation and some not dealing with STR's at all.

Mr. Lancaster advised that monitoring, compliance and enforcement present challenges, including tracking individual properties across multiple platforms and the costs associated with enforcement. Ticketing is currently the primary means of enforcement and is limited due to the lack of specific regulation regarding STR's.

Mr. Lancaster advised that the options being presented to Council for consideration are to:



- Amend the Zoning Bylaw to specifically address STR's;
- Draft a comprehensive STR regulatory framework; or,
- Monitor complaints and take no further action at this time.

Council discussion continued and the following comments and concerns were noted:

- Commented that STR's should require a business licence and pay taxes;
- Noted that there will be enforcement issues if STR's are allowed in the District;
- Commented regarding changes in retail and other areas of the economy;
- Expressed support for continuing to prohibit STR's due to the current vacancy rate and urgent need for housing;
- Expressed support for the model being introduced in Vancouver, noting a need to introduce regulation early to ensure the public understands the framework;
- Suggested limiting the total stay duration per year of each STR;
- Recommended maintaining complaint-driven enforcement unless STR's become a larger problem in the District;
- Commented regarding disruption to residents, particularly parking issues;
- Recommended requiring the owner to be present;
- Commented regarding areas such as Deep Cove where there are existing parking issues;
- Recommended consultation with community associations;
- Noted some areas may need to be excluded;
- Noted that some owners are using STR's to supplement income in order to finance their homes;
- Commented regarding balancing the interests of private property owners and the safety, security and enjoyment of residents;
- Expressed concern that the introduction of taxes and fees in the City of Vancouver could push more STR's into the District;
- Commented regarding the potential for municipal revenue;
- Expressed support for lobbying the Provincial Government for changes to allow taxation;
- Requested more detailed information on STR units;
- Commented regarding potential challenges with the registration process and suggested reducing or eliminating registration fees for those who register when regulation is introduced; and,
- Noted owners should be held responsible for the conduct of their renters.

In response to a question from Council regarding Housing Bylaw prohibitions on rental restrictions, Mr. Milburn advised that stratas may prohibit stays less than a month.

In response to a question from Council regarding next steps, Mr. Lancaster advised that staff will report back to Council with:

- A detailed matrix of all forms of rentals in the District;
- Potential impacts of different forms of regulation; and,
- More details on the available options for regulation.

#### 4. Public Input

##### 4.1 Mr. Corrie Kost, District Resident:

- Commented regarding the process for secondary suites;
- Noted that strangers in residential neighbourhoods are a concern;
- Commented regarding potential revenue of STR's;
- Commented regarding the impact on long-term rentals and the rental vacancy rate; and,
- Recommended monitoring and enforcing existing regulations.

##### 4.2 District Resident:

- Commented regarding the impact of STR's on the availability of long-term rental stock; and,
- Recommended drafting a framework to create disincentives for STR and incentives for long-term rentals.

#### 5. ADJOURNMENT


**MOVED by Councillor BOND**

**SECONDED by Councillor MACKAY-DUNN**

THAT the November 28, 2017 Council Workshop is adjourned.

**CARRIED**  
(6:47 pm)

  
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Mayor

  
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Municipal Clerk

