



**Council Member Motion
For the Committee of the Whole Meeting of March 14, 2024**

To: Committee of the Whole **Date:** March 7, 2024
From: Mayor Marianne Alto and Councillor Stephen Hammond
Subject: Implementing *Bill 35 – the Short Term Rental Accommodations Act*

BACKGROUND

The provincial Government has introduced a suite of legislation regarding housing in British Columbia, which the City of Victoria has generally supported. One of those is *Bill 35 – the Short Term Rental Accommodations Act*, which received royal assent October 26, 2023. Bill 35 is part of the provincial government’s *Homes for People Action Plan*, helping to respond to the current BC housing crisis by regulating short-term rental listings of less than 90 days.

Bill 35 requires a person who offers a short-term rental (STR) to obtain a business licence, be registered under a new registry, and display a valid business licence number, registration number, and any other information required by regulation. An individual “host”, or platform (like Airbnb or VRBO), is responsible for ensuring their STR is registered, and complies with all applicable regulations. Bill 35 restricts short-term rentals to principal residences and either a secondary suite or an accessory dwelling unit (ADU) and establishes a new provincial role in regulating STRs.

The province has indicated it may establish a process where certain local governments can ask to “opt-out” of the principal residence requirement if they can show a sustained rental vacancy rate of at least 3% for two consecutive years. The City of Victoria has, for years, had a rental vacancy rate below 1%.

Bill 35 becomes effective May 1, 2024. More information can be found at <https://news.gov.bc.ca/releases/2023HOUS0171-001945>.

Since their popularization, STRs have provided an alternative accommodation option for the tourism sector, complementing the hotel and motel industry. Hotel and motel units continue to be built in Victoria, but while those applications are being processed and buildings constructed, demand for local accommodation often exceeds supply during the city’s thriving “high season”. When changes to regulations or other policies that affect the visitor industry have been made, seasonality and timing have usually been considered. In these cases, efforts have been made to avoid “high season” losses.

Implementing Bill 35 on May 1, 2024, will adversely affect current STR hosts immediately before the summer high season, and challenge the city’s capacity to accommodate a booming tourist market.

In light of these issues, the province may wish to consider a delay in its implementation of Bill 35, to a date after the 2024 peak tourist season.

RECOMMENDATION

That Council request the Mayor write to the Premier, Minister of Housing, and the Minister of Tourism, Arts, Culture and Sport, asking the province to delay implementation of Bill 35 to November 1, 2024.

Respectfully submitted,



Mayor Alto



Councillor Hammond