



## ISSUES AND ANALYSIS

Council has provisionally approved a new STR regulatory framework that seeks to balance the benefits of STR (tourism expansion, income supplementation, and positive impacts to local business) while minimizing its negative impacts (effect on long-term housing availability, nuisance complaints). The crux of this framework is to allow STR only in normally occupied dwelling units (principal residences). This can be achieved by amending Schedule D - Home Occupations.

1. *Expand permitted STR use within occupied dwelling units from single family dwellings only to all housing types.*

STR is currently permitted as a home occupation in up to two bedrooms in single family dwellings (detached homes) only. Council had previously directed staff to open this use to residents in condominiums; however following public comment and review, it is evident that all residents of Victoria could benefit from operating STR in their homes, especially considering high housing costs are a universal concern, perhaps most so for those who do not own single family homes, and that STR can have a positive impact on offsetting these costs. For this reason staff recommend Council consider allowing an expansion of the use of STR in up to two bedrooms within an occupied home from single family dwellings to all housing types. Other housing types include duplexes, townhomes, multi-unit apartment buildings, condominiums, house conversions, and secondary and garden suites.

2. *Allow entire-unit STR in principally occupied dwelling units on occasion.*

The new STR regulatory framework proposes the use of STR in principal residences only; that is, in the home where the STR operator normally resides. In this way, STR can be used for income supplementation and visitors can access self-contained STR without impacting the long term rental housing market. The framework envisions this use in up to two bedrooms in principal residences as described above, as well as in entire principal residences on occasion when the normal occupant is not present. Therefore staff recommend amending Schedule D to also allow for the occasional use of entire principal residences as STR.

All STR operators would be subject to the specific rules and regulations of the STR business bylaw, including the requirement to provide verification that the operator normally occupies the dwelling unit where the STR will occur, to obtain a business licence, and to prove strata or landlord permission to operate where appropriate.

### *Parking Impacts*

The transient accommodation provisions in Section 11 of Schedule D state that one parking spot per bedroom be provided to visitors. It is recommended that Council consider not including this requirement for STR due to the fact that this provision would restrict many residents from accessing this use, especially those that live in multi-unit dwellings or secondary suites that do not require or provide parking for the normal resident. As part of STR business licence regulations, operators would be required to share parking information with guests, and to provide contact information to the City to efficiently deal with complaints.



## OPTIONS AND IMPACTS

### Option 1 – Approve the proposed changes (Recommended)

These changes will provide equitability for residents in homes of any type to offset their housing costs, and expand the availability of alternative tourism accommodation in a way that will not materially impact long-term housing availability.

### Option 2 – Decline the proposed changes

Not amending Schedule D as proposed will mean STR will only be available to residents in single family dwellings. It would also prevent the City's STR framework from moving ahead as approved as occasional use in principally occupied dwelling units would remain prohibited.

## ALIGNMENT WITH CITY OBJECTIVES

### *Accessibility Impact Statement*

There are no impacts to accessibility associated with the recommendations in this report.

### *2015 – 2018 Strategic Plan*

Amending this bylaw is directly aligned with several of Victoria's strategic objectives:

- #1 Innovate and Lead
- #3 Strive for Excellence in Planning and Land Use
- #5 Create Prosperity through Economic Development
- #6 Make Victoria More Affordable

### *Impacts to Financial Plan*

If the recommended changes are approved, there may be an increase in revenue due to more business licence fees collected, and at a higher rate than current fees (\$200 per year is proposed for principal residence STRs). The proactive enforcement of STR regulations are associated with cost implications, however the changes presented in this report were included in the calculation of estimated costs presented at Committee of the Whole on September 21, 2017 (approximately \$500,000 annually).

### *Official Community Plan Consistency Statement*

These updates to home occupation regulations are consistent with several objectives laid out in the Official Community Plan, particularly those in Section 14 – Economy:

- 14.5.3 Encourages and supports local ownership, business that use local resources, and social enterprise
- 14.11 Encourage and support economic activities that provide household sustaining jobs, and retain more community wealth in the community
- 14.31 Strengthen the appeal of Victoria to tourists and other visitors in ways that enhance the community including:
  - 14.31.4 Character areas in the Downtown and other neighbourhoods

## CONCLUSIONS

Expanding the use of STR in up to two bedrooms in a single family dwelling to dwelling units of any type throughout the City and allowing occasional use of entire-unit short term rental in principally occupied dwelling units will ensure residents can benefit from STRs in a way that does not impact the long-term rental housing market.

Respectfully submitted,



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Report accepted and recommended by the City Manager:



Date:

Nov 15, 2017