Subject: FW: Mayor and Council email re taxation for AirBnB and VRBO

----Original Message----

From: webforms@victoria.ca [mailto:webforms@victoria.ca]

Sent: Tuesday, March 15, 2016 4:04 PM

To: Victoria Mayor and Council < mayorandcouncil@victoria.ca >

Subject: Mayor and Council email

From: Ryan Kereliuk
Email:

Reference:

Daytime Phone: Not provided

I support a regulation and taxation regime for small scale hotel operators such as those found at AirBnB and VRBO. I'm not advocating prohibition and have no specific regulations in mind though I've personally experienced negative externalities related to these operations (noise and parking, predictably). Hotels and other registered operators contribute to our city.

Small scale hotel operations should not be free riders in Victoria.

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IP Address: 96.50.2.93

Subject: FW: Airbnb - talk about a ban?

Attachments: Minister Fassbender - Short Term Vacation Rentals.pdf

From: Liza Rogers

Sent: Tuesday, September 27, 2016 7:13 PM

To: Chris Coleman (Councillor) < ccoleman@victoria.ca; Ben Isitt (Councillor) < BIsitt@victoria.ca; Jeremy Loveday (Councillor) < mlucas@victoria.ca; Pam Madoff (Councillor) < mlucas@victoria.ca; Pam Madoff (Councillor) < mailto:mlucas@victoria.ca; Charlayne Thornton-Joe (Councillor) < cthornton-joe@victoria.ca; Geoff Young (Councillor) < <a href="mailto:mailt

Subject: Airbnb - talk about a ban?

Good evening Mayor and Councillors

Please find attached 12 reasons to support Airbnb and the home sharing economy

I hear rumblings of an outright ban and I'd like to know more about when there will be an opportunity to hear and learn more about this idea.

Pasted below are my points in the event that you prefer not to open documents.

Thanks for reading. Sincerely

Liza

12 Reasons to support Airbnb and the home sharing economy:

Please note: these are simple bullet points that have facts and case studies to back them up. Arguments against these points are welcome and encouraged.

- 1. Allows young people to enter the buyer's market and therefore open up rental stock that they had been occupying
- 2. Enables single people affected by death or divorce to hold on to their homes and maintain independence and self-sufficiency
- 3. Creates new service jobs such as housekeeping, renovations, landscaping etc
- 4. Keeps the middle class in the city rather than pushing them out to suburbs

- 5. Helps to keep local people in the city rather than having only people who earn their income elsewhere and live mostly elsewhere
- 6. Gives travellers the options to stay with families and have a true local experience; This is an overall global theme in travel and tourism and is bringing people to our cities
- 7. Encourages community and connection and offers locals and visitors opportunities to learn about other countries and cultures
- 8. When correctly operated, offers a safe, low risk effective way to add an income stream to those who need to earn extra money to make life more affordable
- 9. Offsets the shortage of hotel space we currently face
- 10. Offers people the opportunity to stay in large family homes that might otherwise be sold or bulldozed and replaced (often by foreign owners)
- 11. Actually allows the unaffordable to become more affordable to an entirely new sector of citizens
- 12. Offers temporary housing to people moving to Victoria who need a place to stay while settling in to a new area

Solutions to the apparent causes of Airbnb creating a rental crisis

- Create a peer / neighbourhood approval process that ensures properties meet minimum standards of compliance, and care
- Tax Airbnb owners at a fair rate
- Impose a maximum number of properties owned and operated
- Offer free courses on how to set up Airbnb in the city and surrounding areas within the guidelines set by government
- Build more rental units
- Set up an Airbnb hotline for complaints and compliments
- Ensure understanding of the entire picture which includes the pros and cons

Liza Rogers

Liza Rogers
Community Connector & Consultant



'Con-nec-tor – a human social network "hub" responsible for bringing people from different social, cultural, professional, & economic circles together...'

Subject: FW: Airbnb

Attachments: Minister Fassbender - Short Term Vacation Rentals.pdf

From: Dave and Anita

Sent: Friday, September 30, 2016 12:55 PM **To:** Lisa Helps (Mayor) < <u>mayor@victoria.ca</u>>

Subject: Airbnb

Hello

As you must know, Mayor Robinson and his council, in Vancouver, have decided to do something about short-term rentals. Airbnb's stand out as these type of rentals. The proposals that were put

forward made a great deal of sense in order to free up rentals for people wanting long term accommodations. As the same circumstances arise here in Victoria, where the shortage of long term

rentals also has become a frightening situation for families, singles, University Students, and more, it is our hope that you and your Victoria City Council will be also doing something about this

situation for Victoria Municipality renters.

Anita and David Paul

Fairfield Victoria

Subject: FW: Rental housing

Attachments: Minister Fassbender - Short Term Vacation Rentals.pdf

From: Vallie Travers

Sent: Wednesday, October 5, 2016 11:15 AM **To:** Lisa Helps (Mayor) < mayor@victoria.ca>

Subject: Rental housing

Dear Mayor Helps,

Will you and council please put a quick end to Air B&B's here in Victoria? They have lowered rental availability and caused rental prices to soar.

This is a huge hardship for me because I am a retired senior and looking to rent.

Sincerely

Vallie Travers

Subject: FW: AIRBNB STATISTICS AND FOLLOW-UP

From: Victoria E. Adams

Sent: Sunday, October 30, 2016 6:32 PM

To: Jocelyn Jenkyns; Jonathan Tinney; Lindsay Milburn

Cc: Lisa Helps (Mayor); Ben Isitt (Councillor); Charlayne Thornton-Joe (Councillor); Chris Coleman (Councillor); Geoff Young (Councillor); Jeremy Loveday (Councillor); Margaret Lucas (Councillor); Marianne Alto (Councillor); Pam Madoff

(Councillor)

Subject: AIRBNB STATISTICS AND FOLLOW-UP

Jocelyn Jenkins, Deputy City Manager City of Victoria

Jonathan Tinney, Director
Sustainable Planning & Community Development
City of Victoria

Lindsay Milburn, Senior Planning Housing Policy, Sustainable Planning & Community Development City of Victoria

I read the October 27, 2016 City of Victoria Staff Report, to the Committee of the Whole, on "Short Term Vacation Rentals" (STVR).

I understand the Report was based on an opinion expressed by the co-principal of Cariolis Consulting of Vancouver, a one-page brief statistical synopsis prepared by Airbnb, and two letters of support by current Airbnb hosts.

As you may recall, I brought this matter forward to the attention of Staff and Council in May of this year.

In the absence of STVR statistics for the City, I enlisted the assistance of Murray Cox (proprietor of insideairbnb.com) over the summer months, to provide a statistical profile of Airbnb properties in the Capital Regional District and a breakdown of STVR statistics by neighbourhood. I notice there was no reference to this material. Ref: Insideairbnb.com – Victoria -

http://insideairbnb.com/victoria/?neighbourhood=neighbourhood_group%7CVictoria&filterEntireHomes=false&filterHighlyAvailable=false&filterRecentReviews=false&filterMultiListings=false

I am disappointed that the City of Victoria does not wish to hear the views of concerned residents, including tenants, about this complex if not controversial issue.

I am likewise disappointed by the absence of any information regarding STVR regulations and policies of civic authorities in Los Angeles, San Francisco, Seattle, New York and New Orleans -- as well as authorities overseas in London, Berlin, Barcelona, Venice, and Dublin. It is a pity that the history of other jurisdictions is for the most part not considered relevant to Council's deliberation on this matter.

I am equally disappointed that the baseline STVR statistics appear to be rather thin. Frankly, I was surprised staff did not consult with Karen Sawatzky, an authority on the Airbnb impact in Vancouver. She recently completed her post-graduate research in Urban Studies at SFU with particular reference to the identification of STVRs in Vancouver, and their impact on the housing market in general, and the rental market in particular.

Furthermore, I was informed by the City's previous Housing Coordinator that Victoria has no housing inventory. I believe the Mayor indicated recently that the new Housing Planner would not be completing a housing inventory but would focus on finding housing for low-income and homeless individuals outside the City of Victoria.

So, I find it perplexing to know how the City plans to accommodate more than 20,000 new residents over the next three decades, without baseline housing and demographic information. It would appear that there is little interest at City Hall at the moment to address a growing use of multiple privately-owned condos as lucrative short-term vacation rental property investments. Furthermore there appears to be no concern about the increasing trend toward corporate acquisition of purpose-built older multi-family, multi-story refurbished rental properties that can be marketed as STVR units as opposed to accommodating permanent residents.

This may raise a serious policy issue of whether the Downtown Core, James Bay and Fairfield should be a restricted zone supplying housing to tourists only as opposed to permanent residents and working families. Such a decision may well have unintended consequences in terms of negative socio-economic impacts: undermining stability and social cohesion expected in healthy, mixed-use neighbourhoods.

And finally, given the increasing demands on the City budget, I was likewise surprised to learn that the Report did not assess the fiscal impacts of STVRs, such as tax avoidance (e.g. lost hotel tax revenue, lost commercial property tax revenue), and licensing fee avoidance.

I look forward to hearing from you with regard to the matters raised.

Victoria Adams James Bay resident

From: Craig Jarvis

Sent: Tuesday, December 06, 2016 4:26 PM

To: Victoria Mayor and Council

Subject: Re: Mayor and Council email re secondary suites

Categories: Short Term Vacation Rentals

Dear Bridget,

Your bylaw allows for one rental per home, my land lord turned his home into a 5 apartment "house" so not sure what you could offer him in way of an incentive to make him willing to change from getting 5 tenants in one house (5 rents) to be lawful and make it only 2 rents??

Why do you call them illegal suites??

Breaking into a bank is illegal and if you get caught you are punished, make illegal suites and the city will work with you to look the other way??

Sorry but you are supporting criminals and slum lords at the expense and safety of your citizenry. Two questions;

Question one, when some guy (like my landlord) gets a family killed because he didn't bother with ANY of the requirements that go into making a rental safe and legal what do YOU feel the responsibility of the municipality that turned the blind eye and allow it?

Question two, What would be the point in contacting your bylaw services team? when they see he has cut his house into 5 apartments all done with no permits nor anything ... will they make him go through the rules? (especially when the rules is you cant do that??)

I do think the number of people who are breaking the law by making illegal suites and setting themselves up as slum lords is a REAL issue that should actually be looked into. I understand the thrust of your reply was to point me to others and I will raise my concerns with them.... must say I am not impressed with my new (to me) local (municipal) government.

Regards, Craig Jarvis

From: Victoria Mayor and Council <mayorandcouncil@victoria.ca>

Sent: Tuesday, December 6, 2016 2:51 PM

Subject: RE: Mayor and Council email re secondary suites

Dear Craig,

Thank you for your email regarding illegal suites. It has been shared with Mayor and Council.

Recently, Council considered a <u>staff report</u> on secondary suites and creating incentives to make it easier for home owners to bring illegal suites up to code was considered. One of the directions from Council was for staff to develop and implement programs and events to assist homeowners who may be interested in adding a new secondary suite – or legalizing an existing secondary suite – to understand the benefits and possibilities associated with secondary suites, and the requirements that

1

must be met to establish them. There are important benefits landlords should consider in regards to bringing illegal suites up to code, including reduced liability and increased health and safety.

Currently enforcement on illegal suites is done on a complaint basis. If you have specific concerns about an illegal suite, they can be reported to the City's Bylaw Services who will investigate the concerns. Our Bylaw Services staff can be reached directly by filling out an online form or emailing BylawServices@victoria.ca or by calling 250.361.0215.

Complaints specific to residential tenancies should be reported to the **Provincial Tenancy Branch**.

Thank you for taking the time to write in with your feedback. To stay up-to-date on City of Victoria news, events, and opportunities for public input subscribe to the City's <u>bi-weekly newsletter</u>, visit the <u>City of Victoria's website</u>, or download the City's <u>ConnectVictoria App</u>.

Sincerely,

Bridget Frewer
Correspondence Coordinator
Citizen Engagement and Strategic Planning
City of Victoria
1 Centennial Square, Victoria BC V8W 1P6









----Original Message----

From: webforms@victoria.ca [mailto:webforms@victoria.ca]

Sent: Monday, December 05, 2016 4:59 PM

To: Victoria Mayor and Council <mayorandcouncil@victoria.ca>

Subject: Mayor and Council email

From: Craig Jarvis

Email:

Reference:

Daytime Phone : 250 418 0949

I would like to know why ANYONE would bother to make a "legal suite"

in Victoria when there is absolutely no down side or repercussions for having "illegal suites". It seems to me to be legal is to pay and have difficulty with the city of Victoria and to be illegal means ... you do whatever you want and the city of Victoria looks the other way.

If I am incorrect in my assessment could you please enlighten me. This may not be the situation you meant for your legislation to take BUT it is the VERY true reality of renting in my in Victoria, for example my landlord has 5 illegal suites in one house, he skirts the rules of the landlord tenant act and your silence supports such slum lords :(

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received this communication in error, please notify The City of Victoria immediately by email at publicservice@victoria.ca. Thank you.

IP Address: 216.232.149.206

Mayor Lisa Helps and Members of Council

City of Victoria 1 Centennial Square Victoria, BC V8W 1P6

Dear Mayor and Council,

Council's workshop on short-term vacation rentals (STVR):

On several occasions I have written to Council and City staff to ensure that the negative impacts of short term vacation rentals on strata owners and strata corporations are taken into consideration as the City works to mitigate transient accommodations in our community. I strongly support the efforts made so far, but I am disheartened to see this important topic has been omitted from Council's workshop on short-term vacation rentals (STVR), scheduled for January 19, 2017. As reported in the STVR Regulations Matrix, for example, it is seen as a 'con' if a prohibition of STVR's were to occur if "Owners may have purchased their properties expressly to operate as STVR". However, there is no documented concern whatsoever, anywhere in the matrix, for strata owners that would be forced to endure living next door to what is essentially a hotel room in a residential building. There is also no mention of any of the other problems that short term rentals pose for strata corporations. For example, many buildings have exclusive security systems which may be compromised with multiple, frequent strangers accessing the buildings, as well as the ongoing problems associated with parking use, visitor parking, noise and nuisance complaints, and personal security issues.

The topic of negative impact to strata's is not new. Mayor Lowe raised the issue at the January 25, 2007 Victoria Council during the Zoning Regulation Bylaw Public Hearing, where he stated that, "...there have been lots of complaints from people who purchased into residential complexes only to find that their neighbours are renting out their condo. These are not transient accommodations and some are operating hotels within the units and those complaints are coming to the City." Later, Mayor Lowe said "...that security is the big issue of strata and condo owners." Mayor Lowe's concerns have not been adequately dealt even today, but I am confident that the current initiatives by City staff and City Council will finally deal with the plague of short term vacation rentals within strata's. I would like to see some, if not all of these negative impacts documented and discussed as part of Council's workshop.

Prohibit a change of "residential" use:

Lands developed as strata titled were never envisioned to be hotels, transient accommodation, or to generally support short term stays. Strata corporations are defined and governed by provincial legislation, and that legislation is clear on how a strata lot is to be used. Section 1 of the Strata Property Act (SPA) defines a residential strata lot as "a strata lot designed or intended to be used primarily as a residence". While residence is not a defined term, the Supreme Court of British Columbia has

considered its definition in the strata corporation context. In The Owners, Strata Plan LMS 499 v Louis (2009), the court held that a "residence is a man's abode or continuance in a place". In addition, the court later concluded that a residence has some degree of permanence rather than the transience of a tourist. This sentiment was echoed further in Winchester Resorts v. Strata Plan KAS2188 (2002) where the court held that "Generally, residence means a person's permanent place of abode and not his temporary place of abode."

There is a general concept in Law where it is recognized that there is a priority between laws or regulations by different levels of government. So if there is a conflict between a provincial law and a municipal law, the former prevails. By way of the Strata Property Act, provincial legislation has defined the permitted use of strata titled land as "residential". Therefore, as a matter of priority, this means that any City of Victoria Zoning Regulation Bylaw should not allow a change of use from what has been permitted as residential (strata), to any other permitted use, including transient accommodation.

Bearing in mind that the Strata Property Act defines "residential" as a strata lot designed or intended to be used primarily as a residence, I would ask Council to improve the language in the Zoning Regulation Bylaw Amendment to prohibit a change of "residential" use, to any other permitted use, when the residential use was first permitted by way of the Strata Property Act, so as to preserve the residential nature of the entirety of a strata.

Best Regards,

Eric Ney Strata Council President, EPS254 - The Hudson Dear Mayor and Council,

Re: Short Term Vacation Rentals

I am a 40 year Victoria resident who has been involved with short term vacation rentals (SVTRs) for the last 3 years. I am writing this letter to provide you with perspective as you deliberate over the regulation of STVRs.

Firstly, my wife and I love Victoria, and enjoy sharing our wonderful city and home with guests. We believe that STVRs are a benefit to Victoria and that regulation can benefit both the City and the hosts.

There are many obvious benefits of STVRs, and some not so obvious benefits as well:

- ✓ Affordable travel: SVTRs enable Victoria to be an affordable destination for all to visit and enjoy. We do not charge a premium like the hotels. Last summer we were able to host a family of 10 for \$250 per night... as they put it "we made their entire year" and they plan to come back in a couple years when they can afford to come again. Think of the money that a family of ten spends in a week on vacation. Would we rather them spend it in Kelowna, where they don't have to take a ferry?
- ✓ Employment: we currently have two vacation rental houses (one in Saanich and one in Victoria). Each location employs a single mother as a cleaner with a wage that equates to \$18,000 per year per mom and allows one mother to keep her house. We also employ local landscapers to a tune of \$200 per month per house that we would not otherwise be able to afford.
- ✓ Giving Back: last year we were able to donate \$550 to the Adanac greenway project and help with the planting of native species, which we would not otherwise be able to afford.
- ✓ Wear and tear: our homes are left in much better condition after short term stays. Five years ago we rented to a good family for two years and ended up having to do a \$70,000 renovation after they moved out. After that experience, it is cheaper for us to leave our house empty than to risk damage from long term renters. The Residential Tenancy branch makes it extremely difficult to get rid of bad tenants.
- ✓ STVRs are helping to mitigate the hotel room supply crisis Victoria is currently experiencing. The crisis will only get worse with the closing of Harbor Towers next year and the expected 20% hike in hotel room rates.

We are fully in favor of regulation and believe it is very important for the City and STVR owners to work together to regulate. Proper business licenses, tourism tax (3%), and quality controls can benefit everyone involved and make Victoria a travel destination for everyone.

We would be more than happy to provide further input from a STVR owner perspective.

Sincerely,

Jason Scott

From: Jennifer Smith

Sent: Wednesday, January 18, 2017 9:49 PM

To: Councillors

Subject: Victoria Hotel Association & PST exemption...

Categories: Respond through Mayor and Council inbox

Dear Mayor Helps and City of Victoria Councillors, With respect, we in the legitimate bed and breakfast industry have much to say on this topic. We would really appreciate the opportunity to be included in further discussions.

We will be attending tomorrow's meeting and have applied to address the Council next week on what is a much bigger issue than just a repealing of the PST exemption.

Warm regards, Jennifer Smith Fisher House Bed and Breakfast

Sent from my iPad

Date: 6 February 2017

Re: Open Letter on Short Term Vacation Rentals

Dear Mayor Helps and Council:

We watched the Committee of the Whole January 19th Short Term Vacation Rental Workshop with great interest. We believe that the focus of this admittedly complex discussion was too narrow and did not fully consider the implications of STVRs for the future of the Downtown. Online STVR marketers represent a risk not only to conventional hotels but also to residents in the Downtown core.

The threat to hotels is clearcut and is addressed in the measures that Council discussed. STVRs have an unfair advantage in that they do not obtain business licences or pay hotel tax, free-riding on the tourism promotion paid for by hotels. But the threat to residents is also very real and is not addressed in these proposed remedies.

Downtown vitality is anchored by a downtown resident population and the businesses and services that they patronise. Council, in its plans, seeks to promote growth of residents - owners and renters - as one pillar of community development. Council wants to see affordable rental housing options so many people who work in the Downtown can live there too. And downtown residents, for whom the Downtown is their neighbourhood, want the same opportunities as those in other neighbourhoods to build community well-being and enjoy neighbourly mutual regard. Unfortunately, unrestrained STVRs threaten those goals. And the measures you are considering do not present a viable restraint.

STVRs are a threat to affordability for resident owners in condos and renters in both condo and rental buildings. They drive up the price of condo units because of the additional use value and are a tempting alternate use for owners of rental accommodation. Renters are at a disadvantage because they can't afford to pay day rates anywhere near what STVRs command.

STVRs are a threat to downtown livability. High volume in and outs, security issues, increased maintenance, noise, are typical issues. Condos lack the systems and staff that hotels have for managing guests. Residents who live next to STVRs have fewer neighbours and more disruption.

STVRs are an inherently non-conforming use in condos. Condos Downtown typically have 2 kinds of units: residential and commercial (usually at street level). Residential units are not meant to carry on businesses and STVRs, in the main, are pseudo-hotel businesses not simple rentals. Even regulating them as businesses does not help if these units undermine overall liveability in the building. Resident owners start to move out and buildings are likely to tip. We have seen this effect of short term rentals both here in Victoria and in other cities; STVRs simply accelerate that process.

It was suggested in the workshop that Strata Corporations can protect themselves by simply passing bylaws to limit or forbid STVRs. A number of factors make that less than straightforward. When developers build a condo, they put in place the first bylaws, usually a standard package that does not constrain rentals in any way. Indeed, it is generally not in their interests to limit this because it can make it more difficult to sell out the building. Owners, at a subsequent AGM, can revise bylaws that

control rentals in various ways. However, changes to bylaws require a 75% majority - a high bar to meet if the original purchasers include even a significant minority of investors. Unless a convincing business model can be developed to show why having resident owners and long term stable renters is worth a premium, many investors are likely to resist a bylaw change.

We urge City Council to reframe their plans with regard to regulating STVRs in the Downtown to include resident concerns as well as those of the hotel industry. We call on Council to limit or preferably stop STVRs as a permitted transient use in residential buildings. If necessary, consider grandfathering currently operating licensed units but please ensure that this does not undermine existing strata corporation bylaws. There is certainly a number of condo unit investors that will argue for unfettered use of their units but social policy considerations suggest you should not unduly favour them. The city core will be all the poorer if it is littered with largely unregulated pseudo-hotel suites.

Respectfully,



Subject:

FW: Email to Mayor and Council RE: Short Term Vacation Rentals

From: Peter Bonyun

Sent: February 9, 2017 9:42 AM

To: Lisa Helps (Mayor) < mayor@victoria.ca >; Councillors < Councillors@victoria.ca >

Subject: Short Term Vacation Rentals

Dear Mayor Helps and Councillors,

I am writing to express my concern about short term vacation rentals (STVR's) being allowed in downtown condominiums.

I am a member of the Downtown Residents Association, have been a member of condominium councils for 11 years and have held positions of Treasurer, Vice-President and President for multiple years each. Currently, I am President of the Aria Strata Council although I do not exercise a license to represent the condominium on this topic.

My exposure to condominiums has demonstrated the destructive results of STVR's on the permanent community contained therein. Simply, condominiums are not hotels – they are not staffed or equipped to handle vacationers who often create excessive noise and, certainly, do not treat the building with the respect that owners do. In frustration owners leave, selling to investors looking for a good return on their STVR investments. Potential long term renters and resident owners who would consider occupying these suites find the building both undesirable and too expensive. Ultimately STVR's take over the building. And of course, STVR's do this at the expense of the hotels that employ many residents of our city.

If, at the same time, STVR's are not permitted in areas surrounding the downtown, this will exacerbate the problem for those of us who live in the core by forcing STVR investors to focus on our neighbourhood. The hollowing out of resident owners and long term renters from downtown condominiums undermines the livable downtown that I believe we all aspire to.

I urge City Council to prohibit STVR's in downtown residential buildings.

Yours truly,

Peter Bonyun 737 Humboldt St, Unit S707

Subject:

FW: Email to Mayor and Council RE: Short Term Vacation Rental Policy

From: Oscar Regier [

Sent: February 12, 2017 8:01 PM

To: Councillors < <u>Councillors@victoria.ca</u>> **Subject:** Short Term Vacation Rental Policy

Dear Councillors:

I understand Council is reviewing its policies and options for dealing with short term vacation rentals in the city. I am particularly concerned with the scenario where STVRs would be restricted to multi-residential buildings in Downtown.

This is nothing but another thinly veiled and ill considered attack on condominium owners and long term residents who seek to enjoy their homes in peace and quiet. The City has encouraged the construction of more residential units in the Downtown to bring some stability and vitality back to this area. Many significant condominiums have been constructed in the past decade and more are in the development stages. Most residents will support additional sensitively designed and responsibly managed buildings that may ultimately provide more amenities and improvements in the Downtown.

However, SRTVs are certainly not a desirable feature for the majority of residents in these micro-communities. Short term residents are on different schedules and have different objectives than long term residents and the two are seldom compatible. Personal experience has shown that noise and smoking complaints increase, minor damage incidents increase, building security is more frequently compromised and even mundane issues like proper waste separation for recycling are adversely affected when STRVs are allowed. Condo buildings do not have the staff nor security monitoring and enforcement capability that hotels have to properly deal with problems associated with STRVs.

As a long time condo resident in different cities and three-term strata council member, I believe the scenario to restrict STVRs to the Downtown is ill-conceived and unworkable in the long term. This is not a policy for City Council to decide – it is a matter for individual strata councils and owners to decide within the terms of the Strata Property Act and Regulations. I therefore urge you to drop this restrictive scenario from further consideration.

Oscar Regier Victoria BC

From: webforms@victoria.ca

Sent: Wednesday, February 15, 2017 1:41 PM

To: Victoria Mayor and Council

Subject: Downtown STVRs

From: Stewart Ballantyne

Email : Reference :

Daytime Phone :

Dear Mayor Helps and Councillors,

After reading some of the reports concerning the issue of STVRs in downtown Victoria, I'm disappointed that so little consideration has been paid to the concerns of condominium residents who have to endure the negative effects arising from short term visitors. While it's true that many visitors do not present a problem, the presence of the proverbial bad apple can be disastrous, and bad apples seem to occur much more frequently than would be anticipated. We have experienced catastrophic flooding as a result of a fire sprinkler being activated by short term visitors who are unaware of the sprinkler operation, and could care less for a short term stay. Why should owners have to be subjected to an increased risk of damage to their home due to the negligence of transient visitors? Too often short term renters are only looking for a cheap party venue with no regard to the adverse effects of noise or excessive drinking. Why should residents have to be subjected to this behaviour in their own homes? We are not a hotel having the appropriate resources to respond on short notice to an unruly situation. Residents have to bear the associated costs of increased wear and tear on common property as a result of increased traffic through the building. Residents also have to deal with garbage left in inappropriate locations because the visitors "can't find the garbage room". Finally, STVRs place an increased burden on strata council members whenever they have to deal with these extraneous issues which should not be part of residing in a condominium building. On this basis, I would urge Council to accord downtown condominium residents the same rights as those extended to residents in other neighbourhoods and stop STVRs in downtown residential buildings.

Sincerely, Stewart Ballantyne, Council Member, The Belvedere 788 Humboldt St., Unit 1205

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IP Address: 24.69.154.144

Subject:

FW: Email to Mayor and Council RE: Short-term Vacation Rentals

From: M K [

Sent: February 16, 2017 9:28 AM

To: Councillors < Councillors@victoria.ca; Lisa Helps (Mayor) < mayor@victoria.ca>

Subject: Short-term Vacation Rentals

I am a resident of downtown Victoria who enjoys living in this neighbourhood. I support local businesses more than a tourist would--all year round. I believe that permanent downtown residents contribute to a vibrant community and sustain the success of local businesses, including shops, restaurants and services. I also believe that an attraction to visitors is the local people they can interract with in the business locations, restaurants, activities and neighbourhood in general. I often act as a proud ambassador of Victoria, engaging visitors cheerfully on the street and helping them with directions and suggestions.

I do not want to see an increased focus on short-term vacation rentals in condo buildings in the downtown neighbourhood. We have hotels for that purpose. Living in a building with short-term rentals can result in a much more difficult living arrangement, with more move-in, move-out disruption, damage and noise, and sharing our residential buildings with those who have much less concern for their neighbours and less investment in the quality of the property and communities we have built in our condo buildings.

Please don't treat my condo building as a hotel! That is not why I paid a substantial amount of money to purchase a condo downtown. Please do not spoil it for me, and drive people like me out of downtown living.

M Kearns 737 Humboldt Street Victoria

From: Alex Dagg

Sent: Wednesday, February 22, 2017 12:03 PM

To: Lisa Helps (Mayor)

Subject: Fwd: Airbnb's Impact on the Hotel Industry

Attachments: STR_AirbnbHotelPerformance.pdf

Dear Mayor Helps

I'm sharing a new independent report by STR, a top global analytics company specializing in the accommodation industry. STR studied 13 markets between December 2013 to July 2016 to assess Airbnb's impact on the hotel industry.

The report includes several key findings that demonstrate that hotel performance continues to be strong notwithstanding the growth in the number of Airbnb hosts sharing their homes. In fact, as of July 2016, the hotel industry recorded its 77th consecutive month of revenue-per-available room growth. The report also finds that hotel occupancy is significantly higher than Airbnb occupancy. Across all 13 markets, the study found that Airbnb hosts have taken a small portion of market demand and accommodation revenues, and offered units cheaper than comparable hotel rooms. Airbnb guests were primarily leisure travelers who stayed longer, with over 50% of Airbnb guests staying 7 days or longer.

The report finds that U.S. hoteliers in the seven American markets included in the study saw no degradation of their rate premiums during that same period. Average daily rates on compression nights during 2016 were 35% higher than on non-compression nights, which represents a record high.

STR used source-data from Airbnb. Notably, the study concludes that scraped data is inherently unreliable as it relies on key assumptions relating to when an Airbnb listing is available versus actually booked. Comparing real and scraped data for a period of time in one of the US cities studied, STR found that scraped data substantially overestimates Airbnb's demand and revenues.

Thank you for your continued interest in our platform and for your contribution to the establishment of smart, fair rules around home sharing in Victoria. Please contact me if you'd like to discuss any of these issues in more detail.

Sincerely,

--



Alex Dagg Public Policy Canada

#WeAccept



Airbnb & Hotel Performance

An analysis of proprietary data in 13 global markets



Analyzed by:

Jessica Haywood Patrick Mayock Jan Freitag Kwabena Akuffo Owoo Blase Fiorilla



Table of Contents

| Executive Summary | 3 |
|---|----|
| Methodology and Data Sets | 6 |
| The Data Dilemma | 7 |
| The Accommodations Landscape | 8 |
| Market Overviews | 16 |
| Airbnb's Impact on Hotel Compression Nights | 21 |
| Airbnb's Impact During Special Events | 27 |
| In Closing | 34 |
| Contact Information | 35 |

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2



Executive Summary

Hotel performance continued to show strength while more hosts than ever were renting their residences on Airbnb, according to STR and Airbnb data.

Performance data through July 2016 indicated hotels were following their normal cyclical trajectory, hovering at or just below the peak at a time when Airbnb listings outnumbered the world's largest hotel company by nearly three units to one. As of July, the U.S. hotel industry had recorded its 77th consecutive month of revenue-per-available-room growth. During that same month, hoteliers sold more roomnights (117 million) than ever before.

Those same dynamics largely held true in the following 13 global markets analyzed in this report: Barcelona, Boston, London, Los Angeles, Mexico City, Miami, New Orleans, Paris, San Francisco, Seattle, Sydney, Tokyo and Washington, D.C. Airbnb provided more than two-and-a-half years of daily data for each market, which STR analyzed and then compared to its hotel performance data.

Among the most compelling findings:

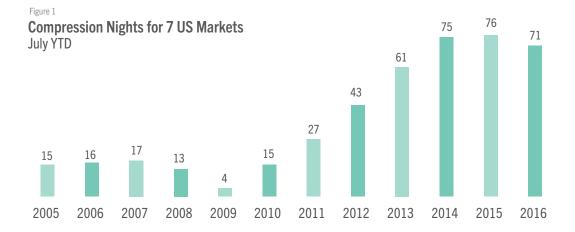
- Airbnb occupancy generally was the highest in markets where hotels had high occupancy.
- Hotel occupancy was significantly higher than Airbnb occupancy.
- While Airbnb's share of total accommodation supply (i.e. Airbnb units and hotel rooms) was growing, its share of market demand and revenues still was generally below 4% and 3%, respectively.
- Airbnb guests typically stayed longer than the average hotel guest, with roughly half of Airbnb roomnights coming from trips of seven days or longer.
- Airbnb's share of business travel was substantially smaller than its share of leisure travel.
- Hotel average daily rates generally were higher than Airbnb rates (e.g. \$16 higher on average in our seven U.S. markets).
- Hotel ADR increased in all but one market (Paris) in the year ending July 2016. Airbnb rates decreased in eight markets and increased in five.

Supply might have been a contributing factor in that latter point, as the majority of the markets analyzed in this report saw available Airbnb units increase by more than 40%—and in some cases north of 100%. When analyzing growth rates, however, it's important to acknowledge the baseline. Airbnb is a relatively new presence in many markets, and growth rates often are commensurate with untapped potential. In other words, Airbnb has more room to grow in most markets, whereas hotels have carved out an established presence over decades.



The Airbnb demand story followed a similar narrative, with growth rates that generally were above 60%. Harder to assess was the nature of this demand—whether it was mostly incremental, as many of Airbnb's most ardent defenders have argued, or whether it represented a roomnight that otherwise would have been spent in a hotel, as many critics have alleged.

While competitive pressures exist across the lodging landscape, it is difficult to assess the interplay between different accommodation types with different operating models. Hotel inventory is fixed; a hotel room tonight is a hotel room tomorrow. Airbnb inventory can flex, as hosts take supply on and off the market based on their willingness to make privately owned units available to the public for rent. This analysis represents our attempt to normalize the data set, but it should not be interpreted as a true "apples-to-apples" comparison.



That said, one can still glean meaningful insight and information from the data. A review of compression nights, for instance, showed no noticeable impact of Airbnb within the seven U.S. markets included in this report (Figure 1). The number of nights in which occupancy exceeded 95% had increased steadily since the Great Recession, reaching its peak of 76 during year-to-date July 2015. That number dipped slightly to 71 through July 2016, which followed a softening of several other macroeconomic indicators. Also at play was the 1.6% uptick in hotel supply in those seven markets, which should not be underestimated. This looks to be a small percentage increase on the surface given the high base of hotel supply (92,871,685), but the total number of new supply added (1,487,458) to these markets was actually substantial.



What's more, U.S. hoteliers in those seven markets saw no degradation of their rate premiums during that same period. ADRs on compression nights during 2016 were 35% higher than on non-compression nights, which represents a record high.

Compression night performance in the six international markets followed a similar track, although more volatility was observed in the aggregate given the disparate economic and political factors at play.

With this analysis, it is our intent to provide the most comprehensive comparison of Airbnb and hotel performance data ever reported to better inform the conversations in this "street corner" business. It is not our intent to draw correlation or causation. We will share more findings as we continue to examine the available information and as new data becomes available.



Methodology and Data Sets

Airbnb provided STR with market-level activity data from 1 December, 2013, to 31 July, 2016, for the following 13 markets: Barcelona, Boston, London, Los Angeles, Mexico City, Miami, New Orleans, Paris, San Francisco, Seattle, Sydney, Tokyo and Washington, D.C. These markets and submarket definitions were based on zip codes used by STR. Matching based on zip code wasn't possible in Tokyo, London and Mexico City, so Airbnb provided data based on how it defines these markets.

While Airbnb provided a complete set of data for these 13 markets, STR excluded data we deemed incomparable to hotels to provide a more relevant analysis for our stakeholders. STR excluded shared and private rooms, limiting its analysis to entire homes/apartments/etc. We also excluded listings that hold more than seven people because groups of this size are the least likely to stay in hotel rooms.

Some charts and tables do not include every market due to the fact that either the Airbnb or hotel data in those segments was insufficient for analysis.

All currency is reported in local currency.

STR was not remunerated in any way for its analysis, and its participation in this analysis was not contingent upon developing or reporting predetermined results.



The Data Dilemma

Airbnb-sourced data is preferable to scraped data, but it still presents challenges. The Airbnb universe includes accommodations of all shapes and sizes, not to mention a fundamentally different operating model. Thus, we acknowledge our analysis is not a true "apples-to-apples" comparison. By applying the following filters to the data set, however, we ensured the Airbnb performance data we used provided the most meaningful comparison to our hotel performance data:

- 1. We removed Airbnb listings that aren't actually available for rent. (Some hosts create listings but never actually make them available).
- 2. We removed shared bedrooms and private rooms with shared living space, because it is unlikely a typical hotel guest would view such a space as a viable alternative to a hotel room.
- 3. We removed large Airbnb listings that hold more than seven people, because groups of this size are unlikely to stay in hotel rooms.

Within the remaining listings, there was still the "Airbnb experience" factor, which might include kitchens and other apartment-style amenities, meeting the host, and other factors unique to the accommodation. For example, a small percentage of Airbnb listings are eclectic accommodation types such as treehouses, camper vans, yurts, castles and so forth that were not identifiable in our dataset.

Most reports about Airbnb rely on scraped data. Pulled directly from advertised listings on the company's website, scraped data can prove a useful indicator—but one subject to numerous assumptions, which in turn can lead to unsupported conclusions. This is why STR prefers to use data directly from Airbnb.

Figure 2 **Data Scraping Methodology and Assumptions**



Source: Airbnb



One of the biggest issues with scraped data is the challenge of determining whether a listing is actually booked or simply unavailable for rent. Without being able to make this distinction accurately, it is impossible to determine supply and demand.

To see just how different scraped data is from real Airbnb data, we compared real Airbnb data from a previous STR analysis on New York City to scraped data. For the 12 months ending August 2015, the scraped data substantially overestimated both demand and revenue. This suggests that estimates of demand and revenue market share that are based on scraped data may indeed be overestimates as well.

STR has used scraped data in the past, and we believe it can be a useful, directional indicator of Airbnb's growth and prices. But just as when benchmarking hotel performance, source data is far more reliable.



The Accommodations Landscape

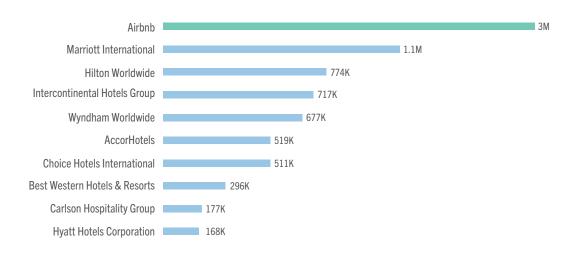
Unlike the hotel industry, in which descriptive attributes often are drawn from fixed real estate, Airbnb's portfolio is more fluid and difficult to categorize. Listings come in various shapes and sizes, with availability constantly evolving as hosts take inventory on and off the market.

Despite this elusive quality, Airbnb is not beyond measure. Data provided from Airbnb on 13 global markets revealed new insights on the platform's size and makeup.

As of November 2016, Airbnb reported having just over 3 million listings worldwide. By raw number of listings, this was nearly three times the size of the newly combined entity of Marriott International and Starwood Hotels & Resorts Worldwide (Figure 3).

Figure 3

Largest Lodging Companies by Rooms/Listings



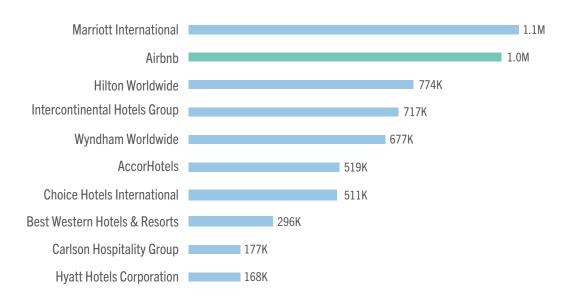
But recall that only a portion of Airbnb's listings are actually comparable to hotel rooms. To estimate the fraction of hotel-comparable rooms within Airbnb's global inventory, we extrapolated based on data provided by Airbnb for 13 markets.



Within this dataset, we calculated the fraction of Airbnb supply that comprises: 1) units not available for rent, 2) shared rooms, 3) private rooms, and/or 4) units that can host large groups (seven or more people). We then applied this fraction to the total number of Airbnb listings globally to estimate that only 1.08 million listings (35% of total Airbnb listings) are effectively available and reasonably competitive with hotels. This estimate is just under the total number of Marriott rooms. Figure 4 shows this "corrected" view, per our methodology.

Figure 4

Largest Lodging Companies by Rooms/Listings
Less Unavailable, Shared Rooms, Private Rooms and Large Listings



Demographics differ between Airbnb and hotels

Over the past year, the average age of a guest booking on Airbnb was 35, and 53% of all guests were female, according to Airbnb. According to the AH&LA's "Lodging Industry Trends 2015" report, 50% of all hotel travelers were aged 35-54, and males made up the bulk at 63%.



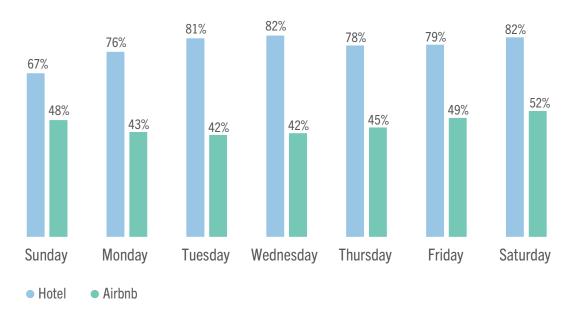
Airbnb guests are primarily leisure-oriented

The alternative accommodations provider in July 2015 launched "Airbnb for Business" to target more corporate travel. By 2016, Airbnb business travel had tripled in size, and more than 50,000 companies had used Airbnb for Business, according to Airbnb. The company estimates that 10% of its bookings are for business travel, though this may include travelers combining business and leisure travel.

While STR does not track business travel, an analysis of weekday (traditionally business-focused) versus weekend (traditionally leisure-focused) travel provides a good proxy.

Hotel occupancy typically was highest mid-week for the 13 markets, while Airbnb's occupancy was highest on the weekend (Figure 5). This supports the logic that Airbnb is more leisure-focused than hotels. The only exception is San Francisco, where Airbnb occupancy was the highest on Wednesday and Thursday.

Figure 5 **US Occupancy by Day of Week**July 2016, 12-Month Moving Average



Airbnb & Hotel Performance

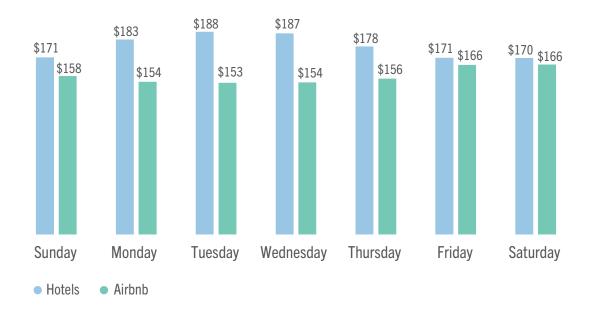
11



Figure 6

US Rate by Day of Week

July 2016, 12-Month Moving Average

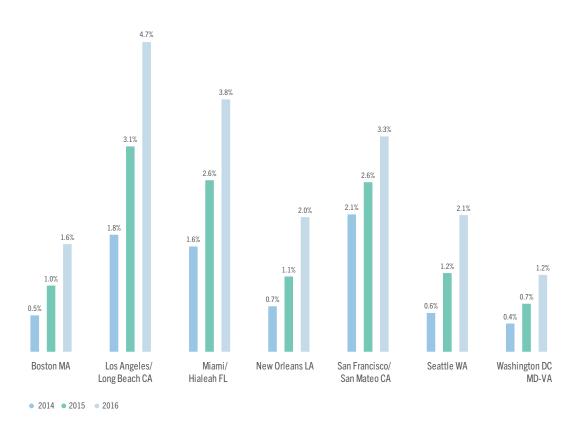


In both hotels and Airbnb, average daily rate was the highest on the days with the highest occupancy (Figure 6). The largest variance in ADR between hotels and Airbnb occurred on Tuesday and Wednesday, which makes sense given these were the most occupied days for hotels and least for Airbnb. The pricing premium was reduced to \$5 on the weekend, when competition for leisure travelers is arguably most intense. Recall that for the Airbnb data, we included listings that can accommodate up to six people, which skewed Airbnb rates higher than if we only considered listings accommodating one or two guests.

Airbnb's share of weekday demand grew steadily over the past three years and was highest in Los Angeles, but was still less than 5% of total weekday demand in every U.S. market we examined (Figure 7). Most cities hovered in the 1-3% range.



Figure 7
Airbnb's Share of Weekday Demand
July YTD



While Airbnb's share of weekday demand was growing, hotels in most markets still saw weekday demand growth. Boston and New Orleans were the only markets that saw a slight decline in hotel weekday demand year-over-year.

Additionally, weekday ADR was up in all markets except Miami. Four markets (Barcelona, Tokyo, Los Angeles and San Francisco) saw hotel weekday ADR growth of 5-10%.

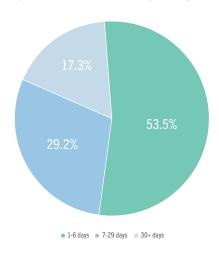


Guests stay longer with Airbnb

Figure 8 shows the percentage of Airbnb roomnights sold by trip length for seven U.S. markets.

Figure 8

Trip Length Distribution for 7 US MarketsJuly 2016, 12-Month Moving Average



Please note: This chart does not show the percentage of total trips booked. Rather, it's the percentage of total roomnights sold. Of all Airbnb roomnights sold, 29.2% were part of a trip that lasted between seven and 29 days, while 17.3% were part of a trip that lasted a month or longer. Combined, 46.5% of all Airbnb roomnights sold were part of a "long-term stay."

STR currently does not track length of stay. However, we do have an extended-stay indicator that applies to approximately 30 brands in the U.S. that focus on attracting hotel guests for an extended amount of time. In the seven U.S. markets included in this report, 9% of all roomnights sold were attributed to extended-stay brands. This figure does not account for guests that stay for an extended period in non-extended stay hotels, but it is a good directional indicator.

Thus, the data suggests that travelers who use Airbnb typically have longer lengths of stay on average than do typical hotel guests.

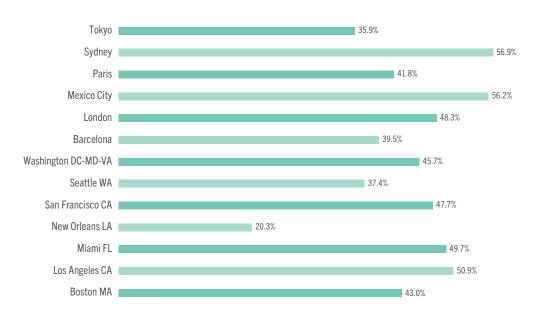
In Los Angeles, Mexico City and Sydney, more than half of all Airbnb roomnights sold were part of trips that lasted a week or longer (Figure 9). New Orleans had the smallest percentage (20%) of roomnights for trips of a week or longer. Interestingly, hotel occupancy growth in extended-stay properties in New Orleans was down 8%, which indicates the demand for extended-stay nights declined in that market.



The number of roomnights sold on Airbnb that are part of stays of a week or longer declined 5% in the 12 months ending July 2016, which indicates that Airbnb trip lengths in all markets studied are decreasing. Meanwhile, the share of hotel demand attributable to extended stays has remained relatively stable.

Figure 9

Percent of Airbnb Demand for 7+ Days



The only market that saw the number of Airbnb extended-stay nights grow was San Francisco. Notably, only 4% of all hotel supply in San Francisco was classified as extended stay, which is the smallest of any U.S. market studied.

While Airbnb does have a large percentage of extended-stay demand, these hotels in the U.S. still saw healthy growth. July 2016 year-to-date demand was up 5%, which was above the U.S. average of 1%. ADR growth for extended-stay hotels also was higher than the U.S. average at 4%.



Market Overviews

While analyzing the data in aggregate helps paint the larger picture, further clarity is gained by looking at the individual brush strokes on a market-by-market basis.

But first, a mathematical word of caution: Growth rates of many key performance indicators for Airbnb are much larger than those of hotels. There is a simple reason for this: Since Airbnb represents a tiny fraction of the inventory of hotels, Airbnb data starts at a low base—hence, high growth rates.

Tokyo serves as a good example. The market's Airbnb supply footprint roughly tripled in the 12 months ending July 2016, a rate that dwarfed hotel supply growth of 3.2% in the comparable period. Those percentages belie the actual market dynamics, however. Tokyo's baseline of 951,459 Airbnb rental nights listed in the 12 months to July 2015 is much less than the hotel baseline of 38 million available roomnights.

In other words, Airbnb had considerably more room to grow, and each additional unit listed represented a higher percentage increase than did each additional hotel room.

Supply and demand

As mentioned previously, Tokyo reported the highest percentage growth, with both Airbnb supply and demand more than tripling. This outpaced the growth rate of the second fastest growing market, Mexico City, where supply and demand both more than doubled.

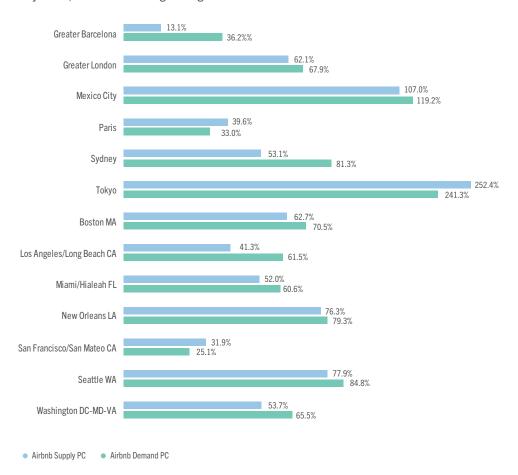
Airbnb growth rates were muted in its more "mature" markets, such as its home base San Francisco and also Paris. The larger baseline of units in these markets softened the supply growth rates.

All markets, with the exception of Barcelona, reported supply growth of more than 30% in the 12 months ending July 2016. All markets reported demand growth of more than 20%.



Generally, Airbnb saw a favorable balance between supply and demand (Figure 10). Demand outpaced supply in all but three markets (Paris, Tokyo and San Francisco), resulting in healthy occupancy growth.

Figure 10 **Airbnb Supply and Demand Growth**July 2016, 12-Month Moving Average



Because hotel supply and demand started at such a high base, year-over-year growth rates for the 12 months ending July 2016 were much smaller compared to those recorded for Airbnb.

While Tokyo's Airbnb growth rates were the largest among the markets we examined, the city's hotel growth numbers were not. Miami reported the largest hotel supply increase (4.1%), and Mexico City reported the largest hotel demand increase (5.5%).



Unlike Airbnb, hotels saw a less favorable balance between supply and demand (Figure 11). Seven markets reported supply increases that outpaced demand, resulting in negative occupancy growth during the period. Two markets (Paris and New Orleans), reported hotel demand decreases.

Given that hotel demand decreased and Airbnb demand increased in those two markets, Airbnb likely did affect hotel demand. However, there are also other market-level factors at play such as the recent terrorist activity in Paris and large event shifts in New Orleans that also negatively impacted hotel demand. In all other markets, both Airbnb and hotel demand increased at the same time, so there seemed to be no universal relationship at work.

Figure 11

Hotel Supply and Demand Growth
July 2016, 12-Month Moving Average



Occupancy and ADR

Hoteliers sold significantly more of their available inventory than did Airbnb hosts during the 12 months ending July 2016.

In San Francisco, for instance, hoteliers sold more than eight out of every 10 hotel rooms available (84.6%), which was third highest among our 13 markets. Airbnb hosts in that market, meanwhile, sold more than five out of every 10 units available (51.8%), which also was third highest.

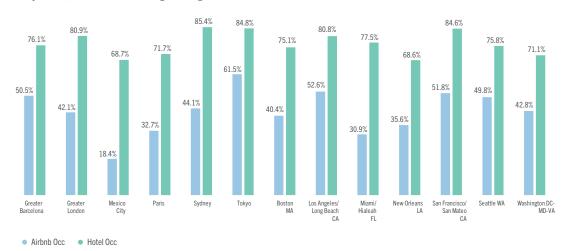
The above example underscores another trend: Airbnb occupancy was highest in markets in which hotel occupancy was highest, which might suggest Airbnb is accommodating incremental demand (Figure 12).



Figure 12

Hotel and Airbnb Occupancy

July 2016, 12-Month Moving Average



In the U.S., hoteliers charged an average of \$16 more for their rooms than Airbnb hosts charged for their units (Figure 13). The largest delta was reported in Miami, where hoteliers charged \$44 more on average than did Airbnb hosts. The most expensive market for both hotels and Airbnb was San Francisco.

Recall again that since our data set includes Airbnb listings with occupancy up to six, Airbnb ADRs will skew higher than if we only considered listings accommodating one to two guests.

Figure 13
US Hotel and Airbnb ADR





Market share

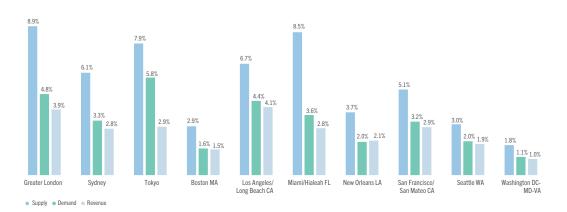
A review of market share (Figure 14) indicates Airbnb penetrated the accommodations landscape most significantly in terms of supply, which makes sense given the significant growth numbers reported in this KPI. But a key consideration is that while our dataset carefully logged listings that technically were available for booking, Airbnb hosts do not always keep their calendars perfectly up to date. (i.e. Listings may not actually have been available for rent.) In such instances, we logged a unit of supply when in fact this supply was not made available for rent. This is a challenge of using Airbnb data, even when it is direct from the source.

That Airbnb had not penetrated market demand as significantly was a product both of the unavailable supply mentioned above and of lower occupancy rates. In other words, an influx of Airbnb units did not always translate into a corresponding increase in bookings.

The still lower revenue share was a natural outcome of the above imbalance between supply and demand, combined with the tendency to price Airbnb units lower than the average hotel room.

Airbnb's share of supply was highest in London. London also had the second highest share of demand (after Tokyo) and revenue (after Los Angeles). On the opposite end of the spectrum, Washington, D.C. had the lowest Airbnb share of supply, demand and revenue.

Figure 14 **Airbnb's Share of Supply, Demand and Revenue (Hotels + Airbnb)**July 2016, 12-Month Moving Average



Note: We excluded Barcelona, Mexico City and Paris from the market share analysis because STR's hotel sample in these markets is insufficient.



Airbnb's Impact on Hotel Compression Nights

Room demand in the U.S. has grown steadily since the Great Recession ended, which makes any direct negative impact by Airbnb hard to ascertain.

Some hotel operators have suspected Airbnb's impact is more pronounced during periods of peak demand, when major events (e.g. trade fairs, concerts, sporting events) or certain market dynamics push absolute occupancy levels at or above 95%. These "compression nights" yield higher hotel ADRs, and thus maximize revenue.

Some operators also suspect that the same market fundamentals that buoy hotel ADR also prompt more opportunistic Airbnb hosts to list inventory. This viewpoint asserts that an increase in Airbnb supply softens the spike in demand, resulting in the two following assumptions:

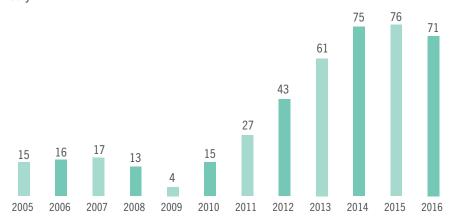
- 1. a decrease in the number of compression nights; and/or
- 2. a lack of pricing power on compression nights.

U.S. compression nights hold steady

We examined data for seven U.S. markets between January and July to test the aforementioned assumptions (Figure 15).

Figure 15

Compression Nights for 7 US Markets
July YTD





In contrast to the first assumption—that Airbnb has driven a decrease in the number of compression nights—we found that the number of compression nights has held steady at more than 70 nights for the past three years. The number of compression nights peaked in 2015 at 76 nights and then dipped slightly to 71 in 2016.

The year 2013 arguably serves as the best baseline, however, because it was before Airbnb had a significant presence and before hotel supply ramped up during this recent up cycle.

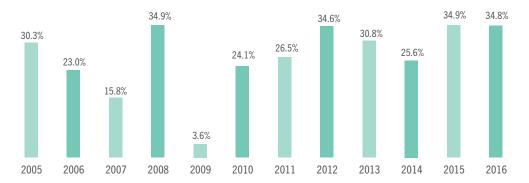
A few other things stand out:

- Compression nights mirror macroeconomic trends. The number was smallest in 2009 during the Great Recession. It steadily increased as U.S. GDP growth increased.
- The most recent dip likely can be explained by factors in the hotel industry
 as opposed to an external demand shock. Compression nights decrease
 either because demand decreases or supply increases. Given the 1.6%
 supply increase in the seven U.S. markets, a decline in compression nights
 is not surprising. We actually would expect this trend to continue as supply
 increases.

U.S. compression night pricing remains strong

The second question posed by hoteliers is the impact on pricing power. (i.e. Does increased Airbnb supply have an adverse impact on pricing power during these high-demand nights?) To answer this question, we examined ADR on compression nights versus non-compression nights and calculated the percent difference for those nights.

ADR Premiums on Compression Nights in the US July YTD





As Figure 16 on the previous page shows, the ADR premium has hovered near 35% for the past two years, as well as in 2012 and again in 2008 before the Great Recession. There exists some volatility in the years between, but the trend line—at least on a market level—suggests minimum impact from Airbnb or additional supply in general.

Compression night dynamics outside of the U.S.

Despite a decrease in compression nights for the six markets outside of the U.S. during the most recent year, 62 compression nights is still in line with the long-run average (Figure 17).



Eiguro 17

Supply growth in these markets was 2.4% through July 2016, which explains some of the drop-off. The majority of downward pressure, however, came from Tokyo. Compression nights in the market decreased from 43 through July 2015 to 23 through July 2016, which accounted for 65% of the decrease reported in the six-market data set. (Similarly, the majority of the lift in 2015 overall came from Tokyo, where compression nights increased by 16.)

Only one of the six international markets we examined saw the number of compression nights increase year over year: Mexico City. Barcelona saw no change in the number of compression nights, and the remaining four markets experienced a decrease.

Compression night rate premiums were up in all non-U.S. markets. They were at record highs in Mexico City, Sydney and Tokyo. Barcelona had the highest pricing power on compression nights, during which hoteliers charged 60.8% more for a guestroom than they did on non-compression nights.



Compression in CBDs

For hoteliers, the downtown area, here referred to as the Central Business District, is often a bellwether for the larger market performance. CBDs are where major offices, meeting facilities and tourist attractions are located—and therefore where hotel supply is typically concentrated. It is not hard to imagine that because of the attractiveness of CBDs to tourists, group and business travelers that many Airbnb hosts also list their units there as well.

Figure 18 shows Airbnb's share of total supply and demand in the U.S. CBDs. On average, Airbnb has 5% of total supply and 3% of demand, similar to its shares in the overall market.

Figure 18 **Airbnb's Share of Total Supply and Demand (Hotels + Airbnb)**July 2016, 12-Month Moving Average



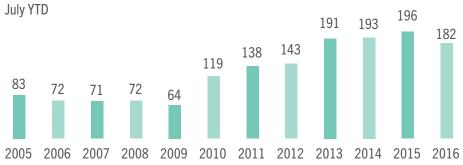
Compression is particularly strong in CBDs because this is where hotels typically fill up first during large events and conventions.



For the seven U.S. market CBDs combined, compression nights increased for six consecutive years before the 14-night decrease recorded year-to-date July 2016 (Figure 19). The bulk of this was due to Boston CBD, which experienced 15 fewer compression nights. San Francisco was the only CBD that saw compression nights increase (+17).

Figure 19

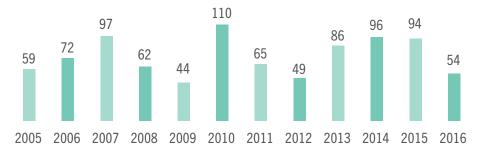
Compression Nights for 7 US CBDs



Outside the U.S., compression nights fluctuated more than in the U.S. (Figure 20). The all-time-high number of compression nights occurred in 2010 followed by decreases in 2011 and 2012.

Figure 20

Compression Nights for 4 Non-US CBDs
July YTD



Please note: We omitted two of our 13 markets (Mexico City and Tokyo) where a clear CBD classification was not possible. Figure 20 reflects performance data in the CBDs of Barcelona, London, Paris and Sydney.



There were 40 fewer compression nights in international CBDs during the first seven months of 2016. At 54 compression nights, this was the third lowest number of compression nights since 2005. Compression nights were down in all four international CBDs studied.

CBDs typically achieve higher rate premiums than the full market. In the U.S., rate premiums were nearly 37% through July 2016 (Figure 21). All CBDs in the U.S. and international markets saw rate premiums grow year-over-year except Boston. Three CBDs even saw record rate premiums this year (London, Sydney and San Francisco).

Figure 21 **ADR Premiums on Compression Nights in the US CBDs**July YTD





Airbnb's Impact During Special Events

The opportunity to maximize one's returns during a special event is not unique to the hotel sector. These high-demand periods benefit Airbnb as well, allowing longtime hosts to yield higher rates or first-time hosts to make their introductory splash in the sharing economy. While the resulting influx of supply might satisfy incremental or overflow demand, some hoteliers argue that it dampens their ability to realize outsized revenues.

In an attempt to explore that claim, we examined select special events of two types:

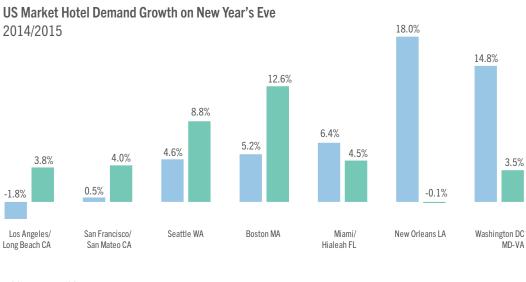
- 1. calendar events such as Christmas or Rosh Hashanah; and
- 2. organized events such as the Super Bowl and the Mexico Grand Prix.

The following examples show the impact of these events on hotel and Airbnb demand and average daily rate.

New Year's Eve (U.S.)

U.S. hotel room demand on New Year's Eve grew the past two years, with the exception of two instances: Los Angeles in 2014 and New Orleans in 2015 (Figure 22). Positive growth rates ranged from 0.5% to 18% and were not consistent from year to year or market to market. We interpret this to mean that local events (e.g. concerts, fireworks, celebrations) for New Year's Eve can drive performance, and thus performance is hard to generalize.

igure 22



20142015



For Airbnb hosts, demand growth on New Year's Eve was consistently lower in 2015 than in 2014 (Figure 23). That said, the 2015 growth rates still were significant, topping 50% in all markets except San Francisco (19.8%).

Figure 23

US Market Airbnb Demand Growth on New Year's Eve 2014/2015

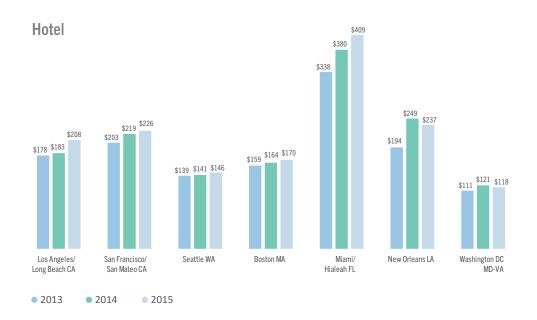


In the U.S., ADR was higher for hotel rooms than for Airbnb listings in all but one instance: Washington, D.C., where hotel ADR was \$118 and Airbnb ADR was \$121 in 2015.

Hotel ADR premiums over Airbnb in the other six U.S. markets ranged from 37% at the high end (Miami, where hotel ADR was \$409 on New Year's Eve in 2015) to 1% at the low end (New Orleans, with hotel rate of \$237).



 $^{\rm Figure\,24}$ US Market Hotel and Airbnb ADR on New Year's Eve 2013/2014/2015



Airbnb





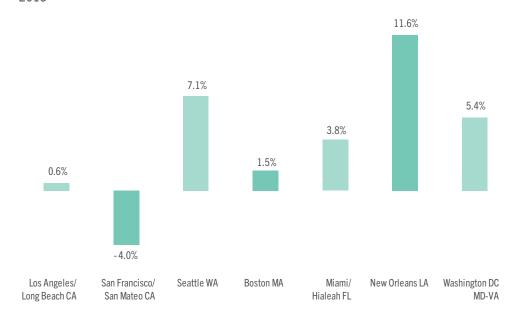
New Year's Eve (Sydney)

For an example of New Year's Eve performance outside of the U.S., we examined Sydney, which plays host to one of the globe's finest fireworks spectacles. The event draws more than a million attendees, which fueled hotel occupancy of 97.3% and Airbnb occupancy of 84% in 2015. Hoteliers charged 562 Australian dollars (a 12% premium) for the night, while Airbnb hosts drove rate 16% to AU\$313.

Thanksgiving

The major national non-religious U.S. holiday often yields demand decreases as business travel gets put on hold. However, continued macroeconomic growth has given leisure travelers confidence in recent years, and hotel demand actually has increased on Thanksgiving (Figure 25).

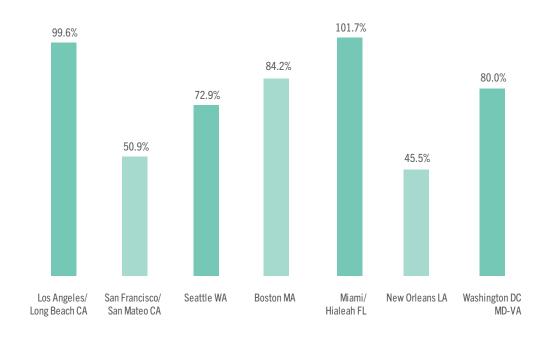
Figure 25 **US Market Hotel Demand Growth on Thanksgiving**2015





Because Thanksgiving generates more family travel than any other holiday and Airbnb often targets that customer profile, it is not surprising that Airbnb demand growth for that night also was strong (Figure 26). Demand growth rates of more than 50% year over year are not uncommon. In Los Angeles and Miami, Airbnb demand approximately doubled from 2014 to 2015.

Figure 26 **US Market Airbnb Demand Growth on Thanksgiving**2015



This influx of demand manifested in pricing power for Airbnb hosts. Whereas hotel ADR typically was higher throughout the rest of the year, Airbnb ADR on Thanksgiving was higher in six of the seven U.S. markets (Figure 27).



Figure 27

Airbnb ADR Premium Over Hotel ADR on Thanksgiving 2015



One possible explanation is Airbnb hosts know that leisure travelers are looking for units in close proximity to their Thanksgiving festivities, which are likely in residential neighborhoods. With that location preference in mind, guests may trade cost for convenience to be close to their families and not have to spend time in transit.

In contrast, hotel operators know any demand is good demand given the lack of business guests on this holiday, so they priced accordingly.

Super Bowl 50 in San Francisco

Residents opened their homes to the flood of visitors who descended upon San Francisco for Super Bowl 50 in February 2016. Airbnb supply increased 105% over the same Sunday in 2015. While demand increased 76%, it failed to keep pace with supply and led to the curious outcome of negative occupancy growth (-14%).

Hotel supply, which obviously is much less elastic to sudden spikes in demand, was basically flat. Demand was up 10%.

ADR for both hotels and Airbnb started at the same base (\$190) on the comparable Sunday in 2015. On Super Bowl Sunday, however, pricing strategies for the two accommodation types varied drastically. Hotel rates increased by 138% to \$452, while Airbnb rates increased by 43% to \$272.



Boston Marathon

Unlike the Super Bowl, data for the Boston Marathon (held 18 April, 2016) showed remarkably similar ADR performance for both hotels and Airbnb. The average hotel room was priced at \$237, an increase of 5% from the prior Boston Marathon. The average Airbnb unit cost \$241, a decrease of 1%.

There were 76% more Airbnb units available (1,831 in total) during the event in 2015, and demand increased 63% (or an additional 379 units sold). That increase in supply gave guests more choice, likely undermining hosts' ability to drive rate.

Hotel demand increased by 795 rooms (or 2%) to more than 45,000 roomnights sold. Hotel occupancy of 87% was on par with the prior year's marathon.

Mexico Grand Prix

Formula 1 racing returned to Mexico City for the first time on 1 November, 2015, after a hiatus of more than two decades. The race was held in front of 135,000 spectators.

Commensurate with the large crowd, hotel demand increased 20% and occupancy increased 19% to 69%. Airbnb demand increased by 167%, equating to an additional 900 units sold.

Hotel ADR for the night increased 150% to 4,575 Mexican pesos. Airbnb unit ADR increased 17% to 1,450 pesos.

The Airbnb ADR, while higher than year ago, was still only 31% of the achieved hotel rate, so it stands to argue that the audiences for these accommodation choices were different. The Airbnb unit occupants may have not been in the market for the much higher priced hotel rooms, so it is hard to tell if demand was syphoned off or was actually accretive to the accommodations industry that evening.



In Closing

After examining the data presented to us by Airbnb and laying it over our hotel performance data, it's clear Airbnb is a force in the travel industry.

Our research, as with other research before it, reveals strong Airbnb growth rates in supply and demand. It's important to again note that such increases are coming off relatively low baselines for comparison. Still, the trend highlights not only the desire of unit owners to make their spaces available for short-term rent but also the desire of a willing audience to book them.

While that much is certain, less so is the direct impact that Airbnb has on hotel demand. So many factors are at play—supply growth, macroeconomic headwinds, disruptive technology and new entrants to the accommodations space—which makes isolating causality between any one or two a challenging pursuit. Airbnb may be a relatively new factor, but it is one among many in a long line of rent-byowner platforms.

As city and state legislators wrestle with the implications of an evolving short-term rental landscape, we hope the data presented here provides further insights into the workings of at least one of its newer entrants. The players are quickly maturing, as is legislation on all levels.

With this analysis, we strove to move toward a better understanding of the lodging landscape. We encourage questions and feedback that will help get us all closer still, and we look forward to sharing additional research as more data is made available to us.



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Fel 24/2017 Thursday.

Petition: To Oppose Short-Term Vacation Rentals

Son Frass

in Victoria Residential Properties

We the undersigned citizens agree that housing in Victoria exists **first and foremost to provide shelter**—and **not** for use as a commodity to generate profit. We support the interests of home-owners, renters, workers, students and tourism-industry stakeholders who seek affordable housing options for local residents.

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Colin Riggs

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| NAME | ADDRESS |
|-------------------|---|
| 2. Vosper | #210-188 Douglas Str Victoria, B.C. V8V 2P1 vek Victoria resident |
| Iva Mora | vek Victoria resident |
| DM Wood | #1403 - 360 Douglas St V8V 2P6 |
| Thian Dentison | #5 120 GOVT ST. VIC V8UZK7 |
| DAMIAN PAGE | *1025 Linden Flue *302 V8VHHH |
| TWACLAWIK | SOS NIAGARA ST. VICTORIA |
| Sens F. Threes | 875 North Park Street - 810, V8W3B8 |
| Amy ATubular | \$ 1043 Douthout # 205 anew |
| | " Porvey 230 45, Rpo Cook & |
| | Victoria VSV 448 |
| ANNA COOKE | 1204 BALMORAL ROAD, VICTORIA &C |
| TERRIAY MORAY #46 | 9-1035 KONNOPGAST ST. VICTORIA VRVZW9, FMORAY |
| BARBARAWILSON | 1407-350 DOUGLA ST. VIC. VOVZPS |
| JVAN CARON. | 1407-350 DOUGLA ST. VIC. VOVZPS |

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| NAME | ADDRESS |
|------------------|-----------------------------|
| Jennifer Peddle | 1000 MCCLURE St |
| NINA Chodrick | \$101-360 DOUGLAS ST. |
| COLLEGN OLAGUE | 48 CAMBEN AUE |
| Linda Dernett | 305-647 Michigan St |
| Margaret Willnot | 202-1204 Fairfold Rd: 10 |
| Debby Mixelphan | 6206 Calvert Rola |
| Clan traces | 225 Belleville Vic |
| Maxine Tota | 425 Nagara St. |
| Bickson Boffen | 535 st James St |
| David Eval | # 51/8193 West Pregot 1811. |
| Brenda Rus | 1275 May 57. |
| de Barblel | Niesara Si |
| Limn States | 396 Duran St |
| Pomarzi | 620 Toronto St. |
| Sumantfu / gca | 2824 FFH |
| Rossift Musigato | 840 Comatower Rot- |
| Chartal Collans | 2051B Craft St |
| W.J. Duli | 139 Clever (1. |
| Barbara Donkin | 11 11 |

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| NAME | ADDRESS |
|-----------------------|-----------------------------|
| Scott Caldwell | 4551 Markhan. St. |
| Brocer Webb | 3118 Mars St |
| RJ Piggott | 9590 Waxwina PL |
| Delicons Chapman | 4537 Markhas St. |
| John Brooks | 6895 Academy (1 |
| Johns, Ha | 2918 Denice Pl |
| gry Still | 1964 HEYVOGOD 401 |
| | 1000 Petteles P. |
| Charnelle Van Parydon | 3401 Stellbarne St |
| Land Clum-Brown | 1035 Rendergran |
| DAVIN LIXEDRY | 1126 MCCLURE ST. VGOR |
| Diane Bukoll | 1025 FAIRFIELD RD. VICTONIC |
| 1/1 molreus | 203 1121 OSCAR |
| Alina Newton | 136 Mederno St. |
| LINOSAY, WATERMAN | 136 Medana St. |
| Wifelly | 122 Menzies |
| HRYEO | 354 MidtiSAN |
| Maxwell Coldicutt | 840 Academy Close |
| Clarke Martell | 4150 Cedar Hilled. |

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| NAME | ADDRESS |
|---------------------|------------------------------|
| Christine Hagen | #117-30 Douglas St U8V 2N7 |
| Linney Condli | 24-2503 Blanchard & UST 4-JS |
| Juliet Pendray | 520 Cook St. Victoria V8V3Y5 |
| Kelly Caddell | # 208 310 ST James 57 V8V 1 |
| Karla Girard | A-2 1 Daylas RD Victoria BC |
| CLAIRE DROKET | 1129-440 SIMCO, " |
| Ash Saves | 636 Ballas Rd Vic 1901 |
| W. van Bentum | 508 DALLAS V8V 1B2 |
| Wonna Hallagter | 206-562 Simcoo Victain 8VIL |
| Scarlette Verfewely | #34-60 DALLAS RO Victoria |
| Mackenzie Edwards | 406-1022 Fort St V8V31CY |
| John Marion | 613 - 862 - 2800 |
| Lise Bourgon | 203- 605 DOUBLAS ST |
| Robert Thompson | 6.130 Diagara St |
| Holly Thiel . 1 | 204-425 Sincoe St. |
| Wentred Sevell | 250 384 2829 |
| Len O Confe | 101-340 St. James |
| Norma Raperty | 430 Michigan St. V8V VRS. |
| Eriel Buch 185 | 1625 Linden St VBA GNS |

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| NAME | ADDRESS |
|-------------------------|--|
| Ellon Edmonstaxe | £104-562 SMYCOE ST. 1881128 |
| ALLAN CRAWSHAW | 138 DALLAS RD V8VIA3 - allanfologonail co |
| Jackie Bennett | 904-548 Dallas PA V8VIB3 |
| MBromonica Hell | 409-2136 Ridge Rd |
| Marcelle Crane | 309-831 Dungneuis Rd. |
| Cama ckerie | 2562 Wesley Ol. Victoria |
| PAUL O CARRON | 562 TORONTO ST VICTORIA. |
| marion Brana | 1483 350 Donglis St. VICTORIA |
| Line 14 Juacle | SOY 450 SINCOE ST VICTORIA |
| anita Leclair | 801-450 Sincoe St. Victoria |
| Margare Elliell | 101-605 Douglas Sy Victore |
| Hodres Raghert | 101-605 Douglas SA V |
| MARTIN GAVIN | 101-605 Douglas St VI APT 503 240 DOUGLASST, V8V2P3 |
| BIBI Zermenia | 129 (POFT ST |
| Tim McKellen | 450 Simonst |
| KEITH ROSCOE | Seith Rossoe |
| Jeremigh Valaskevolodos | 135 Ladysmith St. |
| nedlate | 188 Daichis 5 |
| Edny Dickinsi | 507 Bovit. |

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| NAME | ADDRESS |
|-------------------|--|
| Santa desta | 04-440 Party 5t |
| Deign Arate | |
| Derakur Car | 104- 20 DOUCLAS |
| 1 milet | 416-118 Menzies St. |
| Bentula | 1805 Douglas St |
| tensea Water | 143 Governmentst. |
| Colicepton | 320 Menzics - 201 |
| Buf a | 320 MEN 2185 - 201 |
| Heasly | 21 ErieSt. |
| mohica Kingsburg. | 60 Menzies St. Victoria 80 |
| The Wanningled | 60 Menzies St Victoria |
| poses & history | SGZ Kitlet St Victoria |
| Nisakejan 9 | 240 Simcoe St. |
| Regular | 6-1295 Kingson Re, Duran BC |
| Thomas | |
| Cather Gillies | 1479 Street Victoria |
| Joen Do | 1479 Fort St. Victoria |
| Zer Oelan | 403 647 Muchigan 1/10 |
| 1 | 215 Oswago, ApT. 321 |
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| NAME | ADDRESS |
|-----------------------|-------------------------------------|
| Deirdre Gotto | 3050 Jackson St. Vidoria BC UST 328 |
| Emily Salmon | 146 Clarence st |
| gul Proceed, | 300 allie Poods |
| Mancy Flereyd | 1030 Pendergast St. |
| Courtey Janzer | 1138 View St. |
| Malcolm Myaster | 136- Pallas Rd |
| Shalber Julieth-White | 6-1208 Rockland Are |
| Barbara Potash | 463-225 Menzies |
| Amee Rawson | 128 Croft Street |
| DOINNA QSPORNE | 920 verbale Wh. O Shara ONT |
| Tay Gans | 52 Junes st |
| And Charponean | 4910 W Scanich |
| Monfrei Aguino | 103-332 Michigan St |
| Chris Kerr | 4-503 TRUTCHSL |
| Thilane Cresiston | Sady limes |
| Kuthlar times to | - DIBK Christie Was |
| MANDEED | 791 CAMED SI |
| p Dawson. | 3832 5. Valley Dr. |

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| NAME | ADDRESS |
|---------------------|--|
| John Thomson | #17-415 SUPERIOR ST. VOV 1TO |
| Linda-Lee Barrett | #3 127 MENZIES 51 # 902-139 Clarence 5+ V8V 5 |
| I Perkt | 18 SAN JOSE LUE VEVZC |
| Matacha Miran | 204-2t. andrews |
| Ja Kulland | 2733 SHEC BOURNES |
| NEVILLE TENCER | 203-1030 ZINDEN AUE |
| ALAN KITYTON | 4488 16AVS |
| JENNIFOR Whit field | 30-45 MCMGAHST 3900 REENTINSOF RD. |
| Dunston | #403-280 DOUGLAS |
| Norma Lifsen | 1031-440 Suncoe St |
| Children | |
| Molend James | 329-440 SINICOE |
| | |

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| NAME | ADDRESS |
|--------------------|------------------------------------|
| Cliff haddix | 865 Kindersteg Dd. Clictoria |
| Linka Irvine | 5-2500 Florence Hake Rd. Langford, |
| Joan Duk | 1 # 512-548-DALLAS RP, VIC V8V |
| 1 the tile of | 19 d/1 - 1 1 10000 |
| Jen Beyea | 637 Goldie Ave, Victoria V9B62 |
| Nich Harvey | 119 chrence street Min |
| Mighan Banks | All Fernwood Road, Victoria |
| Single Widdlester | isa clarence 3+ |
| Laurie Ann Reddick | 207-309 Michigan St - VIC |
| Sonja & Ticoll | 182 montreal st |
| Chm's James | 4d3 Superior |
| At topke | 21 DALLAS ROED VIC. |
| J. Allan | 514 - 425 Sincre |
| L GALLOGHER | 30 Douglas, St - 230 |
| Laurence Juneral | 6-145 Niagara St Victoria |
| Lorene Janith | 405-450 Gince 11 Vitadia |
| Lori Gagnon | Und B, 113 Superior Street. |
| Tanny Day | 102-815 Rupert TCe |

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| NAME | ADDRESS |
|-------------------|-----------------------------|
| Jul Stevens | 6459 Welch Rd. |
| m. Marier | 1154 Masan St. |
| Comp del | 777 Cook STIERT #213 |
| Mari Emm | 548 ATKINS AM MICHA |
| Maria | 1920 - Mintost Wictoria |
| Add Adden | 2757 Ovadra |
| Joãe Brassard | & 2088 madison Bunaby BC |
| Chris Liver | 1344 Preusant lune |
| Derek Zandall | 2582 Empire St. Victoria. |
| Jean B. Randall | 2582 Empire St Victoria |
| ander Byly | 311 - 787 Tyee Rd, Victoria |
| Preston Degregard | 104866 Cravaflower TZd |
| ARICECTORK | #10,5-1417 Harrison 5 |
| V.J. Swanson. | +1410-649 BOXP St. |
| G JONES | 812 Rambon Ridge Lane. |
| G. Jones | a a wid of |
| M. KJERTINGE | 433-948 Esquinalt Rd. |
| P Page | 501-517 Fisgard. St |
| | |

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| NAME | ADDRESS |
|---------------------|----------------------------|
| ANTA GUBNER | 2330 GABBORS BORS BORS |
| Doally Carly | 1365 HASMINS |
| Meg Froehler | 2568 THOMPSON AVE |
| Candy Aietala | St 25 Dryfe Sto. |
| Patricia Moris | 105-936 Fairfield Rd |
| Naa San 40 | 1137 OSCAR ST |
| There Baddles | #308-1122 Mc Kenzie |
| Sharon Lum | 2936 Gosworth Rd Victoria |
| James Harasymow | 11 617 Battery St Vict |
| 11 COCHPINI | 318 Edward St. |
| Barbara Sinnie | 2026 Grante St. |
| Daup Mckle | 206 467 LAMPSON ST. |
| Tarysa Luening | 3903 381hstreet |
| Hogela Gallagher 10 | 09-105 Wilson St, Victoria |
| Taxbara Newson | 133 Estelland Rel. |
| Honor Johnson | what Ply vide |
| Christian Holding | 3435 Salsbury Way |
| Matt Harasimo 187 | 35queens AVe |

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| NAME | ADDRESS |
|--------------------|-----------------------------------|
| Claime Dichards | 362 Sencol St burgue |
| Sodnia Deifer | 1025 hillside Ave |
| fois brustians | 408 PARRY St., |
| Scott Bran | 4142 Dogwer St. Sastator St. |
| Sosipil Mesquitell | 350 Doughas ST. |
| Vorian Fraser | ADE Paray St |
| Steph Parker | 304-1361 Hill Side ave |
| Christine Kemp | 548-801 Delles Rd Victoria |
| Hon Skidmoni | 999 Burdet Avenu Victoria. |
| . O Shall | 116 South Turned St |
| DANIEL DONALDED | 30427 Governant St. |
| living Brutte | 360 Douglas St. |
| Bevery Kovica | 978 Fir thee Gilon, Victoria Be |
| Margany Leilly | 12-898 Sevenuaks Rd, Victoria, Ge |
| magoran | 3206 alder Vic 80 |
| M. Natay | 1193 Manro St Victore |
| Ment Kitro | #204-627 BREOKSIDERS. |
| Katrina whitehead | 4817 5751 ApH 114 W dask2Uin, iAB |

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| NAME | ADDRESS |
|-------------------|-------------------------------------|
| Matt Proudlave | 1-2340 forbes st. |
| Lynn Klightof | 4-730 Var Courser St |
| Joni Lander | 490 Chesterfield Ave Duncan |
| Juma- 1 | 260/ Jungan I Victoria |
| ALEX FYFR GIA | 507-373 THERE |
| Treena Waters | 206-1235 Johnson St. Victoria |
| Shileen lovant | 7-478 Codulle Road victoria. |
| Holly Rushinsis | 707 1205 Country St. Victoria . P. |
| Alisal Heard | 1710 Cillian Rd Victoria, BC V851K9 |
| Allie Guenther | 1506-751 Fairfield Rd |
| Glan Milbery | 1007 81. DAUTE S. |
| 1G. MOFFAN | 1863 SOUTHEATE |
| Liz Bruce | 406 Symcox St |
| Jim Walters | 3250 STU AVENUE, N.S. SALVEN MEM |
| aradys Gatoby | 2334 Tanner ed |
| trackie Kelley | 1291 HOLLOWAY ST UCTOLE |
| SEAN MEGAN | 1064 #804 Soroten St. Victoria |
| Vietoria Steppard | 965 albey road |
| V | <i>d</i> |

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|---------------|----------------------------|
| REBUCARRA | ND SESTELLINGBURY LANE |
| Je Al Cham | 1748 BROADANGUAD. |
| Radon | 1409 MAY ST- VICTORIA |
| 12 | 526 Melwoor |
| DENNUER ROP | SERTS ZOSO DAKBAT AVE 4103 |
| Lisa Hamilton | 212 1345 Pandora Ave. |
| Ku C | 558 Mountfield St |
| Margaret | Haratine 1325 Balmoral. |
| P. A. | 363-1258 EgumaH Rd. |
| R Mum | 1779 Rochland |
| JESSICA Ken | "NETI GARNET KO VICTORIA |
| Usery Retur | 758 Gorge RJ East |
| Janet LoxA | 890 Julip ave. |
| A. A. A. | ic 10 10 |
| and advantage | 4765 CordovaBay Road |
| Spent | 6-1530 Camosun St |
| Danine Wan | 954 Bank Street |
| Mitto M. Mory | 3115 Senner Rd |

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| NAME | ADDRESS |
|-----------------------|----------------------------|
| TAME WERTHARA | 165 KIMTH RO |
| Boardon Papinlau | 425 Sincoest |
| Dound Barany. | 1124 Grant Skeet |
| Shaw Eccleshall | 425 Simlor St. |
| Matthew Pooler | 18 Men 2. 25 51 |
| Kim arbule. | 510 Whiteside st. |
| David Hunnick | 1-426 St. Lawrence Street. |
| HUDRE; BORISOVI | 406-337 St-JAMES ST. |
| STEPHEN WALLACE | 406-268 SUPERIOR ST. |
| 16n your | 523. West Bon Teny. |
| Darren Zurbrion | 23 Helmoken Rd unit 313. |
| Stephanie Stinchcombe | 3235 Shel bourn |
| Phlypa E. Lyney | 9-50 Monteal St. Victoria |
| That Ither | 1769 Rutus Diwe. |
| TONE LONGMORE | 3444 PARNSTONE DR VIC |
| Norm Jacger | 2437 Malaview Sidney |
| TACHARIAH CROW | 3225 KEABST. VICTORIA- |
| Eleanor Kallio | 3225 Keats St Victoria. |

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| NAME | ADDRESS |
|--------------------|--|
| Catterine Schussel | 301-373 Type Rd. Victoria V SAOB3 |
| Marken acre | 701- 373 type Rd Victoria |
| Flatara Light 4 | 01-1555 Jubilee Ave Victoria |
| Janua Stielick | #205.45 Boyd St. Victoria |
| Andrea Crowell | 1635 Pembroke St Victoria BC. |
| Frika Boukzem | 6 Bosch 240 Douglas Ap. 807. |
| K'W may | 470 135 Fair VIC V80/E3 |
| Anua Reso | 8-3235 AIDEN 8+ VEX 173 |
| Jaime Feener | 2486 Skedans. Rd. Vic. V9BIHS. |
| Jake Gilchrist 14; | 75 Pandora St. Victoria BC VB5 3A2 |
| WENDY LYNDEN | 7030 Wallace DR 18M 161 |
| Sandi Pouse | 3989 Century Bd. V8P3N7 |
| Virginia Petrovic | Oh - In Company |
| Zoe Drakos | 303-899 Crayflaver Road Victoria Be VAZX |
| Corey Webber | 303-899 Crave Hower Road Victoria V9A-2x |
| Lena Postle | 16-2964 Harriet Rd Victoria V9H173 |
| Laura Guerre mo | Mt 1090 Johnson St Victoria BC VEVUB3 |
| Sherry Guévremon | 1 17-12 Dallas Rd. Victoria V8V 1A2. |
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| Ina Linson | 1619 Oakland Ave V87 223 |
| Olivia Johnson | 4214 135 ZIPTICK Rd. Kelowna BCVIX88Z |
| FRANCO PAYIL | 135 + 44/LLO 44 44A4 COQ. BC |
| Maintouko | 10814 67 AVE Edmonton AB. |
| M. B. Ler. | #423.1400 Lynserent Pe. Vici |
| A Ruberts | 409-660 BATITRY ST VIC. |
| DONNA HALL | 312-423 Superior St, Victoria |
| Kris | 1165 Macres St. Victoria |
| Alex | 1165 Meaner 8t. Victoria |
| Wyd | 1437 MAYIN REST CR. |
| Low Str | 413 michigan street unt 202 , victori |
| CNEWS | 230 Kive- Kd La Courchan 130 |
| Charlesse Cleary | 2554 Martin Ridge Victoria BC |
| Xim hoserblue | 1007 Esquincel VIL |
| Ken Payne | 515 Rithet St. Victoria |
| Carolys Handel | 1060 Lakington S. Victoria |
| beather Shadel | ioleo Lahington Sty Victoria |
| July C. L. V. | 300-1345 Bear Mot Ples, |
| 100 | |
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| NAME | ADDRESS |
|-----------------|-------------------------------|
| Levi Langelie | FIII Saanick Rd Brant wood |
| 11 -49 | |
| Mosember | 631/ Rodo tot-Road VICK |
| yal a goddand | 687 Michigan ST. Victoria |
| E/M Johnston | 17 Dock St Victre V8V129. |
| Melissa Steblye | 645 Battery Street. |
| James Lasalie | 945 Scot of ST |
| D. McCoy | 48 Pulot Street |
| James Sula. | 505 COOK STREET (3 UT) |
| WW D | 147 LADYSMIN VIC. |
| Jamey | 14 Lady Smith St. (Vic) |
| iffing C. | *201-260 Michigant St. V8VIR3 |
| In thickens | 4370 Emely Early |
| alling Si- | Box 699 Olibbons, AB. |
| Mrs Sewell | 1835 El Seuns Drune Vic RC |
| Now 3 augus | 1039 ViewSt |
| Ha filler | 33 do Sewall & Victories |
| (April 1987) | 7-502 Pallas Victoria |

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| NAME | ADDRESS | |
|------------------|----------------------|---------------|
| V. ADAMS | 200 pallas Road | Victoria, BC |
| Mickelson | 580 Since 51 | Victoria BC |
| B. Mangar | 15-50 Dallas Rd | Jenes Bay |
| S. Mickelson | 530 Simcre | James BEY BC |
| Many Lynne Rimir | 151 St. Andrews | Victoria, BC. |
| JOHN HASKETT | 576 SIMOG | VICT BG |
| BRUCE NOBBS | | 19/15 |
| Gal Brissen | 1 Suik 10 121 MENGES | |
| vide the lan | 204-415 Michigan | ist |
| Miles Frager | 250 Polylas | Victoria BC. |
| T. Sellinda | 964 Hey word | Victoria |
| P. Cresswell | 757 HUMBOLDT ST | VICTORIA |
| R. LUKE | e((L | 16 |
| M. Sowing | 330 MICHIGAN ST. | VICTORIA BC. |
| KALI COM # | 306-455 Hingst | on Vict B(|
| Starph t | + 302 - 250 JOUGLAS | T VIFORID BE |
| This Balnurchit | 33-406 Suice 8 | Miller R |
| \$12 Whitelaw | Emsagny Inn | Victorie 13 C |
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| NAME | ADDRESS |
|-------------------|------------------------------|
| Roner Maulin Mark | 707-250 Douglas St Victoria |
| Valerie Dupuis | 1,230 Ontario St Victoria |
| Matt Dupuis | 1230 Ontario St Victoria |
| DON MCKERNACH | IER - 8/1-275 Belleville 11 |
| Benee Sieben | - 315-151 ST Andrews |
| Jan ENGARDS | 405-640 MICHIGAN ST |
| Kristin Ross | 530 TOrongo St. VICTONI |
| Melissa Grines | 322 St. Jamos St. Victoria |
| Justin Songe | 340 200 Dallas Ad. |
| Se Marisin | 27-416 Dallas Rd. |
| Rh Z | 317-430 MKHIGAN SI. |
| anountuler | 29. 1309 Crantlane Id. |
| unde Oheary | 6773 wallace of Bratwood Bay |
| Robernan | 566 Simcol |
| Colemas | 566 Simeol |
| B Highert | 316-443 Supering Street |
| M EUANS | 318 - 493 superior |
| Briana Scullion | Ap 201 - 324 Kingston st |

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| NAME | ADDRESS |
|----------------|------------------------|
| SKRZYPIE JERRY | 121 RENDALI #314 |
| SAY STANDELL | 404-477 SUPFICIOR |
| Andrew Camaron | 244 Michigan St |
| John FRV | 118 St. Course St |
| Card Homes | #304, - 305 Landston |
| Alexia Fox | # 406° (1155,00,10° S) |
| NOAN MEHARDY | 65 0 500-000 |
| · Cray Shutko | 512 Linder Ale. |
| Marlyn Orus | 4-950 St Charles St. |
| LORNE MOORE, | 321-428 Simcoe St |
| iOn f | 303-21 Erie St. |
| Ilora anderson | 450 Sincoe St |
| Peter Dunkley | 3216 Kingsley st |
| Cypdi Royle | 217 Government |
| Jan Dupin | 520 Rithet Sto |
| Ham La-Pay | 1 Dallas Rd C10 |
| Ivan Flateher | 582 Toconto SI |
| Les Compakes | 540 rithets+ |

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| NAME | ADDRESS |
|--------------------|----------------------|
| Carthy M Cornicl | General Del Vactoria |
| Kathy Dreudl | B- 353 4nder |
| Marie Epsleud | 850 Couper. |
| Dar di | 865 View st |
| Kutt Eningen | 640 Michisanst. |
| Smanky | 901-450 Dallas |
| Jam Mc Afgli | 804-630 Montreal St. |
| Vanisse Robb | 204 - 128 Groft ST. |
| Made Harris | 105-520 Lithet Sty |
| Kathy Sentine | 1221- 440 Sinese XX. |
| Frenchen Chapter 6 | JB INN |
| 7,11 | 341 Dalles Victorie |
| Norm M'corned | 2207 heilstream Rd |
| Ann Steenes | 340 Sxlvia St |
| K & John ster | 46, 117 Superior St |
| Am Bice | #206-215 Oswego St. |
| T. Hama | 500 dithet of 414 # |
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| NAME | ADDRESS |
|--------------------|-----------------------------|
| Cherry Clevett | 170 Mentreal St |
| P.I. Allen | 580 Wlichigan St. |
| Kol Lag | 1678 FORT 420 |
| 8 Halpe | 2638 ROSS Lano |
| Physlis Graham | 1130 Landona Ove. |
| 10000 | 655 Danglas 8t. |
| Celina Silva | 131 Menzies Street |
| Mourand | 515 Rithet Street |
| 1300 6pu /2 | 902 - 5 mi |
| Kein Bur Vout | 82 San Jose kve |
| H/M) sen | 2644 PLOSEDENTY |
| Jacquie WASNEY 4 | Fishermants What Doct |
| EZIL NOY DA | 170 FISGARDST. |
| Barne Webst | 10-977 Convert Plan |
| Alfred BLACK Afr | - 26-406 Singo = ST. KBVILI |
| Theila myster dale | 703-435 Michigan V. Victory |
| Julith castle | 304-345 Wichigan St, V8V1R7 |
| SLON CAREY | 133 GREVERN MENTS ST |

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| NAME | ADDRESS |
|-------------------------|------------------------------|
| Soshuacy | 3596 Shelbourge st. |
| Irent FrastR | 576 Sincol ST. |
| Levou Harr | 215 June Superior 54. |
| Lyse Quengrille - Orpin | 151 St. AUDREWS St. AD 320 |
| Matt Dunnelly | 119 29 Songhees Rd. Victoria |
| Jescica Line | 911 Whirlaway (Vis. Victoria |
| Lauren Triscott | 922 Convent Pl. Vyctom |
| Jan Bule | 25 Government Victoria |
| of Hun | 240 Since Oyalar |
| Jami Wood | 794 Cameo St. |
| DENNISSKY | 548 DALLASST. |
| ROCKENNI | 406 SMCOF St. |
| 2 Duguey | 1678 Fort St. 1 |
| Olex Charles | 165 Kenta /200 |
| Dull Title | 3222 Keats St |
| mech- | 520 Ritlet St. Victoria |
| Caspeling Catters SCO. | 160 Clarence St. A |
| W/ Shlowest | 111 - 151 S America |
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| NAME | ADDRESS |
|----------------|-------------------------------|
| Soan mis | 203-670 Dallas Kd. |
| Colen brokella | 205-335 St James t |
| Trywan BACKMAN | 580-1313 MICHIGHAN ST. |
| Ligh Mattin | 2307-647 Michican St. |
| Parko Gasselov | 139 CHRENCE ST VICTORIA |
| Erih Thomsal | 588 Toronto St. Victoria. BC. |
| De Vouley | 405 Quelbeer St |
| anderson | 605 Douglas St. Victoria BC. |
| Mash | 305-160 GOUT ST. |
| M. Stories | 405-3406T JAMES 51 |
| 1 | 7H Con Jacol |
| good seeds | 308-200 Nonglas St. Vichan |
| Eloisa Hario | 3157 Blackwood St. Victoria |
| tour Soron) | 841 eggvingt kD. |
| An Ronas | 1243 OSCAD ST. VICTORIA |
| Mary Jodge | 620- Pear to St. 502 |
| In har | 539 Ningara Gtr. 115 quite |
| tolen | 151 St. brighten 8 St |
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| NAME | ADDRESS |
|--------------------|-----------------------------|
| Resko Selci gnoln' | #3#\$ 525 440 Sineae St. Vi |
| J. J. Haywood | 263-180 Croft St. |
| 1.1 00 Cac1 | 433-N. Prag 512 |
| Physical | 104-450 Dallas Rd. |
| Leten Mac Eacher. | 1128 - 440 Sinco St. |
| DEWNAS SIMONIN | 1252-440SIMCOE 81 |
| a Alathan | 901-647 Michigan ST. |
| Marion ABoun m | 1403 350 Dodalas 51. |
| Leanna Gruendel | #209-270 Simule (St. |
| JOHN ROBERTS | 703-300 DOUGLAS ST. |
| FM Chamberlin. | 315-500 Righest St. |
| Bond MOVEM | 821 lass STROAM ANT |
| Joel Richards | 589 Niggara St |
| Barbara Brown | 401-450 Simcoe St |
| Beckett Chung | 340 St. James St |
| Mika Kumagdi | 1311 Point st |
| Rawan Hartman | 853 Burdett. Ave |
| Wond Dacis | 5/bus sk 251 Superior St |
| | |

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| NAME | | ADDRESS |
|---------|----------------|------------------------|
| See | of filees | 405 Quebec St # 220 |
| 1 Angia | M GOOGKES | 4038 Quadra |
| 52 | ndis Felduson | 1011 Amphin 97 |
| Mathie | o Deapeer | 45 michigan St #804 |
| Panylo | n HARLar | #6-100 NIAGRAST. |
| Sara | l Comerce | 203 Kingston Street |
| Read | men | 640 Michigan St |
| | x1 Rostand | , , , |
| 1 / | RA CHUNGS A | 415 MICHIGAN STAZEZ |
| | one frelikelay | 450 SIMCLE Sti |
| Co | nn Struell | 450 SIMCOUS |
| - Ma | Kriseger | 407-1020 Burdett avel |
| ALS | | 440- Simoe ST- |
| Robe | | 204-40 BOYD ST |
| Forl | Bage) | #2-1342 PANDORA AVE. |
| | tarile | #14. 21 Darlas Rd. Vic |
| 1. F | eynandes. | , 7 |
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| NAME | ADDRESS |
|------------------|--|
| Temy Suarga | 1090 John son St Vic |
| Carol lumpea | 430 Michigan St. |
| Christie Kaenias | 1070 MOSS St |
| Anne Gland | 1101 Hilda St |
| Luging Xu | 505 cook st. |
| Siott | 473, ESQUIMALT |
| Brent Hayashi | 408-1035 Pendrogest St Victim BC |
| toby HODAIS | 404-320 COOK ST. |
| Skeplanie Mal | 2126 Curtais North Sacrich B-C. UR-553 |
| M. Allaylan | 4404-845 Burdel Aus. |
| I Cornell | 467, 280 WILTER BO VICTORIA |
| tay for | aya wyy Are |
| and on | 127 w 20th |
| 12 olday Arbess | 1-1241 Balmegrel Kd. Victoria 18 |
| Doub FOOTE | 301 1126 Me Chre St 4 |
| Larry Took | 2815 Admisals Rd |
| Hardelp Dox | 411 Sparton Rd. |
| - Xah | 233 FAIRFIELD TO. |

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| NAME | ADDRESS |
|-------------------|---------------------------|
| 1 | #Levi- 128 Coff Street |
| allevelle | 401 1433 Fair clift- Love |
| (Oluto 1 250 | 203- 825 Rithet Frang |
| D. Elser | 345 michigan |
| PAMELA BULLOCK | 40 OLYMPIA AVE, PSV DNY |
| Ant. Jover | 751 FRIAFIELD ROAD |
| H SCHILDERS | 303 160 Garrinnen 8th |
| DEAN Potter | 402 350 LIMPEN |
| CARL WALKER. | 304-1122 HILDA. ST. |
| 5/4/ | 3900 QUADRA. |
| Bill Pollinghorne | 32 - 1145 Fairfield Red. |
| E Propins | 5-479 VANCOUNTER RO |
| a Dunn | 1128 Leonura St. |
| A larry Dola | 1133 Itilda St. |
| ator by | 5-1160 Richardson St |
| DAN TURNHYLL RO | 419 CHESTER AUG |
| Hentrik Holms | 1133 Chapman St. |
| Jules MINDREAU | 1926 Low Gladstone |

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| NAME | ADDRESS |
|----------------------|---------------------------------------|
| Johanna Merth | 405-528 Pandora Ave, Victoria |
| Roy Fleicher | #101-1041 Richardson St. Vic. |
| SIDAN LOOY | 2-145 NIAGARA ST VICTORIA V8V16-1 |
| GAIL BOULGER | 46 PILOT ST VICTORIA USVZAY |
| Petile Blance | Ale filet State Vieter VBV ZA7 |
| Willem Oudshorn | 54 Howe St. V8Y4K3 |
| James Glenn | 406 1641 RICHARDSUN, VICTORIA UBY 366 |
| sarah Claer | 4300 Gyadra St. Victoria |
| Rochael delas Rujes | 105-128 Craft St. Victoria BC USU 206 |
| Dominique Woodroffe | 205-235 Michigan 3+ VEVIRA |
| PAT EVANS | 1808 MARIO TORONTO |
| George Janlieson | 4-247 Government S! V8V 2L1 |
| Linda Jardine | #407 225 News us St. VQV 266 |
| STEVE & AMPSON | #3-2775 GRAINGER |
| Dirsanner Rueb Facet | - 556 you nto ST V&VIP |
| John Macdonald | 1130 Lockley- Pal. |
| Mike Beninger | 3126 Irma St. V94188 |
| 18 In Stumber | 531 Sincre St. V8VIMI |

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| NAME | ADDRESS |
|------------------|------------------------------|
| Pat Buyous | 101-405 Quebec St Victoria |
| D.M. Gungan | 366 Simor |
| AMAL MAS four | 5 G17 Battery street. |
| RAY BUTTON | 41091-118 CPOFT. |
| Shain Kohlman | 403 260 Michigan |
| Luck Milorgen | 5-66 Suncere St |
| Josephy. Kennedy | World Wast. |
| andrey Hund. | 423-110 Douglas St. Victoria |
| MELISSA ROBORTS | 981 PORTAGE RD. |
| BEDRIJA HROMIC | 440 SIMCOE STREET |
| your Marrows | 400 11 0 |
| Jen Smith | 333 Simcol St |
| Slorna Syron | 201215 Oswey St. |
| R. Melton | #406-3244 QUADRA STR. |
| Mato | 316-1610 Jubrbae te |
| Extrada | 406-340 St., James Street |
| Most Defeate | @ 201-435 Michgan Street |
| Juck Rocks | 230 Oswego St Ago # 103 |

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| NAME | ADDRESS |
|--------------------|-----------------------------------|
| Darbene Nickerson | 106 3258 Alder St. VICBC |
| Nicole Humanel | 209 Aldersauts 1'BC |
| forty Bentle | 209 Aspersmith Prace BC |
| Neix Lutal | policy tour (res, |
| mered in matricion | 920 Falkland Rd U.C.B.(|
| 1000 da 90 lanes | Hote Chapman St. Vic3C2 |
| mary andrews | 116 Wellington Victoria |
| Cali Drok; | 525 CONVENT DE VICXURIA B.C. |
| Maddy Buckingham | 1038 Magnegor Ave 10' BC |
| Jabitha Mino Z | 767 Collinson St |
| Christopher Yurns | 755 Caledonia Aue |
| Derok Breen | 2866 Graham str. |
| Rod Groslin | 1620 Camoson St. |
| Christians Predat | 1547 Jacoby St Ventoria U8 h 2 /6 |
| Kim Mollin | 1153 Hadfield Aug. |
| Bonnie Jean Duncan | 410 MICHIGAN ST. |
| Melsegor Forcroft | 205. 629 Nallas Rd. |
| 18. Preston | 303 562 Simcol |
| Emily Smith | 778-839- 240 SIMOVE St. |

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| NAME | ADDRESS |
|--------------------|-----------------------------|
| Hog | Inestay Square |
| Letain | Jame Bry, Syvave |
| Rekha Haeli | James Bay, Speper 51. |
| Louise Kor | 103 110 Douglas St. |
| Melica Harris | 206 - HIT M. gh. yan St. |
| yw Perli | 206 nonvered |
| Kito Consumas | 360 Dallas Rd # 302 |
| B Mc Kay | Royal Scott (yearly) |
| & Milnay | 450 SINCOEST. |
| From Paris | 203-450 Sincoe St. Victoria |
| CLAUDIA WARREN WWW | 210-465 Dagara St Victoria |
| Dayette Sostes | #206-122 Menzies St. |
| Physical | 107 246 Simcae SF |
| Clis Chixlehe | 219-335 ST. JAMES SX. |
| Michel Walter | 778-817-1018 46 Paddgn Ave. |
| Sandra Beaurogad | 119 Clevence St Victoria. |
| Sarina Obsta | 4391 Greenlea Pl., Vic. |
| Cheryl Kontanis | #1-521 Linden Ave. |

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| NAME | ADDRESS |
|-------------------|---------------------------|
| Panielle Dren | 430b Parry St |
| Emanaed Bedell | 2358 COOK Shee |
| Will Tarrent | 2938 West Loury Rd |
| Alannah Reid | BOT Sincoe St |
| Brittony Bjorndal | 507 Since St. |
| ERIK PEDERSEN | 2039 GOUTMAY PIC. |
| WATER PRITCHAR S | 980 HB X WOOD AUR#3 |
| ANN CREER | #705-240 Dougles |
| Wend Boissevain | #416-443 Super 101 S |
| Chrystal Morris | #406-640 Dallas Rd. |
| Pater Roemer | 131 Homer Rd. |
| Shuler of homps | acolymnia AVE. |
| GAYNOR AUGHES. | 616-918 COLLINSON ST |
| Andom Rogers | 201-1510-Jubilee And |
| NadiaRogers | 201-1510 1 |
| acken | 1211 - 450, Dingcot |
| Sanch Meliza | 311 - Swift St Victorabe. |
| Lisa Tichlan | 10B-450 Dallas Rd |
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| | NAME | ADDRESS | |
|------|-----------------------|------------------------------|---|
| 6 | WILLIAM CHELWONIA | et 636 MONTKEAL S | / |
| | Masae Okabayashi | 625 Superior Street Victoria | |
| | Juisn book | 362. 21 I OSurgo St. Victor | K |
| | Joo Little | 327- 440 Simede St? | |
| | Weten Smith | 440 Semere V. | |
| | 1 Dary Draper | 404 874 Fleming | |
| | Surliere Da | 600 Tanato 8. | |
| | Lindallei | 620 Thronts St. | |
| | Shiffy Embra | 240 Douglas + 802 | |
| | marka Gass Cer | 240 Douglas Sheef # 202 | |
| | Cat. (25-51)-1 | *7-50 DALLAS ROAD | |
| i | JUAIN KETELES STEVENS | | |
| 11 1 | Kinny Hornory | do 1 2 5 5 5 5 5 | |
| 110 | Lotton Moviou | #212-121 RENDAL COK |) |
| 1 | Einetha D | 21701/2000 | |
| | Simple Colours | 1350 Stanley Ave | |
| | Katrina Schurman | | |
| | Slave Nevel? | #1794 TATLOR STREET | |

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| NAME | ADDRESS |
|--------------------|-----------------------------------|
| meg Davel | 139 Clarence St Vic |
| AA | 609 450 STMCRE ST |
| Michael Rogers | 124 St Andrews St |
| Non By | 25 Churchtony |
| Keth wiekes | 103-225 Belleville V8V4T9 |
| Paterlas | 544-Superiar 188479 |
| Vi Horre | 201-10520 M Doullet K WALDAS |
| DERRI GIBSON | 410-450 SINCOE ST V8V1L4 |
| 2. Minhogy | 200 DALLAS RD #214 |
| & laknes | 18-132 Menzies |
| Joanne Manley | 139 Clarence ST V8V2JI |
| Laad | 450- Since St. Vict V8V-14 |
| Growells, Marc | 114 Menzies St Victora BCURU 269 |
| Swan Strotton | 4201 Cincard Victoria BC |
| Ber Stevens | #111 - 379 Type Rd VI CAVID |
| BRAD 115821DE 1 | 111-319 Transcons VICTERIA V98034 |
| MAVIS COLLICOST | 4330 CANORA KD. |
| Aldrayly Singtasin | 270 Billas Bd. |

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| VICTORIA MANN | 11P5 #202 YATES, VICTORA, I |
| Sylvia Brinckman | 2-20 Menzies St, Victoria |
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| S. HAMILTON | 2411 COSTA VISTA Pl. VICK | |
| Les Cox | 212 ST. AWDROW ST VICKES | |
| IRN GIKE | 9-46 DALLAS RD VICTORIA | |
| 3. MERTH | 202-1041 RICHARDSON VICTORIA | |
| JACQUELINE BRAND | | |
| FRANCE GILBERT | 402-525 RITHET St. Victoria France Cotsect. | |
| CAROL DYCK | #1401- 450 SIMCOEST VICTORIA DC USUICA | |
| Su Rwell | 305 Michigan & Victoria | |
| Netlin Barmerky | 7576 SIM/HE ST # 409 | |
| alice Wilkins | 505-240 Douglas St Victoria 18V 2P3 | |
| Yaul Beisson | 208 - 118 CREFT ST VICTORIA UBU DEG | |
| malos | 112-566 Striene St. " " V8V 119 | |
| Lysa Ipsen | 312-405 Quebec 84 Victoria V&V4ZZ | |
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| Amanda Friesen | 712 425 Simcre St. Victora BC |
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| HENDRA LOPALY | 3-1505 MORAS 3 5T |
| THMARA BRUIM | 3276 FORPLS ST. |
| VALTER BRUM | 2276 FURBES ST. |
| Jillian Light | 1435 Therlow rd |
| CHRIS 10010 | 308-945 300 mot F.D. |

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| RENE MAGILLE | 636 MONTREAL ST |
| Katherine Tevaanuerk | 3972 Maria Rd |
| Susan Mirhady | Laurel Point Inn |
| RUTH SWINTON | 1736 King, Rd Victoria |
| (RICE EBBY- CONDUAN) | 806 MICHIED STK. |
| Job Reid. | 45 South Turner. |
| MJBaldwar | 1501 Argylo Ave Nanaimo |
| G. PARITISE | 301-270 Sincos ST. VICTORIA |
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| DAVID SOUT | 3-130 DALLAS RD. |
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| Lisa Mortimore | 152 Ladysmith St. Victor |
| Stacy Jensen | 152 Lad Smith St Victoria |
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| Daniel Charbola | 946 Shearwaterst Victoria |
| Helen Burley | 912 selling Ave Victoria |
| Myrianne Righard | 996 Shearwater St, Victoria |
| Kim Paterson | 301-537 Heatherdale Lane, Vic. |
| Kathy Small | 1240 Tattersall Dr. Victoria |
| le Loy, | 200 DALLAS RD VICTORI |
| Way () | cec 891/57 Rd |
| Madelaine MacDongall | 1000 Terrace Are Victoria |
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| | 443 Superer St # 414 |
| Wendy WasiteWSK | 1850 Allenby St. Victoria V812367 |
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| Chris Rohrmoser | 531 STINCLE ST |
| JOHN VICKERS | 503 600 ST |
| BRULE BENDOW | 413 Powell st. |
| Hans Kremmer | 434 Heateur St. |
| VANIA MARIJANOVIC | 806-728 YATES ST. VICTURIA, BC |
| Yuki Jacobs | 806-728 Yates St. Victoria, BC |
| | |

Subject:

FW: Short Term Vacation Rentals

-----Original Message-----

From: Miranda Jones

Sent: February 25, 2017 9:50 AM

To: Lisa Helps (Mayor) < mayor@victoria.ca > Subject: Short Term Vacation Rentals

Dear Mayor Helps,

I do hope that the suggestion of pushing STVR into mainly the downtown area will not be approved.

My reason for hoping for this outcome is that the downtown area was being very much encouraged to become MORE residential rather than less so.

When you were elected (and I voted whole-heartedly for you) I had the pleasure of hearing you speak at our condo complex (The Aria on Humboldt

Street). I distinctly remember your mentioning the desire for seeing MORE residents living downtown. I seem to remember numbers being talked about where there were presently 7,000 and you wanting to increase this to 20,000 within five years.

I do not feel that encouraging STVR in the downtown core is a way of encouraging people to make their permanent homes in this same downtown area.

I also feel it is extremely unfair to the downtown hotels.

Thank you for your consideration.

Miranda Jones South 1006 - 737 Humboldt Street Victoria, BC V8W 1B1

Subject:

FW: Email to Mayor and Council RE: Short Term Vacation Rentals

From: Diane Chimich

Sent: February 26, 2017 5:00 PM

To: Councillors < Councillors@victoria.ca >; Lisa Helps (Mayor) < mayor@victoria.ca >

Cc: Patricia Crichton

Subject: Short Term Vacation Rentals

To: Mayor Helps and the City Councillors

The issue of Short term vacation rentals is having an extremely negative impact on the downtown condo owners of Victoria.

Throughout the past ten years, there has been an effort to build condos and encourage residential development in the downtown area. This has brought about an increase in the residents of the downtown area and served to help revitalize this area.

However the influx of short term vacation rentals is seriously changing this. People who have made their homes in this area and finding that their homes are being negatively impacted by the influx of owners who are trying to make a 'quick' dollar. Residents are finding that the security of their homes is being jeopardized by STVR.

Hotels employ security staff, maintenance staff, cleaning staff and are designed to meet the wants and needs of the visitor who is here for 2 or 3 days. The buildings are designed with wider halls and commercial flooring in order to take the demands of the traffic a hotel has.

Condos are not designed or intended for this same type of abuse. The use of these units for STVR puts a huge load on the limited resources of a strata. These investment owners do not live in the buildings and are not aware or concerned about the difficulties that this causes the residents of the building. They are running a business enterprise in a residential building and their interests and priorities are skewed in that direction.

This practice is also taking business away from legitimate hotels who have invested time and finances in their hotels. The STVR has an unfair advantage in pricing due to many reasons such as reduced taxes, no hotel taxes and no additional maintenance costs to deal with the issues that their business causes.

Please address this issue. Residents of downtown should not be subjected to having their homes turned into hotels. We are asking that STVR not be allowed to operate in downtown Victoria.

Sincerely
Diane and Peter Chimich
#1601 788 Humboldt St.

Subject:

FW: Email to Mayor and Council RE: STVRs

From: Brent&Jennifer Baynton Sent: February 27, 2017 2:37 PM

To: Lisa Helps (Mayor) < mayor@victoria.ca >; Councillors < Councillors@victoria.ca >

Subject: STVRs

Hello Mayor and Councillors

Re: Short Term Vacation Rentals in the Downtown Area

As an owner in an existing Downtown residential multi-unit building, I urge you to reconsider your approach to regulating STVRs. I'm in favour of your current approach, but I think it's crucial that you also include **existing** Downtown multi-unit residential buildings in any zoning changes you make. If you don't include the existing buildings, it's likely that you'll create intense STVR demand within these existing buildings, since they'll be the only choice left for investor-owners.

Having a high percentage of investor-owners in a building often causes the exit of long term owners and renters, both of whom contribute to their buildings and their neighbourhoods in ways that vacationers and investors simply do not. True leadership on this issue needs to come from the City in the form of zoning, and not from strata councils who may reverse their bylaws in the future when it becomes lucrative.

I encourage you to put the needs of your Downtown residents (both owners and long-term renters) in the forefront, above the needs of investors and vacationing visitors, both of whom have other options. If you want to align with your mission of increasing liveability, availability and affordability, please alter the current zoning in Downtown so that STVRs are not permitted in multi-unit residential buildings.

thank you for reading my letter.

Jennifer Baynton 737 Humboldt St.

Subject:

FW: Email to Mayor and Council RE: STVR Regulations

----Original Message-----

From

Sent: February 27, 2017 3:34 PM

To: Lisa Helps (Mayor) <mayor@victoria.ca>; Councillors <Councillors@victoria.ca>

Subject: STVR Regulations

Mr. Mayor: Any restrictions singling out homeowners who choose to rent their property short or long term are discriminatory by definition. Residential property tax in Victoria is already placing a substantial burden on owners. Reclassifying residential rental properties as commercial again, is discriminatory. Requiring owners to buy business licenses was the first step in over-regulating private ownership of single dwelling residences.

I would ask the Council to consider what ownership of personal property rights and responsibilities entails. I would also ask the Council if there aren't other ways of social engineering the real estate market like letting the free market supply and demand solve it without adding taxation and regulation. Like most forms of government regulation economic, social and educational issues inevitably grow and get worse as they are imposed.

Here is the question: Is placing additional taxes and restriction on private property owners going to encourage long-term economic growth in Victoria? Let Freedom Ring and the Free Market continue to work!

Sincerely, John Giboney, B604 399 Tyee Road, Victoria, B,C.

Subject: FW: Email to Mayor and Council RE: STVR

From: JUDY CLARK

Sent: February 27, 2017 8:34 AM

To: Lisa Helps (Mayor) < mayor@victoria.ca >; Councillors < Councillors@victoria.ca >

Subject: STVR

Mayor and Councillors of Victoria,

I do not agree to this proposal. I live in a condo at The Belvedere, 788 Humboldt Street. This is my home, I don't want to share with STRV. Victoria has hotels!

MY VOTE IS NO!

NOT IN FAVOR!

Judith Clark

Subject:

FW: Email to Mayor and Council RE: Short-term vacation rentals

----Original Message-----

From: Ken Mennell

Sent: February 27, 2017 9:05 AM

To: Lisa Helps (Mayor) < mayor@victoria.ca>; Councillors < Councillors@victoria.ca>

Cc:

Subject: Short-term vacation rentals

Dear Mayor and Councillors,

We live in a condo at the corner of Humboldt and Blanshard.

We are opposed to short-term vacation rentals in condo buildings for the following reasons:

- STVRs are contrary to Council's legitimate desire to increase the population density of downtown Victoria.
- STVRs create conditions which are disruptive to permanent residents in condo buildings.
- STVRs enjoy unfair advantages over the hotel industry which must comply with regulations and taxes which protect patrons and help finance social programs.

Sincerely, Ken and Leona Mennell

306 - 778 Humboldt St., Victoria, BC V*W 4A2

Subject:

FW: Email to Mayor and Council RE: Short Term Vacation Rentals (STVRs)

From:

Sent: February 27, 2017 7:23 AM

To: Lisa Helps (Mayor) < mayor@victoria.ca >; Councillors < Councillors@victoria.ca >

Subject: Short Term Vacation Rentals (STVRs)

Dear Mayor and Councillors

I am writing to urge the City to ban short term vacation rentals in residential condominiums.

We live in the Belvedere at 788 Humboldt Street. It seems that every time we have a spike in vacation rentals, we experience things like mixed garbage dumped in recycle bins. No amount of signage or instructions seems to curb this practice. We find it difficult to maintain a recycle program with short term vacationers moving in and out. Maybe installing garbage police in the garbage room would help.

Vacation rentals are not suited for residential condominiums and should be disallowed.

Sincerely L Mackett

Subject:

FW: Email to Mayor and Council RE: Short Term Vacation Rentals

From: Peter Bonyun

Sent: February 27, 2017 5:10 PM

To: Lisa Helps (Mayor) < mayor@victoria.ca >; Councillors < Councillors@victoria.ca >

Subject: Short Term Vacation Rentals

Dear Mayor Helps and Councillors,

I was please to see that Council decided to reconsider its approach to short term vacation rentals (STVR's) at your meeting on February 23rd.

While there are other important issues related to this topic, I want to express my concern about the vulnerability of existing downtown condominiums under Council's current position. My understanding is that STVR's would be allowed in existing downtown condominiums but not elsewhere in the city. The profitability of STVR's is a powerful incentive for investors and it should be assumed that they will take full advantage of the opportunities they are afforded. While this would not harm every neighbourhood or every type of building, I believe it is a slowly acting poison in downtown condominiums. A STVR has more value to these investors than to long term renters or resident owners and they, therefore, will be gradually increasing their ownership of these units at the expense of these other types of residents and local hotels. The process tends to accelerate as the shrinking pool of long term residents find their building less and less attractive because the residents in STVR's tend not to respectful, or even be aware, of the condominium bylaws that owners have in place as the foundation of their community. The long term residents will find they have to deal with excessive noise, garbage and damage to their building. They are simply not equipped to be the hotel that STVR vacationers expect.

I am aware of one major downtown condominium that has already been "lost" to STVR's and another that is teetering on the brink. If Victoria is going to have a vibrant full time resident community downtown, we need Council's support by prohibiting STVR's downtown as well. Certainly, as a downtown resident, I believe my community deserves the same protection offered to the rest of the city's condominium residents. Thank you,

Peter Bonyun 737 Humboldt St, Unit S707

Subject:

FW: Email to Mayor and Council RE: STVR + Downtown = Please NO

From: ron proulx

Sent: February 27, 2017 2:01 PM

To: Lisa Helps (Mayor) < mayor@victoria.ca>; Councillors < Councillors@victoria.ca>

Cc: Ruth Annis
Subject: STVR + Downtown = Please NO

Dear Mayor and Councillors,

I am in strong agreement with the following::

City Council should alter the current zoning in the Downtown so that STVRs are not permitted in residential buildings. Nothing prevents investors from proposing multi-unit buildings to be run as STVR- style hotels.

Ron Proulx

Owner

N511-737 Humboldt St. Victoria BC V8W 1B1

dear 2017 - what will u bring?~ Ron Proulx arpixmedia The Rights Company

Subject:

FW: Email to Mayor and Council RE: Regarding Short Term Rentals in Buildings that are zoned for transient use

From: Suzanne Little

Sent: February 27, 2017 7:01 PM

To: Lisa Helps (Mayor) < <u>mayor@victoria.ca</u>>; Councillors < <u>Councillors@victoria.ca</u>> **Subject:** Regarding Short Term Rentals in Buildings that are zoned for transient use

Dear Mayor and Councillors.

RE: Staff were asked to contact the BC Assessment Authority to discuss whether units used for STVRs should be classified and taxed as commercial properties.

I am an owner who purchased a transient zoned condominium in the past - with the intent to make my investment back by offering legal short term rentals. I already possess a business licence. Our condo is often rented by people who are positioned in Victoria for government work, hospital work or other executive positions. We are serving a need in downtown Victoria for such renters. I and many other similar owners would be financially impacted if there was a change in the designation to make this a commercial property. It is unclear to me how that could even be done, legally.

The City would be on the hook for legal costs brought about by all such owners for loss to their investments if a commercial designation were introduced to these properties.

As noted by Jay Wollenberg, consultant and adjunct professor with UBC's School of Community and Regional Planning, in the CBC article below, the current # of units on Air bnb is negligible in terms of overall impact on Victoria rental housing availability and he notes particularly that "A number of owners may have purchased their unit with the expectation that they would be able to do this." (Short term rentals)

http://www.cbc.ca/news/canada/british-columbia/victoria-airbnb-rental-suites-vacancy-shortage-1.3824963

Additionally - short term vacation rentals are alleviating the very real problem of a shortage of hotel rooms in Victoria during the summer months, and therefor helping to support the merchants, restaurant owners, shop owners, and everyone else that relies on tourism spending to help them keep their businesses running.

Thank you for your consideration of these points.

Suzanne Little

Subject: FW: Email to Mayor and Council RE: STVR - Proposed Rezoning / Reclassification

From: Gibbs, David

Sent: February 28, 2017 11:24 PM

To: Lisa Helps (Mayor) < mayor@victoria.ca >; Councillors < Councillors@victoria.ca >

Subject: STVR - Proposed Rezoning / Reclassification

SHORT TERM VACATION RENTAL - Proposed Rezoning / Reclassification

Dear Madame Mayor and Council

I am a condo property owner in the Humboldt Valley Area of downtown Victoria. My wife and I have been blessed with the ability to purchase this property so that we may soon retire after many years of hard work. But these blessings have not gone without sacrifice. We knew that in order to retire sooner than later that we would need to compound and accelerate our payments on the property. We also chose to utilize the condo as a vacation rental to also help with paying down the mortgage. In addition, we sold our primary residence and moved with our kids. We used a large portion of the profit toward the condo mortgage as well. The reason I am explaining this to you in such detail is that there is no way we could afford to live in Victoria and be able to retire mortgage free without doing these things that we have done. To impose such restrictions would have a profound and negative affect on our ability to reach the objective we are striving for and that is to move into our condo sooner than later. These proposals are being revisited only because of a very few and perhaps very influential group of individuals in the downtown core who obviously have nothing better to do than interfere in the business of others.

My wife and I have taken great pride in our property which has beautiful views of the Legislative Grounds, Cruise ships, Juan de Fuca Strait and the gorgeous Olympic Mountains. We love sharing this part of our great country with visitors. We are not slum landlords who need oversight and we find it unconstitutional and discriminatory that the City of Victoria Council feels that they have the right to interfere in our future. The strata association in our building were shot down twice in attempting to impose surcharges on owners of STVR. They finally had to concede that it was in fact discriminatory toward owners who had already paid a lot of money for these properties and had the right to utilize them as they pleased.

In closing, I hope that Madame Mayor and her Council are able to come up with a different strategy to assist the issue of affordable rentals in Victoria instead of using quick-fix, band-aid and knee jerk decisions like more taxation and other restrictions. Address the real white elephants in the room right now like the over-priced, overdue Johnson Street Bridge and the embarrassing tent city mess along with the legal bill attached to it. To impose additional tax burden and reclassifying a Private Residence to Commercial is no more than a bullying tactic by the City of Victoria Council which is only going to end up in a courtroom.

Respectfully, David & Jennifer GIBBS Subject:

FW: Email to Mayor and Council RE: Short term Vacation Rentals: Input to City Council Decision Making

From: DavidandKate Preston

Sent: February 28, 2017 8:55 AM

To: Lisa Helps (Mayor) < mayor@victoria.ca >; Councillors < Councillors@victoria.ca >

Subject: Short term Vacation Rentals: Input to City Council Decision Making

Dear Mayor and Councillors

We are snowbirds from Ottawa. We own a furnished condominium in a 2-unit strata property outside the downtown core which we occupy for a minimum of 3 months a year over the winter. We make it available for occasional use by family at other times and for the rest of the year we lease it for vacation rentals through our property management company. Many of our clients are return guests who rent for 4-6 weeks at a time. We declare all income earned and pay taxes on it as well as paying Victoria property and property management taxes. We do not make money on the property as the rental income merely covers the costs.

We keep the apartment in excellent condition, as attested to by the feedback we have from our guests. We are active participants in the life of the community, including making charitable donations and patronizing local businesses and festivals. Our tenants frequent restaurants and theatres and buy groceries and other local products. In short we occupy a specific niche in the Victoria housing market, one we believe the city should encourage, not attempt to stifle the social and economic benefits of our presence and that of our guests.

Nothing would be gained by leaving our apartment unoccupied during our absence, nor would it have an impact, positive or negative, on the long-term rental housing situation in Victoria. Maintaining a vibrant, engaged community has positive economic benefits on all residents. We would be happy to provide additional information, if requested, to substantiate our claim that residents like us are active contributors to Victoria's economic, social and cultural life. Thus we believe that the city's housing regulations should be sufficiently nuanced to acknowledge Victoria's particular advantages in the BC housing market.

Respectfully yours

David and Kate Preston

Subject:

FW: Email to Mayor and Council RE: STVR Regulations

From: David Scott

Sent: February 28, 2017 10:27 PM

To: Lisa Helps (Mayor) <mayor@victoria.ca>; Councillors <Councillors@victoria.ca>

Subject: STVR Regulations

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Subject: STVR Regulations Date: February 28, 2017.

mayor@victoria.ca, councillors@victoria.ca

Mr. Mayor and Councillors:

My wife and I own a condominium in the Astoria at 751 Fairfield Road.

When we are not in Victoria our condominium is available only for short term rental, providing us with an assurance that it will be available to us when we visit Victoria, something we would not have if it was rented to a full time tenant. The Astoria is well managed and, to our knowledge, suites such as ours used for short term rentals have not caused ongoing problems for resident owners.

We agree with the content of the letter below and request that Council make no changes to regulations concerning vacation rentals.

"Any restrictions singling out homeowners who choose to rent their property short or long term are discriminatory by definition. Residential property tax in Victoria is already placing a substantial burden on owners. Reclassifying residential rental properties as commercial again, is discriminatory. Requiring owners to buy business licenses was the first step in over-regulating private ownership of single dwelling residences.

I would ask the Council to consider

what ownership of personal property rights and responsibilities entails. I would also ask the Council if there aren't other ways of social engineering the real estate market like letting the free market supply and demand solve it without adding taxation and regulation. Like most forms of government regulation economic, social and educational issues inevitably grow and get worse as they are imposed.

Here is the question: Is placing additional taxes and restriction on private property owners going to encourage long-term economic growth in Victoria? Let Freedom Ring and the Free Market continue to work!"

(Author Unknown)

Yours sincerely

David Scott, Victoria Scott

Yours sincerely

Subject:

FW: Email to Mayor and Council RE: STVR a Snowbird Perspective

From: Paul Vaillancourt

Sent: February 28, 2017 10:24 AM

To: Lisa Helps (Mayor) < mayor@victoria.ca >; Councillors < Councillors@victoria.ca >

Subject: STVR a Snowbird Perspective

Honourable Mayor and Concillors,

As recent newcomers to Victoria we would like to offer our perspective on this issue. We are relatively young retirees who were able to afford moving to Victoria, the city we found to be the most attractive for our retirement years. We moved from Edmonton and spend the six coldest months of the year in Arizona. The fact that Victoria is a Canadian snowbird destination enables us to rent out our downtown condo to snowbirds who wish to remain in Canada and rent for one, two or three months at a time. Our condo location is zoned for STVR and we are licenced by the city. We also use a very reputable management firm to manage this little sideline business.

We feel that just as we add to the local economy when we are in Arizona in the winter, our renters contribute to the Victoria economy in our absence. We believe that you should consider this positive economic impact of owner occupied STVR condos in the Downtown and refrain from altering the current zoning Downtown to limit STVR condos.

Paul and Rolande Vaillancourt 1501 - 788 Humboldt St. Victoria Subject:

FW: Email to Mayor and Council RE: No Short-term Vacation Rentals

From: William Rodger

Sent: Tuesday, February 28, 2017 11:47 AM

To: Lisa Helps (Mayor) <mayor@victoria.ca>; Councillors <Councillors@victoria.ca>

Cc: To: Patricia Crichton Cc: Ruth Annis Peter Bonyun

Subject: No Short-term Vacation Rentals

February 28, 2017

Dear Mayor and Councillors:

We bought our condo in The Aria on Humboldt Street because it does not provide for STVRs, Airbnb, and other short-term accommodation. The minimum rental stay in our building is six months. A six-month minimum creates an opportunity to develop and reinforce community in our building and consequently the downtown core. To entertain the notion that STVRs somehow contribute to community lacks substance and common sense. For example, six individuals renting a unit to celebrate the forthcoming wedding of their friend, and the subsequent "partying" diminishes the livability of the building and the units. I speak from experience because I have observed exactly this type of behaviour occurring at the Parkside Hotel, across the street from the Aria. As well, The Belvedere has a history of Airbnb and STVRs and according to our owner-occupied friends at The Belvedere it is horrible. Not surprisingly, The Belvedere has 'grandfathered' STVRs and they will be disappearing from the building.

When we decided to move downtown, we (foolishly, it seems) believed the message coming from the mayor and city council that there was a desire to create and maintain a vibrant residential neighbourhood in the Humboldt Valley. Since the day we moved here, January 4, 2014, it has been a constant struggle pushing against one hare-brained *ad hoc* mayor/city council scheme after another for the Humboldt Valley community, e.g., a bus parkade on Humboldt Street, camping in Cridge Park, a casino in the Crystal Garden (yet to be resolved as per location), Yuk-Yuks in The Q, a scotch distillery in the Crystal Garden, and the list continues with respect to a 15-story condo on Belleville, Bosa's hotel on Douglas, and the

continuing existential threat to institutions such as the CP Bowling Green on Belleville. Where do these ideas come from? How are they consistent with neighbourhood? They seem to appear out of nowhere. Are these proposals part of a comprehensive community plan that I have yet to read?

One of the biggest drawbacks of allowing STVRs and similar rental strategies in the community is security and wear and tear on the building. These factors, coupled with an expected increase in the use of the community's amenities by guests with no real stake in the property, can have a real impact on the livability and sell-ability of the community for long-term building residents. As a resident-owner I am not happy having a group of rotating strangers staying next door to me. It increases my fears and feelings of vulnerability of living downtown.

Again, with respect to security, Humboldt Valley residents can expect to see an increase in security concerns when keys and security fobs to the building are passed from guest to guest. Presently, our underground parking is gated and for security reasons we are required to wait for the door to close behind us before proceeding out of the building or to the parking area. If STVRs are permitted in The Aria we might as well just remove the parkade gate because it will become obsolete with strangers and errant fobs in the area. From the downtown area, St. Ann's, and Beacon Hill Park (as has been demonstrated with the transient and socioeconomically distressed citizens who occupied the courthouse park and continue to raise legitimate issues on downtown streets such as Johnson Street and thereabouts) security threats may quickly gravitate to the now less-than-safe condominium complexes. These issues have been well documented in the media by residents in those communities around Johnson Street and the courthouse.

What are some of the other negative issues with permitting STVRs? A community on the Gulf Islands documented the following concerns: noise, traffic, parking, water use, garbage, loss of affordable rental stock, and undermining the sense of community in the neighbourhood.

In a presentation by the UBCM in 2016, it was stated that STVRs are not to displace full time housing rental stock for short-term rentals. Since the Aria is 100% occupied by either owners or long-term renters (six months or longer), one might conclude that STVRs are not going to occur here. However, I spoke with an owner-occupier who owns and rents a second unit. My neighbor told me that they would evict the present renter to convert the unit to a STVR, if allowed. Yes, he is

sympathetic to the long-term renter, but this individual sees big \$ signs and is willing to do whatever is required to cash in.

The following is an excerpt from the Los Angeles Weekly, January 2015. The article described what is occurring in some Los Angeles communities as the result of STVRs. There is no doubt in my mind that the same scenario will occur (and probably already is occurring) in Victoria:

(STVRs) Is Infuriating the Neighbors

You're one of six college friends in, say, New York or even Nepal, and you want to visit Hollywood for a weekend. You can book a hotel for \$75 to \$350 a night, or you can seek an apartment or room in somebody's home via Roomorama, VRBO or the granddaddy of online short-term rental services, Airbnb.

On Airbnb, you and your pals find a cozy, clean one-bedroom apartment in a 12-unit Franklin Village co-op — a complex owned mostly by on-site residents — for \$150 per night. Welcome to the "sharing economy," represented by services such as Airbnb in the private home/room rental business.

After your host, the apartment unit's owner, gives you the keys and a gate opener, you and your compatriots go drinking before rolling two rented minivans into your allocated space under the building. You drag your suitcases up the stairwell at 2 a.m. to be confronted by the irate home-owners' association president. The neighbors are weary of tourists jarring them awake in a residential neighborhood.

They're even madder at the host, for turning their homes into a hotel.

The following morning, you're met with hostile glares — one neighbor, who lives next door, mutters that he was kept awake by the sound of the toilet being flushed all night by six drunk occupants. Another owner screams at you to move the second minivan because it's blocking her car. Of course, you didn't know that only one vehicle is allowed per space. You shrug. What difference does it make? You'll be gone tomorrow.

Victoria is a vibrant community in which to live and visit. However, I am frustrated with the time, commitment, and resources dedicated by mayor and city council to tourists over the long-term considerations and needs of residents, owners and renters. Residents are rooted and here to stay and tourists are transitory, therefore residents' needs can be neglected and diminished; they're not going anywhere,

seems to be the attitude. This is particularly interesting because tourists do not vote. Please, in the interests of community and neighborhood, do not facilitate the presence of STVRs in the Humboldt Valley.

Regards,

William Rodger, PhD

South 905, 737 Humboldt Street,

Victoria, BC

V8W 1B1

Subject:

FW: Email to Mayor and Council RE: Short Term Vacation Rental

From: Claudia Senkiw

Sent: Wednesday, March 01, 2017 11:44 AM **To:** Lisa Helps (Mayor) < mayor@victoria.ca **Cc:** Councillors < Councillors @victoria.ca;

Subject: Short Term Vacation Rental

As an owner in the Belvedere Condo building in downtown Victoria I read with interest some information I received regarding regulation of Short Term Vacation Rentals.

I totally agree with the submission by Ruth Annis. STVR's do nothing for existing residents who have no say or knowledge of who rents these units. And short term renters have no

vested interest in the building where they rent. STVR's do not add to the community-building or security in the downtown area. They are a business and should be treated as so and should not be permitted in residential buildings.

Thank you. C. Senkiw

Subject:

FW: Mayor and Council email re short term vacation rentals

----Original Message-----

From: webforms@victoria.ca [mailto:webforms@victoria.ca]

Sent: Wednesday, March 01, 2017 11:22 PM

To: Victoria Mayor and Council < mayorandcouncil@victoria.ca >

Subject: Mayor and Council email

From: Deidre Langlois

Email:

Reference:

Daytime Phone :

Dear City Council,

My name is Deidre Langlois and I own a vacation rental management business in Victoria.

I see that there are some people in the Belvedere speaking out against STVR's but there has been no one speaking for STVR's that works in the business or have there been any strata management companies offering their side of how this industry works.

I would like to start by stating that we manage STVR's only in buildings that are specifically zoned for this and we pay GST, PST and MRDT and I know we are not the only management company in town that operates this way.

Many of the allegations that have been put forth by some of the owners are just not factual. The claims that the people that stay in these units are partiers, unruly, they litter, etc, well that could be true once in awhile, but certainly no more than any long term tenant or permanent resident. In fact, I have asked strata management companies over and over whether there have been any complaints or if they see any trouble from STVR's and the answer is consistently NO. In fact, they will tell you that the long term tenants are really the ones that cause the trouble because they 'live' there and feel they have the right to do whatever they like regardless of the rules.

The people that are paying \$200-\$300+ a night to stay at a place are not going to be tearing the place up or causing trouble. Like mine, most management companies charge a hefty damage deposit, and as they are not regulated under the residential tenancy act they will be charged for any damage that happens. If you were to ask me how many times I have charged the guests, my answer would be one time. One time only in the thousands of guests that have booked through my company.

There is a very light footprint left by these people and those who are telling you different are not privy to the facts. As a STVR manager I take the investment of my owners very seriously and do not take chances on the type of guest we let in.

I would also like to address the possible zoning downgrade. I recently purchased my own unit that is being used as a STVR and if the sole purpose for purchasing such a property was taken away from me then that would bring great hardship upon my family. It has been floated that these STVR's are a commercial venture. If that is the case then wouldn't every basement suite and mortgage helper would also need to be classified under the same guidelines?

Regarding STVR's being a drain on the available housing. The number

2000 STVR's in the downtown was mentioned by a guest and this is not true. The actual number is closer to 300 in the downtown core which is where the correct zoning is, as indicated by the consultant hired by the city last fall. You also must remember that some of those 300 are on a shared home basis so these would never be available for housing anyway. The actual number is much closer to 200 units being run as

STVR's. To put the label on STVR's as the cause of the housing shortage is just not accurate.

The original plan laid out by your consultant and supported by city staff that did your study was to enforce the existing bylaws and make sure

everyone has a business license and are paying the proper taxes. If this

was followed then everyone could feel confident that people were following the rules. Right now everyone thinks that STVR's are bad, but it is actually what Victoria had envisioned for the future which we are now living in.

I hope you will consider the above and please do not hesitate to ask any questions or clarification on the figures stated above.

Thank you, Deidre Langlois Checked in Victoria Vacations

IMPORTANT NOTICE: This message is intended only for the use of the individual or entity to which it is addressed, and may contain information that is privileged, confidential and exempt from disclosure under applicable law. If the reader of this message is not the intended recipient, or the employee or agent responsible for delivering the message to the intended recipient, you are hereby notified that any dissemination, distribution or copying of this communication is strictly prohibited. If you have received this communication in error, please notify The City of Victoria immediately by email at publicservice@victoria.ca. Thank you.

IP Address: 96.50.28.185

Subject: FW: Email to Mayor and Council RE: STVRs

From: deborah rodger

Sent: Wednesday, March 01, 2017 7:02 PM

To: Councillors < Councillors@victoria.ca; Lisa Helps (Mayor) < mayor@victoria.ca>

Cc: Patricia Crichton ; Ruth Annis

Subject: STVRs

Hello Mayor and Councillors,

Should our building become home to STVRs I shall sell to the highest bidder and move. I would prefer to stay and live in the Aria, a great community of friends, but if you don't want me to be a downtown resident then the investors and tourists can have my place.

Thanks,

Deborah Rodger

S905-737 Humboldt St.

Subject:

FW: ShortTermVacationRentals

From: Mike Bone

Sent: Wednesday, March 01, 2017 12:32 PM **To:** Lisa Helps (Mayor) < <u>mayor@victoria.ca</u>> **Subject:** ShortTermVacationRentals

Hello,

I understand that the STVR policy is on the agenda at the Committee of the Whole meeting on March 2nd, 2017.

My wife and I would like the City Council to alter the current zoning so that STVRs are <u>not</u> permitted in residential buildings.

We currently own a condominium unit in the Aria on Humboldt St. This unit has been rented to the same tenant for 5 years. We purchased this unit with the intent of occupying it one day. We are NOT in favour of any short-term rentals in the building (for all the 'usual' reasons of noise, security, stability, community, etc.) as we believe that short-term rentals negatively affect both our stable long-term rental capability and our desire to 'move in' in the future. One of the plus factors in purchasing this unit was the prohibition of short-term rentals, and we fully support any Council effort to prevent operation of STVRs in existing residential buildings.

We see no problem in Council having zoning (possibly case-by-case) that would allow STVRs (with whatever restrictions, taxes, etc that Council feels necessary) in residential buildings that are planned/constructed in the future, although I suspect that a lot of prospective purchasers would be 'turned off' by the STVR option (but that would be for the developer/builder to consider).

Thank you.

Mike & Judy Bone

Subject: FW: STVR s

-----Original Message-----

From: Philip Spearman

Sent: Wednesday, March 01, 2017 2:14 PM To: Lisa Helps (Mayor) < mayor@victoria.ca>

Subject: STVR's

As a resident in a condominium on Humboldt [at Douglas] we are totally opposed to the above becoming legal. Noise,partying,increased pedestrian traffic thru' the building are all reasons to invalidate this proposal. When living on the Songhees 20 years ago,this had already become a major problem,even having an 'Escort' service became established in the building!

Thanks for listening.

Subject:

FW: Email to Mayor and Council RE: A suggestion regarding short term vacation rentals

From: Victoria Prime

Sent: Wednesday, March 01, 2017 9:37 AM

To: Councillors < Councillors@victoria.ca >; Lisa Helps (Mayor) < mayor@victoria.ca >

Subject: A suggestion

Hello Mayor and Councillors,

My husband and I run a vacation property management business in Victoria and as we are watching so many things change in this relatively new industry, a couple of suggestions come to mind. Change is good, most of the time, and necessary.

We hear all kinds of rants from all sides of the argument around the STVR issue, so are well aware of what you are being bombarded with from all sides.

I have been trying to keep an eye on what changes might be coming to us in Victoria, and admittedly I might have missed the following points, but in case I didn't miss them and they have not arisen, I would like to bring them up as suggestions for your consideration.

- 1. It has long been puzzling why the magic number is 4 or more units in one's care/under one's management to require registering for and charging and remitting PST and MUNI? It seems logical that any one person who runs their 1 property as a STVR should be held to the same tax structure as anyone with multiple properties. Part of the proposal is to enforce licensing. A small and logical change, requiring the registration for PST should go hand in hand with a license. This would level the playing field among STVR operators and would also be fair to the hotel industry, not to mention revenue to the province and city. It would also eliminate some of the less desirable people who may not be running the "cleanest" of operations. Many people would not even consider running their place as an STVR if they had to do the extra paperwork and admin.
- 2. Requiring a local presence. We often receive high praise for the presence and responsibility we take with our guests staying in any of our properties. We always have "boots on the ground" and are the main contact for any issue any guest has, and we are on it immediately.. A common complaint is that of absentee owners renting their place without anyone locally to handle situations that may arise. Again, it seems logical and easy to require this. The very thought of paying someone to properly and professionally look after the place would be a deterrent to someone choosing to do it at all, hence decreasing the number of people renting STVR's which I can only assume is the goal.

We believe these two small changes would address a large percentage of the complaints you are fielding, and in turn, would reduce the less desirable STVRs that are on the market. Win win, and without huge sweeping changes, just logical, fair and polite ones.

Thank you for your work on this and for listening. Good luck at the meeting, I'll be watching on my computer.

Kindly, Liz Van Cleave

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Subject:

FW: Email to Mayor and Council RE: Downtown Victoria condo owners ask for limits on vacation rentals

From: Brian & Elizabeth Elliott

Sent: Thursday, March 02, 2017 1:00 PM

To: Victoria Mayor and Council <mayorandcouncil@victoria.ca>

Subject: Downtown Victoria condo owners ask for limits on vacation rentals

Further to the above noted article in the March 2/17 Victoria Times Colonist we would like to indicate our support for the City of Victoria to restrict short term vacation rentals within strata's throughout Victoria. Although some renters are respectful of their surroundings our experience as owners, within Dockside Green, indicates this is not true for the majority of renters. Further suites dedicated to short term vacation rentals could be more appropriately available for full time residents/owners thus improving Victoria's livability.

Thank you for listening.

Brian and Elizabeth Elliott – Victoria (owners and proud citizens)

Subject:

FW: Email to Mayor and Council RE: Against restrictive regulations for STVT's in Victoria

From: Gary Sundberg

Sent: Thursday, March 02, 2017 12:44 PM

To: Lisa Helps (Mayor) < mayor@victoria.ca >
Cc: Councillors < Councillors@victoria.ca >

Subject: Against restrictive regulations for STVT's in Victoria

Dear Mayor/Council,

Re: Short Term Vacation Rentals

We have been reading council minutes and particularly the Report on the Short-Term Vacation Rental Council Workshop on January 19, 2016.

We feel that the citizens of Victoria should have the right and freedom to rent the space in their homes how they choose.

There is all this talk about housing availability, affordability, and neighbourhood liveability and free-riding in relation to the hotel sector. Many Victoria citizens struggle with living in this expensive city. Why should they not have the opportunity to get higher rents and live better?

I don't believe citizens earning higher rents through STVR's have any objection to City Hall creating a Tax ID and tax collecting system for STVR rentals.

It seems that the citizens and hotel industry that are against STVR's argue that it has an impact on affordable living in the city core. We feel that as cities grow and become more prosperous, affordable living in certain areas of any city cease to exist. If the hotels are having problems with affordable housing and argue that there are too many STVR's, then why is Bosa building a new transient rental development and not building affordable housing for its employees? Why is it that only hotels can treat their properties as investments and citizens are expected to provide long-term affordable employee housing for the Hotel industry and others?

1

Some of the other arguments are that it is disruptive to neighborhoods; there is little evidence to show that short-term tenants are more disruptive than long-term tenants. People are people; there are no guarantees that a long-term tenant isn't going to cause a neighborhood a great deal of grief and they are hard to get rid of when they do.

Restricting short-term rental services isn't really about protecting neighborhoods from unwanted visitors and short-term renters. It's really about the money; money that hotels make from being the only game in town. If there was money in affordable housing, STVR's wouldn't be an issue.

Victoria is an expensive city. Citizens deserve every right to have the opportunity to create better lives for themselves. If they want higher paying rents, consider implementing a system that gives them the freedom to do so, pay the taxes, and have regulations to abide by.

Thank you.

Kind regards,

Gary & Helene Sundberg

N509 – 737 Humboldt St. Victoria, BC V8W 1B1

Subject:

FW: Email to Mayor and Council RE: Against restrictive regulations for STVT's in Victoria

From: Helene Sundberg

Sent: March 2, 2017 2:53 PM

To: Lisa Helps (Mayor) < mayor@victoria.ca >; Councillors < Councillors@victoria.ca >

Subject: Against restrictive regulations for STVT's in Victoria

Dear Mayor,

Re: Short Term Vacation Rentals

It is no secret that Victoria is an expensive city to live in and we, it's residents, do our best at making a living here. One can walk into any Victoria neighbourhood and see that Victoria neighbourhoods are riddled in non-legal rental units. Victoria citizens have learned to go underground with it's need or want to subsidize their living with rental income. Rental income is vital and helpful to many citizens. Through innovative technology platforms: Craigslist, Used Victoria, VRBO, AirBNB, etc. citizens have realized the opportunity for higher rents, a better return on investment & time. Why are residents needing/wanting rental income kept underground? Why can they not have regulation and an opportunity to register a Tax ID and pay taxes?

It is obvious that this city needs these underground rental spaces. Yet, law-abiding citizens, if given a choice, would love to have legal suites to rent, rather than own illegal suites, but the city makes it so difficult and hush-construction is created by the need of Victoria residences for liveability. It appears that this has all been quietly acceptable until innovative Internet platforms have created opportunity for higher rents. Now, citizens and Hotels are upset about affordable rents drying up.

Of course citizens relying on affordable housing and the Hotel industry are against STVR's and argue that it has an impact on affordable living in the city core. Are Victoria residents responsible to provide affordable housing for the Hotel employees and citizens not invested in the market? If the Hotels are having problems with affordable housing, perhaps they can invest in the solution. Why is Bosa building a new transient rental development and not building affordable housing for its employees? Why is it that only hotels can treat their properties as investments and Victorians are expected to provide long-term affordable employee housing for the Hotel industry and others?

This is about money. Victoria is an expensive city. Those that invested in Victoria property years ago, can offer affordable housing. But Victorians getting into the market now and needing rental income, the numbers don't work for providing affordable housing. If there was money in affordable housing, investors would be all over it. I don't see the line up to build affordable housing and Victorians deserve every right to have the opportunity to create better lives for themselves. If they want higher paying rents, consider implementing a system that gives them the freedom to do so, pay the taxes, and have regulations to abide by.

Some of the other arguments are that it is disruptive to neighborhoods; there is little evidence to show that short-term tenants are more disruptive than long-term tenants. People are people; there are no guarantees that a long-term tenant isn't going to cause a neighborhood a great deal of grief and they are hard to get rid of when they do.

Lastly, rather than create an environment that forces homeowners to create or own illegal suites or multi-suites; why not create some new building regulations for 'owner occupied' homeowners to build legal suites in

Victoria? If a property is large enough, parking available, and the neighbourhood is riddled in multi-units already, why not give Victoria resident easier access to building legal and safe rental suites in their home. It is clear that Victorians need and want rental incomes. Also, with allowing homeowners rental suites in their home, it may create more affordable housing in the Victoria market as market environments change.

Thank you for your time & consideration in this matter.

Kind regards, Helene Sundberg



Huntingdon Manor 330 Quebec Street Victoria, B.C., V8V 1W3 250-381-3456

March 2, 2017

Dear Mayor Helps,

I am writing to urge City Council to alter the current zoning in Greater Victoria, particularly downtown and the Inner Harbour, to disallow Short Term Vacation Rentals. We strongly believe that STVRs are to the detriment of the hotel industry and residential rental industry in Victoria.

We are fortunate that Victoria is currently experiencing a strong tourism wave, however, peak season is only for a few months out of the year, and the economy may well shift in future years. Another challenge faced by the hotel and restaurant industry is the small labour pool in Victoria, which is often contributed to high rents and low rental vacancies, issues directly and negatively affected by STVRs.

I thank you for your consideration.

Yours Truly,

Authorized Signatory of 0972137 BC Ltd DBA Huntingdon Manor Hotel

Erin Cassels, General Manager

From: Victoria Mayor and Council
Sent: Thursday, March 02, 2017 3:08 PM

To:

Subject: Email to Mayor and Council RE: SRVT

Categories: Planning, Short Term Vacation Rentals, Housing

Dear John and Janet,

Thank you for your email sharing your input in regards to short term vacation rentals and housing in Victoria. At today's Committee of the Whole meeting, Council gave reconsideration to the matter of short term vacation rentals. A link to the Committee agenda is <u>available here</u>.

Council has recommended the following, for ratification at the Thursday, March 9 Council meeting:

Direct staff to provide advice on what tools are available to limit the number of short term vacation rentals where they are currently allowed, and that this report includes the option of an "opt-in" mechanism for a City initiated rezoning to prohibit transient accommodation as a permitted use, where a majority of owners of units in a residential multi-unit building (condominium) downtown indicate their preference for this rezoning.

A copy of the staff report considered by Council is available here (Item 12).

In addition to the regulation of short term rentals, the City is in the active implementation phase of the <u>Victoria Housing Strategy</u>, approved in June 2016. This strategy stemmed from the work of the <u>Mayor's Task Force on Housing Affordability</u> and contains a broad suite of actions that will work to improve affordability in this city. Please visit www.victoria.ca/housing for further information and updates.

Thank you for taking the time to write to Mayor and Council. If you are interested in staying up-to-date on City of Victoria news, events, and opportunities for public input subscribe to the <u>City's bi-weekly newsletter</u>, visit the <u>City of Victoria's</u> website, or download the <u>City's ConnectVictoria App.</u>

Sincerely,

Bridget Frewer
Correspondence Coordinator
Mayor / City Manager's Office
City of Victoria
1 Centennial Square, Victoria BC V8W 1P6









Sent: Thursday, March 02, 2017 11:46 AM

To: Lisa Helps (Mayor) < mayor@victoria.ca >; Councillors < Councillors@victoria.ca >

Subject: SRVT

Dear Mayor and Councillors:

One further thought to add to our mail of yesterday:

Would it not be properly democratic to allow individual condominium strata councils to make their own decisions about short-term rentals, rather than imposing a blanket rule that may not be suitable for everyone? Let those condominiums that want to ban STVRs go ahead and do it but leave those that don't the freedom to make their own choices?

John and Janet Hay Astoria #808

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Subject: FW: STVR

----Original Message-----

From: Kathy Otton
Sent: Thursday, March 02, 2017 11:38 AM
To: Lisa Helps (Mayor) <mayor@victoria.ca>

Subject: STVR

I am writing in response to the article in todays Times Colonist regarding STVR (page A4).

I live at 737 Humboldt in the Aria condo building and I agree whole heartily with the comments made in that letter. My condo is my residence and I do not want to live in a hotel atmosphere with the problems and extra expenses associated with living with STVRs.

I live downtown, shop downtown and enjoy all the amenities of living downtown all year around. Right now the downtown is a live/work environment that attracts tourists with is wonderful. Keep the hotels, develop more hotels but leave the condo residences as just that - residences not hotels.

I want to be able to live downtown in my residence just as residence in other areas live in their homes and neighbourhood without STVR.

Thank you for you consideration on the STVR issue.

Kathy Otton S507, 737 Humboldt St. Victoria

Subject:

FW: Email to Mayor and Council RE: I am AGAINST transient zoning changes

From: Brian Cox

Sent: March 3, 2017 3:01 PM

To: Victoria Mayor and Council < mayorandcouncil@victoria.ca >

Subject: I am AGAINST transient zoning changes

Good afternoon,

I am the owner of a soon to be completed condo on Pandora Avenue in the Transient Zoned area of downtown. I purchased this condo to rent and eventually live in, but part of my decision to purchase this particular unit was the grandfathered Transient Zoning and the fact that it was one of the last new developments in downtown to have this Zoning.

I was very unhappy to read about the councils intent to possibly change zoning in existing downtown buildings. Owners purchased these properties in good faith with the expectation that city council would not make changes to the zoning. It seems the City of Victoria knows best and intends to change the rules and tell me how I should use my investment of \$450 000 before I can even spend a single night there.

As to the 1100 signature petition recently received, I would be curious to know how many of those 1100 signatures came from the confirmed owners of condos in the downtown transient zone. I would wager a fair number came from frustrated renters who feel they should have the opportunity to rent a cheap downtown penthouse. If all 1100 signatures ARE from downtown owners, what percentage does that make up of all units in the transient zone? Did the owners who support the zoning have a chance to sign their own petition? Why would they? The current zoning is in place and they would have no reason to suspect sweeping changes.

If new buyers of existing units in the transient zone did so with knowledge of the zoning and then decided it wasn't for them, then too bad. This reminds me of someone who buys a home under the flight path of an airport with full knowledge of what that entails, then decide to complain and petition the authorities to change the flight path when they get woken up at night.

There are several thousand dedicated rental and condo units downtown hitting the market in the next 18 months. This should alleviate some of the rental pressure without making changes that would impact current owners property values. Is the City prepared to defend itself in court from the inevitable lawsuits when owners of existing transient zoned units see their property values fall?

Another pressing issue, aside from rental vacancy rates, is hotel vacancy rates. There has been a continuous loss of hotel rooms in the city over the last few years, and this summer should mark the highest occupancy rates and also the highest average price per night in the city's history, as described in many local news articles recently. Short term vacation rentals help alleviate some of this pressure. What will the impact be to downtown businesses when tourists don't show up and spend money because they can't find a place to sleep at night?

Changing the zoning would be a big mistake. Let each building decide what is best for them. If AIRBNB creates an issue for most of the owners, they can vote to ban it. If the city of Victoria wants to experiment with social engineering, do it in NEW developments, where all parties involved enter the situation with eyes wide open and make their own choices with full awareness of what that means. I made my choice in good faith and with the expectation that the city would honor their previous decisions.

Thank you for your consideration,

Brian Cox. Owner, unit 104, 595 Pandora Avenue.

| Pamela Martin | |
|-----------------------------------|--|
| Subject: | FW: Short Term Vacation Rentals |
| | |
| From: T&M Sent: March 3, 20 | 017 3:56 PM |
| | layor) < <u>mayor@victoria.ca</u> > erm Vacation Rentals |
| | t you are considering the above subject and while this letter may be late, I would appreciate you taking thoughts on the subject. |
| Please consider t | he following points: |
| | and Toronto have experienced decreased long term rental availability due to STVRs and that will be the situation in Victoria as well. |
| detriment both o | init buildings are generally a negative given that there is no control over the conduct of the renter to the of the property and the other long-term residents (LTRs) in terms of noise, disturbance, disregard of the o/multi-unit complex and the comfort of other residents, etc. |
| -STVRs also may affecting LTRs ac | make excessive use of the facilities of the condo building (especially pools, exercise rooms, saunas etc) cess. |
| • | ially those with children, in all likelihood, will experience apprehension/insecurity with strangers having uilding and areas where their children play. |
| In order not to pi | reclude STVRs totally, I would suggest: |
| -All STVR propert | ties be licensed (with a substantial licensing fee) and appropriately insured and taxed. |
| | ted to accommodation (single homes and multi-plex complexes) ONLY where the LTR is in permanent by preventing/mitigating the loss of accommodation suitable for long term rental. |
| Mary F. Rickard | |
| Owner Aria South Condo | |
| | |
| Virus-fi | ree. www.avast.com |



March 7, 2017

Mayor and Council City of Victoria 1 Centennial Square Victoria, BC V8W 1P6

Dear Mayor and Council,

Re: Short-term rentals

We are writing to support and confirm the position raised by both the local Hotel Association of Greater Victoria and the BC Hotel Association regarding the lack of available affordable housing in Victoria.

One of the main contributors to this rental accommodation shortage (currently down from Canada's lowest vacancy rate of 0.6% one year ago to its current rate of 0.5%) is the increase of short-term rentals in our area. A simple online search instantly shows the magnitude of this issue, and the difficulties many of our employees have encountered securing reasonably priced accommodation confirms the effect.

Recently, one of our employees requested time off work on two occasions in an effort to be the first to view a new rental listing, only to learn that it had been offered to someone else that had responded more quickly. This is not a rare situation and it is clear the difficult and competitive environment for securing rental accommodation adds additional pressure to the labour shortage concerns in our industry.

We support any steps Mayor and Council consider to stop the growth of STRs in downtown residential buildings.

Best Regards,

Brenda Ollis
General Manager
:bo
Cc Reid James – Hotel Association of Greater Victoria

Subject: FW: Emails to Mayor and Council RE: STVR "CONFLICT OF INTEREST"

Attachments: BIASED REPORTING/MISLEADING PETITION

-----Original Message-----

From: Kate Hanley

Sent: March 7, 2017 12:03 PM

To: Victoria Mayor and Council <mayorandcouncil@victoria.ca>

Subject: "CONFLICT OF INTEREST"

Re: SHORT TERM VACATION RENTALS

I fail to understand why three members of Victoria City Council, namely: Lisa Helps, Pam Madoff and Margaret Lucas find it necessary to excuse themselves from Committees of the Whole whilst short term vacation rentals are under discussion.

They cite "conflict of interest" - seemingly to avoid any appearance of BIAS they might bring to these deliberations. Lisa Helps because she lives in a house run by someone who runs an Airbnb; Pam Madoff because she has/had a B&B; and Margaret Lucas because she runs/owns a hotel. They should check the legalities of whether or not the firstly named two of them are truly in "conflict of interest". There does not appear to be a true conflict of interest in their case. These two would be valuable in presenting another viewpoint to committee having had experience in such, but excepting M. Lucas who is directly linked to the hotel industry and their lobbying.

But, what about the seemingly blatant BIAS displayed by all but one of the remaining six councillors: Geoff Young; Ben Isitt; Charlyne Thornton-Joe; Chris Coleman; and Jeremy Loveday who all speak in favour of imposing multiple restrictions on all STVR's in all areas - coincidentally(?) holding much the same views as lobbyists from the Hotel Association of Greater Victoria.

The exception is Marianne Alto who appears to be more open minded and wishes to receive further information for consideration.

There is no "level playing field" in this setup- where only half the council is deliberating upon the issue. And, is that not what the hotel association is seeking - a "level playing field"?

Kate Hanley, Victoria.

From: Kate Hanley
Sent: Tuesday, March 07, 2017 2:55 PM

To:

Cc: Victoria Mayor and Council

Subject: BIASED REPORTING/MISLEADING PETITION

Two recent articles of yours appearing in the Times Colonist dated March 1 and 3 refer to petitions drawn up by one, Victoria Adams, protesting against short-term vacation rentals and calling for their prohibition throughout the entire town. She recently has presented this petition to Victoria City Council.

Before attempting to write such a report, I would strongly recommend that you check the facts, as any fair journalist should, before disseminating them via the press to the public at large.

Namely: Has this woman presented the true facts to those she has asked to sign the petition? Who is she? Who does she represent?

It appears to me that she certainly has not presented the truth.

I was approached on the street recently by this woman who asked me to sign a petition. Upon asking what it concerned, she replied: "It's against Airbnb". Simplistic, indeed! When I questioned her further she maintained that Airbnb was responsible for the housing shortage in Victoria and went on and on about it. I finally told her that I, myself, ran a small Airbnb and that her accusations were unfounded and downright false - never mind personally offensive. She became very aggressive with me and shouted at me in front of other passersby that I was responsible for "half of Victoria being without affordable housing". I continued to stand around and noticed that she apparently aggressively confronted other people requesting them to sign her petition, but still misleading/misinforming them.

In hour article, you also make various references to her remarks regarding these rentals also being responsible for exceeding the room capacity of downtown hotels.

I really wonder who this woman is lobbying for??

Her other so-called statistics are most questionable - where are her sources? I ask, and where are yours emanating from too?

It seems clear that your report is entirely BIASED. You are reporting on one side of the equation only.



The Mayor and Council
City of Victoria
1 Centennial square
Victoria, BC V8W 1P6

March 7th, 2017

Dear Mayor and Council,

Re: Short Term Rentals

I felt compelled to write to you to express my ongoing concern with the shortage of housing for staff due to short term rentals.

The affordable rental housing availability has now got to dire levels. We at the Oswego hotel are being impacted by this as staff cannot be found as they cannot afford to live in Victoria or find any accommodation. This is seriously impacting our day to day operations. If we do find staff, they are constantly moving and cannot find a basic home for shelter. As a destination, we are struggling.

The Oswego hotel is also a Strata hotel and one of a few of us in Victoria. We have a rental pool agreement in place with our owners however, in the past few year's some owners have decided to make changes. They purchased units into this concept and are mandated to go into the rental pool however, they feel that they can rent out their own suite as a short-term rental and not comply to our legal rules and hotel concept. This in turn has caused issues for our guests and owners.

Yearly Taxation on our owners at the Oswego also is considerably higher than many people that are doing short term rentals as an income. Clearly a disconnect is happening.

I urge that you really look at this problem and change the zoning to stop the STR in downtown residential buildings. This is impacting us as a city far greater than you realise.

Kind regards

Suzanne Gatrell

kesident, Kingsbridge Management Limited/General Manager Oswego hotel



March 8, 2017

Mayor Lisa Helps City of Victoria 1 Centennial Square Victoria, BC V8W 1P6

Dear Mayor Helps;

Regarding STR (Short Term Rentals) in the City of Victoria

On behalf of our hotel operation, the Best Western Plus Inner Harbour, I wish to express my concerns about the very real lack of affordable housing in the City of Victoria.

I feel one of the main reasons for the housing shortage is the increasing number of STR's (Short Term Rentals) which are growing; with an estimated number of 900 units already. I understand that it is also estimated that 80% of these are strata properties.

Some of the impacts this has are:

-Potential staff the Tourism Industry requires cannot find affordable accommodation in which to live

resulting in several employers being short staffed in the busy high seasons.

-Short Term Rentals are basically operating like a hotel yet they are not required to charge or submit tax,

maintain safety and security standards, or have other hotel regulations applied to them.

-The market cannot react quickly enough to build new monthly rentals. This causes the remainder of

the monthly rental units to experience increasing rates – beyond normal CPI rates.

As a first step towards this problem, our Owner and I are encouraging the Mayor and Council to alter zoning to stop Short Term Rentals in downtown residential buildings.

Thank you kindly for your time.

Thaylin Parrish General Manager

Inner Harbour

"A Great Hotel in Victoria's Best Location"



412 Quebec Street, Victoria, BC Canada V8V 1W5 •

victoriabestwestern.com



146 Kingston Street, Victoria, BC V8V 1V4

March 8th, 2017

Mayor and Council City of Victoria 1 Centennial Square Victoria, BC V8W 1P6

Dear Mayor and Council,

Re: Short-Term Rentals

The availability of affordable housing for employees is an ongoing concern for us here at the Coast Victoria Hotel & Marina by APA, along with the hospitality sector in general within greater Victoria. This has been a consistent discussion point during our monthly Hotel Association of Greater Victoria meetings.

On a personal note, having spent ten years in the resort municipality of Whistler and seeing at first hand the impact this issue can have to the detriment of tourism business operations, I am concerned that Victoria is moving in the same direction.

A significant reason for the housing shortage both in Victoria and other similar tourism destinations is the increasing number of short-term rentals. The consequences of this increase in short-term rentals are:

- Reduced long term rental units for employees
- Market forces result in an increase in rental rates as supply drops.
- The Victoria tourism industry relies on seasonal / transient employees. These employees are struggling to find accommodation.
- Ultimately the tourism industry being under staffed and the City of Victoria visitor satisfaction score will suffer.

I understand there is a request to address council during tomorrows council meeting: "Better solutions for regulation short term vacation rentals". We would like to encourage Mayor and council to alter the zoning to stop STRs in downtown residential buildings as a first step to addressing this issue.

Warm Regards,

Daryl West Hotel Manager

Cc: Reid James, Chairperson Hotel Association of Greater Victoria

Mayor and City Council Members Victoria, BC

We are writing to express concern about short-term vacation rentals in condominiums in the downtown core of Victoria. At present we own a condo at 708 Burdett Avenue (a.k.a. The Falls), which is our only residence. Retired UVic professors, we decided to sell our heritage home in Oak Bay in 2015 so we could enjoy downtown Victoria. We selected The Falls, in part, because there are no age restrictions, thereby allowing a mixed-age environment.

However, the short-term vacation rentals in our building have surprised us in our new condo home. There are 155 units in our building, which is one block from the Empress Hotel. Of these 155 units, only 45 are primary residences. Our strata council states it does not know how many of the remaining 110 units are rented because there are no restrictions as to length of time for renting any condo in the building.

You may wonder why we did not inquire about the rental policy before we purchased our condo. But we did make such an inquiry. At the time of purchase in 2015 in our lawyer's office, we were provided with the Rental Disclosure Form (signed by the builder in 2006) stating that only the developer and original owners could offer their condos for rent. What was not revealed at the time of our purchase by the property management company was that the Rental Disclosure Form had been declared NOT enforceable in 2011 by the lawyer for the property management company. He stated that the builder had neither used the correct form nor specified the length of time for the rental restrictions. As a result, any owner beginning in 2012 is now allowed to rent his or her condo for any period of time. Investors moved in quickly to purchase condos for short term rentals making it unlikely than an in-house bylaw to limit rentals could be passed at present. So we have been first-hand observers of how unrestricted short-term vacation rentals affect a large condo building in Victoria's downtown core.

We strongly support arguments presented by the speakers at the Victoria City Council meeting on February 23. We have observed many of the effects they described: some renters cause damage to the building, leave unsorted garbage and forbidden items in the garbage room, and decrease our sense of safety and community in the building. Personal examples include water leakage into our condo from the short-term vacation renters in the condo directly above as they used a dysfunctional dishwasher not once but twice. We had to pay for water damages to our condo. Another incident occurred when someone from the floor above us, just before Christmas, leaned over the balcony and vomited onto our 10th floor walkway, leaving residue down the side of the building. Our next door neighbours were primarily affected, but they could not be contacted as they are absentee owners who rent out their condo short term, so we were left to manage the situation. Finally, our neighbours on the same floor had beer bottles thrown from the floor above and broken on their balcony because they complained about excessive noise. In general, short- term renters are usually gone by the time the Strata Council tries to deal with them.

Mounting concerns not mentioned at the Victoria Council meeting last week include safety concerns for children living in the building. Transient vacationers are not vetted for excessive use of alcohol or drugs or for pedophilia. Children playing or walking in the hallways could be at risk as they are not accompanied at all times by their parents.

On a positive note, seniors in the downtown core condos are also an important group. They promote civil behaviour on the streets and support many educational and cultural events. Their presence improves safety for families and others who visit the core.

We urge you to vote against short-term vacation rentals in condominium buildings of Victoria's downtown core.

Sincerely yours,

Nancy and Terry Sherwood

708 Burdett Avenue Victoria, BC V8W 0A8

Phone: E-mail:



March 9, 2017

Mayor and Council City of Victoria 1 Centennial Square Victoria, BC V8W 1P6

Dear Mayor and Council,

Re: Short Term Rentals

As I am certain that you are aware, affordable housing availability is a major concern for both the BC Hotel Association and the Hotel Association of Greater Victoria.

A major contributing factor to the affordable housing shortage is the increasing rise in Short Term Rentals. Currently, there are approximately 900 units in Victoria that classify as Short Term Rentals, and of those, 80% are strata properties.

The impact:

- Market forces are unable to react fast enough to build new monthly rental units
- The remainder of the rental units see rental rates increasing beyond normal CPI rates
- Potential or existing staff cannot find affordable accommodation
- Employers being short-staffed during peak season is becoming increasingly problematic
- Short Term Rentals are not subjected to the same requirements as hotels involving regulations, safety, taxation, and security

I encourage Mayor and Council to alter the zoning to stop Short Term Rentals in downtown residential buildings.

Thank you for your attention.

Warm Regards,

Kimberley Hughes General Manager

Delta Victoria Ocean Pointe Resort and Spa™

Subject:

FW: Email to Mayor and Council RE: Short Term Vacation Rentals

From: gordon clark

Sent: March 29, 2017 6:29 PM

To: <u>jtinney@victoria.ca</u>
Subject: Vacation Rentals

I understand Council is considering various options for regulation of short term rentals.

As an owner/manager of a five bedroom vacation property close to d/t victoria I would like to share my experience and thoughts re this issue.

Firstly let me address the issue of competition to the "hotel" industry. Based on my experience travellers who opt for short term vacation rental properties are simply not interested in the hotel experience. The vast majority of our guests are made up of family reunions, class mate reunions, wedding parties, alumni friends or simply groups of personal friends and business associates that gather for reconnecting, rest and recreation, or business meetings. They value the fact that they are all under one roof with full cooking and outdoor leisure facilities. Being close to d/t makes it easy for them to walk to nearby services, indeed most of our guests fly or sail into the city. If properties such as ours that can handle larger groups did not exist they simply would not choose Victoria as a destination. Based on the many positive testimonials we receive it is clear that our guests value the opportunity to be in a home away from home and would not be meeting in victoria if our type of accomadation did not exist. (would be happy to provide web site address to anyone wanting to review our property and guest comments).

Having said that I would be more than happy to contribute to a tourism fund and/or purchase a business licsence to legitimize this burgeoning industry and would encourage City Hall to recognize that short term rentals can be an important part of Victoria's hospitality industry and indeed compliments offerings of "hotels" as opposed to competing with them.

Secondly there is the issue of short term rentals impacting on longer term rental stock, especially for the more affordable rent market. I'm sure there is some impact but we cant "throw out the baby with the bathwater".

The shared economy is here to stay because it addresses a large market demand and should be regarded as a service which is an important part of victoria's hospitality/tourism industry. Increasing rental stock for lower income earners

can best be addressed by government initiatives/subsidies other than severe restrictions on the short term sector. Case in point is my property. Prior to converting to short term I rented my property long term (which was fully furnished) for \$3500/ mo.

The cash flow with the two options is very similar, difference being much higher operating costs with short term including wages for management, maintenance/upkeep, and turn over cleaning costs. Short term allows

myself and family to use and constantly improve and care for the property when unoccupied. We constantly get compliments on how our property is presented and pride ourselves in being an important part of Victoria's tourism industry while at the same time being a good neighbor. In over four years of offering short term accomadation we have never had concerns expressed from neighbors and have a good relationship with them.

I can appreciate the fact that short term would not be suitable in certain residential neighborhoods however would encourage any restrictions to recognize areas compatible with vacation rental. In my case the property is actually the only single family house you will come across amidst proffessional offices and multi family residential.

I appreciate the opportunity to express my experience with short term rentals and hope that they are considered by Council. Please get back if you require any additional info. I would be happy to meet with any Council or staff member to discuss this issue.

Sincerely Gord Clark

From: webforms@victoria.ca

Sent: Wednesday, April 05, 2017 8:24 PM

To: Victoria Mayor and Council Subject: Mayor and Council email

Categories: Bridget In Progress

From: Allan Nichols

Email : Reference :

Daytime Phone :

Mayor and Council,

There are three issues that Victoria, along with many other municipalities are dealing with and I have come to believe all three of these issues are connected in ways that might not have been discussed before. The issues of lack of Low Cost Housing, Escalation of Property Values and the issue of unlicensed Vacation Rentals through sites like AirBnB I believe can be linked and addressing one of the issues may assist in remedying all three.

This morning, I did a random date search on AirBnB, only one of a host of platforms that individuals can rent their property, apartment, condominium, or vacant room. The search showed that there were 306 vacancies on just this single platform. I would hazard to guess that very few of the owners of these properties payed business taxes and almost certainly none of them contributed to the marketing efforts of the destination through Tourism Victoria, of which they are all direct benefactors of. This hardly seems fair to the many hotels, motels and registered B&Bs in the area. At the same time, these 306 properties are not on the market as long term rentals and because of the unregulated nature of the activity, virtually anyone can borrow incredible amounts of money to purchase homes and subsidise their mortgages with short term vacation rental income. This has the net affect of contributing to an overheated market. While I am unfortunately not in a position to recommend, enforcement measures I would ask you to imagine a city in

which these unregulated short term vacation rentals begin to be regulated. Immediately, the hotel occupancy of the region would increase significantly.

Over a short period of time, a glut of rentals would come on the market forcing rents lower, assisting in controlling the Low Cost Housing issue, perhaps not erasing it, but most certainly assisting.

Over a bit longer time, the cost of housing in the region would come under control as the possibility of borrowing large amounts of money to purchase investment homes becomes less attractive as the opportunities for short term vacation rental income streams slow or comes to an end.

While I understand that some may say that I have oversimplified these issues, I honestly believe that by regulating a currently absolutely unregulated and untaxed industry would assist in helping bring things under control.

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IP Address: 70.66.187.15

From: gordon clark

Sent: Saturday, April 08, 2017 11:12 AM
To: Victoria Mayor and Council
Subject: Short Term Vacation Rentals

Categories: Lucas in progress

fyi

From: gordon clark

Sent: March 29, 2017 6:29 PM

To: jtinney@victoria.ca **Subject:** Vacation Rentals

I understand Council is considering various options for regulation of short term rentals.

As an owner/manager of a five bedroom vacation property close to d/t victoria I would like to share my experience and thoughts re this issue.

Firstly let me address the issue of competition to the "hotel" industry. Based on my experience travellers who opt for short term vacation rental properties are simply not interested in the hotel experience. The vast majority of our guests are made up of family reunions, class mate reunions, wedding parties, alumni friends or simply groups of personal friends and business associates that gather for reconnecting, rest and recreation, or business meetings. They value the fact that they are all under one roof with full cooking and outdoor leisure facilities. Being close to d/t makes it easy for them to walk to nearby services, indeed most of our guests fly or sail into the city. If properties such as ours that can handle larger groups did not exist they simply would not choose Victoria as a destination. Based on the many positive testimonials we receive it is clear that our guests value the opportunity to be in home away from home and would not be meeting in victoria if our type of accomadation did not exist. (would be happy to provide web site address to anyone wanting to review our property and guest comments).

Having said that I would be more than happy to contribute to a tourism fund and/or purchase a business licsence to legitimize this burgeoning industry and would encourage City Hall to recognize that short term rentals can be an important part of Victoria's hospitality industry and indeed compliments offerings of "hotels" as opposed to competing with them.

Secondly there is the issue of short term rentals impacting on longer term rental stock, especially for the more affordable rent market. I'm sure there is some impact but we cant "throw out the baby with the bathwater".

The shared economy is here to stay because it addresses a large market demand and should be regarded as a service which is an important part of victoria's hospitality/tourism industry. Increasing rental stock for lower income earners

can best be addressed by government initiatives/subsidies other than severe restrictions on the short term sector. Case in point is my property. Prior to converting to short term I rented my property long term (which was fully furnished) for \$3500/ mo.

The cash flow with the two options is very similar, difference being much higher operating costs with short term including wages for management, maintenance/upkeep, and turn over cleaning costs. Short term allows myself and family to use and constantly improve and care for the property when unoccupied. We constantly get compliments on how our property is presented and pride ourselves in being an important part of Victoria's tourism industry while at the same time being a good neighbor. In over four years of offering short term accomadation we have never had concerns expressed from neighbors and have a good relationship with them.

I can appreciate the fact that short term would not be suitable in certain residential neighborhoods however would encourage any restrictions to recognize areas compatible with vacation rental. In my case the property is actually the only single family house you will come across amidst proffessional offices and multi family residential.

I appreciate the opportunity to express my experience with short term rentals and hope that they are considered by Council. Please get back if you require any additional info. I would be happy to meet with any Council or staff member to discuss this issue.

Sincerely Gord Clark



April 11, 2017

Mayor and Council City of Victoria 1 Centennial Square Victoria BC V8W 1P6

To Mayor and Council:

Re: Short Term Vacation Rentals

UDI Capital Region is writing this letter to share some of our thoughts and concerns about the Short Term Vacation Rental (STVR) discussion that is currently taking place in Victoria. We feel this issue is complex, and that any regulation requires substantial research and careful thought before any actions are taken. An ill-considered approach could have detrimental effects on the economic and social vibrancy of the City.

The Official Community Plan and Downtown Area Plan have been instrumental in encouraging the development of downtown residential rental units, condos and office/commercial space. The development community responded positively to staff and council's goal of building a more vibrant downtown core. The development of new residential, office/commercial and retail spaces has created a renewed energy, which in return brings increased tax revenue, a more vital retail scene and a safer urban core with more eyes on the street.

The presence of STVR units in the City and the tourists that they attract undoubtedly have a positive economic impact on many local businesses.

AirBNB and STVR are a world-wide phenomenon, and their presence in a city may open up the tourism market to groups such as families and long-term business travellers who would be less likely to visit the area if such accommodation were unavailable. Rental accommodation in private residences provides a more personal experience to tourists and is more accommodating lodging for families, and its presence likely has a positive economic impact on the communities and local businesses in which they are located. Moreover, STVR tend to attract travellers in search of a more "authentic" experience and STVR disperse tourist dollars into more diverse neighbourhoods and locally owned businesses across the City.

Like many other parts of Canada, Victoria is also home to many "snow birds", who maintain a primary residence in the City, but spend a large portion of the year in warmer climates. Some of those seasonally vacant properties may in turn be rented out as STVR, greatly benefitting restaurants and retailers and improving the tourism and business market.

The relationship drawn between STVR and housing affordability is complex. Homeowners who rent rooms and basements suites as STVR use them as a flexible mechanism to supplement their incomes, improving housing affordability for the homeowners. It is uncertain whether these rooms and suites would return to the regular rental stock if STVR regulation was to change. Other homeowners rent out their home/condo in its entirety while on vacation, again as a method of supplementing their income. Although there has been a link drawn between STVR and housing affordability, data on the impact of regulation on housing affordability are lacking. The exact percentage of STVR in Victoria is unknown, and it is estimated that if they were put back in to the regular rental stock it may increase our very low vacancy rate slightly but would not have any significant impact on housing affordability, yet could be detrimental to the local economy.

UDI is aware council is looking for options for policy guidelines and regulations for STVR. It is our belief that the City and all involved would be best served if the regulations were left to the individual strata councils for multi-family dwellings. If the City were to implement bylaws that prohibit STVR then they would have the issue of dealing with non-conforming uses in areas where STVR are currently permitted. Regarding unfair STVR competition with purpose built transient accommodation, an alternative solutions could be to have Air BnB introduce a licencing fee or STVR pay the provincial hospitality tax.

Understanding the impact and finding the right regulations to implement for STVR is a complex issue. Further, the relationship between STVR and housing affordability is unclear. Housing affordability could be directly addressed by the City simply by making their process easier and creating incentives to build affordable housing. The development industry is ready and willing to do their part.

Policy on this issue requires a well thought out process to mitigate negative impacts on the City's social and economic fabric. UDI looks forward to further dialogue on this matter.

Kind Regards,

Kathy H

Kathy Hogan

(On Behalf of the Urban Development Institute – Capital Region Board of Directors)

Subject:

FW: Email to Mayor and Council RE: AirBNB Rental Registration Agreement

From: Don Cal

Sent: Monday, May 01, 2017 1:07 PM

To: Victoria Mayor and Council < mayorandcouncil@victoria.ca >

Subject: AirBNB Rental Registration Agreement

Good News on the battle to free up some housing stock for actual housing.

May 1, 2017 From Reuters Inc. on Legal Settlement in San Francisco

www.reuters.com

Airbnb Inc and the city of San Francisco have settled a year-long lawsuit over a local ordinance forbidding the home-rental company from taking bookings from hosts who have not properly registered their homes.

The settlement, which Airbnb announced during a call with reporters on Monday, marks the latest effort by the company to compromise with cities and improve its relationship with regulators globally as it eyes an initial public offering. Airbnb is an online marketplace for short-term lodging, with "hosts" who rent their homes in 65,000 cities.

City officials across the globe have sought to minimize Airbnb's impact on tight housing supplies and rental costs, sparking legal fights with the company, which has argued that, as an Internet platform, it is not responsible for the listings on its website.

As part of the settlement with San Francisco, where Airbnb is headquartered, the company will create a registration system requiring that anyone in the city who wants to rent room or house on Airbnb must first supply their name, address and zip code, said

Airbnb global policy chief Chris Lehane. Only after registering can hosts list their homes for rent.

"Every host on the Airbnb platform will be registered, which is what the city has said it will be looking for," Lehane said.

The company will turn over host registration information to city officials. The city last year enacted an ordinance, sparking the lawsuit, making it illegal for Airbnb to collect fees for providing booking services for rentals that had not been properly registered. Airbnb makes money by charging a service fee on bookings.

Airbnb's new registration system, expected to roll out in early 2018, will not prevent hosts that are not compliant with city laws from registering, meaning there could be a lag period during which illegal hosts can rent out homes before city officials identify them. San Francisco limits each host to one rental unit and caps the number of nights a unit can be rented.

Airbnb will also deactivate listings if there is an invalid registration, San Francisco City Attorney Dennis Herrera said in a statement. Currently, there are 2,100 registered short-term rental hosts in San Francisco, but Airbnb has more than 8,000 listings in the city.

Herrera called the settlement "a turning point when it comes to enforcement."

The settlement must still be approved by the San Francisco mayor and board of supervisors. Airbnb has similar registration systems in the works in Denver, New Orleans and Chicago.

In a statement, Mayor Ed Lee said the settlement "protects our rental housing stock while allowing residents who follow the rules to gain income to help make ends meet."

The settlement is the latest evidence that Airbnb has lessened its long-standing resistance to turning over data to city officials. In his remarks, Lehane also indicated that Airbnb has backtracked somewhat from its previous argument that any city rules to limit listings published on its website violated a broad federal law that protects internet companies from liability for content posted on their platforms.

"We fundamentally do believe that platforms need to take responsibility," Lehane said.

Airbnb still has ongoing litigation in Miami and Santa Monica, California.

Dear Mayor and City Council:

Re: Opposition to Short-term Vacation Rentals

I am writing this letter to encourage you to support the prohibition of short-term vacation rentals in the downtown area of the City of Victoria and including the rest of the City of Victoria. My opposition to short-term vacation rentals is described by the following five points that underline the harm and disruption that short-term vacation rentals cause in communities:

1) Commercialized short-term rentals artificially inflate rental costs.

Commercial short-term rental operators have figured out how to profit from evading city laws and converting long-term living spaces into short-term rentals. That means fewer homes on the market for long-term renters, and landlords that can expect a higher rent from tenants planning to operate a short-term rental.

2) Commercialized short-term rentals make it impossible for most families to live in their current neighbourhoods.

As long-term residents get priced out of our neighborhoods, who remains? Only those who already own a home (and don't rent it out short term). Goodbye new families. Goodbye young couples struggling to pay the rent. Goodbye students, artists, and anyone who can't afford to compete with vacationers' budgets. Goodbye neighbourhood diversity, goodbye affordable/workforce/rent-control housing.

3) Short-term rentals attract disruptive visitors.

The influx of out-of-town visitors upsets the peaceful enjoyment of long-standing residential neighbourhoods. Short-term renters have no stake in the community, and therefore no reason to care how the neighbourhood around them suffers from their vacation activities. Illegal short-term rentals ignore zoning restrictions and make virtually any residence into a hotel/party house.

4) Commercialized short-term rentals are frequently operated without paying taxes that benefit the surrounding communities.

Illegal short-term rentals are unfair to the hotel industry and hotel workers: commercialized short-term rentals rarely follow fire and safety codes, provide worker benefits or pay transient occupancy fees.

5) Commercialized short-term rentals break city laws with impunity.

Airbnb did not become a multi-billion-dollar company by facilitating true home sharing. This false impression is part of a carefully calculated misinformation campaign. Short-term rental platforms make enormous profits from turning a blind eye to illegal, commercialized short-term rentals. Airbnb puts the responsibility to figure out the complicated maze of zoning codes and other municipal requirements squarely on the backs of the inexperienced and uninformed residents using its services. Airbnb is now 10th in total lobbyist spending for the lodging/tourism industry in the United States, and they fund organizations dedicated to limiting regulation of these destructive practices.

My hope is that the mayor and city council aggressively acts to limit short-term vacation rentals in the downtown neighbourhoods and the rest of the City of Victoria.

Regards,

William Rodger, PhD, S905 – 737 Humboldt Street, Victoria, BC V8W 1B1 Subject:

FW: Email to Mayor and Council RE: Action re Short-Term Vacation Rentals

From: Doug Boyd

Sent: May 3, 2017 10:26 AM

To: Victoria Mayor and Council < <u>mayorandcouncil@victoria.ca</u>>

Subject: Action re Short-Term Vacation Rentals

Dear Mayor and Council

I attended a round-table meeting that was held at City Hall last week. It was impressive to see various interests - representatives of the hotel industry, hotel industry union, Tourism Victoria, TAPS, various Strata councils and others, expressing common concerns, and agreeing that the City needed to act to restrict STVRs.

Strata council representatives noted how influxes of STVRs in some Strata led to many owners moving out, due to the disruptions and also the loss of sense of community as the Strata became more of a hotel vs. a home. Strata fees also increased as a result of related costs - wear and tear caused by frequent move-ins and move-outs, etc. Hotel industry reps spoke to the increased difficulty of attracting workers due to scarce and highly priced rental accommodations. This is a concern of other industries as well. There is also the concern about unfair competition, due to lack of regulation of STVRs, licensing and taxation issues, etc. Tourism Victoria said it was not only the hotel industry that was suffering, but other tourism-related industries as well.

The impact on neighbourhoods was also a major concern of all attendees. Many commented on the negative impact of STVRs on the character of a neighbourhood.

I urge Council at the May 11 Council meeting to remove Transient Accommodation as a permitted use in residential districts and also undertake a process of zoning changes to existing residential buildings. It was noted at the meeting that those units that are currently used as STVRs could retain that status as there would be a process of "grandfathering" applied.

As a note, I am on the Council of a downtown Strata and about 2 years ago, our Council passed a bylaw restricting rentals to 6 months or more, as a result of issue that we had with STVR use in one of our units. That bylaw change has worked very well for us. However, the larger issue with bylaw changes is that 75% of owners need to vote in favour, and for many Stratas it is too late for that to happen because of the change of many units in these buildings to STVR status and the sale of units to investors, both foreign and Canadian, who purchased for this reason. The only solution for these Stratas to prevent further erosion of the community in these buildings is a process of zoning change for the building.

1

Regards Douglas Boyd 648 Herald Street

Subject:

FW: Email to Mayor and Council RE: short-term vacation rentals

From: am lohner

Sent: Friday, May 05, 2017 7:48 PM

To: Victoria Mayor and Council < mayorandcouncil@victoria.ca >

Subject: short-term vacation rentals

Please note I am opposed to short-term vacation rentals in Victoria.

Thank you for your time and consideration.

Sincerely, Ann Lohner Victoria, BC



Short Term Rentals

City of Victoria City Hall 1 Centennial Square V8W 1P6

Dear Councilors,

The Parkside Hotel & Spa is in full support of restricting or creating bylaws that have better control over short term rentals; allowing for more, affordable, accessible, living to our working community.

In my hotel I have numerous team members who are paying outrageous amounts for rent or who are living in far outreaching communities like Shawnigan Lake or Sooke.

As a community we need to be looking at the Happy Level and re-think how we work, live and play in our local community. Resulting in more positive social threads throughout and positive impacts on our environment.

As Charles Montgomery quoted in Happy City "with about half the worlds' population, cities are responsible for three-quarters of the energy consumption and 80 % of greenhouse gas emissions, and the dispersed city is the most wasteful of them all.

In closing we would like to see better management over short term rentals in our community.

Kind Regards,

Trina White General Manager Subject:

FW: Email to Mayor and Council RE: Short-term rentals--limitations needed

From: Sally R

Sent: Friday, May 05, 2017 10:00 AM **To:** Councillors < <u>Councillors@victoria.ca</u>>

Cc: Eric Ney

Subject: Short-term rentals--limitations needed

Good morning,

I'm writing to support new limitations on short-term rentals in downtown Victoria.

The inclusion of "transient accommodation" as a permitted use did not anticipate Air BnB or the current housing shortage. It's time to update our bylaws to reflect the current reality.

I am currently a renter downtown and my landlord has recently decided to list my home. There are at least 21 Air BnB units in my building so far (including both my next-door "neighbours") and there is a very good chance the buyer of my home will want to use it exclusively for short-term rentals.

I have been warned by my landlord's realtor that the buyer may evict me by giving me one month's rent free (as required) plus a cheque for an additional two months rent (the penalty the Residential Tenancy Board imposes for evicting someone on false pretenses). My realtor informed me he has heard of buyers preempting the penalty this way.

In my case, that would mean a cheque for \$2,300. For a person dreaming of Air BnB with dollar signs in their eyes, this amount simply represents a license to do business--and there's really nothing I can do about it. I'll have to leave and attempt to find a new home, at a higher price because of the lack of supply. **Apparently, at least some buyers believe the income from short-term rentals is so great they will happily undermine the protections offered by the Residential Tenancies Act.** In other words, they see breaking the law as simply the cost of doing business. This is unacceptable.

The municipality has no control over the paltry penalty set by the Residential Tenancy Board. But you do have the power to limit Air BnBs so that this doesn't happen in the first place.

Some investors may be upset by a new limitation, but they shouldn't be surprised--any investment comes with risk, and new limitations to short-term rentals was by no means unforeseen. If they did their due diligence and were not completely oblivious to changes in other jurisdictions, they would have been fully aware new limitations might be established here in Victoria.

I personally would like to see a prohibition on individuals using **entire** units/home **exclusively** for short-term rentals. I am not necessarily opposed to residents renting an extra room (or their couch) on a short-term basis, or their entire home when they are away themselves. This type of use is what the "sharing economy" is about. Being evicted so your home can be converted to an unlicensed hotel room is NOT an expression of "sharing".

Thank you, Sally Reid

Subject:

FW: Email to Mayor and Council RE: STVRs

-----Original Message-----

From: Miranda Jones

Sent: Saturday, May 06, 2017 11:03 AM

To: Victoria Mayor and Council < mayorandcouncil@victoria.ca >

Subject: STVRs

Dear Mayor Helps and Councillors,

I live in the downtown area of our wonderful city and a couple of years ago loved the fact that it appeared as though more people would be making Victoria their full time home - either renting long term or buying a condo as their primary residence.

I am VERY annoyed that there appear to be residentially zoned condo units being rented out short term.

This constitutes a business and businesses are not allowed to be run out of residential areas.

Please consider carefully how to HELP Victoria remain a COMMUNITY rather than a place for people to simply pass through.

Tourism is vital to our city, but we need FULL time residents here who contribute every day to the city's tax base, the local economy and the quality of the lifestyle we enjoy.

Thank you for your consideration.

Sincerely,

Miranda Jones South 1006 737 Humboldt Street Victoria, BC V8W 1B1

Sent from my iPhone

Subject:

FW: Email to Mayor and Council RE: Unlicensed Short Term Vacation Rentals

From: Cedric Nagy

Sent: May 7, 2017 4:02 PM

To: Councillors < Councillors@victoria.ca>

Subject: Unlicensed Short Term Vacation Rentals

Dear Council,

I understand council will again be discussing the issue of Short Term Vacation Rentals during your meeting on May 11th.

I would like to encourage Mayor and council to consider altering the zoning to stop short term rentals in Victoria until proper bylaws, which balance the interests of residents, existing regulated accommodation and the tourism industry can be implemented.

For the past year, I have lived in a "party house" – affecting my health, sleep & ability to provide the best possible service to Victoria visitors. I haven't been able to find affordable alternate suitable long term accommodation. It has been demonstrated in other tourism-reliant communities in BC – such as Tofino & Whistler – that short term rentals are aggravating an already saturated long term rental market.

Victoria residents must come first.

Thank you for your consideration.

Regards,

Cedric Nagy

Front Office Manager

Coast Victoria Hotel & Marina by APA

146 Kingston Street, Victoria, BC

V8V 1V4



refreshingly local.™ Each one of our hotels is as unique as the cities they're located in.

Subject:

FW: Email to Mayor and Council RE: STVR

From: Diane Chimich

Sent: May 9, 2017 4:13 PM

To: Councillors < Councillors@victoria.ca>

Subject: STVR

Right zone the downtown area to exclude transient accommodation in private residential housing. The impact on the community in the buildings that are being inundated with STVR is terrible. Seniors who have invested their savings to purchase a property in the downtown area so that they do not have to drive are being forced to life in a hotel atmosphere. The safety of the residents is jeopardized by this practice of using a residential property that was designed to provide long term housing as a business enterprise is unjust, unfair and putting our communities at risk.

I am sure that the City of Victoria will not benefit from the STVR on a long term basis as owners will choose to move to other municipalities rather than live in a hotel. That will not encourage a vibrant and alive downtown area where residents support the local economy year round. 1

It is time to address this incorrect zoning by right zoning condominiums so that they are the residential homes that they were intended for. The investors who are trying to make a fast dollar by competing with the hotel industry are operating with an unfair advantage and at the expense of the owners who purchase these units as their homes.

Right zone the downtown area to eliminate transient accommodations. Correct this error NOW.

Sincerely
Diane and Peter Chimich
788 Humboldt St.
Victoria, B.C.

Subject:

FW: Email to Mayor and Council RE: Short Term Vacation Rentals - May 11, 2017

From: Peter Bonyun

Sent: May 9, 2017 8:41 PM

To: Victoria Mayor and Council <mayorandcouncil@victoria.ca>

Subject: Short Term Vacation Rentals - May 11, 2017

May 9, 2017

Dear Mayor Helps and City Councillors,

I am writing to express my personal concern about the encouragement of short-term vacation rentals (STVR's) in downtown Victoria as is under consideration by city council. I am a resident and President of the ARIA condominium on Humboldt St and, due to prior commitments, am unable to attend the council meeting on May 11.

My concern is based on the value of downtown residents bring in a city, like Victoria, that depends to a large degree on tourists. Condominiums were designed to house local owners and renters who provide year round patronage to downtown businesses including those that depend on the tourist industry. These residents also personalize the Victoria experience for tourists.

Hotels were designed to house tourists while they are in town. It was not intended that private "hotel-like" establishments like STVR's would aggressively compete with hotels, or with condominiums, for accommodation of tourists. STVR's do not contribute to the economic fabric of the city to the same extent as hotels and residents. The profitability of STVR's encourages excessive investment in condominiums that would otherwise have provided housing at reasonable market levels for long-term residents. As a result, hotels may close and condominiums fill up with tourists. The cost to residents of their increasingly scarce lodging escalates while living conditions deteriorate from long-term resident standards to hotel standards. The reaction is that residents of the downtown retreat to suburbs and patronize the businesses in their new neighbourhoods instead.

To long-term residents STVR's are a cancer that destroys condominiums from within. I feel strongly that the city should not allow STVR's in condominiums anywhere in the city but especially in the downtown where alternative long-term accommodation is very limited.

In council's consideration of whether to use an opt in or opt out model for condominiums, I urge city council to adopt an opt-in model whereby condominium owners would be required to have a majority of owners vote to allow STVR's in their building. An investment in a STVR is much more easily transferable than an investment in a long-term residence.

This is a critical decision that will have a fundamental impact on the livability of downtown Victoria. It will be impossible to reverse if the wrong decision is made.

Yours truly,

Peter Bonyun



Marketing our favourite destination

10 May 2017

Mayor and Council, City of Victoria 1 Centennial Square Victoria, V8W 1P6

Dear Mayor and Council,

Re: Submission regarding the impacts of short-term vacation rentals on Victoria's communities and tourism and hospitality sector

Tourism Victoria and members of Victoria's tourism and hospitality sector are concerned about the increasing impacts of short-term vacation rentals within Victoria, not only for the future of sustainable tourism but also the wellbeing of Victoria's residents and communities.

The range of problems being caused by short-term vacation rentals includes a rapid decline in housing availability and affordability, adverse effects on community life, loss of employees and job opportunities, reduced business investment and industry resilience, and undermining of fair practices and good partnership.

I will be addressing Council after the Public Hearing session of the meeting on Thursday 11 May 2017 to present further information on these issues and seek action to address them. We are respectfully requesting Council to implement zoning, regulations, taxation, and enforcement to manage short-term vacation rentals equitably and effectively.

I am providing this written submission to support our position and hope this will be considered alongside my remarks on 11 May. This submission includes Terms of Reference developed by Tourism Victoria to facilitate a Victoria-wide summit and discussion groups to promote broad dialogue between stakeholders about the sharing economy. This is indicative of our inclusive and collaborative approach to developing solutions.

We are grateful for and value our established partnership with the City of Victoria, and are keen to work together in addressing the problems being caused by short-term vacation rentals.

Sincerely,

Starr McMichael

Much

First Vice Chair, Tourism Victoria Board of Directors Chair, Tourism Victoria Transportation and Destination Management Committee

Submission to City of Victoria Council 10 May 2017

Impacts of short-term vacation rentals on Victoria's communities and tourism and hospitality sector

Thank you for this opportunity to write to Mayor and Council.

There are more than 1,000 short-term vacation rentals in the City of Victoria and more than 1,700 across the Capital Regional District. They operate as unlicensed businesses, do not pay commercial taxes, and produce an array of social and economic problems.

I encourage Council to act now to stop the negative impacts these rentals are having, not only for the tourism and hospitality sector but also the residents and communities that make up our City. Although my remarks are on behalf of Tourism Victoria representing tourism-industry members, they are made foremost from Tourism Victoria as a collaborating partner with the City of Victoria. It is critical to act now to:

- Safeguard and promote sustainable carrying capacity for tourism in Victoria.
- Protect the interests of our members' businesses, which contribute jobs and taxes to Victoria.
- Address the negative impacts of short-term vacation rentals for residents and communities.

Airbnb is the major player in short-term vacation rentals and valued over \$30 billion – much larger than \$18 billion for Marriott, the world's largest hotel group. Other platforms are Vacation Rentals by Owner (VRBO), Home Away, and Flip Key. They all use the same business model.

Airbnb lobbies governments aggressively to protect its unfair competitive advantage by exploiting poor zoning, and avoiding regulation and taxation. See https://www.thetimes.co.uk/article/airbnb-fighting-rent-limit-with-lobby-group-66b8jpd0p and https://skift.com/2017/05/01/airbnb-tries-to-clear-away-political-and-legal-challenges-in-new-york-and-san-francisco. Airbnb does this because legitimate businesses, voters, and communities globally are calling on their governments to fix the problems short-term vacation rentals are causing.

In Victoria these problems are:

- 1. Rapidly declining housing availability and affordability.
- 2. Adverse social impacts on neighbourhoods and community life.
- 3. Loss of employees and job opportunities.
- 4. Reduced business investment and industry resilience.
- 5. Undermining fair practices, a level playing field, and being good partners.

Analysis of these issues and the urgent need to address short-term vacation rentals is presented in Victoria Adams' January 2017 report:

Home Truths: Implications of Short-Term Vacation Rentals on Victoria's Housing Market.

The paper can be accessed at: http://jamesbaynewhorizons.weebly.com/uploads/8/2/5/9/8259182/victoria stvr final paper.pdf

1 Housing availability and affordability – the need for effective regulations

Commercial accommodation and residential housing are fundamentally different. But short-term vacation rentals blur the distinction.

Commercial accommodation drives much of Victoria's economy through hotel taxes, commercial property taxes, facilities for tourism, and employment for City residents.

Housing is for residents. It defines their quality of life and homes must be available and affordable. Erosion of affordable housing has serious social and economic consequences – as seen in Whistler over recent years where businesses cannot get employees due to lack of housing, many employees live in vehicles or other sub-standard conditions, and social problems are on the rise. We are now seeing this in Victoria.

In Victoria short-term vacation rentals are directly reducing the availability of housing and driving up prices of the fewer remaining residential properties, beyond the reach of many who live and work here. There is ample evidence from many stakeholders, also submitting views to Council.

We see "Airbnb Entrepreneurs" operating up to 15 units. Real estate speculators make much more money from short-term vacation rentals than longer-term residential leases, and aren't constrained by tenancy Acts. Many new developments are expressly geared for short-term vacation rentals and target this to potential buyers. We see tourists using residential properties all over town — while at the same time we see residents and employees unable to find or afford homes.

Alarmingly, long-term tenants are increasingly being evicted from homes so landlords can market properties for more money as short-term vacation rentals:

- http://www.metronews.ca/news/toronto/2016/09/27/toronto-man-says-landlord-evicting-him-to-rent-on-airbnb.html
- http://money.cnn.com/2016/06/22/technology/airbnb-regulations
- https://skift.com/2016/12/27/evicted-tenants-fight-back-against-airbnb-with-detectives-and-lawyers

Victoria's growing rental crisis and serious shortage of affordable housing needs to be addressed urgently. Transient accommodation should not be a permitted use for residential properties that are not primary residences, and this needs to be reflected in zoning regulations.

2 Adverse social impacts on neighbourhoods and community life

Social problems arise when too many tourists stay in residential communities, and also when local residents cannot find housing or employment. "Over-tourism" and shortages of affordable housing due to uncontrolled short-term vacation rentals has led to residents being openly hostile towards tourists and tourism in many major destinations, particularly Barcelona, Amsterdam, and Iceland.

There are many reports of how short-term vacation rentals are changing community life in negative ways. For example:

- http://sandiegofreepress.org/2015/09/loss-of-community-is-greatest-threat-from-airbnb-and-short-term-vacation-rentals
- http://sydney.edu.au/news/architecture/274.html?newsstoryid=16309
- https://www.theguardian.com/cities/2016/oct/06/the-airbnb-effect-amsterdam-fairbnb-property-prices-communities
- https://hostcompliance.com/how-do-short-term-vacation-rentals-impact-communities

We do not want to see this happen in Victoria. Vibrant, safe, friendly neighbourhoods are the fabric of Victoria and make it very attractive as a place to live and destination to visit. The wellbeing of the residents within our communities is the foundation for successful tourism, a strong local economy, and good quality of life.

3 <u>Loss of employees and job opportunities</u>

Directly or indirectly the tourism and hospitality sector is a major source of employment in Victoria. The industry and those working in it contribute economically through taxes – many also volunteer, often to build experience and start careers.

The rental crisis and affordable housing shortage generated by short-term vacation rentals is now making it very difficult to recruit staff to Victoria, particularly downtown. Those we can recruit face many challenges finding housing. Without action, talented people and career prospects for young people will drift away, with huge negative consequences for businesses and the City.

4 Reduced business investment and industry resilience

Investment in commercial accommodation in Victoria is being driven down. Although it is normal to lose some hotel inventory over time, it is not being replaced. Occupancy rates are solid (above 72%) but institutional investors are reluctant to spend on new or upgraded accommodation while threats from untaxed and unregulated short-term vacation rentals persist. This undermines efforts to build sustainable tourism and jobs in the industry, and returns to the City from a vigorous tourism sector. Inability to attract investment makes us less competitive than other cities, perpetuating the impact.

Recent research (e.g. 2016 HLT Advisory / Ryerson University study in Vancouver, Calgary, Toronto, and Ottawa) found short-term vacation rentals directly caused a 6% bottom-line loss of revenue for commercial hotels. This loss exceeds sustainable average operating margins for many hotels, given their high capital costs, high marginal costs (labour, sales, advertising, services), and the high costs of maintaining safety and licensing standards. This reduces capacity to stay in business and eroded ROI removes incentives to re-invest.

While tourism in Victoria is currently doing well, our business is cyclical. Threats and weaknesses caused by short-term vacation rentals erode industry resilience and our ability to respond when macro-economic downturns or other disruptions occur.

There is wide evidence of how short-term vacation rentals impact the tourism industry:

- http://people.bu.edu/zg/publications/airbnb.pdf
- https://www.qtic.com.au/sites/default/files/140714 draft sharing economy paper.pdf
- www.europarl.europa.eu/RegData/etudes/BRIE/2015/568345/EPRS BRI(2015)568345 EN.pdf
- www.europarl.europa.eu/RegData/etudes/BRIE/2017/595897/EPRS BRI(2017)595897 EN.pdf
- www.europarl.europa.eu/RegData/etudes/STUD/2015/563411/IPOL STU(2015)563411 EN.pdf
- https://www.nswbusinesschamber.com.au/NSWBCWebsite/media/Policy/Tourism/Sharing-Economy-Issues-Impacts-and-Regulatory-Responses-COMBINED-POLICY-9-11-15.pdf

Short-term vacation rentals freely benefit from the tourism industry's efforts, expenditure, and expertise that bring visitors to destinations – but outrageously are allowed to work against the industry that feeds them.

5 <u>Undermining fair practices, a level playing field, and being good partners</u>

Commercial accommodation operators must be licensed and comply with regulations to protect consumers, employees, and the public. They pay taxes and destination marketing fees, facilitate tourist visits, employ numerous staff, and contribute widely to the City of Victoria's economy.

Short-term vacation rentals are not regulated to protect consumers, employees, or the public, they are not regulated for safety or insurance, and they do not pay taxes. They pay residential property taxes only, which are one-third of commercial property taxes. Short-term vacation rentals operate outside the laws that apply for other accommodation providers. They gain large cost advantages by avoiding compliance but fail to provide revenue for the City or communities they operate in. This is structurally unfair and unsustainable.

We are grateful partners of the City of Victoria in many ways:

• Through taxes at all levels of government, hotel customers pay the costs of destination sales and marketing, conference sales, and policy initiatives, with flow-on benefits across the City. Short-term vacation rentals do not contribute.

- In partnership with Tourism Victoria, the commercial accommodation sector is making a direct \$1 million contribution to important local infrastructure in the David Foster Harbour Pathway. Short-term vacation rentals are not doing this.
- Tourism Victoria partners with the Victoria Hotel Destination Marketing Association to invest over \$300,000 annually into festivals, events, and sports tourism, adding community vibrancy. Short-term vacation rentals do not do this.
- The City of Victoria, tourism industry, and Tourism Victoria are collaborative business partners in marketing the Victoria Conference Centre, which is working very well to date. Our revenue targets to deliver to the City of Victoria require a level operating field with fair rules.
- Tourism Victoria partners with its members and the City of Victoria to work constructively on diverse policy issues for the common good, such as Belleville Terminal. Our tourism-industry members pay for the expertise, skills, resources, and time to do this, and are happy to do so because this benefits Victoria on many levels. Short-term vacation rentals do not contribute.

Short-term vacation rentals benefit from everything the regulated and taxed tourism industry does to bring visitors to Victoria, deliver great visitor experiences, invest in services and infrastructure, and contribute to communities. They benefit from our strong destination marketing, facilities such as Belleville Terminal, high compression due to conference and event sales, and no further boycotts over sewage treatment issues. The tourism industry is collectively paying for this hard work, which is fine. But it's very unfair that short-term vacation rentals benefit at no cost, without contributing.

Level playing fields, fair business practices, and good business partnerships are critically important. These are foundations of healthy business environments and strong economies – there is no room or justification for unregulated, untaxed, and unfair competition.

The impacts of short-term vacation rentals – from housing shortages for employees to inequitable cost structures – are undermining our capacity to contribute as partners over the long term.

We value our collaboration with the City of Victoria. As mentioned above, we want to work in close partnership with the City to ensure growth in tourism, and the many benefits this brings to Victoria, is sustainable and within carrying capacity. Our members enable tourism, create jobs and pay taxes, and also want to promote collaboration. We must also collectively give priority to the best interests of residents and communities.

Recommendations for Action by Council

We respectfully ask Council to fix the inequities urgently. Employees and residents of Victoria need access to affordable housing as well as viable careers. Given the extensive nature of such problems there are many precedents to draw on. For example, regulatory action taken or being developed in jurisdictions such as New York, San Francisco, Los Angeles, Monterey, Anaheim, Chicago, Barcelona, Amsterdam, Dublin, Berlin, Toronto, Vancouver, Tofino, Ucluelet, and Richmond.

For examples of regulatory action see:

- http://www.cbc.ca/news/canada/british-columbia/it-is-illegal-city-tells-developer-to-stop-short-term-rentals-1.4048098
- https://www.thestar.com/business/2017/03/03/toronto-should-require-airbnb-permits-says-report.html
- http://ucluelet.ca/community/community-notices/333-press-release-ucluelet-pursuing-illegal-vacation-rentals
- http://www.cbc.ca/news/canada/british-columbia/richmond-rental-airbnb-1.4075478

On behalf of Tourism Victoria and the tourism industry, I ask City of Victoria Council to introduce regulations, re-zoning, and enforcement to remove transient accommodation as a permitted use for residential properties that are not primary residences. This addresses the rental crisis and lack of affordable housing by reclaiming and protecting residential space – properties designed to be homes in communities can no longer be operated as hotels.

Additionally, City or Municipal business licenses should be mandatory to make it clear short-term vacation rentals are revenue-generating businesses and have statutory obligations to consumers, employees, and the public.

Taxation levied by the City should be introduced to ensure short-term vacation rentals contribute financially and fairly to Victoria alongside other types of accommodation.

And these measures must be strictly enforced. It is easy to identify and monitor short-term vacation rentals using online aggregators to count listings on booking platforms. To fino does this very well. There must be large penalties for non-compliance.

Concluding remarks

Re-zoning, regulations, taxation, and strong enforcement are essential to fix the growing problems. They will not simply go away and cannot be ignored. Immediate action is needed – before negative impacts are irreparable and while solutions are readily achievable.

Although action is required by all three levels of government, local government can improve the situation significantly and quickly through re-zoning, business licences and fees, and marketing taxation or levies.

If the costs of ensuring compliance are a concern, industry can work with government to develop options and solutions.

We have collectively established Victoria as a strong global tourism brand, and we must now ensure Victoria continues to be a great place to live and visit. The tourism industry is here as a constructive partner, as always.

Some may say cynically that Tourism Victoria is adopting this position because its revenue could be affected by untaxed and unregulated competition. We assure you our concerns are much broader and deeper than that. This is about the legitimate tourism industry wanting to be good partners and neighbours. Tourism Victoria focuses on high-yield experiential tourism that is sustainable and fully respects our destination's carrying capacity. Unchecked short-term vacation rentals are an affront to that principle.

We want to work together with the City of Victoria to rectify the impacts of the grey economy. We are implementing stakeholder discussion groups to engage in broad dialogue about the sharing economy, understand all perspectives, and find effective collaborative solutions.

As tax-paying and job-creating partners we need to help stop erosion of lifestyle and wellbeing for citizens who purchased condos without knowing their buildings can be over-run by holiday makers. Appropriate zoning will go a long way towards this. We need to work on quelling unchecked real estate speculation that is making housing in Victoria unaffordable. Investors can still make a good return on investment from long-term rentals to residents – just not as much money as quickly.

Doing nothing would undermine creation of jobs, commercial tax-paying hotels, and other tourism businesses by supporting untaxed, unregulated predatory competition. Where is the wisdom and long-term vision of not acting?

Finally, in recent weeks some Councils such as Richmond, BC and Del Mar, California have banned short-term vacation rentals completely in support of public resistance. We are not asking for this. We are asking for robust, common-sense zoning regulations and taxation. This will be an ongoing issue to manage and we are here to assist.

Many thanks for your time,

Harette

Starr McMichael

On behalf of Tourism Victoria, and members of Victoria's tourism and hospitality sector



Summit and Discussion Groups on Impacts of the Sharing Economy

Terms of Reference 12 April 2017





Contents

| 1. | Background and Key Issues | 2 |
|----|--|---|
| 2. | Purpose, Objectives, and Goals of Summit and Discussion Groups | 3 |
| 3. | Timing of Summit and Outputs | 4 |
| 4. | Participation in Summit and Discussion Groups | 4 |
| 5. | Responsibilities of Participants | 6 |
| 6. | Methods | 6 |
| 7. | Deliverables | 7 |

1. Background and Key Issues

The sharing economy, also known as collaborative consumption or the peer economy, refers to a relatively recent, disruptive business model that uses network technologies to exchange, rent, or share products or services on an unprecedented scale. The economy is diverse, growing rapidly in the accommodation (e.g. Airbnb, VRBO), transportation (e.g. Uber, Turo), consumer goods (e.g. Simplist, Tradesy), entertainment (e.g. Spotify, SoundCloud), and services (e.g. TaskRabbit, Fiverr) sectors. Main impacts for the tourism industry relate to accommodation (particularly short-term vacation rentals), transport, and tours or experiences.

In addition to adverse direct economic impacts or inequities across the competitive landscape, the sharing economy may generate broader social or environmental concerns affecting communities and government. Core issues cited frequently around short-term vacation rentals are inadequate regulation, absence of taxation, erosion of profitability for commercial accommodation operators (undermining their capacity to invest in staff, services, facilities, or infrastructure), compromised safety or experience for customers or employees, reduced or minimal availability of longer-term housing and rental space in communities, and a greater number of transient visitors in stratas and neighbourhoods designed and zoned for residents. Similar issues, inequities, and adverse impacts, especially regarding licensing, taxation, safety, and security, are probable as the sharing economy moves into tours and experiences, led by Airbnb.

Although the Victoria-focused tourism industry may need to consider destination-specific factors in addressing impacts of the sharing economy, the approach should align with the position and policy recommendations of the Tourism Industry Association of BC (TIABC):

- Those benefitting from tourism promotion should contribute towards it.
- Hospitality workers need affordable accommodations.
- Guests and visitors deserve quality, safety, and consumer protection.
- Regulation needs to be warranted, reasonable, balanced, and enforceable.
- All short-term rental operators should be registered and licensed in each community.
- Local governments should identify short-term rental operators, compel them to comply with regulations, and prosecute offenders.
- Hotel tax and MRDT should be collected at source by the booking platform and remitted to the province.
- The booking platform should collect and disclose all short-term rental data required to monitor and govern these transactions effectively, including adherence to local by-laws and legislation.

A similar position is proposed by the British Columbia Hotel Association (BCHA). There is also a wide and growing range of literature (industry reports, white papers, news articles, and research papers) on many aspects of the sharing economy, which is indicative of its expansion and impact. A recent (January 2017) white paper by Victoria Adams, *Home Truths: Implications of Short-Term Vacation Rentals on Victoria's Housing Market*, highlights many issues of local concern.

Paul Nursey, Tourism Victoria's President & CEO, highlighted the need for strategic discussions on the impacts of the sharing economy in a memorandum dated 4 February 2017 to Tourism Victoria's Board of Directors and Transportation & Destination Management Committee (TDMC). The memo was prompted by continuing growth in short-term vacation rentals and associated problems, as well as Airbnb's increasing promotion of trips and experiences. The TDMC resolved at its meeting on 8 February 2017 to embark on a collaborative process of engaging in broad dialogue about the sharing economy, in order to better understand how it operates, identify and characterize impacts, and lay foundations for solutions. Dialogue will be the most appropriate and productive approach because it brings potentially-disparate perspectives together to find solutions.

Tourism Victoria will facilitate a summit in early July 2017 to bring stakeholders together to engage about the sharing economy. The summit will open with a core meeting of all stakeholders to discuss objectives, perspectives, and common experiences. Stakeholders will then form smaller discussion groups to address issues more specifically and propose solutions.

2. Purpose, Objectives, and Goals of Summit and Discussion Groups

- 2.1 The summit and discussion groups will be coordinated and managed by Tourism Victoria's Transportation & Destination Management Committee (TDMC), currently chaired by Starr McMichael.
- 2.2 The **purpose** of the summit and discussion groups is to facilitate broad stakeholder input on the characteristics, impacts, and current directions of the sharing economy. The summit is to be a collaborative platform for synthesizing knowledge and perspectives, and developing a coordinated response to the sharing economy's negative impacts.
- 2.3 The **objectives** of the summit and discussion groups are to:
 - a) Understand the nature and impacts of the sharing economy through input from diverse stakeholders, and build a comprehensive picture of how the sharing economy operates.
 - b) Collate information about social, economic, and environmental impacts of the sharing economy, and ensure that information is available to underpin response strategies.
 - c) Engage with agencies having capacity to address how the sharing economy operates.
 - d) Determine priorities for actions to address negative impacts.
 - e) Formulate recommendations and strategy to influence government and other decision makers for greater and more equitable regulation of the sharing economy, particularly major players such as Airbnb.
- 2.4 The **goals** of facilitating the summit and discussion groups are to:
 - a) Bring about sensible and fair regulation, taxation, and monitoring of sharing economy operators to require them to leave the grey economy.

- b) Ensure the safety, quality, and contributions to communities of visitors' experiences have paramount importance in policy and regulations.
- c) Safeguard tourism's position as a positive force in society by not risking overcrowding (as experienced in Barcelona and Amsterdam from Airbnb escalation), unsustainable practices, or erosion of benefits to local communities.
- 2.5 These Terms of Reference may be revised as appropriate at any time to reflect changes in responsibilities or methods, extension of activities, or additional deliverables.

3. Timing of Summit and Outputs

- 3.1 The summit is to occur during early July 2017 with timing and venue to suit the majority of stakeholders.
- 3.2 The target date for completing summit and discussion group outputs is 31 July 2017.

4. Participation in Summit and Discussion Groups

- 4.1 Invitations to participate in the summit and discussion groups will be managed by Tourism Victoria's Transportation & Destination Management Committee (TDMC).
- 4.2 Tourism Victoria's management and staff will assist the TDMC in coordinating the invitation process, including record-keeping and document distribution.
- 4.3 Participation will be open to organizations, community groups, or individuals with a current or future stakeholder interest in the social, economic, and/or environmental impacts of the sharing economy in BC's Capital Regional District (CRD). Organizations, community groups, or individuals having relevant interest or experience within other geographic areas may be invited to participate at the discretion of the Chair of the TDMC and/or President & CEO of Tourism Victoria.
- 4.4 Participation will be by invitation or application. Invitations can be made by the Chair of the TDMC, President & CEO of Tourism Victoria, or a majority of TDMC members. Applications to participate must be made in writing or by email to the TDMC, including applicant name and affiliation, applicant contact details, and reason(s) for requesting to participate.
- 4.5 The summit must collectively involve a comprehensive (i.e. broad, balanced, and informed) representation of stakeholder interests regarding the sharing economy. Participants are to be drawn widely and include representatives of:
 - Communities and neighbourhood associations
 - Housing advocacy groups

- Consumer protection groups and Consumer Protection BC
- Government departments including (where possible) transport, housing, employment, finance, community services, and emergency services
- Tourism policy analysts from the BC Ministry of Jobs, Tourism, and Skills Training
- Municipal leadership and regulators
- Real estate associations and developers
- Tourism accommodation providers
- Transportation, tour, sightseeing, and experience providers
- Tourism leadership
- 4.6 To minimize over-representation, organizations and community groups shall have no more than three (3) representatives at the summit, unless an exemption has been granted by the Chair of the TDMC or President & CEO of Tourism Victoria after consulting with the TDMC.
- 4.7 Each member of Tourism Victoria's Transportation & Destination Management Committee (TDMC) is expected to participate where possible. Current TDMC members are:

John Briant General Manager, Victoria Western Stevedoring

Ryan Burles President & COO, Black Ball Ferry Lines
David Cowen General Manager, The Butchart Gardens

Jim Douglas Regional General Manager, Coast Victoria Hotel & Marina by APA

Steve Earnshaw CEO, Experience Victoria

Suzanne Gatrell General Manager, The Oswego Hotel
David Gudgel Chief Operating Officer, Clipper Vacations
David Hendry Director of Strategic Planning, BC Ferries
Kyara Kahakauwila Vice President Operations, L.A. Limousines

Bill Lewis General Manager, Magnolia Hotel
Troy MacDonald Director of Sales, Helijet International

Starr McMichael President, Starrboard Enterprises and Chair of the TDMC

Cole Millen Director of Operations, The Fairmont Empress

Erinn Pinkerton Director Corporate and Strategic Planning, BC Transit

David Roberts General Manager, CVS Tours

Sonterra Ross COO, Greater Victoria Harbour Authority

Mike Smith Manager Victoria Operations, Harbour Air Seaplanes / West Coast Air

Brett Soberg Owner Operator, Eagle Wing Whale & Wildlife Tours

John Varga Sightseeing Manager, Wilson's Transportation
Leslie Ward Chief Administrative Officer, Victoria Harbour Ferry

John Wilson CEO, Wilson's Transportation

Travis Wilson Manager, CC Station and Scheduled Services, Wilson's Transportation

Fraser Work City of Victoria

4.8 Other core participants are Paul Nursey, President & CEO of Tourism Victoria, and any staff from Tourism Victoria assigned to the summit and/or discussion groups by Paul Nursey.

5. Responsibilities of Participants

- 5.1 Each participant is responsible for joining group activities, sharing information to the extent reasonably permitted, working collaboratively, and adhering to best practice at all times.
- 5.2 Participants are to focus on the objectives, goals, and deliverables specified in these Terms of Reference, work to remove any barriers to open discussion, and advise the TDMC Chair of any conflicts of interest that arise.
- 5.3 Each participant is to ensure all information, views, and data presented or discussed during the summit, or received or available to them as a participant, are treated as confidential at all times. Participants are not to disclose or disseminate summit information and/or records without permission from the TDMC Chair or President & CEO of Tourism Victoria.
- 5.4 Where necessary the TDMC may amend responsibilities or activities of participants in order to achieve objectives and deliverables.

6. Methods

- 6.1 The summit and discussion groups may utilize any methods of collaboration or information exchange deemed appropriate by the TDMC Chair to achieve objectives and deliverables.
- 6.2 Each discussion group is to be chaired by a TDMC member. As small group discussions, all participants are to be encouraged to provide input openly and comment candidly. Points of agreement and disagreement are considered equally informative and to be recorded along with issues for further discussion or exploration.
- 6.3 Records of discussions are to be prepared and available for distribution to all participants as soon as feasible after the summit. Documents, notes, data, and other materials to support or inform discussions are to be distributed in advance of the summit where feasible.
- 6.4 The Chair of the TDMC, with support from Tourism Victoria staff, will implement a means of exchanging documents and resources between participants (such as Dropbox, Google docs, or Google drive). The TDMC and Tourism Victoria will also maintain storage and back-up of all materials, resources, and records from the summit.
- 6.5 Reasonable expenditure incurred to convene the summit (for example, costs for the venue, equipment, stationery, materials, refreshments, or services) will be paid by Tourism Victoria and is subject to Tourism Victoria's standard accounting procedures.
- 6.6 Where necessary the TDMC may review and amend how the summit is to operate in order to achieve objectives and deliverables.

7. Deliverables

- 7.1 Deliverables for the summit and discussion groups are:
 - a) A dossier regarding the nature, operations, and impacts of the sharing economy, which may include reports, white papers, research publications, policy documents, position statements, regulations, and/or data along with summaries of discussions.
 - b) A prioritized list of actions and best practices towards addressing the inequities, social concerns, and related negative impacts of the sharing economy.
 - c) Identifying which players should (i) have a lead role, (ii) have a support role, and (iii) be engaged with in actions addressing the sharing economy.
 - d) A strategy (with timelines) and recommendations to influence government and other decision makers for greater and more equitable regulation of the sharing economy, including recommendations for best regulating specific activities such as tours or experiences as well as accommodation.

Subject:

FW: Email to Mayor and Council RE: Short Term Vacation Rentals

From: Jo Merth

Sent: May 11, 2017 12:48 PM

To: Victoria Mayor and Council < mayorandcouncil@victoria.ca >

Subject: Short Term Vacation Rentals

Dear Mayor and Council,

I write to you regarding the issue of short term vacation rentals in downtown Victoria.

As a strata owner in the downtown core, I can speak first hand to the negative effects that STVR's have had on my residential community. Not only are STVR business's not paying taxes but large amounts of units are being bought with the intention of business use. This takes a great many homes off of the market for those who rent, own, live, work and contribute full time to Victoria.

I live in The Union building on Pandora Ave. After a quick search on Airbnb, I found at least 21 units available online (that is not including units that are already rented out at the time of my search). I would estimate that 40-50% of my building is used for Short Term Vacation Rentals. The Strata is formed to reflect the interest of business owners in my building. This directly and negatively impacts those of us who live full time in the building.

What will it take for Victoria City Council to regulate Short Term Vacation Rentals? I want to see down-zoning of Short Term Vacation rentals in Victoria. There needs to be regulation and proper research done on the subject.

Thank you,

Johanna Merth

Subject: FW: Email to Mayor and Council RE: Short Term Rentals

From: Monica Stevens

Sent: May 11, 2017 4:26 PM

To: Victoria Mayor and Council < mayorandcouncil@victoria.ca >

Subject: Short Term Rentals

We are opposed to any short term rentals in the Victoria core market. Our concerns are:

- 1 .safety and security from transient short term renters
- 2. loss of property values which should be respected as we are ultimately your property tax base
- 3. general lack of responsibility in keeping the condo units maintained
- 4. property owners in a condominium environment are faced with paying for common area damages as renters don't care they don't have anything invested in the building

Michael and Monica Stevens Belvedere

Subject:

FW: Email to Mayor and Council RE: Short Term Vacation Rentals

From: Robert Ollerenshaw

Sent: May 11, 2017 10:42 PM

To: Victoria Mayor and Council <mayorandcouncil@victoria.ca>

Subject: Short Term Vacation Rentals

To Whom It May Concern:

I am opposed to any short term rentals in the Victoria core market.

My concerns are:

- 1 Safety and security from transient short term renters.
- 2. Loss of property values which should be respected as we are ultimately your property tax base.
- 3. General lack of responsibility in keeping the condo units maintained.
- 4. Property owners in a condominium environment are faced with paying for common area damages as renters don't care they don't have anything invested in the building.

Robert Ollerenshaw Suite owner in The Belvedere 788 Humboldt Street



Robert Ollerenshaw Executive Chairman

Section23 Developments 1717 Ninth Street SW Calgary, AB T2T 3C1



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Subject:

FW: Email to Mayor and Council RE: Secondary Suites Abuse of Opportunity to Supply more Affordable Units to the Rental Market

From: Chuck Meagher

Sent: Tuesday, May 16, 2017 11:25 AM

To: Victoria Mayor and Council < mayorandcouncil@victoria.ca >

Subject: Secondary Suites Abuse of Opportunity to Supply more Affordable Units to the Rental Market

Secondary Suites in Single Family Home Zoning.

We applaud Mayor and Council for this creative zoning for homes in the City of Victoria to help create more rental suites and a variety of options that are not restricted to purpose built apartment buildings in our city. Unfortunately too often owners do not have the same intentions and quickly switch over these suites to "Vacation Rentals". Is there some stronger language that can be incorporated into the permit stage to fix this from happening? If so it should be put in place. As an example a property at 613 Merrifield in James Bay has undergone renovation to create a 750 Sq.Ft. 2 bedroom basement suite. The Final Inspection has just been completed, the occupancy Permit has not been issued, and the suite is currently advertised on Craigslist under Vacation Rentals, fully furnished for \$2700 a month. This is not affordable, nor does it meet the intent of the bylaw to add more long term rental suites to the market. I hope Mayor and Council will take steps to strengthen the bylaw so more long term rental suites are available to people living in Victoria.

Sincerely Chuck and Jacquie Meagher

Subject:

FW: Email to Mayor and Council RE: Short-term Vacation Rentals

-----Original Message-----

From: Edward Berry

Sent: May 22, 2017 1:34 PM

To: Councillors < Councillors @victoria.ca > Subject: Short-term Vacation Rentals

We ask that Council stop the commercialization of residential property and "right-zone" the downtown core by removing transient accommodation as a permitted use.

We would like this letter to be included as part of the June 8th agenda.

Thank you for your attention.

Edward and Margaret Berry 788 Humboldt Street (805)

From: Ellen Loretta Bell-Hardy

Sent: Tuesday, May 23, 2017 10:34 AM

To: Councillors

Subject: Short term vacation rentals in downtown Victoria

To Whom it may concern,

Short term vacation rentals in downtown Victoria need to be prohibited to maintain the friendly community flavour of this lovely city -This protects residents, the existing hotels and traditional B&B's.

E. L Bell-Hardy

Subject: FW: Email to Mayor and Council RE: Short-term Vacation Rentals

-----Original Message-----

From: William Rodger

Sent: May 23, 2017 8:34 PM

To: Victoria Mayor and Council < mayorandcouncil@victoria.ca >

Subject: Short-term Vacation Rentals

Please consider this e-mail as my strong negative vote for STVRs to be allowed in the downtown Victoria Neighbourhoods. NO STVRs!

William Rodger, PhD S905 - 737 Humboldt Street Victoria, BC V8B 1W1

Subject:

FW: Email to Mayor and Council RE: Curb illegal Air BnB type rentals to ensure more long term rental housing

From: Judy Lightwater

Sent: Thursday, June 01, 2017 5:09 PM

To: Victoria Mayor and Council < mayorandcouncil@victoria.ca >

Subject: Curb illegal Air BnB type rentals to ensure more long term rental housing

Dear Mayor and Council,

Many residents are being asked to weigh in on new rental developments in Victoria. They may be uncomfortable with some of the density and heights in these proposals, but are wanting to encourage rental housing. The problem is that we are not seeing any enforcement regarding illegal vacation rentals. Shutting these down shouldn't be that difficult. Until there is some or better enforcement, home owners are not as willing to support new rental housing, as it is possible for it to simply be used for more vacation rentals rather than the long term rental housing we so desperately need. These new units must also be affordable, and unless evidence of this is provided, there will continue to be opposition to increasing density in our neighbourhoods.

Thank you.

Judy Lightwater 86 Howe St.

Victoria, BC V8V 4K3

"The possible must not be limited by the known." Wolgang Paalen

Subject:

FW: Email to Mayor RE: STVR on Council Agenda June 8

From: Hannah Rabinovitch

Sent: Tuesday, June 06, 2017 8:10 PM
To: Councillors < Councillors@victoria.ca >
Subject: STVR on Council Agenda June 8

Dear City Councillors,

My name is Hannah Rabinovitch and I'm writing to you as a renter in Victoria, BC for the past 7 years.

Victoria is currently experiencing a rental crisis. Vacancy rates continue to persist below 1%. I've been living in a bachelor apartment with my boyfriend. We were trying to find a one bedroom. I emailed many places online and often had no response, despite working for the provincial government in a unionized job. Ignore affordability, there just aren't enough rental units in the market right now. Plus with supply and demand, landlords can charge high rents for practically closet sized one bedrooms and have no trouble filling them (I looked at one that was smaller than my bachelor but \$450 more a month).

If you look for a listing on airbnb > entire home, you can find many many entire suites available for rent. May 1st used to be the best time to move in Victoria. Uvic students gave notice and renters had their pick of the market. Now, it's the beginning of airbnb season.

Long-term airbnb, not operated by the principal residents of the space, withdraw much needed rental units from the supply. Especially with all the new development going up, it's more important than ever that rental units be filled with Victoria residents who work, live and play in this wonderful city. The city needs to enact regulations to prevent short term vacation rentals in rental suites. This won't solve the rental affordability problem, but it will add some much needed supply, which could at least increase the vacancy rate.

Thanks for your concern, Hannah

To:Victoria Mayor and Council; JODY SIMPSONSubject:RE: Email to Mayor and Council RE: Airbnbs

-----Original Message-----

From: JODY SIMPSON

Sent: Saturday, June 10, 2017 9:46 AM

To: Victoria Mayor and Council <mayorandcouncil@victoria.ca>

Subject: Airbnbs

Hello,

I live in the Gonzales neighborhood very close to Gonzales beach. As you likely know the houses in this residential and family oriented community are very close together in many places. I live in one of those. One of our neighbors began an airbnb business 3 years ago. As our home and my bedroom basically back onto this we are very aware of the noise. As this home in a block from the beach (on Richmond Ave) we often get a lot of people on holiday and in the mood to celebrate. Over the years we have had people out talking loudly, drinking, smoking and playing loud music all through the night. At times up to 5am. This neighbor did not initially inform his neighbors that he planned on running this business in our family neighborhood. I contacted him about a year ago through the airbnb website As he did not pass along his contact information to the neighbors either. I am regularly impacted by this frequent turn over of new vacationers looking for a good time. I am kept up late many nights all year but more so in the summer months. He said he would put a "house rule" of a 10pm quite time on his airbnb page. He did initially but I looked again yesterday ,when I was up with people being loud until 1130 yet again, and it is no longer there.

I am extremely frustrated that this business is able to run in my neighborhood and am wondering what our rights are. We pay good taxes to live where we do and did not choose to buy a home in a holiday party community. It is incredibly disruptive to have a new group of people every few days wanting to party.

I have yet to call the police for these noise violations as I feel this is a poor use of their resources but I admit am getting closer to doing so as my frustration increases. I shouldn't have to put a fan on every night so I can drown out the noise to get some sleep so I can function at work.

So, what can be done? What are our rights?

Are the expected to have a business license to run a hotel like business like this is a residential family? Is this even legal?

What is currently being done to manage this issue as I have huge concerns about more of these short term rentals coming in this neighborhood?

I feel I have tolerated this long enough.

I look forward to hearing from you. Jody Simpson

Sent from my iPhone

1137 May St. Victoria,B.C. V8V 2S6

June 11, 2017

To: Mayor Lisa Helps and Council

Re: Committee of the Whole agenda June 15

Dear Mayor and Council:

We understand Council will discuss the issues of Short Term Rentals (STRs) at the June 15 meeting. As residents of Fairfield we are completely opposed to the existence of STRs used as businesses in residential areas.

MAYOR'S OFFICE

JUN 1 3 2017

VICTORIA, B.C.

Last summer a house two lots east of our house was sold. The property was purchased by people who already own a house on Heywood Ave. which is used exclusively for short term rentals. Additionally, they live on Sutlej St. in a house which also has short term rental suites. Clearly they are operating a business in an area zoned for residential use.

We have lost neighbours in our block with the use of this house for short term vacation rentals. I want to know the people who live on my block and in the general area.

STRs represent a loss of long term rentals to any neighbourhood, and in Victoria the need for rental accommodation is severe. Additionally, merely awarding a business licence is a violation of zoning ordinances; indeed, it amounts to spot rezoning. Currently, regulations prohibit use of entire homes for STRs. These regulations should be enforced, along with the regulatory directions approved by council January 19 of this year.

Yours truly,

Winston and Claire Jackson

Winston Jackson .

Subject:

FW: Email to Mayor and Council RE: Short Term Rentals

From: Don Cal

Sent: Tuesday, June 13, 2017 11:00 AM

To: Victoria Mayor and Council < mayorandcouncil@victoria.ca >

Subject: Short Term Rentals

Dear Mayor and Council

Kudos on trying to regulate the short-term rentals in Victoria. It is having a negative effect on the housing market and increasing the price of housing.

Airbnb and others are under pressure worldwide to bring short term rentals out into the open for the same reasons. The arguments of other cities may help you in your task.

Here are two articles from <u>reuters.com</u> about this issue: The links are highlighted; or you can read the enclosed text.

Best regards,

Don Cal 1059 Pentrelew

https://www.reuters.com/article/us-airbnb-regulation-insight-idUSKCN12L0DY

Airbnb, the online lodging service that investors now believe is worth \$30 billion, faces a reckoning.

In eight years of torrid growth, the company has often clashed with local public officials seeking to minimize the impact of short-term rentals on neighborhoods and urban housing markets. Now, those simmering tensions are starting to boil.

New York Governor Andrew Cuomo on Friday signed legislation that Airbnb says could seriously damage its business in New York City, the company's largest U.S. market; the company immediately filed a lawsuit in federal court seeking to overturn the law. The German capital of Berlin recently passed a law banning most short-term rentals, and Barcelona and Amsterdam are imposing steep fines for listings that violate laws there.

Airbnb is also engaged in a pitched battle in its home of San Francisco, where the company has also sued to block a new requirement that it reject booking fees from property owners who have not registered with the city.

The New York and San Francisco legal fights are a crucial test of Airbnb's business model. The company argues it cannot legally be held responsible for how landlords use its platform. If it is required to enforce local laws on short-term rentals, that could drastically reduce listings - and revenue - in some of its biggest markets.

Other cities looking to rein in Airbnb are watching the San Francisco proceedings and looking to the city's law as a potential model, said James Emery, deputy city attorney of San Francisco.

1

"Throughout the country, people representing cities have called me to ask what's going on with the litigation," he said.

Airbnb's legal argument in both the San Francisco and New York cases rely on a 20-year-old statute designed to protect free speech online, known as Section 230 of the Communications Decency Act. In the San Francisco lawsuit, the company asserts that the city "impermissibly treats Airbnb as the publisher or speaker of third-party content" when it is merely a platform for communications between property owners and guests.

Other online marketplaces - such as Amazon (AMZN.O), eBay (EBAY.O), and Craigslist – have cited the same law to shield themselves from liability for any improper transactions among users of their services.

In San Francisco, U.S. District Judge James Donato said at an Oct. 6 hearing he wasn't "seeing the link" between free speech protections and San Francisco's short-term rental regulations. Donato is expected to issue a ruling soon.

Airbnb has also sued the Southern California city of Anaheim, home to the Disneyland theme park, and the nearby beach city of Santa Monica, over regulations that the company contends are illegal.

'ILLEGAL' BUSINESS MODEL

Airbnb takes a cut of the revenue when a room or a home is booked and charges a service fee to guests. The company says it helps communities by enabling middle-class families to make extra money.

It also points to agreements with officials in nearly 200 locales around the world, mostly for tax collection and in some cases for broader short-term rental regulation.

Critics counter that, in popular tourist destinations, Airbnb takes affordable housing off the market, drives up home prices and disrupts neighborhoods with streams of transient visitors.

As regulatory threats loom, Airbnb on Wednesday announced it would create an online registration system for property owners and automate the enforcement of Airbnb's existing rules in New York and San Francisco, which limit operators to a single listing of an entire residence.

New York Assemblywoman Linda Rosenthal, sponsor of the New York legislation, was unimpressed by Airbnb's announcement.

"It's preposterous. Maybe half their listings are illegal" in New York City, she said. "It's part-and-parcel of the business model."

Existing New York state law bars most urban apartment-dwellers from renting out their units for less than 30 days if they are not present.

The law signed by Cuomo on Friday bars even advertising a rental that violates that existing law, which could help regulators crack down on Airbnb itself in addition to the users of its service. In its court challenge, Airbnb said the statute penalizes the company over content posted by users, which is prohibited by federal law.

Airbnb has also said it has taken down nearly 3,000 illegal listings in New York City over the past year, and reports 44,622 total listings in the city as of Sept. 1.

BATTLE IN BERLIN

In Berlin, Airbnb is fighting a city demand that it turn over information to help enforce a new law imposing fines of up \$110,000 on people renting out more than 50 percent of their homes for less than two months - among the strictest regulations worldwide.

Airbnb is "confident it would find a favorable agreement" with the city," said Peter Huntingford, Airbnb head of public affairs for Europe.

But with the city intent on collecting data and Airbnb intent on refusing, another legal battle looms.

ALSO IN TECHNOLOGY NEWS

Verizon closes Yahoo deal, Mayer steps down

Apple focusing on autonomous car system - CEO Cook on Bloomberg

"If Airbnb intends to risk a trial, we are prepared to walk down that path," said Martin Pallgen, a Berlin Senate spokesman.

In Barcelona, Airbnb's third-largest market in Europe, the city is imposing fines that exceed \$65,000 for listings without proper licenses. Amsterdam city officials in April started scraping data from Airbnb and other short-term rental websites to root out illegal hosts because Airbnb will not turn over details on violators.

In its Wednesday announcement, Airbnb put forward what the company's head of global policy and public affairs, Chris Lehane, called a "comprehensive regulatory strategy" targeted at "rooting out bad actors."

But the new proposals stopped short of any commitments to share information or enforce bans on short-term rental operators, which many cities say is crucial for effective regulation.

RISING RISKS

Critics contend that a large portion of Airbnb listings are offered by commercial operators with multiple properties who are essentially running illegal hotels. The company, they argue, has effectively turned many residential neighborhoods into tourist zones.

In Los Angeles, a study by the pro-labor Los Angeles Alliance for a New Economy found that property owners with two or more listings generated 44 percent of all Airbnb revenue in Los Angeles.

Airbnb, in a statement, disputed that conclusion and called the group's analysis "misleading."

In New York City, the state Attorney General found that, between 2010 and 2014, more than 300,000 Airbnb reservations violated the law, representing about \$304 million in booking revenue, with about \$40 million of that going to Airbnb.

Public officials need to prioritize the rights of full-time residents over landlords and visitors, said Rosenthal, the New York Assemblywoman.

"I represent New Yorkers," she said. "I don't represent tourists, and my responsibility is not to protect their cheap deal at the expense of New Yorkers."

(Reporting by Heather Somerville in San Fancisco and Tina Bellon in Berlin. Additional reporting by Dan Levine; editing by Jonathan Weber and Brian Thevenot)

Airbnb signs dozens more tax agreements in the U.S., France

Wed Apr 12, 2017 6:09am EDT

Full Size

By Heather Somerville

SAN FRANCISCO (Reuters) - Airbnb has reached new deals with dozens of jurisdictions in the United States and France to collect and pay taxes, doubling down on its effort to improve its image with local policymakers even as it face regulatory challenges around the world.

Airbnb, the short-term rental service that offers a website where homeowners can rent out a room or their entire property, has collected \$240 million in hotel and occupancy taxes since it was founded in 2008, remitting them to the jurisdictions where the company has agreements, Airbnb spokesman Nick Papas told Reuters.

The most recent tax agreements, formally announced by the company Tuesday, came in eight U.S. cities and counties, the state of Texas and 31 cities in France, making for a total of 275 agreements, Papas said. The taxes, which Airbnb says are at the same rate paid by hotels, will be collected beginning May 1 for the newest agreements. More than half of Airbnb's U.S. listings are in communities where we the company collects and remits taxes, Papas said.

Chris Bryan, a spokesman for the Texas comptroller, said Airbnb approached Texas with the offer to pay taxes.

"The state saw this as the most efficient way of bringing these people into tax compliance rather than going after thousands and thousands of homeowners," he said.

Texas is the 20th U.S. state with which Airbnb has a deal. Seeking agreements with more states allows the company to avoid the thorny local politics in cities where it faces opposition.

It is still unclear how successful Airbnb will be in collecting and remitting all the taxes it had pledged because many of these agreements are less than a year old. Critics of the deals have questioned how local officials could have enough data on Airbnb hosts to verify how much tax the company ought to pay.

Airbnb's push to address taxes has helped to weaken one of the arguments made by the hotel industry against the company's growing presence in major cities.

But the tax agreements have not quieted critics' concerns that Airbnb, valued at \$31 billion, has exacerbated housing shortages and brought unwanted traffic into neighborhoods.

In April, Airbnb reached an agreement with Miami-Dade County in Florida to collect taxes but the mayor of the city of Miami Beach, part of Miami-Dade County, remains a vocal opponent to Airbnb. The city allows Airbnb in areas that are zoned for short-term rentals but not in residential neighborhoods, said Mayor Philip Levine.

"When you bought a house you didn't bargain on having a nightclub next to you," he said. "You relied on having the zoning of the city protect you."

Airbnb said last year it collected \$19 million in taxes in San Francisco, \$7 million in San Diego and \$3 million in Chicago.

Several cities declined to confirm how much tax Airbnb had paid, citing taxpayer confidentiality rules.

(Reporting by Heather Somerville; Editing by Jonathan Weber and Bill Trott)

Pamela Martin

Subject:

FW: Email to Mayor and Council RE: RTA issues/STVRs

From: Dr. Daniel Milkovich, M.D.

Sent: Tuesday, June 13, 2017 12:07 PM

To: Victoria Mayor and Council <mayorandcouncil@victoria.ca>

Subject: RTA issues/STVRs

Dear Council,

In light of the recent news that council is considering limiting styrs in the city to improve residential rentals, I would offer the following for consideration.

I have owned numerous properties over the years with "long term" rental units rented to individuals, couples, and families. I gave up on that several years ago after repeated issues with damage and abuse. The fact is that the Residential Tenancy Act is far too empowering for renters who abuse, damage, and overall disrespect owners' properties. Limited damage deposits, limits to inspections, limits to rent increases, etc – renters often leave having done damage measured in the 10's of thousands (flooring, drywall, plumbing, etc). The RTA disadvantages property owners and leaves them "holding the bag". I'm sure this comes as little surprise to council, but the fact is property owners choose to Airbnb their properties because their **property is safer and more respected by those who are accountable** because of their online profile and rating (i.e. Airbnb patrons and the like).

Instead of treating the property owners as the problem, I would like to see council **lobby for significant change to the RTA** so that property owners will actually choose on their own free will to rent to long term tenants. It would be a much more popular decision if council were to support property owners and recognize why they don't want to rent long term. Stvrs should remain an option to any property owner.

Sincerely,

Daniel Milkovich

Dr. Daniel Milkovich, M.D. | Medical Director



#201 - 1910 Sooke Rd @ Colwood Corners | Victoria BC V9B 1V7



Become a Facebook Fan of MD ESTHETICS

Winner of the Vancouver Island Business Excellence Award – Small Business of the Year, Under 50 Employees

Pamela Martin

Subject:

FW: Email to Mayor RE: Air BnBs/Short Term Vacation Rentals

From: Lauren Heppell

Sent: Tuesday, June 13, 2017 6:00 PM
To: Councillors < Councillors@victoria.ca >
Subject: Air BnBs/Short Term Vacation Rentals

Hi Victoria City Councillors,

Just sending this message to let you know how much in favour I am of the city starting to regulate and/or ban STVRs. Over the last six years, I've watched the availability of rental units decrease and the rents increase to the point where it's gotten completely ridiculous for the average person or family with an average income to find a place to live. Even more difficult if that family has children or a pet. A quick search on Padmapper shows more than a 50% reduction in available units at affordable prices when the STVR option is turned off and that's pretty unacceptable to me when we've got employed people living in tents and cars.

So thanks for putting the residents of our city first.

- Lauren Heppell

Pamela Martin

Subject:

FW: Email to Mayor and Council RE: Regarding short-term vacation rentals

From: Tracey Purvis

Sent: Tuesday, June 13, 2017 6:57 PM

To: Victoria Mayor and Council <mayorandcouncil@victoria.ca>

Subject: Regarding short-term vacation rentals

Hello,

I am so glad that you're taking action on this! I've been meaning to email regarding this situation which as far as I'm concerned has just gotten way out of control. A couple of days ago I looked on Airbnb just to get an idea of the short term vacation rentals in my neighbourhood in Fernwood. Within a 2 block radius of my house there were 18 whole home or suite rentals. That is 18 homes that could be rented out long term. And that is just one site.

Last August my neighbour two doors down sold her house to move to Vancouver. We were looking forward to meeting our new neighbours, a couple from Alberta. Oh no, they were not moving here. They bought it (\$775,000) to run as an Airbnb charging \$250 a night or \$3500 a month! So we now have a hotel on our block. It absolutely takes away the sense of community, as others have said. We have a very friendly neighbourhood, talk to each other all the time, watch out for neighbour's children and homes, it's great. Now we have strangers coming and going regularly. We don't get to know them or form a relationship with them. The house isn't taken care of. Garbage cans are left out on the street when nobody is staying there. Normally I put away neighbours' cans when they are away but these aren't my neighbours. When we had the snow storms the sidewalks went unshovelled. It's very frustrating.

Two other stories. A doctor just bought a bungalow on Gladstone. He evicted the tenants and no doubt said he's renovating because his plan is do Airbnb. A historical fourplex 4 doors down from me just sold. The long-term, very nice, responsible tenants were all given their eviction notices being told the new owner was going to be moving in. Really? Or is it more likely they are going to live or pretend to live there for the 6 month requirement and then turn around and jack up all the rents because of the crisis here, or perhaps was thinking of vacation rentals. Such a drag.

People are kidding themselves who think renting out their suites as vacation rentals isn't contributing to the rental crisis here. All they really care about is how much money they are making, which is a lot. Are they paying taxes on this income? Somehow I doubt it. The more people who change from renting their suites long term to vacation rentals, the less places for rent and therefore the increase in rents. Last year a small house two blocks from me sold for just over \$700,000. It was immediately put up as a two suite rental charging \$1850 for the main floor and \$1495 for the basement. Craziness. Great that it's creating two suites for renters but unfortunate that because of the market they can charge so much.

As far as people saying that we won't get as many tourists without these short-term rentals, oh please.

I don't know how normal, middle-class people can get ahead here, let alone lower income. It seems to me that Victoria is becoming somewhere that only the rich are going to be able to live.

| Thanks for taking such a hard line on this. I'm sure it will help the situation here. I look forward to Victoria |
|--|
| getting back to where people can actually find a place to live at a reasonable price. Also, more homes |
| available to buy if people aren't going to be able to use them as short term rentals. It's crazy how many places |
| downtown have been bought just for this reason. |

Sincerely,

Tracey Purvis



Marketing our favourite destination

13 June 2017

Mayor and Council, City of Victoria 1 Centennial Square Victoria, V8W 1P6

Dear Mayor and Council,

Re: Submission regarding the impacts of short-term vacation rentals in Victoria

Thank you for this opportunity to present my concerns about the increasing negative impacts of short-term vacation rentals in Victoria, not only for the future of sustainable tourism but also the wellbeing of Victoria's residents and communities.

As highlighted previously, the numerous problems caused by short-term vacation rentals include declining housing availability and affordability, loss of employees and job opportunities, erosion of quality of community life, reduced business investment, compromised industry resilience, and undermining fair practices and good partnership.

Here I provide further evidence of the adverse impacts of short-term vacation rentals, which are indicative of those being experienced in Victoria and also on the horizon. I request that Council consider this information at the meeting of the Committee of the Whole on 15 June 2017 as well as the subsequent Council meeting on 22 June 2017.

Research continues to demonstrate the direct link between short-term vacation rentals flooding the market for tourist accommodation, and how this creates significant shortages in affordable housing for local residents. The attached article from *Harvard Business Review* (also available at https://hbr.org/2016/07/airbnb-is-facing-an-existential-expansion-problem) describes how Airbnb has undermined housing availability in Paris, Lisbon, Reykjavik, Joshua Tree, and San Francisco, leading to persistent socio-economic problems.

Although platforms such as Airbnb may claim they do not impact housing availability, an email by Alex Dagg (Airbnb's Canada Director of Public Policy) to the BC Chamber of Commerce explicitly confirms they have a core goal of increasing tourism while disintermediating hotels and licensed bed & breakfasts. Please see a copy of Alex Dagg's statement attached, which was in response to Policy Resolution #12 by the BC Chamber of Commerce at its AGM in May 2017 (copy attached). The Chamber's resolution calls for greater regulation and taxation of short-term vacation rentals, along with support for effective enforcement, specifically to address housing availability. Notably, Airbnb continues to vigorously oppose the resolution.

Similarly, research by Skift (the largest travel industry insights platform) confirms Airbnb has not only generated a serious over-tourism problem in Amsterdam but also fueled an array of social problems within communities, compromising quality of life for local residents; see article attached (also available at https://skift.com/2017/06/01/amsterdam-airbnb-and-the-very-real-problem-of-overtourism). It should also be noted that the negative impacts of short-term vacation rentals come without a fair contribution to local or regional economies.

Airbnb and other short-term vacation rental platforms falsely claim to be geared to hosts renting out a spare room in their house. This is increasingly not the case and they are being 'wolves in sheep's clothing'. The https://www.buzzfeed.com/venessawong/airbnb-mega-hosts?utm_term=.swv7nyNwa7#.ymE1m6RQA1) about Airbnb's Mega Hosts confirms how Airbnb is working strategically to become a large-scale travel booking platform akin to Expedia or Booking.com.

Airbnb and its Mega Hosts are collaborating to a very high degree to ensure they align closely and build commercial opportunities. Mega Hosts benefit from Airbnb's unfair competitive advantage arising from lack of regulation and taxation. Airbnb has dedicated teams working with property managers to bring commercial-scale hosts to the platform. Airbnb offers management tools to help the hosts coordinate and rent large numbers of properties while synchronizing with Airbnb's systems. Airbnb provides coaching and management support for large hosts. Whereas 10% of property managers in the United States were using Airbnb in 2012, currently more than 50% of property managers are using the platform and the proportion continues to grow.

To quote a representative of Phocuswright Travel, Tourism and Hospitality Research:

"There's a message they're trying to convey — home sharing, travelling like a local, experience local culture, stay in a private home — but actually a growing percent of [Airbnb] listings are not really someone's home. It's a condo that is one of 1,000 others that look the same and are run by a hotel-like property management company with a front desk check-in."

To date analysts have identified more than 100 hosts on Airbnb's site who each have more than 100 listings, including 39 hosts with more than 200 listings each. This is Airbnb's direction, which other platforms (e.g. TurnKey) are following. In Victoria some hosts have 20 to 30 short-term rentals, which is equivalent to many of Victoria's mid-size hotels. For example, Abigail's Hotel has 23 rooms. It will be easy for 'Mega Hosts' to increase in Victoria if transient accommodation is allowed to continue as a permitted use, making it essential to include re-zoning when addressing short-term vacation rentals.

April 2017 figures from Chemistry Consulting are showing an alarming trend. Arrivals at Victoria International Airport increased by 13% compared to 2016 and by 8% year to date. Similarly, BC Ferries reported a 10% increase in passengers and Victoria Conference Centre delegate days are up considerably. However, occupancy of hotel accommodation has decreased by 6%. Growth in visitors but declining occupancy is a direct reflection of the adverse impacts short-term vacation rentals are having in Victoria. The situation is especially serious when the economic contributions of the hotel sector (via taxes, marketing fees, jobs, and infrastructure) are viewed alongside the lack of contribution by short-term vacation rentals.

In a previous submission by Starr McMichael for the Council meeting on 11 May 2017 we outlined the action being taken in many jurisdictions to regulate short-term vacation rentals and address the numerous inequities and problems they are generating. Whistler can now be added to the list (see http://www.cbc.ca/news/canada/british-columbia/whistler-rentals-airbnb-housing-1.4149027). City of Toronto staff and councillors are proposing regulations to limit short-term vacation rentals to the property hosts live in, to reduce adverse impacts and disruption to neighbourhoods while addressing chronic housing shortages and a lack of affordable housing; see article-attached (also <a href="http://www.cbc.ca/news/canada/toronto/city-hall-air-bnb-rules-1.4155938).

Victoria is experiencing the same problems as each of these jurisdictions and it is imperative that comprehensive, sustainable, long-term solutions be developed. It is insufficient and inappropriate to rely on business licensing and taxes to address short-term vacation rentals; effective regulation must include re-zoning and enforcement to remove transient accommodation as a permitted use for residential properties that are not primary residences. Otherwise inequities will persist and the future direction of major platforms such as Airbnb will go unchecked, to the detriment of tourism and Victoria's communities.

It is very clear that, despite well-crafted public relations and advocacy efforts, platforms such as Airbnb and VRBO need to continuously attract, enable, and support new hosts in order to grow. This inherently moves them further and further from their original premise of facilitating rental of spare rooms in residences, and towards supporting hosts who are commercial-scale operators. This comes at high cost to society, legitimate businesses, and residents, with lasting damage. Soft measures such as licensing will not deter commercial-scale hosts, nor address the social issues.

Difficult decisions must be made by Council to enact effective regulations, and it is important that these be made very soon to prevent further impacts and set a fair and sustainable course. As a good partner and neighbour the tourism industry supports the needs of Victoria's residents and communities.

I will be addressing Council at the meeting on Thursday 22 June 2017 to reiterate these concerns and seek effective actions to address them. I respectfully request Council to implement zoning, regulations, taxation, and enforcement to manage short-term vacation rentals equitably. I am providing this written submission to support our position and hope it will be considered with my remarks on 22 June. For reference this submission includes the abovementioned submission by Starr McMichael on behalf of Tourism Victoria and Victoria's tourism industry, detailing problems being generated by short-term vacation rentals and confirming we wish to work collaboratively towards solutions.

We value our established partnership with the City of Victoria and are here to assist as always.

Sincerely,

Paul Nursey

President and CEO Tourism Victoria



REGULATION

Airbnb Is Facing an Existential Expansion Problem

by Tom Slee

JULY 11, 2016



HBR STAFF

Surprisingly, the new Airbnb ad campaign exhorts you not to be a tourist: "Don't go to Paris, don't tour Paris, and please don't do Paris." But then the punchline: "Live in Paris...even if it's just for a night." Airbnb executive Jonathan Mildenhall told Adweek that the campaign reflects a growing "demand for experiences that are not like the typical tourist experiences, that actually more reflect what it's like to live in local places."

But how many travelers can "live there" before Airbnb accepts that it has become a vehicle for mass tourism, and that its users are tourists, no more and no less? Like other parts of the tourist industry, Airbnb has become a double-edged sword. Visitors get new experiences and bring in money, but as their numbers grow, they erode the very atmosphere in which they bask and threaten the livability of the city for residents.

Two years ago, there were 20,000 Airbnb listings in Paris. A year later the number had climbed to 40,000 and a housing inspector told The Wall Street Journal, "The center of our city is becoming deserted. More and more, it's just tourists." Since then, yet another 20,000 listings have appeared, so it's no surprise that the company with the tagline "Belong Anywhere" has experienced a frosty welcome from city governments around the world struggling to deal with this explosion of tourist accommodations.

Airbnb continues to present its business as low-impact, made up of everyday hosts occasionally renting out their own home. A recent Airbnb report on its business in Lisbon shows that "many listings on Airbnb in Lisbon are local residents' homes," reassuring readers that "72 percent of hosts in Airbnb in Lisbon have only one listing." But this is being economical with the truth: My independently collected data set shows that the 28% of hosts with more than one listing (who can be considered "commercial" hosts) account for two-thirds of the company's business in Lisbon. And while Airbnb claims that "70 percent of Airbnb guests in Lisbon stay outside the typical tourist hotspots," my data shows that the majority of visits take place inside the two central districts of Misericórdia and Santa Maria Maior, an area of only about six square kilometers. With the number of listings in this small city of half a million people growing from 5,500 in May 2015 to over 10,000 today, a significant impact is inevitable. João Seixas, a geography professor at the New University of Lisbon, and his colleagues are "very much concerned with what is rapidly happening to the historical center of our beautiful city. Our estimate is that in the last three years, around one-quarter or even one-third of the housing stock has changed function, mainly toward financial investments and short rentals."

What is the endgame for cities where Airbnb continues to expand? Some cities say they don't want to be "the next Venice," turning into a theme park for tourists, with locals pushed out. It's not an unreasonable concern. Kristen V. Brown of Fusion visited Reykjavik (yes, as a tourist). It's a small city, with a population of only 120,000 people and a flood of tourists. Drawing on data I supplied,

Brown wrote, "The city's only apartment rental website, leigulistinn.is, listed just nine apartments for rent in downtown Reykjavik. There were 22 in the entire city....In Reykjavik there are roughly 50,000 apartments; 2,551 of them, or 5 percent, are Airbnb units."

Even smaller communities are experiencing problems of scale when it comes to Airbnb. Joshua Tree is a tiny town of 7,000 people on the edge of the Joshua Tree National Park in California. It has over 200 available Airbnb rentals. Resident Christine Pfranger observes that "locals are having difficulty finding homes to rent, and are being pushed out of their homes to make way for more vacation rentals." Another resident adds, "Airbnb and vacation rentals are changing our community....House prices are going up because people now buy houses to rent out as vacation rentals, making it close to impossible for people working in the area to buy a house."

Airbnb professes to be open to partnering with cities, but it has shown little interest in these problems; the company forcefully opposes any measures that would limit the scale of its business.

Airbnb's rocky relationship with its hometown of San Francisco recently took a turn for the worse. In February 2015 a new rule required Airbnb hosts to register with the city, but over a year later only about a fifth have done so. Now the city is holding Airbnb responsible for its hosts and will impose a fine on the company of \$1,000 per day for each unregistered listing that the city can discover. It's a new level of seriousness, following similar actions in New York state and Chicago.

Airbnb's response is to take San Francisco to federal court, arguing that the city is violating three laws. Section 230 of the 1996 Communications Decency Act (CDA) provides that website owners are not responsible for (by virtue of not being the publishers of) content provided by users on their sites. It's a law that protects bloggers, newspapers, and social media sites like Craigslist, Yelp, and YouTube. The 1986 Stored Communications Act (SCA) says that governments must have a specific subpoena before they are entitled to information about users of a web service. And finally, Airbnb is claiming protection under the First Amendment, arguing that the new rule is a "content-based restriction."

Airbnb presents its business as a matter of speech. Much as it promotes the idea of "living like a local" in the cities where it makes its money, the company says it ultimately has no responsibility for what happens on the ground, just like a website with comments.

If Airbnb is successful, and some experts believe it has a good chance, the CDA will free the company of responsibility for the impact of its business, and the SCA will prevent cities from finding hosts, and thus Airbnb, responsible. City governments throughout the U.S. would be helpless to curb the number of Airbnb listings or the intensity of the tourist business that they bring. It's a potent mix of bad incentives.

But all would not be smooth sailing for Airbnb. The majority of its business is now in Europe, where Berlin, Barcelona, and, to a lesser extent, Paris are finding a new assertiveness in dealing with the explosion of vacation rentals. Meanwhile, the mayors of 10 major markets around the globe are starting a task force to construct a common response to the problems that Airbnb brings. Such developments are timely. Without them, authentic tourist experiences may be bought at the price of those who matter most: actual residents.

Tom Slee has a PhD in theoretical chemistry and a long career in the software industry. He is a frequently-quoted critic of the sharing economy and the author of *What's Yours is Mine: Against the Sharing Economy* (OR Books, 2015).

This article is about REGULATION

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Comments

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POST

Subject:

Policy Resolution #12 & Airbnb

From: Alex Dagg

Sent: Wednesday, May 10, 2017 7:41 AM

Subject: Policy Resolution at BC Chamber AGM

Dear,

My name is Alex Dagg and I am the Public Policy Manager for Airbnb in Canada. It was with great interest that I read the policy resolution you sponsored for the upcoming BC Chamber of Commerce AGM. In advance of the conference, I thought it was important I reach out to you to ensure you have accurate and fulsome information about our platform and our host and guest community in Cranbrook.

Airbnb has a community of more than 60,000 responsible hosts throughout Canada—in fact, approximately 20 hosts call Cranbrook home. These hosts have come to depend on our platform as an affordability solution that helps them supplement their income and make ends meet.

Through our local public policy teams, we've worked with cities across Canada and the world, including cities like Vancouver, Chicago and Paris, on sensible home sharing regulations. We want to make a positive impact on the communities where we operate. We have consistently asked to be regulated and want to pay our fair share in taxes.

Airbnb has a consistent record of working closely with local community stakeholders. As part of our commitment to social responsibility, we collect and share data on our listings with regulatory bodies, our hosts and other key stakeholders so everyone can make an informed opinion about our impact. We want to ensure that our operations contribute to the community we operate within. Cranbrook is no different.

Many communities in British Columbia face a hotel shortage that threatens to discourage visitors who contribute to the local economy. Airbnb can play an important role to help keep British Columbia an attractive destination for tourists. Unfortunately, the entrenched hotel industry wants to stall competitiveness by keeping Airbnb out and prices high.

At Airbnb, we believe we have a responsibility to actively earn social license in all the communities where we operate. That is part of the reason we ourselves became members of the BC Chamber of Commerce.

I welcome the opportunity to speak further about the data we have, the steps we are taking to address some of the concerns we've heard, and our work to develop fair, sensible regulations that work for everyone.

__



Alex Dagg Public Policy Canada

#WeAccept

Resolution of BC Chamber of Commerce – AGM May 2017

12. REGULATE AND MANAGE THE EMERGING SHORT-TERM RENTAL BUSINESS ENTERPRISE

Opening Statement

Affordable monthly rental housing is a major factor in creating vibrant, livable and sustainable communities. Reasonable access to monthly rental housing is important to the business community both as an economic driver in its own right, and also as a competitive advantage in securing a stable workforce and community growth. Over the past several years there has been a rapid loss of affordable monthly rental housing in many communities throughout BC due to the ease with which landlords have changed their unit's usage. Internet platforms have provided landlords with opportunities to easily switch the usage of their monthly rental housing to nightly rentals.

This has indirectly contributed to rent increases, reduced availability of affordable housing for families and workers, and made it difficult for many communities (e.g., Kelowna, Sun Peaks Resort, Fernie) to attract and house skilled workers, particularly during high demand visitor periods. A number of initiatives and projects to build more affordable monthly rental housing are underway in many of these communities however in the majority of cases it will be years before they are available. There is an immediate short term need to secure back many of the over 15,000 housing units lost¹ as well as stabilize this new business enterprise.

Background

The primary responsibility to address this issue lies with BC's Local Governments because they have the legislative authority to control and manage housing in their communities through the use of zoning, bylaws and regulations. Some communities have implemented processes and procedures however many more are just starting. The magnitude of the challenge is very daunting to many communities particularly the smaller ones as they lack the robust monitoring and enforcement resources required. Many of the smaller resort communities are the ones hardest hit and have limited resources due to their size. In some of these communities close to 10% of their affordable monthly rental housing stock has been lost, displacing 100's of workers. Taking an example from Vancouver, sharing economy properties account for 1.2 per cent of all rental units including condos, basement suits, laneways, and apartment. Putting these units into long-term rental housing could raise the vacancy rate from 0.8 to 2 %². Further, the operators of many short-term rentals are commercial operators avoiding taxes such as Municipal Regional District Tax because of the anonymity provided by the site³.

What is emerging very quickly from a Local Government perspective is that the magnitude of the task of enforcement is overwhelming; in many cases Local Governments do nothing. This in turn, signals landlords that defying zoning, bylaws and regulations has no consequences, and thus, the loss continues unchecked.

¹ Karen Sawatzky, Simon Fraser University, http://summit.sfu.ca/item/16841#310 and available online information from Airbnb, VRBO, Turnkey, and AirDNA.com

² https://www.ubyssey.ca/news/ubc-student-airbnb/

³ http://www.theglobeandmail.com/news/british-columbia/vancouvers-top-airbnb-earners-are-commercial-hosts-research/article30324477/

There is a significant role for the Provincial Government to assist Local Governments with this critically integral enforcement process. Currently *Provincial Sales Tax Act* – Provincial Sales Tax Exemption and Refund Regulation⁴, tax Regulation 78(1)b enables operators of less than 4 rooms to avoid collecting the 8% Provincial Hotel Room Sales Tax and the 2% or 3% Municipal & Regional District Tax if applicable. The 5% GST is also avoided as many Landlords would claim they have annual sales of less than \$30,000 on their one unit.

Recommendations

Rescinding Tax Regulation 78(1)b would require all operators of one room or more to register and collect the applicable sales taxes associated with their daily sales activity. This Provincial statutory requirement would enhance the Local Government's enforcement regime in 2 very meaningful ways:

#1 – Non-compliant Landlords will now also be at risk of enforcement activity from the Ministry of Finance for non-collection of sales taxes. It is anticipated that this new requirement combined with the Local Government processes and guidelines will cause many Landlords to revert back to renting their units on a monthly basis or comply with both levels of Governments requirements to avoid the risk of more rigorous enforcement activity. Many landlords will not qualify with new Local Government criteria and structure, this is where enforcement of both levels of Government will be critical to gaining back lost affordable monthly rental housing!

#2 – the data regarding registration and tax collection will augment the Local Government's management processes and ensure ongoing compliance. The information will be cross checked with the Local Government registry ensuring stability and assisting with future planning.

THE CHAMBER RECOMMENDS

That the Provincial Government:

- 1. Work with affected stakeholders, including Destination Marketing Organization BC and Tourism Industry Association of BC, to clearly articulate related issues and explore resolution options; and
- 2. Rescind Tax Regulation 78(1)b; and
- 3. Implement a timely reporting process and structure, so that upon request, a Local Government can access a complete list of properties registered to collect the Hotel Room PST and the MRDT.

Submitted by the Fernie and Kamloops Chambers of Commerce

Supported by the Whistler Chamber of Commerce, the Cranbrook Chamber of Commerce, the Kimberley and District Chamber of Commerce, the Nelson and District Chamber of Commerce, the Kicking Horse Country Chamber of Commerce, the Tofino-Long Beach Chamber of Commerce, the Ucluelet Chamber of Commerce, Castlegar and District Chamber of Commerce, the Greater Nanaimo Chamber of Commerce, Cowichan Lake District Chamber of Commerce, and the Greater Victoria Chamber of Commerce

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Q

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Newsletter

Amsterdam, Airbnb and thed Very Real Probleming (http://ww of Overtourism

Patrick Whyte, Skift - Jun 01, 2017 2:00 am



Take

ities across Europe are wising up to the potential problem of too many tourists. Those tasked with marketing an "at risk" destination are going to have to work harder to spread tourism over a wider area in order to dilute the potential negative impact.

- Patrick Whyte

SHARE



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Post



Spend any time walking the streets of Amsterdam and you'll quickly understand why it has a tourism problem. Trams, bicycles and pedestrians all vie for space on the narrow streets, presenting a daunting task for the millions of visitors that come to the city each year.

Amsterdam is blessed by many features that make it highly attractive as a destination. It's compact enough to get around on foot and English is widely spoken. Low-cost airlines offer hundreds of flights a day into Schipol airport with tourists drawn to its liberal policies on sex and drugs as well as its many museums.

In 2015, the city welcomed 17 million visitors (http://amsterdammarketing.instantmagazine.com/kerncijfers-2016/boma-2016english#!/economische-impact-in-amsterdam-copy), representing an increase of 15 percent since 2011 and in the same time period the number of visitor days almost doubled to 139 million.



Tourists are going to keep coming and that presents a big problem for Amsterdam.

"I think the city and its residents are very actively thinking about the impact that tourism is having on their city, and how they want this impact to play out," said Wouter Geerts, senior travel analyst at Euromonitor International. "Banning or capping tourists is not the way forward. Instead what is needed is a dialogue with all stakeholders to come to a mutually beneficial solution. This is what Amsterdam is trying to achieve."

EXPANDING THE CITY

Frans van der Avert's office overlooks the IJ waterway that bisects the city. Throughout the day, the chief executive of Amsterdam Marketing spends his time looking out towards Amsterdam Noord, the once-unfashionable

(http://www.nytimes.com/2012/04/13/greathomesanddestinations/onceunfashionable-noord-district-of-amsterdam-gains-cachet.html) district, which in recent times has been growing in popularity thanks to plenty of open space and an eye-catching new museum.

With more tourists coming, Van der Avert's job has moved from marketing the city to managing it, and one of the biggest challenges is getting repeat visitors out of the center to places like Amsterdam Noord.

"When you look at the foreign visitors, half of them are here for the first time. I don't bother them with these new neighborhoods because we know that they want to see the Van Gogh and the canals and they go to the Anne Frank House, but when you are here for the second or the third or the fourth or the fifth time, you think 'Oh.'." he told Skift.

Van der Avert has an interest in spreading things around. He isn't just responsible for visitors (he doesn't like the word tourist) but also locals and businesses.

This gives him a very difficult balancing act and, as has been the case in other cities across Europe, a tourism backlash has started to develop.

"It started here three years ago, and it became 'the' topic in the city. It's not only our problem. It's a problem which you see happening in smaller historical cities with trading tradition, so no kings, no popes, no big lanes, no big boulevards, but small cities, merchant cities: Barcelona, Prague, Bruges, Dubrovnik, Amsterdam, Venice. People always talk about Venice, but... I always see Venice as... not a living city anymore," he said.

Van der Avert's profile was lifted by a speech he made earlier this

Amsterdam, Airbnb and the Very Real Problem of Overtourism - Skift month at the World Tourism Forum in the Swiss city of Lucerne in which he issued a warning on the problem of overtourism.

"That is a challenge because we strongly believe that these three target groups—by accident are our target groups, so visitors, inhabitants, and companies—they form the DNA of the city. They make the city. They are the soul of the city because you have to have a city where you can work, where you can love, where you can eat, where you can visit, where you go to school. That is why people like visiting a city because it's a lively city. It's a livable city. So you have to keep the balance," he said.

Van der Avert doesn't want to attract any more visitors to the city, and t's mainly because he doesn't have to. Demographics are going to do that for him anyway. As the middle classes grow in places like China and India, there will be people interested in traveling abroad. There's also the continued success of low-cost carriers, which makes flying between say London and Amsterdam very, very cheap.

There's another factor making cities like Amsterdam so popular with visitors: Airbnb.

SHARING ISN'T CARING

The number of people staying in hotels continues to grow steadily and in 2015 the city welcomed 6.8 million guests, an increase of 2 percent compared with 2014. Provisional figures for the first nine months of last year show an even greater growth of 7 percent.

Traditional hotels are clearly still doing well and on top of this you now have home-sharing platforms like Airbnb, which didn't exist a decade ago and have only relatively recently achieved sufficient scale to challenge the hotel industry. What started off as a sociable way to share your home has now turned into a big business.

In Amsterdam, the company has had to jump through a number of regulatory hoops to keep city hall happy (https://thenextweb.com/insider/2013/02/02/airbnb-may-bebanned-from-amsterdam-local-authorities-are-now-hunting-forillegal-hotels/), including collecting tax and imposing a limit on the amount of time hosts can share their homes.

"Airbnb has a very decentralized development; it's different in every city," said Jeroen Oskam, director of the Research Centre at Hotelschool The Hague. "What London and Amsterdam have in common is both are very expensive hotel cities, which means that they're expensive Airbnb cities and it means investors who want to open up an Airbnb as a commercial venture, so to say, have a very strong incentive to do so.

"In those two cities it's far more profitable to have an Airbnb, for instance, than a savings account, which leads to the commercialization of Airbnb.

While Amsterdam is – like most other European cities – very popular with users of Airbnb, there is some disagreement on the overall figures.

Airbnb put the number of nights booked at 770,000 for 2016, whereas Hotelschool The Hague puts it at 1.1 million.

Oskam said that both parties had similar figures for 2015 but were more than 300,000 nights booked apart for the following year.

(For the record, Airbnb disputes Hotelschool The Hague's 2016 figure, saying it is "incorrect and highly misrepresents our community.")

"They [Airbnb] have a financial interest in not disclosing the numbers because they pay tourist taxes," Oskam said.

In 2014, Amsterdam became the first European city to agree a

Amsterdam, Airbnb and the Very Real Problem of Overtourism - Skift partnership with Airbnb. Among other stipulations, the deal also led to the home-sharing platform agreeing to "collect and remit tourist tax on behalf of hosts."

(https://www.airbnb.co.uk/press/news/amsterdam-and-airbnb-signagreement-on-home-sharing-and-tourist-tax)

Another deal was at the end of last year (https://www.ft.com/content/fafd8d58-b7bd-11e6-ba85-95d1533d9a62) requires Airbnb to limit the amount of time hosts could rent-out their properties to 60 days per year. Interestingly, the signed document also commits both parties to "inform one another about their external communications."

"If you present numbers that nobody can check, it's not paying taxes. It's just making a donation," Oskam said.

WORKING IT OUT

Amsterdam isn't a unique case and there have been major backlashes against tourism in places such as Barcelona, where locals feel they are not being listened to.

The problem is now so acute that Van der Avert and his European colleagues have taken to meeting to discuss ways of dealing with it.

"In every city the rules are different, but sometimes problems are the same," he said.

Tourism in cities such as Amsterdam is only going to grow and those in charge with managing it are going to come up with more creative ways to strike a better balance.

> Tags: airbnb (https://skift.com/tag/airbnb), amsterdam (https://skift.com/tag/amsterdam), overtourism (https://skift.com/tag/overtourism)



Photo Credit: The Vondelpark in Amsterdam. The city is trying to cope with increasing numbers of visitors. Vondelpark / I Amsterdam

BuzzFeednews / REPORTING TO YOU

BUSINESS

Airbnb's Mega Hosts Are Turning It Into Just Another Travel Booking Site

With hundreds of listings and major corporate backers, a new breed of Airbnb host is changing the fundamentals of the service.

Posted on June 8, 2017, at 12:16 p.m.

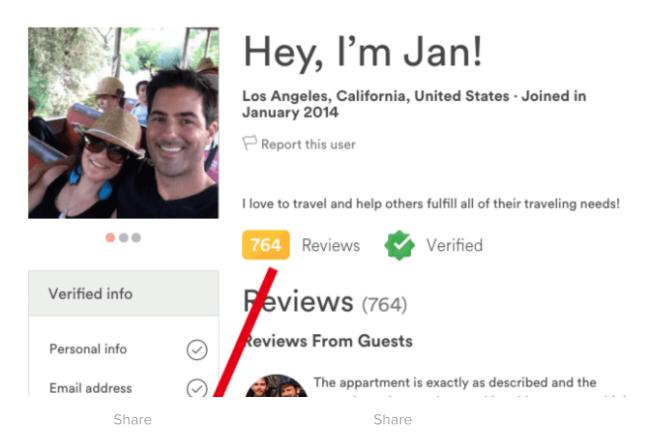


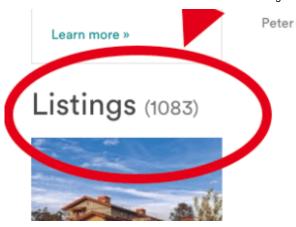
Of Airbnb's many hosts, Jan stands out.

Jan's profile photo shows a man with dark hair and a woman in sunglasses — and it's not clear which one is Jan, or even if either of them is Jan.

"Jan confirmed my request within 10 minutes. She set me up in an amazing studio," wrote one reviewer of a property in the US Virgin Islans. "Jan was communicative and helpful, his place is great," went another in Montana.

Jan is a busy man, or woman. The Airbnb host has 1,083 properties listed on the site, from Fiji to the Ozarks. More than 760 reviews have been written about the properties, and they're generally very positive.





spacious and comfortable, the kitchen was fully equipped, the property has one of the best pools in Denarau, the food was good - plus there is a convenience store on site, and it is close to many points of interest, with an in house travel group making excursions a breeze. I highly recommend this property for your Fiji mainland stay!

From Toronto, Canada · May 2017 · ┌─ 🏠 Fiji, 1 Bedroom #1

Airbnb / Via airbnb.com

It suggests Jan is more than just your typical host, renting out a spare room or second home for extra cash. And there are many more like him. Or her. They're the faces of a changing Airbnb — one that's moving away from its home-sharing roots and embracing the commercial hospitality industry.

Take Kara, who has 854 listings, or Mike who has 339. Inside Airbnb, an activist-run analytics tool, identified more than 100 hosts on the site who each have more than 100 listings. Among them were 39 hosts with more than 200 each.

These mega hosts are part of a broad change in the way Airbnb works. While the company still likes to describe itself as a marketplace for tourists to get cozy in real people's homes — "Don't go there. Live there," it urges starry-eyed travelers — it is working hard behind the scenes to bring commercial-scale hosts onto the platform. Last fall, it began offering bulk management tools to help such hosts handle large numbers of properties, and allowed them to sync their own databases with Airbnb's systems.

The tools are now being used by hotel companies, property managers, and a new breed of entrepreneurs to market their available properties, just like they do on sites like Expedia, Booking.com, and TripAdvisor.

The results speak for themselves. Just 10% of property managers in the US used Airbnb in 2012, estimates Douglas Quinby, a senior vice president at travel researcher Phocuswright. That rate is now closer to 50%, he believes.

"It does raise an interesting question for Airbnb as a brand," Quinby told BuzzFeed News. "There's a message they're trying to convey — home sharing, traveling like a local, experience local culture, stay in a private home — but actually a growing percent of listings are not really someone's home. It's a condo that is one of 1,000 others that look the same and are run by a hotel-like property management company with a front desk check-in."

Many of Jan's properties fit that description. Clues lie in the reviews, where some of Jan's guests identify the places they stayed at as being run by Wyndham, a publicly traded operator of resorts, timeshares, and hotel brands like Howard Johnson, Super 8 and Ramada. Reverse searches of the images used in many of Jan's listings found the photos being used on the websites of Wyndham hotels and resorts.

A series of exchanges with Wyndham representatives eventually led to Wyndham Vacation Ownership — "the world's largest timeshare organization," which operates 219 vacation ownership resorts in North America, the Caribbean and the South Pacific.

Jan's listings "are in fact managed by one of our owners," a company spokeswoman told BuzzFeed News, referring to the timeshare owners whose investments entitle them to a given number of nights at the company's properties each year. "We have noticed owners opting to utilize their ownership to pursue speculative listings/advertisements," the spokeswoman said.

Here's how that likely works: Wyndham's timeshare investors can reserve at any property in the company's network. So people like Jan list a large selection of rooms from across its many resorts, and if someone actually books one of them, Jan then reserves it.

Wyndham does not currently work directly with Airbnb to market its rooms.



The Wyndham Grand hotel, in Pittsburgh. *Keith Srakocic / AP*

Jan's guests seem happy to participate in the mirage of the friendly Airbnb host, even if they're really just checking in at a resort via the front desk. "Jan's place is wonderful value in a lovely green resort setting," one reviewer said, describing a Wyndham resort on Denarau Island in Fiji.

Jan declined to be interviewed for this story, and it's not clear if they are working alone or as part of a group. "Thank you for contacting me. Please explain benefits of this?" they replied to one request to speak. "I guess you cannot explain how this benefits me," they said in a follow up.

Resort settings and hotel rooms are not the home-sharing that Airbnb's identity is built on, but this professionally managed corner of its ecosystem is quickly expanding as the company — which expects to make \$2.8 billion in revenue this year — stretches far beyond its crash-in-a-spare-bedroom persona.

According to Airbnb spokesman Nick Papas, vacation rental companies, corporate housing providers and even some hotels are now using Airbnb to market their rooms. But "the overwhelming majority of hosts have one listing and occasionally share their space," he said. In some cities, Airbnb also has a policy prohibiting hosts from sharing listings at more than one address.

Quinby, from Phocuswright, has heard a variety of stories of commercial approaches to Airbnb hosting. "There are many hotels, lots of experimentation by the individual properties of some chains, and enterprising folks who take out long-term leases on multiple units and rent them out on Airbnb (which crosses into a very grey legal area)," he wrote in an email.



Hey, I'm Kara!

US · Joined in March 2015

Report this user

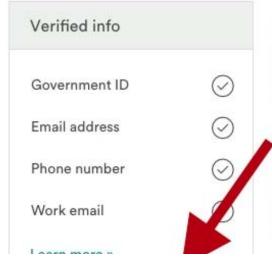


Reviews



Verified

Wish Lists (1)





Listings (854) Luxury 2BR in Boston/Fenway Area Boston

Guidebooks (2)





Airbnb / Via airbnb.com

Raviaws (675)

The world of the Airbnb mega-hosts is familiar territory to John Banczak.

In 2012 he founded TurnKey Vacation Rentals, an online property management company that lists rooms across more than 25 travel booking sites, including TripAdvisor and HomeAway. Until recently, it operated on Airbnb as "Julie" and "Erica," the company's first guest managers. At some point, Banczak recalled, one of the accounts had more than 1,000 listings.

"For a long time you had to list yourself as an actual person," he said. "You'd see listings under one profile, and that would be the property manager."

It wasn't until Airbnb launched its tools for professionals last year that TurnKey was able to relaunch on the service under an official company profile.

"Airbnb had a change. They created a team a few years ago to deal with property managers," Banczak said, in an effort to increase the supply of entire-home rentals, especially in vacation destinations like resorts and ski towns. "This is the next big thing in this space," he said.

TurnKey has raised to \$41 million from investors since 2013, according to Crunchbase.





A protester in 2014, demonstrating outside a San Francisco apartment building that allegedly evicted its tenants to make way for AirBnb rentals.

Justin Sullivan / Getty Images

The professionalization of Airbnb and the rise of its mega-hosts worries housing advocates, who say it further enables investors to turn scarce inner-city apartment buildings into virtual hotels.

Those concerns have been pounced on by Airbnb's many opponents. "They've made it easier to commercialize the operation, which makes it good for Airbnb but harmful for cities with acute housing shortages," said Austin Shafran, a spokesman for anti-Airbnb group Share Better, which is funded by a New York-based hotel workers union.

Troy Flanagan, the head of state and local government affairs for the American Hotel and Lodging Association, said Airbnb has long enabled a grey area in between private room rental and commercial hotels. This new class of mega-hosts, he said "are a function of the gray area, a player in it, and enabling it."

It also concerns some of the company's old-school hosts — regular people trying to make some cash from their spare bedroom. As Airbnb transforms, some worry they'll be left behind.

"If your first experience is a resort, and the next is my home, it's not the same," said Alice Hershberger, who rents out a bedroom in her North Carolina home. She also worries it could affect her all-important guest reviews. "How is a guest supposed to score a hands-off management company with a full staff of labor, each trained to do a specific job perfectly the same way as a host who has to assume all those roles themselves?

Venessa Wong is a business reporter for BuzzFeed News and is based in New York. Wong covers the food industry. Contact Venessa Wong at venessa.wong@buzzfeed.com.

Got a confidential tip? Submit it here.

3 Comments Sort by Top

New Toronto Airbnb rules would require hosts to live at property they're listing

Critics seek crackdown on those with multiple listings, while Airbnb says it's open to 'sensible' rules

By John Rieti, CBC News Posted: Jun 12, 2017 5:00 AM ET Last Updated: Jun 12, 2017 3:19 PM ET

Torontonians will only be able to list short-term rentals for the property they live in, if city hall approves new recommendations released Monday.

The city's municipal licensing and standards division released a series of new proposals Monday following months of consultation. The new rules aren't in place yet, but staff are recommending:

- Banning people from listing units where they don't live.
- Amending zoning bylaws to create a separate category called "short-term rental."
- · Licensing companies like Airbnb and others.
- Starting a registry of anyone operating a short-term rental unit.

Critics, like the Fairbnb coalition, accuse investors of snapping up multiple properties and running them like "ghost hotels," further reducing the amount of affordable rental housing in the city. Airbnb — the largest player in the short-term rental sector — says it supports "sensible regulations," but maintains its service is benefiting more than 9,900 hosts while generating hundreds of millions in tourism revenue for Toronto.

Mayor John Tory says he wants online home-sharing services to continue, saying there's no point in trying to "turn back the hands of time," but the city needs to stop people from buying up units with the sole intention of running them as short-term rentals.

"This is extremely disruptive to neighbourhoods," he told reporters.

"It is taking housing off the market that might otherwise be available for long-term permanent renters as it were — and that's a problem for us."

Coun. Joe Cressy, whose ward has hundreds of Airbnb units, says he's optimistic that city council will approve the rules.

Like Tory, Cressy says he wants "true home-sharing" to continue, but says the city has to crack down on those snapping up affordable housing to offer up to tourists.

"Neighbourhoods like Kensington Market have been deeply affected ... today's regulations will stop that," he said.

Cressy says council's biggest task will be ensuring the regulations have enough "teeth" when it comes to enforcement.

Fairbnb coalition supports city's plan

Fairbnb researcher Thorben Wieditz praised the city's proposed new measures, which match several his group recently suggested, and says he's confident they'll be approved by council. However, he's also concerned about enforcement.

"I think my greatest concern would be to have super nice regulations in place ... but then no one is actually obeying the new regulations," he told reporters.

Tory said the city would rely mostly on neighbours reporting issues with short-term rentals.

"I think if you have a very disruptive Airbnb unit next door, you'll be very quick to get in touch with the city," Wieditz said.

Airbnb reviewing recommendations

Alex Dagg, Airbnb's public policy manager in Canada, said the company welcomes the move toward regulating home-sharing. Dagg said that the short-term rental industry has helped people cover their housing costs in a hot market.

"The vast majority of Airbnb hosts in Toronto use home-sharing to help pay the bills and afford to stay in their homes," she said in a statement.

Airbnb says in 2016, the average host rented out their place for about 50 nights per year, taking in just under \$5,000.

More than 450,000 people visiting Toronto stayed in Airbnb units last year — bringing with them an estimated \$417 million in spending, the company estimates.

Tory's executive committee will be debating the new measures at its meeting next Monday and the city will be holding more consultation sessions about the proposed changes.

City council will get the final say.

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Submission to City of Victoria Council 10 May 2017

Impacts of short-term vacation rentals on Victoria's communities and tourism and hospitality sector

Thank you for this opportunity to write to Mayor and Council.

There are more than 1,000 short-term vacation rentals in the City of Victoria and more than 1,700 across the Capital Regional District. They operate as unlicensed businesses, do not pay commercial taxes, and produce an array of social and economic problems.

I encourage Council to act now to stop the negative impacts these rentals are having, not only for the tourism and hospitality sector but also the residents and communities that make up our City. Although my remarks are on behalf of Tourism Victoria representing tourism-industry members, they are made foremost from Tourism Victoria as a collaborating partner with the City of Victoria. It is critical to act now to:

- Safeguard and promote sustainable carrying capacity for tourism in Victoria.
- Protect the interests of our members' businesses, which contribute jobs and taxes to Victoria.
- Address the negative impacts of short-term vacation rentals for residents and communities.

Airbnb is the major player in short-term vacation rentals and valued over \$30 billion – much larger than \$18 billion for Marriott, the world's largest hotel group. Other platforms are Vacation Rentals by Owner (VRBO), Home Away, and Flip Key. They all use the same business model.

Airbnb lobbies governments aggressively to protect its unfair competitive advantage by exploiting poor zoning, and avoiding regulation and taxation. See https://www.thetimes.co.uk/article/airbnb-fighting-rent-limit-with-lobby-group-66b8jpd0p and https://skift.com/2017/05/01/airbnb-tries-to-clear-away-political-and-legal-challenges-in-new-york-and-san-francisco. Airbnb does this because legitimate businesses, voters, and communities globally are calling on their governments to fix the problems short-term vacation rentals are causing.

In Victoria these problems are:

- 1. Rapidly declining housing availability and affordability.
- 2. Adverse social impacts on neighbourhoods and community life.
- 3. Loss of employees and job opportunities.
- 4. Reduced business investment and industry resilience.
- 5. Undermining fair practices, a level playing field, and being good partners.

Analysis of these issues and the urgent need to address short-term vacation rentals is presented in Victoria Adams' January 2017 report:

Home Truths: Implications of Short-Term Vacation Rentals on Victoria's Housing Market.

The paper can be accessed at: http://jamesbaynewhorizons.weebly.com/uploads/8/2/5/9/8259182/victoria stvr final paper.pdf

1 Housing availability and affordability – the need for effective regulations

Commercial accommodation and residential housing are fundamentally different. But short-term vacation rentals blur the distinction.

Commercial accommodation drives much of Victoria's economy through hotel taxes, commercial property taxes, facilities for tourism, and employment for City residents.

Housing is for residents. It defines their quality of life and homes must be available and affordable. Erosion of affordable housing has serious social and economic consequences – as seen in Whistler over recent years where businesses cannot get employees due to lack of housing, many employees live in vehicles or other sub-standard conditions, and social problems are on the rise. We are now seeing this in Victoria.

In Victoria short-term vacation rentals are directly reducing the availability of housing and driving up prices of the fewer remaining residential properties, beyond the reach of many who live and work here. There is ample evidence from many stakeholders, also submitting views to Council.

We see "Airbnb Entrepreneurs" operating up to 15 units. Real estate speculators make much more money from short-term vacation rentals than longer-term residential leases, and aren't constrained by tenancy Acts. Many new developments are expressly geared for short-term vacation rentals and target this to potential buyers. We see tourists using residential properties all over town — while at the same time we see residents and employees unable to find or afford homes.

Alarmingly, long-term tenants are increasingly being evicted from homes so landlords can market properties for more money as short-term vacation rentals:

- http://www.metronews.ca/news/toronto/2016/09/27/toronto-man-says-landlord-evicting-him-to-rent-on-airbnb.html
- http://money.cnn.com/2016/06/22/technology/airbnb-regulations
- https://skift.com/2016/12/27/evicted-tenants-fight-back-against-airbnb-with-detectives-and-lawyers

Victoria's growing rental crisis and serious shortage of affordable housing needs to be addressed urgently. Transient accommodation should not be a permitted use for residential properties that are not primary residences, and this needs to be reflected in zoning regulations.

2 Adverse social impacts on neighbourhoods and community life

Social problems arise when too many tourists stay in residential communities, and also when local residents cannot find housing or employment. "Over-tourism" and shortages of affordable housing due to uncontrolled short-term vacation rentals has led to residents being openly hostile towards tourists and tourism in many major destinations, particularly Barcelona, Amsterdam, and Iceland.

There are many reports of how short-term vacation rentals are changing community life in negative ways. For example:

- http://sandiegofreepress.org/2015/09/loss-of-community-is-greatest-threat-from-airbnb-and-short-term-vacation-rentals
- http://sydney.edu.au/news/architecture/274.html?newsstoryid=16309
- https://www.theguardian.com/cities/2016/oct/06/the-airbnb-effect-amsterdam-fairbnb-property-prices-communities
- https://hostcompliance.com/how-do-short-term-vacation-rentals-impact-communities

We do not want to see this happen in Victoria. Vibrant, safe, friendly neighbourhoods are the fabric of Victoria and make it very attractive as a place to live and destination to visit. The wellbeing of the residents within our communities is the foundation for successful tourism, a strong local economy, and good quality of life.

3 <u>Loss of employees and job opportunities</u>

Directly or indirectly the tourism and hospitality sector is a major source of employment in Victoria. The industry and those working in it contribute economically through taxes – many also volunteer, often to build experience and start careers.

The rental crisis and affordable housing shortage generated by short-term vacation rentals is now making it very difficult to recruit staff to Victoria, particularly downtown. Those we can recruit face many challenges finding housing. Without action, talented people and career prospects for young people will drift away, with huge negative consequences for businesses and the City.

4 Reduced business investment and industry resilience

Investment in commercial accommodation in Victoria is being driven down. Although it is normal to lose some hotel inventory over time, it is not being replaced. Occupancy rates are solid (above 72%) but institutional investors are reluctant to spend on new or upgraded accommodation while threats from untaxed and unregulated short-term vacation rentals persist. This undermines efforts to build sustainable tourism and jobs in the industry, and returns to the City from a vigorous tourism sector. Inability to attract investment makes us less competitive than other cities, perpetuating the impact.

Recent research (e.g. 2016 HLT Advisory / Ryerson University study in Vancouver, Calgary, Toronto, and Ottawa) found short-term vacation rentals directly caused a 6% bottom-line loss of revenue for commercial hotels. This loss exceeds sustainable average operating margins for many hotels, given their high capital costs, high marginal costs (labour, sales, advertising, services), and the high costs of maintaining safety and licensing standards. This reduces capacity to stay in business and eroded ROI removes incentives to re-invest.

While tourism in Victoria is currently doing well, our business is cyclical. Threats and weaknesses caused by short-term vacation rentals erode industry resilience and our ability to respond when macro-economic downturns or other disruptions occur.

There is wide evidence of how short-term vacation rentals impact the tourism industry:

- http://people.bu.edu/zg/publications/airbnb.pdf
- https://www.qtic.com.au/sites/default/files/140714 draft sharing economy paper.pdf
- www.europarl.europa.eu/RegData/etudes/BRIE/2015/568345/EPRS BRI(2015)568345 EN.pdf
- www.europarl.europa.eu/RegData/etudes/BRIE/2017/595897/EPRS BRI(2017)595897 EN.pdf
- www.europarl.europa.eu/RegData/etudes/STUD/2015/563411/IPOL STU(2015)563411 EN.pdf
- https://www.nswbusinesschamber.com.au/NSWBCWebsite/media/Policy/Tourism/Sharing-Economy-Issues-Impacts-and-Regulatory-Responses-COMBINED-POLICY-9-11-15.pdf

Short-term vacation rentals freely benefit from the tourism industry's efforts, expenditure, and expertise that bring visitors to destinations – but outrageously are allowed to work against the industry that feeds them.

5 <u>Undermining fair practices, a level playing field, and being good partners</u>

Commercial accommodation operators must be licensed and comply with regulations to protect consumers, employees, and the public. They pay taxes and destination marketing fees, facilitate tourist visits, employ numerous staff, and contribute widely to the City of Victoria's economy.

Short-term vacation rentals are not regulated to protect consumers, employees, or the public, they are not regulated for safety or insurance, and they do not pay taxes. They pay residential property taxes only, which are one-third of commercial property taxes. Short-term vacation rentals operate outside the laws that apply for other accommodation providers. They gain large cost advantages by avoiding compliance but fail to provide revenue for the City or communities they operate in. This is structurally unfair and unsustainable.

We are grateful partners of the City of Victoria in many ways:

• Through taxes at all levels of government, hotel customers pay the costs of destination sales and marketing, conference sales, and policy initiatives, with flow-on benefits across the City. Short-term vacation rentals do not contribute.

- In partnership with Tourism Victoria, the commercial accommodation sector is making a direct \$1 million contribution to important local infrastructure in the David Foster Harbour Pathway. Short-term vacation rentals are not doing this.
- Tourism Victoria partners with the Victoria Hotel Destination Marketing Association to invest over \$300,000 annually into festivals, events, and sports tourism, adding community vibrancy. Short-term vacation rentals do not do this.
- The City of Victoria, tourism industry, and Tourism Victoria are collaborative business partners in marketing the Victoria Conference Centre, which is working very well to date. Our revenue targets to deliver to the City of Victoria require a level operating field with fair rules.
- Tourism Victoria partners with its members and the City of Victoria to work constructively on diverse policy issues for the common good, such as Belleville Terminal. Our tourism-industry members pay for the expertise, skills, resources, and time to do this, and are happy to do so because this benefits Victoria on many levels. Short-term vacation rentals do not contribute.

Short-term vacation rentals benefit from everything the regulated and taxed tourism industry does to bring visitors to Victoria, deliver great visitor experiences, invest in services and infrastructure, and contribute to communities. They benefit from our strong destination marketing, facilities such as Belleville Terminal, high compression due to conference and event sales, and no further boycotts over sewage treatment issues. The tourism industry is collectively paying for this hard work, which is fine. But it's very unfair that short-term vacation rentals benefit at no cost, without contributing.

Level playing fields, fair business practices, and good business partnerships are critically important. These are foundations of healthy business environments and strong economies – there is no room or justification for unregulated, untaxed, and unfair competition.

The impacts of short-term vacation rentals – from housing shortages for employees to inequitable cost structures – are undermining our capacity to contribute as partners over the long term.

We value our collaboration with the City of Victoria. As mentioned above, we want to work in close partnership with the City to ensure growth in tourism, and the many benefits this brings to Victoria, is sustainable and within carrying capacity. Our members enable tourism, create jobs and pay taxes, and also want to promote collaboration. We must also collectively give priority to the best interests of residents and communities.

Recommendations for Action by Council

We respectfully ask Council to fix the inequities urgently. Employees and residents of Victoria need access to affordable housing as well as viable careers. Given the extensive nature of such problems there are many precedents to draw on. For example, regulatory action taken or being developed in jurisdictions such as New York, San Francisco, Los Angeles, Monterey, Anaheim, Chicago, Barcelona, Amsterdam, Dublin, Berlin, Toronto, Vancouver, Tofino, Ucluelet, and Richmond.

For examples of regulatory action see:

- http://www.cbc.ca/news/canada/british-columbia/it-is-illegal-city-tells-developer-to-stop-short-term-rentals-1.4048098
- https://www.thestar.com/business/2017/03/03/toronto-should-require-airbnb-permits-says-report.html
- http://ucluelet.ca/community/community-notices/333-press-release-ucluelet-pursuing-illegal-vacation-rentals
- http://www.cbc.ca/news/canada/british-columbia/richmond-rental-airbnb-1.4075478

On behalf of Tourism Victoria and the tourism industry, I ask City of Victoria Council to introduce regulations, re-zoning, and enforcement to remove transient accommodation as a permitted use for residential properties that are not primary residences. This addresses the rental crisis and lack of affordable housing by reclaiming and protecting residential space – properties designed to be homes in communities can no longer be operated as hotels.

Additionally, City or Municipal business licenses should be mandatory to make it clear short-term vacation rentals are revenue-generating businesses and have statutory obligations to consumers, employees, and the public.

Taxation levied by the City should be introduced to ensure short-term vacation rentals contribute financially and fairly to Victoria alongside other types of accommodation.

And these measures must be strictly enforced. It is easy to identify and monitor short-term vacation rentals using online aggregators to count listings on booking platforms. To fino does this very well. There must be large penalties for non-compliance.

Concluding remarks

Re-zoning, regulations, taxation, and strong enforcement are essential to fix the growing problems. They will not simply go away and cannot be ignored. Immediate action is needed – before negative impacts are irreparable and while solutions are readily achievable.

Although action is required by all three levels of government, local government can improve the situation significantly and quickly through re-zoning, business licences and fees, and marketing taxation or levies.

If the costs of ensuring compliance are a concern, industry can work with government to develop options and solutions.

We have collectively established Victoria as a strong global tourism brand, and we must now ensure Victoria continues to be a great place to live and visit. The tourism industry is here as a constructive partner, as always.

Some may say cynically that Tourism Victoria is adopting this position because its revenue could be affected by untaxed and unregulated competition. We assure you our concerns are much broader and deeper than that. This is about the legitimate tourism industry wanting to be good partners and neighbours. Tourism Victoria focuses on high-yield experiential tourism that is sustainable and fully respects our destination's carrying capacity. Unchecked short-term vacation rentals are an affront to that principle.

We want to work together with the City of Victoria to rectify the impacts of the grey economy. We are implementing stakeholder discussion groups to engage in broad dialogue about the sharing economy, understand all perspectives, and find effective collaborative solutions.

As tax-paying and job-creating partners we need to help stop erosion of lifestyle and wellbeing for citizens who purchased condos without knowing their buildings can be over-run by holiday makers. Appropriate zoning will go a long way towards this. We need to work on quelling unchecked real estate speculation that is making housing in Victoria unaffordable. Investors can still make a good return on investment from long-term rentals to residents – just not as much money as quickly.

Doing nothing would undermine creation of jobs, commercial tax-paying hotels, and other tourism businesses by supporting untaxed, unregulated predatory competition. Where is the wisdom and long-term vision of not acting?

Finally, in recent weeks some Councils such as Richmond, BC and Del Mar, California have banned short-term vacation rentals completely in support of public resistance. We are not asking for this. We are asking for robust, common-sense zoning regulations and taxation. This will be an ongoing issue to manage and we are here to assist.

Many thanks for your time,

Harette

Starr McMichael

On behalf of Tourism Victoria, and members of Victoria's tourism and hospitality sector

Subject: FW: Email to Mayor and Council RE: STVRs

From: Anonymous

Sent: June 14, 2017 5:04 PM

To: Victoria Mayor and Council < <u>mayorandcouncil@victoria.ca</u>>

Cc: Lindsay Milburn < milburn@victoria.ca>

Subject: STVRs

I wish to remain anonymous.

- 1. I can't see why the concerns of STVRs "up to 1% point of total vacancy rate" is outweighing the benefits of STVRs to this City and its tax-paying residents
- 2. Where are your statistics to support removing STVRs?
- 3. Why does your latest report that is tabled to go to City council not include a detailed assessment of 'Pros' that were identified back in January? How do you justify not bringing forward a detailed review of the City wide benefits and the direct benefits operators? Despite the fact that some City councilors may be personally opposed to STVRs do you not feel that it is your responsibility as City staff working for the residents of Victoria to provide a complete and holistic review of STVRs?

Subject:

FW: Email to Mayor and Council RE: Short Term Vacation Rentals

From: Brooke Klassen

Sent: Wednesday, June 14, 2017 10:40 AM

To: Victoria Mayor and Council < mayorandcouncil@victoria.ca >

Subject: Short Term Vacation Rentals

Dear Mayor Helps and Council,

I am writing this email to state my opinion on upcoming recommendations for Short Term Rentals. I want to ensure you have also considered home owners who would like to rent out their entire home and primary residence when they are away (during the weekend, when on holidays). These types of STRs are:

- 1. Not taking a home or apartment out of the rental market
- 2. Bringing tourists and visitors into different neighbourhoods of Victoria to explore which may otherwise not happen
- 3. Helping home owners pay their mortgage along with other increasing costs of living

I would like to further add that while i support business licencing should this be a way to manage STRs, i do think that a business licence should be different for a home or condo that is used full time as a vacation rental vs. a home or condo that is used as a STR less than 20% of the year. Essentially licensing and requirements should be different for secondary vs. primary residences.

Regards,

Brooke

Subject:

FW: Email to Mayor and Council RE: Concerns regarding STVR shutdown

-----Original Message-----

From: Cindy Finley

Sent: June 14, 2017 5:54 PM

To: Victoria Mayor and Council < mayorandcouncil@victoria.ca>

Cc: Lindsay Milburn < lmilburn@victoria.ca > Subject: Concerns regarding STVR shutdown

To whom it may concern,

I just want to voice my concerns for the City's initiative to limit ALL Short Term Vacation Rentals to the greatest extent possible in Victoria. How is this actually benefiting the housing shortfall and our communities when it was outlined in the January report that up to 1% of total vacancy rate may be affected and that the cost to roll this out and enforce it would be a "significant investment". These points really outweigh the benefits of SVTRs to the city and it's tax paying citizens? STVRs support a multi million dollar tourism industry not only by supporting local businesses, but by providing affordable and adequate (kitchens for family use etc) accommodation for visitors who would not choose this city if those options weren't available to them. STVRs encourage more visitors, visitors to stay longer, and to spend money saved on local business promoted by SVTR hosts. AIRBNB is nothing new, thousands of cities have them globally, and they work, for every party involved, for obvious reasons. You're taking away a homeowners right to choose how they want to use their home to support themselves in a city with a very high cost of living (including some of the highest property tax rates in Canada) and lowest wages. We work very hard to live in this city, I think it's time homeowners and STVR owners are considered in this decision, rather than blatantly disregarded.

Sincerely,

A concerned taxpaying citizen of Victoria

Subject: FW: Email to Mayor and Council RE: STVR support

From: John Doe

Sent: June 14, 2017 3:16 PM

To: Victoria Mayor and Council < mayorandcouncil@victoria.ca >

Cc: Lindsay Milburn < milburn@victoria.ca>

Subject: STVR support

I wish to remain anonymous because I fear reprisal if there is increased enforcement of STVRs.

I am disappointed to find out that City council in Victoria is pushing forward on policy to reduce, if not ban, short term vacation rentals. This is despite City staff recommendations. City staff have reported that based on a third party analysis commissioned to review STVRs in Victoria, that "it is not possible to argue that there is a significant and persistent negative impact of STVR on rental housing stock" and banning STVRs "would not likely improve affordability" (October, 2016).

I would like the City to make available to me, and to provide at the next council hearings on this matter (scheduled for June 15), the detailed report on whatever information and sources council is using to direct policy. I expect this data must be contrary to the specific information that I have provided in quotes above and I assume that it has been made available to council after the October 7, 2016. This new data must be made available to the public.

I would also like to receive the report on the financial implications of removing STVRs from the City of Victoria's revenue stream. Using information in City reports, the estimated 300 units based on 60% occupancy may generate in excess of \$15,000,000. Furthermore, enforcement options are estimated to be significantly costly. Removing this much revenue from the City is financially irresponsible; however, I assume that the councilors would not make policy decisions regarding STVRs without a full financial analysis. Please make this available as personal opinions are not appropriate.

Hotel reports (that do not want the added competition) and reports from opponents of STVRs are not acceptable sources based on the obvious bias.

It has come to my attention that there have not been very many people to come forward at council meetings in support of STVRs though there has been a small group of the same people who regularly attend to protest. Operators of STVRs cannot come forward at these meetings for fear of reprisal by a City council which includes individuals who have often affirmed their personal beliefs that STVRs should be banned. Personally I feel that those councilors should not be included in any decision making on the matter because personal beliefs acted upon without supporting data (and in this case in contradiction to City staff recommendations) show an obvious conflict in interests and that those councilors should be recused. If it was possible for supporters to STVRs to come forward I'm sure they would, but consider this, if there are 300 units in the City there are 300 supporters, and anyone who has stayed in an Airbnb or VRBO would be hypocritical to not support them.

We can speak specifically to the use of a small secondary suite in our primary residence. Here are some of the positive benefits we experience:

• Increased income - We find it very challenging to afford to own our house in this city given the very high property taxes and other expenses. We have invested in a small, self-contained suite because of the potential income offered by using it as a STVR. This suite is now also used to house my aging parents

- when they come into Victoria to visit their grand children. Much of our added income from our unit is fed directly back into the community and our house.
- Greater investment in our community and neighbourhood To succeed at the STVR system we have to provide an excellent experience for our guests. As such, we are now more committed than ever in ensuring our community, house, and neighbourhood reflects all the best that Victoria has to offer.
- Social capital We truly enjoy meeting visiting families from around the world. We are also keen ambassadors for our city promoting local business and attractions.

Operating a STVR certainly requires work; however, we feel that there are many benefits, more than I have outlined above, and that these come in the form of both financial and social benefits. We also provide a different type of housing, one that isn't serviced by the hotel system. Our housing supports visiting families (about 65%) and longer term vacationers or people who are visiting Victoria to stay near to friends and family (about 30%). Only about 5 to 10% are individuals or couples that may stay in a downtown hotel if our place was not available (though I would argue that they may find that cost prohibitive).

Finally, any steps you take to reduce or ban STVRs should be taken very carefully. People book their vacations months in advance. If you cancel those vacations you will seriously tarnish the reputation of Victoria as a welcoming tourist destination.

Please reply to my email and the questions I have provided. I will also read through the council meeting minutes to ensure that my questions have been addressed.

Thank you

Subject: FW: Email to Mayor and Council RE: Air B&B's

From: JANE A MILLER

Sent: Wednesday, June 14, 2017 11:58 AM

To: Victoria Mayor and Council < mayorandcouncil@victoria.ca >

Subject: Air B&B's

Mayor & Councillors

As you are about to vote on the issue of short term rentals, I would like to express my observations & concerns for your consideration.

In recent months I have been attending open houses and real estate appointments with a friend who has been buying condos for investment rentals. (but not Air B&B's specifically). I've been shocked by how many realtors have stressed the monetary advantage/investment of owning Air B&B's in their sales pitch. For example: at two open houses at the Janion Bldg, (with different realtors) the comments were made within a few minutes of each person walking through the door. The realtors were quoting what the going rate was for one night...and how much money can be made in a month. And that was before a single person even asked about rentals! The same thing happened at The Vogue bldg on Pandora. And the Palladian on Quadra st. In fact this morning, an Ad showed the following reference to potential Air B&B use in the Palladian. More and more real estate ads are now hyping Air B&B use...such as this one I scanned this morning:

Description

Listed by Ron Neal & The Neal Estate Team. 250-386-8181. Open house Sat May 27 11-1 London-Chic stylish condo in the award winning heritage conversion building "The Palladian". Unique and full of character two bedroom loft with vaulted ceilings, exposed brick, wood joists and beams. Common rooftop patio to host your own private parties with city and mountain views. Walk to shops and everything that downtown Victoria has to offer. Air B&B here with no zoning or rental restrictions. No pet restrictions or age restrictions. Truly a one of a kind unit.

Some buildings were given a tax break by the city, and contained micro units for 'affordable housing'. Instead, they were bought up by investors, often multiple units at a time. That defeats the whole purpose of providing affordable housing. I was in a building, where one investor owned 12 suites--which he is using for Air B&B's. Although he is gradually selling off suites, now that the ten year tax break is over. I don't understand why the transient designation was approved by the city in the first place, but I do understand why the city allowed micro-units for affordable housing. Unfortunately, buildings such as the Janion--has over 50% Air B&B's. And the owners don't even need to visit the suites, because they have numbered door locks to let in the guests. One Fri evening I was in Chinatown for dinner, so I walked over to the Janion bldg and couldn't believe the number of suitcases going into that building. Only a brothel could have been busier!

1

If the city's true concern is for lack of affordable long-range rental housing--I would urge a halt to 'transient' designation. And trust you follow through on the proposals suggested for treating Air B&B's as a *business*, which indeed they are.

Thank you for your attention to this matter

Jane Miller (retired, interior designer) 6-1770 Rockland Ave

Subject:

FW: Email to Mayor and Council RE: STVR issue

From: L-E-O-N

Sent: Wednesday, June 14, 2017 10:01 AM

To: Victoria Mayor and Council < mayorandcouncil@victoria.ca >

Subject: STVR issue

hello

as a victoria resident i wanted to re-state my opinion to mayor and council that i think there should be some facility for me to rent my house out, which is my permanent residence, when/if i go away on a weekend or on holiday. i am hoping any measures that the city proceeds with to address STVR provides allowance for a property owner or occupant to rent out their primary residence whilst they are away.

regards,

Leon

Subject: FW: Email to Mayor and Council RE: Short Term Rentals

From: Peter Bonyun

Sent: Wednesday, June 14, 2017 11:01 AM

To: Victoria Mayor and Council <mayorandcouncil@victoria.ca>

Subject: Short Term Rentals

Dear Mayor Helps and Councilors,

I was disappointed to read the staff's document Short-Term Rentals – Regulatory Options dated June 8, 2017. Staff started from the presumption that a previous decision, in this case allowing transient accommodation in certain parts of the city, is irreversible. It is reversible if the city is prepared to choose that route.

In my opinion, no matter how the city decides to deal with the issue, it is choosing to grant one group of owners priority over another. The original problem was created when the city could not foresee effects of their decision would be greatly changed by the success of short-term rental websites. Owners who had bought their units for the purpose of long-term rentals suddenly found that they had access to another market with a much greater rate of return. Certainly, now there are owners who have purchased strata units on the expectation of this super return.

Fundamentally, short-term rentals are inconsistent with long-term rentals and owner occupied strata units. The inconsistency of short-term renters and long-term residents living in the same building has been well documented by others. Where short-term rentals are allowed, the super rate of return ultimately pushes out the other two types of residents by force of its economic power. Whether the city likes it or not, it is now choosing which group of residents it will support.

When the city does this, I hope it recognizes that the effect of their decision is much greater on long-term residents than it is on short-term rental investors. As an owner-occupier, I hope the city will see that long-term residents contribute a great deal more to the city than short-term renters who can easily find alternate accommodation in hotels that employ local citizens. The owners of short-term rental units may lose their super returns but have the alternative of renting to long-term residents at a rate that many investors still find attractive, particularly when vacancy rates of rental units are about 0.5%. Some of them may choose to sell their units instead and many of those will have realized a substantial capital gain. I realize that some accommodations will likely be necessary for these investors in terms of notice periods and, potentially, grandfathering but the upset to them is less than the upset to long-term residents being pushed out.

When owner-occupiers sell their units, they do not realize a capital gain because they will normally re-invest in another unit in a more welcoming jurisdiction. Most importantly, they need to find a more suitable home (rather than investment) and go through the hassle of moving. By comparison, the owner of a short-term rental unit, will simply need to find another tenant, which is not difficult in this market, or call their broker to make a new investment.

I believe the alternative proposed by staff of proactively enforcing current regulations is not practical – there are simply too many units to monitor and few ways of identifying those violating these regulations.

I urge council to restrict transient zoning throughout the entire city.

Peter Bonyun 737 Humboldt St, Unit S707 Victoria, BC

Subject:

FW: Email to Mayor and Council RE: Short term rental prohibition

From: Sebastian Berry

Sent: Friday, June 16, 2017 4:46 PM

To: Victoria Mayor and Council <mayorandcouncil@victoria.ca>

Subject: Short term rental prohibition

Good afternoon Mayor and Council,

I'd like to express my disappointment in the handling of the matter of short term rentals (Air BnB, VRBO, etc...).

The condo I own in the City of Victoria is my primary residence. As such, it never will be part of the rental pool, especially the "affordable" rental pool. Why is it that council feels that prohibiting me from listing it occasionally on Air BnB while I travel for work or other purposes will in any way have a positive impact on the affordable rental situation? The only thing it does is give visitors less choice, which in turn hurts the tourism sector.

I'm really tired of the dictatorial approach Council continues to take with respect to the freedoms of homeowners in this city. Please reconsider your approach to this matter.

Thank you,

Sebastian

Subject:

FW: Email to Mayor and Council RE: Proposed Actions Re: Short Term Rentals

From: Steve and Trish Young

Sent: June 16, 2017 1:02 PM

To: Victoria Mayor and Council < mayorandcouncil@victoria.ca >

Subject: Proposed Actions Re: Short Term Rentals

While we are in favour of licensing requirements, we have many more concerns regarding the proposal to regulate short-term rentals in the City of Victoria.

The basis of this action seems to be, primarily, due to a shortage of rental accommodations for people coming to, or currently living in, our city.

Our questions are:

Why does the city allow "slum property owners" to allow otherwise habitable houses, to languish, in disrepair for years and years and years, without being penalized in any way. One of those individuals being Kimpton, who has several large houses in proximity to downtown, all of which are totally abandoned and boarded up and have been that way for ages. Why is this not taken into consideration when providing rental accommodations? Why is he not the recipient of some punitive rules and regulations, such as are proposed for short-term rentals?

How can you arbitrarily re-zone buildings from transient zoning to other zoning when many of us purchased our condos in those buildings BECAUSE they were zoned transient? Our expectations, when we first purchased our downtown condo, was that we would run it as a short-term rental (permitted by the zoning and by the rules of the strata council) in order to offset the costs of our mortgage and that, eventually, we would be able to sell it at a reasonable profit as a "going concern". How can you reconcile our livelihood and your proposals with anything that is so discriminatory and goes against the grain of free-enterprise in our city?

Your proposals are, by and large, "discriminatory" and, as such, could be (and may be)challenged in the courts by many property owners. For example, why are so many other businesses allowed to operate in homes and condominiums throughout the city, without being threatened with the prospect of having their property taxes be raised to the level of business taxes? Hair salons, realtors, on-line merchants....the list goes on.

Why has the City removed so many motels and hotels from the registry, in order to build or renovate them for low-rental accommodations, or have them changed into condominium buildings? Another reason for the decreasing numbers of rental units.

Why is it "our responsibility" to provide long-term rental accommodations for these people? We pay taxes to many levels of government in order to deal with these situations. We resent being targeted in this way....we are squeezed from the top by ever increasing taxes and restrictions on our free-market enterprises and we are squeezed from the bottom by having a few sources of income available to us that enable us to pay our mortgages and other expenses.

How is it that, on a recent talk show on CFAX-1070, the manager of the Grand Pacific Hotel clearly stated that the "vacation rentals" had little or no impact on their business and also that, in fact, the local hotel industry is bursting at the seams with the huge volume of tourists coming to visit our city? Yet, in the face of this you're eliminating hundreds of accommodations options for visitors to Victoria (tourism being one of our biggest industries) especially for those who cannot afford, nor wish to stay in hotels. People with families who like to

have their own kitchen and laundry facilities and do not have to pay extra for services such as tipping, parking, meals etc. etc.

We feel that Mayor and Council are being extremely myopic in trying to impose these restrictions and will, eventually face huge "blow-back" from disgruntled short-term rental owners, visitors and others in our city.

Please consider these points before moving too much more forward with your proposals.

Thank you,

Stephen and Patricia Young Victoria, BC

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The Young's and The Restless

Subject: FW: Email to Mayor RE: Short term vacation rentals

From: Brett Gaylor

Sent: Sunday, June 18, 2017 11:44 AM **To:** Councillors < <u>Councillors@victoria.ca</u>> **Subject:** Short term vacation rentals

Dear councillors:

I watched the last council meeting while at work via the streaming platform to witness discussion around regulation of short term vacation rentals. Anything that gets people tuned in to local politics is a good thing! The housing crisis in our city affects us all, and I'm certainly supportive of measures to ameliorate the situation. It's clear that regulation of short term vacation rentals is needed, but I have some concern about whether the current approach is nuanced enough.

I own a house in Victoria, and I'm a documentary filmmaker raising a family in Fernwood. I know that working artists, entrepreneurs, and anyone who has decided to take a path less followed are being priced out of our city and don't have a lot of reason to move here. Despite Victoria's quality of life, we don't yet have the talent pools, access to markets, or density of opportunity that other cities can provide. As such, we need to hustle, and renting out a basement suite is one of the ways in which we can diversify our income and continue to contribute to Victoria's cultural community. I don't currently do this, but it was part of a long term plan I was making to ensure I could stay in this city - I'd priced out a pretty expensive renovation to build a space to allow my mother to age in place, and had planned to offer it on AirBnB until that was necessary. It would require a hefty loan, but I felt the flexibility of AirBnB would allow me to make it work.

I also use AirBnB quite a bit when I travel and have been doing so since 2011. I've stayed in AirBnBs in Berlin, Copenhagen, Austin, Paris, Toronto, Vancouver, San Francisco, Amsterdam, New York, London and Montreal. The places I enjoy most are homes where people have carved out a unique private space for us renters, and I can tell that they are interesting folks that live in an interesting place. I feel like a local and I enjoy the fact that I'm contributing to someone's livelihood. Bonus points if I get to meet them and they've tried to make my stay feel special - it gives me a positive experience of their city. Hotels usually can't offer something this unique or affordable. The places I like the least are those that DO feel like a hotel - the host is absent and it's a soulless and transient space with non-descript ikea furnishings.

While the staff report was of high quality, I did felt it lacked some of the data that was present in the city of Vancouver's similar report [1]. In Vancouver's case, they had contacted AirBnB, had hired Host Compliance LLC to do an audit of the current state of STVRs in the city, and had compared policy options other cities had taken and placed these approaches along a spectrum. Additionally, the city of Vancouver had polled residents. I'm particularly surprised that this council has not taken this last step, given how committed they have been in the past to consultation and community involvement. It doesn't feel great as an engaged citizen to have our only option for feedback be a dissenting opinion to a decision that seems already taken.

Without this data, I do worry that decisions are being made based on anecdotal evidence and lobbying. I would like to know whether a policy decision, for example, to end transient occupation on condos in the downtown core wouldn't accomplish the lions share of these policy goals. What percentage are basement suites actually contributing? How many "units" of housing stock would be returned to the long term rental market with the proposed measure? I don't feel confident that this can be answered.

1

Lastly, this seems to be a fairly sharp stick to poke at homeowners to stimulate the rental market. Where is the carrot? What is this council proposing to do to incentivize home owners to rent long term? Are current tax incentives or rebates doing enough to increase the amount of rental housing in the city? I found the tenor of the last meeting a bit tin-eared to the reality of being a Victoria homeowner - maybe because of the recusal of councillors who felt they actually had some personal experience with the matter.

I hope you'll consider leaving basement suites as an option when they are part of the same property that makes a home owner's primary residence.

Thanks for your commitment to the city and thoughtful work.

Brett Gaylor

[1] http://council.vancouver.ca/20161005/documents/pspc1c.pdf

Subject:

FW: Email to Mayor and Council RE: Angered by Airbnb regulation: Victoria not set up to handle prosperity & growth

From: Dr. Daniel Milkovich, M.D.

Sent: June 19, 2017 11:06 AM

To: Victoria Mayor and Council < mayorandcouncil@victoria.ca >

Subject: Angered by Airbnb regulation: Victoria not set up to handle prosperity & growth

The recent focus of Victoria city council on regulating short vacation rentals as a means of dealing with a housing shortage for low income people illuminates how unprepared Victoria is to deal with prosperity and growth. What a shame.

I've been confounded by the complaints that low income people cannot afford to live in the central Victoria area. As a seasoned world traveller. I can tell you that prosperous westernized cities DO NOT provide low income housing in their central/downtown areas - rather they invest in rapid transit so that lower income earners can live in affordable perimeter communities and commute into the city to work. What we are seeing in Victoria is a failure of the plethora of municipalities to collectively provide the necessary infrastructure, such as a rapid transit rail system out to expanding communities like the Westshore area. It's especially shameful considering the rail line already exists. In a city where 7 million dollars has been earmarked for bike lanes, and the Johnson street bridge project has run some 50 million over budget (and possibly more), council should assume some responsibility for it's neglect in providing rapid mass transit to expanding communities rather than punishing local property owners by "criminalizing" airbnb's. Airbnb's are in demand by world travellers and local property owners proudly welcome these travellers to Victoria. To think that pulling airbnb's off the market is somehow going to translate into affordable housing in Victoria is misguided. Property owners are fed up with dead-beat renters destroying their properties and an RTA which is largely unsupportive of landlords. Frankly, this proposed regulation of airbnb's is embarrassing – it sends the message that Victoria is a secondrate destination and it reeks of being a band-aid response to a much larger infrastructure deficiency. "Unaffordable" housing in the Victoria core is not a "problem", it's a sign of prosperity. The problem is that greater Victoria has not prepared itself to handle prosperity. I for one am strongly opposed to the regulation of short term rentals.

Daniel Milkovich

Dr. Daniel Milkovich, M.D.

Medical Director

Become a Facebook Fan of MD ESTHETICS

Winner of the Vancouver Island Business Excellence Award – Small Business of the Year, Under 50 Employees

Subject: FW: Email to Mayor and Council RE: Air BnB

From: John and Pat

Sent: June 19, 2017 8:36 AM

To: Victoria Mayor and Council <mayorandcouncil@victoria.ca>

Subject: FW: Air BnB

Hello everyone:

Just one more thought on this topic. I personally wouldn't want to be living in an apartment building when other owners/tenants are renting out their apartments to strangers. They would be handing over their keys to people they don't really know who might decide to copy those keys. Also, you wouldn't know what kind of people they are and who else they will bring into the apartment building during their stay. I think it makes the whole living situation in that apartment building unsafe.

If you're a house owner, well, that would be different because it's only affecting you but an apartment building situation affects too many other people. I do think there needs to be more controls in that kind of a situation. We can't have apartments being used as hotels.

Thanks, Pat

Subject: FW: Email to Mayor and Council RE: STVR support

From: Lindsay Milburn
Sent: June 20, 2017 4:15 PM

Subject: RE: Email to Mayor and Council RE: STVR support

Hello,

As noted, an economic opinion was procured by City staff on the impact of short term rentals on the availability and affordability of long-term rental housing in Victoria; however Council has not directed staff to proceed with a deeper analysis of the financial benefit of short term rentals to the City of Victoria, and instead due to the existing shortage of long-term rental housing in the City, has directed staff to focus on ensuring that units developed for residential accommodation be used for the primary purpose of housing to the greatest extent possible.

At this time, the City is not proposing a ban on short term rental, but rather proactive enforcement of current zoning regulations that prohibit STR in areas that are not zoned for transient accommodation, including in single family dwellings (except as a home occupation, meaning up to two bedrooms within a single family home), secondary suites, garden suites, and multi-unit developments with no transient zoning rights. Council has proposed further changes including extending the home occupation bylaw to multi-unit dwellings to permit more residents to list up to two bedrooms in their home as STR, rezoning the downtown to remove transient accommodation as a permitted use, and to explore ways to permit residents to rent out their principal dwelling units for occasional use as STR. Essentially, Council has directed staff to permit STR where it will not have an impact on the long term rental market in order to provide homeowners and renters a means to offset the high cost of housing, but to restrict it as much as possible where STR may be taking units out of the rental pool.

Other regulations including a new STR business regulation system and pro-active enforcement strategy are also under development.

Your comments below have been shared with Mayor and Council and will also be made publically available and circulated on the agenda as part of the correspondence on this matter when any zoning changes go forward. However if you would like your comments publicly heard at the next Council meeting you (or a representative) will need to request to address Council. Instructions for how to do this are available here: http://www.victoria.ca/EN/main/city/mayor-council-committees/request-to-address-council.html.

Please do not hesitate to contact me should you have further comments or concerns.

Regards,

Lindsay Milburn
Senior Planner – Housing Policy
Sustainable Planning and Community Development
City of Victoria
1 Centennial Square, Victoria BC V8W 1P6









From: John Doe [

Sent: June 20, 2017 3:01 PM

To: Ben Isitt (Councillor) < BISitt@victoria.ca; Geoff Young (Councillor) < gyoung@victoria.ca; Charlayne Thornton-Joe (Councillor) < gyoung@victoria.ca; Councillor)

<<u>mlucas@victoria.ca</u>>; Chris Coleman (Councillor) <<u>ccoleman@victoria.ca</u>>; Marianne Alto (Councillor)

<<u>MAlto@victoria.ca</u>>; Victoria Mayor and Council <<u>mayorandcouncil@victoria.ca</u>>; bcleverley@timescolonist.com

Subject: Re: Email to Mayor and Council RE: STVR support

I am disappointed you didn't answer my questions. In fact, your response is the exact same one that you sent me when I emailed about a non-related concern months ago.

I would like you to read this out at the council meeting on Thursday, June 22.

My questions are related to the direction the Victoria City council is taking regarding short term vacation rentals. It is apparent, based on recent council meetings and local news interviews, that members of the council are pushing to severely limit if not completely ban short term rentals from within the City of Victoria.

- 1) How has the Victoria council assessed the financial implications of losing millions of dollars of yearly revenue that flows into the City from short term vacation rental tourism? I cannot find any financial assessments related to this concern. Short term vacation rentals have expanded the City's tourism base to include visitors who are not serviced by the hotel industry or by other accommodation options. This includes families, people visiting friends and family, visitors who want to visit Victoria for longer stays, and other visitors who are not interested in staying in large hotels. This represents millions of dollars per year that go directly to Victoria residents and small business.
- 2) Good governance does not include making decisions based on conjecture, personal beliefs, and speculation. City staff and a third party consulting company reported in October 2016 that short term rentals have a negligible impact on rental housing and no impact on affordability. Since that report was presented to City council, the council has directed City staff to look into how short term rentals can be severely limited and/or shut down. This is contrary to City staff recommendations. I would like to know what new reports the councillors have in their possession to go against City staff recommendations and in a direction that is contrary to the information provided in the October 2016 report?
- 3) If you move forward to banning short term rentals in this City, how do you respond to concerns from home owners like us on affordability? We have a small secondary suite/in-law suite in our residential home. We use this for my aging parents so that they can stay in town to visit their grandchildren. This suite is vacant approximately 80% of the time. Short term vacation rentals provide

us with a rare opportunity to offset some of the very high costs of home ownership we face in this City including very high property taxes, municipal utilities, gas, hydro, insurance, etc. I have seen councillors argue about improving affordability for Victoria residents. What about affordability for home owners?

In my opinion, short term rentals provide many benefits to the City of Victoria. Aside from the obvious financial benefits that are realized by Victoria residents and small business, they also provide an opportunity for homeowners to afford the high costs of living here and owning a home here.

While we feel that hosting short term visitors has been a lot of work, we also feel that it has been a very positive and we can attest to the value that short term rentals bring to our neighbourhood and the community around us, for example:

- 1) We are the most invested in ensuring our neighbourhood is clean and safe and that our house is well maintained because we get rated by our guests on the space that we provide. This benefits our whole neighbourhood.
- 2) We are ambassadors for our City and we promote local business, amenities, and attractions that many tourists would not be aware off. This benefits the region as a whole.

I look forward to your response.

On 16 June 2017 at 18:34, Ben Isitt (Councillor) <BIsitt@victoria.ca> wrote:

Thank you for writing and sharing your concerns.

Ben

Ben Isitt

Victoria City Councillor and CRD Director

Email. bisitt@victoria.ca

Tel.

From: Victoria Mayor and Council

Sent: June 15, 2017 10:09 AM To: John Doe

Subject: Email to Mayor and Council RE: STVR support

Good Morning,

Thank you for your email and attached letter regarding short term vacation rentals in Victoria. Your email and letter has been shared with Mayor and Council.

As you may know, the City of Victoria is actively developing regulations regarding short term rentals and Council has directed staff to develop an enforcement strategy which is expected to come before Council during

the Committee of the Whole meeting that is in progress. You can watch the Committee meeting in progress on the City of Victoria's website<http://victoria.ca.granicus.com/MediaPlayer.php?view_id=2&event_id=770>.

Further discussion and vote on this topic will occur at the Council meeting set for Thursday, June 22 at 6:30 p.m.

Thank you very much for taking the time to share your thoughts with Mayor Helps and the City of Victoria. Input from our citizens helps ensure that we are balancing the views and needs of the community on important decisions. I hope that you will continue to stay engaged on City of Victoria matters. If you are interested in staying up-to-date on City of Victoria news, events, and opportunities for public input subscribe to the City's bi-weekly newsletterhttp://www.victoria.ca/EN/main/residents/communications/e-newsletter.html, visit the City of Victoria's websitehttp://www.victoria.ca/EN/main/residents/communications/e-newsletter.html, or download the City's ConnectVictoria Apphttp://www.victoria.ca/EN/main/city/mayor-council-community Drop In sessionshttp://www.victoria.ca/EN/main/city/mayor-council-committees/mayor-lisa-helps/mayors-community-drop-in.html which are open to all members of the public.

Sincerely,

Lacey Maxwell
Correspondence Coordinator
Mayor / City Manager's Office
City of Victoria
1 Centennial Square, Victoria BC V8W 1P6

[Description: Description: cid:image001.gif@01CF3C88.FC1AFE40]http://www.victoria.ca/

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cid:image003.gif@01CF3C88.FC1AFE40]https://www.facebook.com/CityofVictoriaPage

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cid:image005.gif@01CF3C88.FC1AFE40]<<u>http://www.linkedin.com/company/city-of-victoria-bc?trk=biz-companies-cym></u>

From: John Doe [mailto:

Sent: June 14, 2017 3:16 PM

To: Victoria Mayor and Council <mayorandcouncil@victoria.ca>

Cc: Lindsay Milburn < lmilburn@victoria.ca>

Subject: STVR support

I wish to remain anonymous because I fear reprisal if there is increased enforcement of STVRs.

I am disappointed to find out that City council in Victoria is pushing forward on policy to reduce, if not ban, short term vacation rentals. This is despite City staff recommendations. City staff have reported that based on a third party analysis commissioned to review STVRs in Victoria, that "it is not possible to argue that there is a significant and persistent negative impact of STVR on rental housing stock" and banning STVRs "would not likely improve affordability" (October, 2016).

I would like the City to make available to me, and to provide at the next council hearings on this matter (scheduled for June 15), the detailed report on whatever information and sources council is using to direct policy. I expect this data must be contrary to the specific information that I have provided in quotes above and I assume that it has been made available to council after the October 7, 2016. This new data must be made available to the public.

I would also like to receive the report on the financial implications of removing STVRs from the City of Victoria's revenue stream. Using information in City reports, the estimated 300 units based on 60% occupancy may generate in excess of \$15,000,000. Furthermore, enforcement options are estimated to be significantly costly. Removing this much revenue from the City is financially irresponsible; however, I assume that the councilors would not make policy decisions regarding STVRs without a full financial analysis. Please make this available as personal opinions are not appropriate.

Hotel reports (that do not want the added competition) and reports from opponents of STVRs are not acceptable sources based on the obvious bias.

It has come to my attention that there have not been very many people to come forward at council meetings in support of STVRs though there has been a small group of the same people who regularly attend to protest. Operators of STVRs cannot come forward at these meetings for fear of reprisal by a City council which includes individuals who have often affirmed their personal beliefs that STVRs should be banned. Personally I feel that those councilors should not be included in any decision making on the matter because personal beliefs acted upon without supporting data (and in this case in contradiction to City staff recommendations) show an obvious conflict in interests and that those councilors should be recused. If it was possible for supporters to STVRs to come forward I'm sure they would, but consider this, if there are 300 units in the City there are 300 supporters, and anyone who has stayed in an Airbnb or VRBO would be hypocritical to not support them.

We can speak specifically to the use of a small secondary suite in our primary residence. Here are some of the positive benefits we experience:

- * Increased income We find it very challenging to afford to own our house in this city given the very high property taxes and other expenses. We have invested in a small, self-contained suite because of the potential income offered by using it as a STVR. This suite is now also used to house my aging parents when they come into Victoria to visit their grand children. Much of our added income from our unit is fed directly back into the community and our house.
- * Greater investment in our community and neighbourhood To succeed at the STVR system we have to provide an excellent experience for our guests. As such, we are now more committed than ever in ensuring our community, house, and neighbourhood reflects all the best that Victoria has to offer.
- * Social capital We truly enjoy meeting visiting families from around the world. We are also keen ambassadors for our city promoting local business and attractions.

Operating a STVR certainly requires work; however, we feel that there are many benefits, more than I have outlined above, and that these come in the form of both financial and social benefits. We also provide a different type of housing, one that isn't serviced by the hotel system. Our housing supports visiting families (about 65%) and longer term vacationers or people who are visiting Victoria to stay near to friends and family (about 30%). Only about 5 to 10% are individuals or couples that may stay in a downtown hotel if our place

was not available (though I would argue that they may find that cost prohibitive).

Finally, any steps you take to reduce or ban STVRs should be taken very carefully. People book their vacations months in advance. If you cancel those vacations you will seriously tarnish the reputation of Victoria as a welcoming tourist destination.

Please reply to my email and the questions I have provided. I will also read through the council meeting minutes to ensure that my questions have been addressed.

Thank you

Subject: FW: Email to Mayor and Council RE: AirBnB

From: RAYMOND ST ARNAUD Sent: June 20, 2017 5:28 PM

To: Victoria Mayor and Council < <u>mayorandcouncil@victoria.ca</u>>

Subject: AirBnB

To Mayor and Council.

I appreciate that Victoria's city council is finally addressing regulation of AirBnB. From what I read, cities across North America are moving to or have established regulation. licensing and taxes on AirBnB hosts. I would direct your attention to a recent article in the New York Times titled "Airbnb Tries to Behave More Like a Hotel - Less chatting on the couch; fewer idiosyncratic toiletries in the bath. Promoting growth, the company promotes consistency among its millions of hosts."

https://www.nytimes.com/2017/06/17/technology/airbnbs-hosts-professional-hotels.html?_r=0

The article focuses on how the Corporation is pushing its hosts to become more like hotels. The users of the AirBnB service now want a hotel experience, with **minimal contact with the hosts.** This is no longer a sharing economy. AirBnB is now a multi - billion dollar corporation with aspirations to becoming a full featured travel agency. It has evolved a long way from its roots of an air mattress on the living room floor.

AirBnB has evolved into a disruptor of the social fabric of communities, be it residential neighborhoods or condominium and rental buildings. Residents now find they have to live with the disruption of living near mini hotels, that exist primarily for the profit of investors, with little regard for the social fabric or the original intent of neighborhoods. Rental accommodation is being re-purposed to serve tourists at the expense of local residents in a city where the vacancy rate hovers around .5%

If we are to allow AirBnB to exist, it should be restricted to rooms in an owner's principal residence. I personally would add that the "guest" must also have 24 hour access to the same kitchen used by the host.

Just on our street there are three AirBnbs of different flavours. One is rooms in an owner-occupied house that meets the criteria cited above, the second is the main suite in a house that is Airbnb'ed through the summer months with the owner relocating during rental periods and the third is a totally separated secondary suite that until recently was rented out to long-term tenants.

I realize that AirBnB, as a Corporation, has taken root very quickly, faster than civic governments are normally able to act and regulate. In spite of this, regulation and restrictions are required to maintain the integrity of neighborhoods and multi unit dwellings, and the need for long term rental accommodation.

Raymond St. Arnaud/Liz Hoar

1752 Davie Street

Subject:

FW: Email to Mayor and Council RE: STVR

From: Bill Barnes

Sent: June 21, 2017 7:12 PM **To:**

Cc: Charlayne Thornton-Joe (Councillor) < cthornton-joe@victoria.ca; Ben Isitt (Councillor) < Beltitt@victoria.ca; Pam Madoff (Councillor) < MAlto@victoria.ca; Chris Coleman (Councillor) < ccoleman@victoria.ca; Victoria Mayor and Council < mayorandcouncil@victoria.ca; Geoff Young (Councillor) < gyoung@victoria.ca; Margaret Lucas (Councillor) < mlucas@victoria.ca>

Subject: STVR

I wish to remain anonymous.

I would like you to read this out at the council meeting on Thursday, June 22.

Hello Victory City Council,

I've been following the conversation on short term vacation rentals and feel that I must voice my thoughts and opinions.

I moved to Victoria 15 years ago to attend The University of Victoria. I became a Registered Nurse working in Victoria Hospitals. My husband and I were fortunate enough to squeak into the increasingly unaffordable Victoria housing market. We have 2 children that attend a great school, in a great neighborhood, that we are proud to be part of. We have a sense of community and belonging.

We've recently found out that we were pregnant with not one, but two more children. I'm currently retraining to work from home, as the cost of daycare for 4 children is astronomical (we both work 12+ hour days). Our pregnancy has had many complications thus far and we have had to rely on the help of my parents who are not local. Lucky for us, our house is equipped with a living area that my parents can stay in when they are helping us. This area has not been used as long-term rental at any time.

When my parents are not living with us, we plan to use this space as a short-term vacation rental. This is a great option, and a needed option, as it offsets my lost wages, helps support us through my schooling and allows us to continue to be homeowners in Victoria. I feel that offering our home to tourists is also great for the Victoria economy as the tourists hosted are investing in many local businesses. It benefits us and it benefits the city.

I also feel that the plan of recourse for short term vacation rental owners in punitive and archaic. I feel that the city is asking homeowners to solve a rental crisis even though a third-party analysis found that STVRs did not have an impact on rental housing stock and that removing them would not have an impact on rental affordability (is this not a city development issue?). Any plan of action outlined and "enforced" should be based on positive reinforcement e.g. an increase in homeowner tax credit.

I look forward to hearing your reply and hope you, as City Council Members, have a holistic approach that is progressive. I would appreciate a personal response from one of the council members. No form letters please.

Thank you.

| Subject: | FW: Email to Mayor and Council RE: Input Short-term Rentals in Victoria |
|---|---|
| From: Danelius Nk Sent: June 21, 2017 11:35 AM To: Victoria Mayor and Council < mayorandcouncil@victoria.ca > Subject: Input Short-term Rentals in Victoria Dear Mayor and City Council, | |
| 2000 1110, 61 0110 610, 60 01101 | , |
| I'm writing to you in regards to the | he most recent discussions in regards to short-term rentals in Victoria. |
| My wife and I own a vacation rea | ntal in Victoria (the building is zoned for transient use and the strata allows short-term rentals as well) |
| We just wanted to give you some rounds: | e input as to why we think vacation rentals are great for Victoria and its residents that may help in your discussion |
| rentals didn't exist, they would no | per than those of surrounding hotels. The feedback of our guests (mostly families) suggest that if Airbnb/VRBO ot consider coming to Victoria, because hotel prices are just not affordable for them. Removing short-term rentals extent possible' as stated would only escalate hotel prices and reduce tourism in Victoria. |
| 2. The boost in tourism in Victoria over the last few years goes hand in hand with the increase in popularity of short-term rentals and is also a result of it. It caters to a group of people (lower income people and families) that would otherwise not come to our beautiful city. With only hotels in our city, we would limit yourself to mainly higher-income visitors, while families and other groups opt for other vacation destinations. | |
| 3. Homes that are transient zoned possess an increased value. People that buy and own in these areas/buildings, own or buy exactly for that reason. Taking away that value would significantly impact the value of homes and therefore also jeopardize people's investments. | |
| 4. The sharing economy will inevitably become a major part of the global economy and by significantly restricting it we would not move with times. Instead, we think, should try and create a level-playing field for hotels and those owner that want to keep their vacation rentals, while making sure that those homes that are zoned for residential use remain residential. | |
| 5. Lastly, our vacation home as v | well as many other places of home owner's would go unused if we weren't able to open it up to vistors. |
| I hope this helps. Please let us kn | now if you require any further input from us. |
| Sincerely, | |
| Danelius and Anita | |

Subject:

FW: Email to Mayor and Council RE: Amendment to downzone downtown strata units

From: Debra Sheets

Sent: June 21, 2017 3:24 AM

To: Victoria Mayor and Council < <u>mayorandcouncil@victoria.ca</u>> **Subject:** Amendment to downzone downtown strata units

Dear Mayor Helps and Councillors,

I am writing to address the request for amendments to downzone existing strata apartment units. To provide a little context for my concern, I am an Associate Professor of Nursing at the University of Victoria and am 60 years old. I live in co-op housing in James Bay and have no real savings. On April 21, 2017 I bought a micro-loft suite at the Janion (1610 Store St) as an investment that would bring in a little extra income when I retire in a few years. The transient zoning was appealing as a way to supplement my income in retirement. I considered the risks of the investment such as a downturn in the economy as well as recent international political changes. But downzoning poses a new and imminent threat that will have a catastrophic effect on my retirement planning. Below I summarize 3 key issues concerning downzoning

1. Transient occupancy units are rare in downtown and fill an important niche for visitors to Victoria

- Transient occupancy units meet a niche market. Hotels cannot match the low costs and homelike comforts (e.g., kitchen, laundry, bbq).
- Most Janion owners are individuals who bought a single unit as a major life investment. We are committed to maintaining the quality of our building and our investment. The micro-size of the units makes it unlikely that "parties" will happen onsite.
- Units sold at a higher value than they might otherwise because of the transient occupancy zoning.
- Most owners purchased units aware that transient rental rates would be high and that it would not be a building filled with full-time residents.

2. Downzoning will not alleviate the housing shortage in Victoria

- The Janion units were not designed for full-time living. Who is willing to live in micro-lofts? Certainly not families, and likely not even couples. The building is most likely to appeal to visitors or single adults who cannot afford a larger space.
- Only about 7 buildings in downtown are zoned for transient occupancy—they are rare.
- 3. It is not justifiable to downzone to shift benefits to other groups. Once zoning rules are made, downzoning should only occur when there are far greater benefits as a result or because it is needed to promote fairness and justice. In this case, there is no clear public benefit to downzoning in downtown Victoria
 - Hotels will disproportionately benefit from a change that harms individuals who invested in property zoned for transient occupancy.
 - Single young adults will benefit from the availability of more micro-lofts which tend to be more affordable at that point in their lifespan. They are likely to move onto larger units within 5 years as their resources increase
 - Downzoning may benefit single family homeowners-- and may have the unanticipated consequence of creating more demand for STVR in single family homes which could paradoxically increase the housing shortage.
 - Downzoning will have a significant and devastating personal economic impact on homeowners of units zoned for transient occupancy because it will reduce the value of their property on resale.

Please do not downzone existing transient occupancy strata units. I have summarized my key points but welcome the opportunity to talk further. Thank you for your consideration.

Debra J Sheets

Sincerely,

Debra Sheets, Ph.D., MSN, RN, FAAN

cell:

"To look life in the face, always to look life in the face, and to know what it is, to love it for what it is. At last to know it. To love it for what it is. And then to put it away."-- Virginia Woolf

Debra Sheets, Ph.D., MSN, RN, FAAN Associate Professor University of Victoria, School of Nursing P.O. Box 1700 Victoria, BC V8W 2Y2 Canada

School of Nursing Programs... Informed by Science - Compelled by Caring

Subject:

FW: Email to Mayor and Council RE: Restricting entrepreneurship in Victoria BC

From: Gordon

Sent: Wednesday, June 21, 2017 1:02 AM

To: Victoria Mayor and Council <mayorandcouncil@victoria.ca>

Cc:

Subject: Restricting entrepreneurship in Victoria BC

Dear City Leaders,

I read with dismay the considerations you are currently contemplating to discourage entrepreneurship by restricting or forbidding short term lets in Victoria, BC.

http://victoriabuzz.com/2017/06/victoria-city-council-crack-short-term-rentals/

http://www.cbc.ca/news/canada/british-columbia/victoria-airbnb-rental-suites-vacancy-shortage-1.3824963

http://www.timescolonist.com/business/victoria-council-may-target-short-term-vacation-rentals-in-housing-crackdown-1.20557393

This policy has been considered and even implemented in certain locations worldwide with disastrous results. Basically, many renters simply dropped out of the market and the location got higher costs and a bad name with tourists who then avoided it, leading to loss of tourism income and the associated taxes.

Short term rentals are a boost to the economy and a fact of life in this internet and knowledge age. I know of several cases where the short term rental actually subsidizes other tenants in the same property contributing to a social housing concept. If this route were to be cut off, these lower income tenants would face much higher rents or eviction.

Short term rentals support local shops and businesses and add to the vibrancy of a community.

Short term rentals bring in tax dollars.

I strongly recommend that you abandon this heavy handed approach before you do irreparable damage to the great reputation enjoyed by your city, a reputation that is hard won over many years but easily lost by a, in my view, foolish and poorly thought out initiative.

I have been to Victoria several times and love your city. I always stay in short term accommodation. I refuse to stay in hotels. I am presently in the early stages of arranging a trip (planned for Victoria and Vancouver Island) for some 30 people but will put this on hold until you have reached your decision on this unfortunate matter. If necessary, we shall choose another destination. We have no wish to spend money in a city which discourages entrepreneurs.

Naturally I shall watch developments and give the outcome the broadest distribution throughout my global network. Please remember that tourists always have a choice in where they spend their money and will tend to avoid over regulated high cost areas. Today news spreads on the internet with the speed of light.

My best regards,

Prof. Dr. Gordon McConnachie

Professor of Intellectual Capital & Entrepreneurship, Xiangtan University China

Director Asia Pacific IC Centre Hong Kong, China.

Founding Chairman Intellectual Assets Centre Scotland, Now part of Scottish Enterprise Innovation Platform.

From: John Doe

Sent: Wednesday, June 21, 2017 9:40 AM

To: Ben Isitt (Councillor); Geoff Young (Councillor); Charlayne Thornton-Joe (Councillor); Pam Madoff (Councillor); Margaret

Lucas (Councillor); Chris Coleman (Councillor); Marianne Alto (Councillor); Victoria Mayor and Council;

Subject: Re: Email to Mayor and Council RE: STVR support

Categories: Housing, General Reply

I appreciate receiving replies from Lindsay Milburn and from Lacey Maxwell. I am really looking from a response to my specific questions from one or more councillors. Sadly, I do not feel I can come before this council in person for fear of being singled out for reprisal as the enforcement of STVR regulations increases.

While I appreciate Lindsay's reply, council and not City staff are moving forward towards greater regulation and enforcement and, as such, they should respond to my questions. Furthermore, Lindsay's reply did not satisfy my concerns that 1) there has been no detailed assessment of the financial implications of reducing STVRs in the City (this will have a multi million dollar impact to the local economy), 2) that a City staff report from October 2016 specifically states that this action will have a negligible impact on the rental market and no impact on affordability making the current expensive direction towards regulation change and increased enforcement a pointless exercise, and 3) this direction will have a very negative impact on affordability of homeownership for numerous residents of Victoria.

Quite frankly, the potential changes that Lindsay outlined do not make me feel better as a homeowner that uses our inlaw suite part time for short term rentals because that scenario is not included in the potential changes for allowable short term rentals. This is my house which I am desperately trying to afford in this very expensive city. Why does council feel that I have to give up a significant source of revenue? Even if I could put my suite into the long-term rental pool, why do the City council feel that I have to take the increased financial liability of reduced income? I am not a charity. We have a young family and we can barely afford to keep my house in the current market given the high taxes, municipal bills, and other expenses.

The increased regulations and the increased enforcement that are being proposed (some councillors have even suggesting approaching BC Assessment to designate properties with short term rentals as commercial real estate) is offensive. That this City council feels it can take a Big Brother approach using an Orwellian form of governance and dictate which rental revenue streams homeowners can access is shameful. Most secondary suites in my neighbourhood have been operating illegally for years, especially as parking restrictions on secondary suites have only recently been changed. Because there is no evidence to support the direction council is taking towards stricter regulations and enforcement, it is apparent that Council is taking these actions solely based on their own beliefs and speculation. That too is shameful.

Consider too, that if you heavily regulate secondary suites in homes you will drive all types of rentals underground. Many of these suites are non-conforming and most homeowners are afraid of City staff even knowing they exist because there are too many stories of inspectors showing up and finding fault. This will impact both short term and long term rentals.

On 20 June 2017 at 15:01, John Doe < > wrote:

I am disappointed you didn't answer my questions. In fact, your response is the exact same one that you sent me when I emailed about a non-related concern months ago.

I would like you to read this out at the council meeting on Thursday, June 22.

My questions are related to the direction the Victoria City council is taking regarding short term vacation rentals. It is apparent, based on recent council meetings and local news interviews, that members of the council are pushing to severely limit if not completely ban short term rentals from within the City of Victoria.

- 1) How has the Victoria council assessed the financial implications of losing millions of dollars of yearly revenue that flows into the City from short term vacation rental tourism? I cannot find any financial assessments related to this concern. Short term vacation rentals have expanded the City's tourism base to include visitors who are not serviced by the hotel industry or by other accommodation options. This includes families, people visiting friends and family, visitors who want to visit Victoria for longer stays, and other visitors who are not interested in staying in large hotels. This represents millions of dollars per year that go directly to Victoria residents and small business.
- 2) Good governance does not include making decisions based on conjecture, personal beliefs, and speculation. City staff and a third party consulting company reported in October 2016 that short term rentals have a negligible impact on rental housing and no impact on affordability. Since that report was presented to City council, the council has directed City staff to look into how short term rentals can be severely limited and/or shut down. This is contrary to City staff recommendations. I would like to know what new reports the councillors have in their possession to go against City staff recommendations and in a direction that is contrary to the information provided in the October 2016 report?
- 3) If you move forward to banning short term rentals in this City, how do you respond to concerns from home owners like us on affordability? We have a small secondary suite/in-law suite in our residential home. We use this for my aging parents so that they can stay in town to visit their grandchildren. This suite is vacant approximately 80% of the time. Short term vacation rentals provide us with a rare opportunity to offset some of the very high costs of home ownership we face in this City including very high property taxes, municipal utilities, gas, hydro, insurance, etc. I have seen councillors argue about improving affordability for Victoria residents. What about affordability for home owners?

In my opinion, short term rentals provide many benefits to the City of Victoria. Aside from the obvious financial benefits that are realized by Victoria residents and small business, they also provide an opportunity for homeowners to afford the high costs of living here and owning a home here.

While we feel that hosting short term visitors has been a lot of work, we also feel that it has been a very positive and we can attest to the value that short term rentals bring to our neighbourhood and the community around us, for example:

- 1) We are the most invested in ensuring our neighbourhood is clean and safe and that our house is well maintained because we get rated by our guests on the space that we provide. This benefits our whole neighbourhood.
- 2) We are ambassadors for our City and we promote local business, amenities, and attractions that many tourists would not be aware off. This benefits the region as a whole.

I look forward to your response.

On 16 June 2017 at 18:34, Ben Isitt (Councillor) < BIsitt@victoria.ca > wrote: Thank you for writing and sharing your concerns.

Ben

Ben Isitt
Victoria City Councillor and CRD Director
Email. bisitt@victoria.ca
Tel.

From: Victoria Mayor and Council Sent: June 15, 2017 10:09 AM

To: John Doe

Subject: Email to Mayor and Council RE: STVR support

Good Morning,

Thank you for your email and attached letter regarding short term vacation rentals in Victoria. Your email and letter has been shared with Mayor and Council.

As you may know, the City of Victoria is actively developing regulations regarding short term rentals and Council has directed staff to develop an enforcement strategy which is expected to come before Council during the Committee of the Whole meeting that is in progress. You can watch the Committee meeting in progress on the City of Victoria's

website<http://victoria.ca.granicus.com/MediaPlayer.php?view_id=2&event_id=770>.

Further discussion and vote on this topic will occur at the Council meeting set for Thursday, June 22 at 6:30 p.m.

Thank you very much for taking the time to share your thoughts with Mayor Helps and the City of Victoria. Input from our citizens helps ensure that we are balancing the views and needs of the community on important decisions. I hope that you will continue to stay engaged on City of Victoria matters. If you are interested in staying up-to-date on City of Victoria news, events, and opportunities for public input subscribe to the City's bi-weekly newsletter<http://www.victoria.ca/EN/main/residents/communications/e-newsletter.html, visit the City of Victoria's website<http://www.victoria.ca/EN/index.html, or download

the City's ConnectVictoria App<http://www.victoria-app-available-for-download-now.html. Mayor Helps also holds regular Community Drop In sessionshttp://www.victoria.ca/EN/main/city/mayor-council-committees/mayor-lisa-helps/mayors-community-drop-in.html> which are open to all members of the public.

Sincerely,

Lacey Maxwell
Correspondence Coordinator
Mayor / City Manager's Office
City of Victoria
1 Centennial Square, Victoria BC V8W 1P6

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companies-cym>

From: John Doe [mailto:

Sent: June 14, 2017 3:16 PM

To: Victoria Mayor and Council < mayorandcouncil@victoria.ca >

Cc: Lindsay Milburn lmilburn@victoria.ca

Subject: STVR support

I wish to remain anonymous because I fear reprisal if there is increased enforcement of STVRs.

I am disappointed to find out that City council in Victoria is pushing forward on policy to reduce, if not ban, short term vacation rentals. This is despite City staff recommendations. City staff have reported that based on a third party analysis commissioned to review STVRs in Victoria, that "it is not possible to argue that there is a significant and persistent negative impact of STVR on rental housing stock" and banning STVRs "would not likely improve affordability" (October, 2016).

I would like the City to make available to me, and to provide at the next council hearings on this matter (scheduled for June 15), the detailed report on whatever information and sources council is using to direct policy. I expect this data must be contrary to the specific information that I have provided in quotes above and I assume that it has been made available to council after the October 7, 2016. This new data must be made available to the public.

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I would also like to receive the report on the financial implications of removing STVRs from the City of Victoria's revenue stream. Using information in City reports, the estimated 300 units based on 60% occupancy may generate in excess of \$15,000,000. Furthermore, enforcement options are estimated to be significantly costly. Removing this much revenue from the City is financially irresponsible; however, I assume that the councilors would not make policy decisions regarding STVRs without a full financial analysis. Please make this available as personal opinions are not appropriate.

Hotel reports (that do not want the added competition) and reports from opponents of STVRs are not acceptable sources based on the obvious bias.

It has come to my attention that there have not been very many people to come forward at council meetings in support of STVRs though there has been a small group of the same people who regularly attend to protest. Operators of STVRs cannot come forward at these meetings for fear of reprisal by a City council which includes individuals who have often affirmed their personal beliefs that STVRs should be banned. Personally I feel that those councilors should not be included in any decision making on the matter because personal beliefs acted upon without supporting data (and in this case in contradiction to City staff recommendations) show an obvious conflict in interests and that those councilors should be recused. If it was possible for supporters to STVRs to come forward I'm sure they would, but consider this, if there are 300 units in the City there are 300 supporters, and anyone who has stayed in an Airbnb or VRBO would be hypocritical to not support them.

We can speak specifically to the use of a small secondary suite in our primary residence. Here are some of the positive benefits we experience:

- * Increased income We find it very challenging to afford to own our house in this city given the very high property taxes and other expenses. We have invested in a small, self-contained suite because of the potential income offered by using it as a STVR. This suite is now also used to house my aging parents when they come into Victoria to visit their grand children. Much of our added income from our unit is fed directly back into the community and our house.
- * Greater investment in our community and neighbourhood To succeed at the STVR system we have to provide an excellent experience for our guests. As such, we are now more committed than ever in ensuring our community, house, and neighbourhood reflects all the best that Victoria has to offer.
- * Social capital We truly enjoy meeting visiting families from around the world. We are also keen ambassadors for our city promoting local business and attractions.

Operating a STVR certainly requires work; however, we feel that there are many benefits, more than I have outlined above, and that these come in the form of both financial and social benefits. We also provide a different type of housing, one that isn't serviced by the hotel system. Our housing supports visiting families (about 65%) and longer term vacationers or people who are visiting Victoria to stay near to friends and family (about 30%). Only about 5 to 10% are individuals or couples that may stay in a downtown hotel if our place was not available (though I would argue that they may find that cost prohibitive).

Finally, any steps you take to reduce or ban STVRs should be taken very carefully. People book their vacations months in advance. If you cancel those vacations you will seriously tarnish the reputation of Victoria as a welcoming tourist destination.

Please reply to my email and the questions I have provided. I will also read through the council meeting minutes to ensure that my questions have been addressed.

Thank you

Subject:

FW: Email to Mayor and Council RE: In support of a broadly conceived, local host short-stay accommodation license throughout Victoria - for your June 22 Council meeting

From: John James O'Brien

Sent: June 21, 2017 12:44 AM

To: Victoria Mayor and Council <mayorandcouncil@victoria.ca>

Subject: In support of a broadly conceived, local host short-stay accommodation license throughout Victoria - for your

June 22 Council meeting

Dear Mayor Helps and Council Members,

I writing to support a wide and diverse provision of short-stay accommodation in Victoria, as someone experienced as both host and traveller. I am disappointed, indeed, to find that councillors who have gladly benefitted from my vote in the past are proving themselves to be more concerned about corporate interests and narrowly framed issues (that can be dealt with through existing measures) than in learning about this sector more deeply and encouraging the kind of innovative, entrepreneurial spirit among residents that the City purports to champion.

It has occurred to me that where a councillor takes a stand on a public matter, it is incumbent upon that councillor to learn as much as possible. That is a requisite of public service. It is not for the citizen to chase council, rather the reverse. So having made contact with two councillors, I note that neither has chosen to learn my view beyond that communication. It is a useful reminder that pre-election hopes are just that—aspirational. It is performance that matter most and lasts in the voters' mind. I trust that each has ensured my communications are available to inform council. Kindly confirm that this is so.

It is very frustrating that four members of council are said to have recused themselves from debate on this issue, leaving the field to those with an anti-shortstay agenda. Let me be clear, the way to handle a perceived ethical bind is to declare it so that one's views can be judged in that light. To recuse is to abrogate the responsibility you all have to represent the whole of our community. It is ill-considered and the citizens of Victoria deserve better.

Councils view is not balanced; it is biased. What locally relevant evidence are you basing your position upon? How are you accessing the lived experience of hosts and guess as opposed to the council-lobbying interests?

Tourism Victoria and the City are happy to draw upon the cruise industry figures of per passenger spending as a rationale for supporting the arguably disruptive flood of visitors that occurs over a period of a few hours when cruise ships dock. Please make public the comparable data that you have reviewed in relation to the stance Council is taking in relation to short stay accommodations. Please provide the source and data revealing what short stay visitors, typically visiting over multiple days or weeks, contribute particularly to neighbourhood small businesses and throughout our community in the bread and butter businesses that keep our economy going. Does Council propose to offset losses incurred by small businesses due to imposition of a "fix that fails" policy?

As a traveller, after a long career involving hotel accommodation, I now choose to seek out independent apartment-style suites so that staying *longer* to more fully experience a destination is affordable and the character of neighbourhoods outside of the typical tourist areas gradually reveals itself. I do not, and did not even in my long ago couchsurfing days, opt to stay in a room within a family space offering limited privacy and risk to security—and you are out of line to limit my choice or that of visitors in this regard.

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I want the independence of a separate accommodation, a private bathroom, and hosts available if needed but unobtrusively so. In our extended family, travel planning is based upon that choice. We do not stay in cities that do not permit us this choice. That is an observation shared by visitors as well—no short stay suite—no visit.

The matter of choice applies to the host, as well. I have as much right to choose how I use my property assets as any condo owner. Condominium buildings set their own rules through their own councils. It is not necessary or appropriate for City Council to intervene in private property matters as reported.

My own circumstance is that I have been largely self-employed and much of that overseas with result that I lost funds necessary for retirement in the 2008 crash. Fortunately, I had purchased property in Victoria over time, still mortgaged, and generally my property is rented long term. The assets must eventually provide an income when I am no longer able to work as my pension is insufficient to pay the rent in my own properties, rents that are more reflective of mortgages and ever increasing costs than the market.

In the mean time, short stay guests can fill gaps between tenancies and also permit us to support our tenants, e.g. a senior on a fixed income who has had no rent increase in five years, a young family benefitting from no increase over two years, another senior, three years with no increase. Short stay reservations of four days, or a couple of weeks, perhaps a month, help to carry a mortgage that continues week after week until we find a tenant, as we recently have for 10 months.

In a second property, a separate legal suite in our own home, short stay guests help pay our own mortgage and fill gaps between family visits. My partner is one of eight and we have historically felt isolated from family, something we recognize as concerning as we are all aging. Over the last couple of years, we been able to invite and host family from elsewhere in Canada to come and stay (gratis) in our suites for extended visits over Thanksgiving, Easter, etc. We have worked hard to create a framework that will allow us to age in place comfortably. The separate suite in our own home will eventually be a space for a caregiver when that is necessary, affording us, and the caregiver, privacy with proximity. Inadequate soundproofing means that we would not place that suite on the rental market, but short stay guest can be tolerated and help pay the mortgage.

The demographic we serve is varied. Examples include:

- two professors from Sweden occupying our separate two bedroom suite while on a research sabbatical at UVIC for approximately six weeks
- a former school superintendent on a project with the Ministry of Education for just under four weeks
- a family of eight from Denmark who expressly explained that they could not travel together if hotels were the only option
- an adult daughter and mother who valued proximity to the hospital for the mother's operation and initial recuperation over five days
- a number of visitors from Canada and the United States who stayed for four nights to three months to explore Victoria neighbourhoods as a potential new home
- several families who stay for up to a week to install their children at local language schools and universities
- newlyweds whose visit coincides with other family members visits (in our other suite) and whose reunion was enhanced, as all stays are, by time spent in our gardens.

This is an important demographic that is not well served by more costly hotels that, typically, do not permit the kind of flexibility our visitors seek.

Our contribution to our neighbourhood is significant. Examples include:

- re-cladding of our two bedroom place at upwards of 20,000 to a local firm. Building of a granite wall by a First Nations mason/artisan. This was not necessary for a long term rental, but was important to attracting short stays guests as it dramatically improved the look of the house and streetscape
- extension of our maintenance of boulevards that the city does not maintain, including a corner that once was a littered hangout spot and now is a well maintained pathway
- noticeably improved streetscape maintained by neighbours
- ongoing local expenditures in linens, cleaning supplies, etc.
- very positive interactions between neighbours and guests who are impressed with the walkability and friendliness of Victoria's neighbourhood outside the tourist zone
- and we provide very heavily discounted off-season accommodation to the Belfry Theatre as a way of giving back to the community—that demographic needs housing of anywhere from a couple of weeks to the run of a show

Our guests' contribution to the larger neighbourhood is also significant. Examples include:

- the owners of small businesses (e.g. Picot, The Local General Store, Santé, koffi) thanking us for directing short stay guests to their premises. Dining venues that guests report enjoying include:
- The Fernwood Inn, Stage Wine Bar, Mesa, Part & Parcel, Fifth Street Bar and Grill, Hillside Coffee, Bolen's Books, Cascade Liquor, Shine at Stadacona Centre, the Blue Fox, Urban Cup, Cornerstone Café, Wooden Shoe, etc.

The revenue gained by these proprietors is additional to that contributed by Victoria residents and would not, in general, flow from guests limited to the so-called transient zone.

Do YOU intend to take action that harms Victoria citizens such as myself, harms neighbourhood small businesses and harms those who depend on affordable, flexibly travel accommodation such as is available through short stay sites?

Contrary to the media hype that speaks of, for example, AirBnB "grabbing up" affordable housing, short stays are not some entity owned remotely—websites are a service we must pay to represent the property and most hosts are listed on multiple sites because no one site can deliver enough guests to cover costs. We are individual citizens, tax paying property owners who elect YOU to look out for us. Council poised to harm individual entrepreneurs doing what they can to hang on to their property in favour of hotels that often pass their earnings out of the city (e.g. the US owned Marriott). Why are hoteliers favoured over ordinary citizens? As contributing, tax paying individuals, short stay individual hosts need to be protected—by, not from, you.

Laurel Point Inn, among others, claims that short stay accommodations harm their business. I find this an extraordinarily self-serving position from a property that offers amenities quite out of reach of the individual short stay. We have no restaurant, no pool, no bar, no spa, no room service and no inventory of 10s or even hundreds of rooms to spread costs across. The level playing field sought by hoteliers should extend, it would seem, to making those amenities available at nominal cost to short stay providers—will you champion that request?

I ask that you, individually and collectively, do the work necessary to devise a suitable licensing and non-hotel-based regimen that encourages the development of this segment of our critical tourism industry—for the City, for hosts who desperately need to find ways to remain viable in Victoria, for us all.

Sincerely,

John O'Brien

Citizen Taxpayer Victoria BC Subject:

FW: Email to Mayor and Council RE: STVR- Victoria

From: M Bourgeois

Sent: June 21, 2017 10:42 AM

To: Victoria Mayor and Council <<u>mayorandcouncil@victoria.ca</u>>; Lindsay Milburn <<u>lmilburn@victoria.ca</u>>; Lisa Helps (Mayor) <<u>mayor@victoria.ca</u>>; Marianne Alto (Councillor) <<u>MAlto@victoria.ca</u>>; Chris Coleman (Councillor) <<u>ccoleman@victoria.ca</u>>; Ben Isitt (Councillor) <<u>Blsitt@victoria.ca</u>>; Jeremy Loveday (Councillor) <<u>iloveday@victoria.ca</u>>; Margaret Lucas (Councillor) <<u>mlucas@victoria.ca</u>>; Pam Madoff (Councillor) <<u>pmadoff@victoria.ca</u>>; Charlayne Thornton-Joe (Councillor) <<u>cthornton-joe@victoria.ca</u>>; Geoff Young (Councillor) <<u>gyoung@victoria.ca</u>>; Subject: STVR- Victoria

In addition to my requesting responses to my questions, I would like this to be included in tomorrow's Council meeting.

Victoria Short Vacation Term rentals (STVR)

Victoria City Council wants to ban STVRS, specifically in residential areas. This includes using secondary suites as STVRs. While the research and reports do not support such a ban, city council, without any financial impact analysis or a review of best practices, specifically directed the creation of a report as to how to reduce and eliminate STVRs.

I absolutely disagree with Council's approach.

While I can appreciate the current Council's attempt to increase social policy in the city, this has consistently been done at the homeowner's expense. There seems to be an assumption that homeowners have a bottomless well of funds. My taxes have risen over 250% since I purchased my home in Victoria. My City utilities have also increased astronomically. Yet my services, things that me and my family need and use, have been reduced. I am curious how many councillors actually own a house in Victoria and have experienced these impacts? While rent increases may have impacted some renters, the actual other true cost of living increases, such as sewer utilities, taxes etc... truly cannot be passed on to the long term renter under current legislation.

As per the Sustainable Planning & Community Development Housing Committee (who did not support this approach based on their earlier reports), complaints about STVRs in Victoria to date have been minimal, have been by one group of citizens and is specific to condos, not residential homes.

Victoria relies on tourism. STVRs provide visiting families, people who cannot afford our high priced hotels, an opportunity to visit our wonderful city. These are people who want their kids to be able to ride their bikes on the sidewalk without watching drug transactions that occur in broad daylight downtown. They are very respectful of the rental space and have **less of an impact** on the neighborhood; they produce less garbage than long term renters, and often do not even have vehicles, lessening parking concerns on residential streets. They get to experience areas of Victoria, such as the villages Fernwood, Oak Bay & Cook St that typical hotel stays do not highlight. Money spent in these areas goes directly into the community.

Owners of STVRs are ambassadors of the city, and showcase its best assets. They are using their space, whether it be a room or a suite, to bring in an income to help offset the extremely high cost of living in

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Victoria. They are promoting their communities, ensuring their spaces are well kept and maintained, and are providing local jobs to cleaners.

The fear mongering statements of Council truly speak to their overstepping of power and their complete disrespect of and disregard for the tax paying homeowner. At last week's Committee of the Whole, Councillor Young clearly articulated that owners of STVRs need to have their properties reclassified through BC Assessment as a business (class 6). He indicated that this would be fair as property owners with rentals would then pay "significantly more in taxes.... and also drives home to the point that they will be paying a capital gains tax". So I question this Councillor; all rentals constitute a business. If this is the process you want to implement for STVRs, then ALL houses with rentals will need to follow suit. Are you going to implement the new assessment rules and business license requirements to long term rental owners? That is hardly an incentive for home owners. I hate to break it to you Councillor, but capital gains tax, again, applies on all rental space in a residence, short or long term. These comments and how they were delivered, imply that the BC Assessment shift and Capital Gains tax apply only to STVRs. This is incorrect, misleading and is trying to scare homeowners into only providing long term rentals.

Councillor Coleman wants to implement a hotel tax. Fair enough. But the rules need to be further evaluated. STVRs do not provide the same service as a hotel; rates provided by B&Bs do not pay the same tax as hotels-why would STVRs?

Let a homeowner, who lives at their residence, the opportunity to have 1 STVR. Let them earn money to afford to live in Victoria. Require a business license if need be. If re-assessment is happening, then it will need to be for any rental format, not only properties with STVRs (a slippery path if you ask me). Council needs to change its punitive approach to homeowners, to a more supportive one. Listen to the homeowners rather than pursuing your own personal agendas. Provide tangible financial incentive to homes providing long term rentals (such as a property tax credit). The homeowners pay your salaries and it's time to listen to our needs.

Thank you

Pamela Martin

Subject:

FW: Email to Mayor and Council RE: In Support of Short Stay Vacation Rentals

From: Robert Tornack

Sent: June 21, 2017 12:07 AM

Subject: In Support of Short Stay Vacation Rentals

Dear Mayor and Council Members:

It is with great concern I write to the City of Victoria Mayor and Councillors on the topic of short term vacation rentals.

I am amazed at the Mayor and Councillors knee jerk reaction to the housing situation in Vancouver and Toronto and the intent to apply that to neighbourhoods in Victoria.

- What local data, if any, has been used to support the irrational action of City Council?
- What is the source of the local data, if any, has been used by the City Council to inform the position on this issue?
- What is the City Council rationale is stating short term vacation rentals within neighbours is a threat to hotels such as the Laurel Point and/or the Empress?
- Why is the City Council opposed to competition?
- Why is the City Council not supportive of small business ventures and the entrepreneur spirit within neighbourhoods?
- What research has the City Council conducted of the impacts on small businesses not on the beaten tourist tracks?
- Why has the City Council not asked condominium strata councils to manage their own issue, if there is one, within condominium complexes?

Wake up Mayor and Councillors: restricting, outlawing, banning short term vacation rentals within neighbourhoods will not address the housing issue, despite the new rentals shortly coming onto the market as the city boasts.

As a voter and taxpayer I expect a greater degree of due diligence to be conducted by the Mayor and City Council.

Robert Tornack

Pamela Martin

Subject:

FW: Email to Mayor and Council RE: Private fully equipped short stay accommodation

----Original Message-----

From: Vicki Gagnier

Sent: June 21, 2017 4:08 PM

To: Victoria Mayor and Council < <u>mayorandcouncil@victoria.ca</u>> Subject: Private fully equipped short stay accommodation

To His Honourable Mayor & Councillors,

I recently have had the pleasure of visiting your fair city and was fortunate enough to find a fully equipped private apt style accommodation that was perfect for our needs. However I am disappointed to hear that city council intends to possibly limit these accommodations in favour of a bedroom inside a family dwelling. While this accommodation style affords you similar opportunities to see different areas of the city it doesn't have the same advantages that a private fully equipped accommodation has such as: laundry & cooking facilities, privacy & freedom to come & go at different times without any disturbance, experiencing the local neighbourhood including but not limited to: Shopping

Dining
Wine bars
Coffee shops
Local pubs

It is an affordable way for a family to experience Victoria without the sterile environment of a hotel & the cramped quarters of a bedroom in a residence & the stress of keeping small children quiet.

We are a couple whose intention is to live on Vancouver Island at some point in the future & this was a good opportunity for us to get a good feel of a real living experience.

Thank you for your time & hope I have given you reason to consider keeping this style of accommodation alive.

Sincerely, Vicki Gagnier Calgary, AB

Sent from my iPad

Mayor and Council City of Victoria

As a Victoria resident who enjoys world travel, I have been interested, from a tourist's perspective, in the Council's push toward placing restrictions on small business owners now providing private, short term stays in various locations around Victoria.

I do not consider this type of accommodation to be in conflict with the hotel industry, the B and B experience, someone's spare room, nor the long-term rental supply available to low income or high income tenants.

Many travelers arriving to enjoy the full scope and culture of a world-renowned city, prefer to make their base in a comfortable, fully serviced small suite, located in a neighbourhood outside of the main tourist area.

This unique style of hospitality provides a secure, independent base from which a tourist moves about the community, participating in and contributing to the local economy, entertainment and cultural life, returning to the temporary feeling of a quiet home base.

The distinctions between a hotel-stay, a B and B atmosphere, a private bedroom in an established household and the sense of freedom and self-managed travel are key to the decision being made.

To impose licensing restrictions, strata type policies and revenue control upon private entrepreneurs attempting to broaden and encourage the tourist industry in an individualized style serves to invite the curiosity of those who enjoy checking up on their neighbour's initiative.

Respectfully,

Anne L.Duggan 1049 Southgate Street Victoria, V8V 2Z1.

Pamela Martin

Subject: FW: Email to Mayor and Council RE: June 22 City Council Meeting: Short Term Rentals

Attachments: Short Term Vacation Rentals

From: Chris Lawson

Sent: June 22, 2017 6:45 AM

To: Victoria Mayor and Council <mayorandcouncil@victoria.ca>

Cc: Jeremy Loveday (Councillor) < <u>loveday@victoria.ca</u>>; Ben Isitt (Councillor) < <u>Blsitt@victoria.ca</u>>

Subject: June 22 City Council Meeting: Short Term Rentals

I am writing as an individual strata owner in Victoria and have followed your recent proceedings with regards to short term rentals with interest. I support all measures that the Mayor and Council are contemplating to combat the use of residential accommodation in Victoria as short term rental, for all the reasons that Tourism Victoria has outlined in their most recent, excellent submission.

Based on what I am hearing, I'm concerned however that the measures being proposed will be ineffective to deal with short term rentals in existing strata buildings within existing transient accommodation zones. Using residential accommodation exclusively for the purposes of short term rentals must be very lucrative; otherwise owners would not contend with the significant effort, inconvenience and cost that is involved. Although I agree with the measures, I doubt that adding additional licensing requirements, fees and taxes will make much difference. I believe that you are receiving similar feedback from others, including Tourism Victoria.

I'm somewhat surprised that there is, according to your staff, essentially no legal means to ban short term rentals in existing transient zoned buildings. Other cities seem to be finding solutions the most common of which is to disallow short term rentals unless a property is one's primary residence. I understand the "legal non-conforming" provisions of the municipal act but it still seems surprising that Victoria's hands seemed to be tied on this issue while other cities are finding remedies. Is there absolutely no way that Victoria can do what other cities such as Vancouver and Toronto are proposing to do?

Further, is the council really satisfied that staff have investigated all legal means available? For example, the existing transient accommodation zoning has likely been in place long before there was even such a thing as "Airbnb" and short term rentals in residential buildings. Was it really the legal intent of the transient zoning to allow developments which were originally planned, approved and built as residential to be used as hotels? Or was it put in place to allow for "real" hotels and other similar establishments?

What would currently stop an individual or a business from purchasing all the units in an existing strata building within a transient accommodation zone, a building that Victoria Council at some point in the past approved on the basis it was to be used as residential, then using one unit for administrative purposes and all the other units as short term rentals, effectively turning the residential building into a hotel? There is after all a shortage of hotel units in the city and it's prohibitively expensive now to build and operate stand-alone hotels. What a great way for Marriott or another large organization in the hospitality industry to open a hotel and avoid all the usual costs and legal requirements! They could even offer to buy out existing owners at a premium like developers are doing in Vancouver with older strata buildings.

This may sound extreme but it seems there would be nothing to stop this, unless what I understand from staff's advice to council is correct. This makes no sense.

It also makes no sense that residential strata units can essentially be used as businesses in the case of short term rentals but cannot be used for other business purposes, except in live-work situations. How can this possibly make sense?

I urge the council to insist that staff thoroughly investigate any possible legal means to deal with short term rentals in existing buildings that have not already been considered, up to and including changes to the municipal act, if needed.

Finally, I urge council not to "rely" on strata corporations to solve the problem by regulating and banning short term rentals themselves. To do so requires strata bylaw changes that can only be approved by a ¾ vote of owners. This is not easy and it's unlikely that many strata's will be able to obtain such approval.

Thanks again for your attention to this issue.

Chris Lawson

GA6-379 Tyee Rd, Victoria BC

Pamela Martin

From: Victoria Mayor and Council
Sent: Thursday, June 22, 2017 9:24 AM

To: Daniel

Subject: Email to Mayor and Council RE: City staff proposal

Categories: Short Term Vacation Rentals, Housing

Dear Daniel,

Thank you for your email regarding short term vacation rentals in Victoria. Your email has been shared with Mayor and Council.

New regulations regarding short term vacation rentals will be discussed at the Council meeting scheduled for tonight, June 22 beginning at 6:30 p.m.

The City of Victoria is actively developing regulations regarding short term rentals and Council has directed staff to develop an enforcement strategy. <u>The Housing page on the City of Victoria Website</u> will be updated with information based on Council's decision at tonight's meeting.

Committee and Council agendas, live webcasts of meetings, and archives of previous meetings are available through the City of Victoria's website.

Thank you very much for taking the time to share your thoughts with Mayor Helps and the City of Victoria. Input from our citizens helps ensure that we are balancing the views and needs of the community on important decisions. I hope that you will continue to stay engaged on City of Victoria matters. If you are interested in staying up-to-date on City of Victoria news, events, and opportunities for public input subscribe to the City of Victoria's website, or download the City's ConnectVictoria App. Mayor Helps also holds regular Community Drop In sessions which are open to all members of the public.

Sincerely,

Lucas de Amaral Correspondence Coordinator Mayor / City Manager's Office City of Victoria 1 Centennial Square, Victoria BC V8W 1P6









From: Daniel

Sent: Friday, June 16, 2017 4:07 PM

To: Victoria Mayor and Council <mayorandcouncil@victoria.ca>

Subject: City staff proposal

Dear Mayor and City Council,

I hope you are well.

I am resident in Victoria and my family and I recently came across a city staff proposal that would limit short-term rentals in Victoria, a motion we are very concerned about.

We have a secondary home/short-term rental unit in a transient zoned, downtown strata building that allows short-term rentals and we invested in this unit, particularly due to its flexible zoning.

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| We see our investment jeopardized and were wondering whether the new proposed regulations would also prohibit short-term rentals |
|---|
| of rental units in transient zoned buildings or meant to target homes in areas that are not zoned for transient use and currently being |
| used illegally? |

Thank you for your time,

Daniel Alexander



Marketing our favourite destination

Impacts of Short-Term Vacation Rentals

This is my third time addressing Council on this topic, as have members of Tourism Victoria's Board and Committees. I am pleased we have strong representation from across the tourism spectrum here today; not only commercial accommodators but also sightseeing companies, transportation and attractions. We have worked on these issues throughout our diverse membership.

We are here to thank Council for the decisions taken at the Committee of the Whole last week and instill a sense of urgency to drive forward.

The sense of urgency is based on items in my submission and reflected in some disturbing business numbers we have seen this spring, pointing clearly to the adverse socio-economic impacts short-term rentals are having in Victoria. Today we are dealing with matters within municipal jurisdiction such as property taxes, business licences and zoning. Other issues, such as sales and accommodation taxes, are provincial and federal matters as you are aware.

The bonafide, contributing, law-abiding, and regulation-respecting tourism industry abhors what is going on in the grey economy. It is not legitimate and does not contribute. It operates outside the margins of what society deems acceptable because it undercuts the legitimate industry by avoiding taxes and regulations. It creates unfair competitive advantage which is ultimately costing jobs and preventing citizens and voters from rightfully enjoying their property. As a tourism industry, we want to grow and need to grow, but only at a sustainable pace. We want to be a positive force for the region with amenity migration, taxes, and jobs. Tourism has social responsibilities that the grey economy actively works against.

Implications:

- Reflecting our social concern we brought Elizabeth Becker, author of "Overbooked, the exploding business of travel and tourism" to our 2017 Annual General Meeting. We are focused on a yield and experiential strategy. As an industry we know more is not always better (as seen in many other cities globally) and we must engage with communities.
- We are not here to flood the market we are here to grow the economy in a measured, sustainable, and legitimate manner.

I would like to point to recent tourism numbers from Chemistry Consulting. For April 2017 compared to April 2016

- Arrivals at Victoria International Airport increased by 13%
- BC Ferries vehicles were up 7% and passengers were up 10%
- Victoria Conference Centre Delegate Days were up 49%
- Yet occupancy of commercial accommodation was down 6%

This is staggering. It confirms we are all making the right business moves to promote and sell the destination and our community; yet more and more visitors are staying in non-commercial accommodation. Therefore more and more visitors are moving into accommodation that should be housing. The legitimate tourism industry wants no part of this trend that is taking away housing opportunities from residents.

Faced with these eroding occupancy numbers, there is another consequence for Tourism Victoria and the business decisions we make. We have to keep selling and marketing Victoria, and deliver our commitments to the Victoria Conference Centre and Belleville Phase 2. Yes our taxation rate has gone up, but so have our business commitments and obligations. If the trend continues and revenue potential is eroded, and I hope it does not, the only place we can cut substantially is support of arts, festivals, events, and sports. Although these indirectly support visitation, the line of attribution is less clear.

This shows that continued growth of the grey economy can have dire consequences. To use a broad analogy, there is no victimless crime. The grey economy could cost these sectors and the broader community substantially as the line of taxation gets eroded. No one knows this more than me as CEO, as I see revenue against budget and the many priorities we have to balance.

Switching to a more affirmative frame, the steps discussed and passed at the Committee of the Whole meeting last week are positive.

Business Licences: A good start but insufficient alone. This signals to the operator that yes this is a business, and it provides government with some data. But in other jurisdictions business licences have been merely a speed bump in the runaway growth of STVRs.

Prohibiting Transient Zoning for Future Residential Developments: This sends a very clear signal to the real estate development community that they should not base their business models or projections for new development on assumptions of selling a number of units to investors focused on operating short term vacation rentals.

Down-zoning or Right-zoning existing Transient Zoned Stratas: This sends a clear message to residents that we all care about their quality of life and enjoyment of their property. It also encourages those seeking to develop legitimate, purpose-built commercial accommodation more attuned to today's traveller, that the City of Victoria's elected Council has clear and fair policy on the matter.

I would also like to highlight the new trend of mega hosts. In the package we submitted we show Airbnb and other STVR platforms are working very closely with mega hosts and property managers to promote mass-volume loading of suites, and providing technology and systems to enable this. These are tactics they must use to fuel their fast-pace growth imperative and meet the demands of their venture capitalists.

To quote a representative of Phocuswright Travel, Tourism and Hospitality Research:

"There's a message they're trying to convey — home sharing, travelling like a local, experience local culture, stay in a private home — but actually a growing percent of [Airbnb] listings are not really someone's home. It's a condo that is one of 1,000 others that look the same and are run by a hotel-like property management company with a front desk check-in."

This has been an emotional week. Local players involved in the shadow economy of Airbnb and the business of consulting others into building their real estate portfolios have confronted us with the following. Some have become quite aggressive out of desperation.

- They claim because Victoria has lost hotel rooms we need Airbnb to help prop up the industry. As I have said before, losing old hotel stock is normal and healthy. We just need to create a regulatory framework to provide certainty for those looking to build replacement stock more in line with today's customer expectations. The two motions before Council go a long way, and we know this will create interest from legitimate commercial accommodators.
- They claim cruise ships don't stay very long and hence we need a large number of Airbnb's to support local retailers. I have two responses to that. First, we are seeing growth in full day port visits and we are working on a homeport strategy. Secondly, the GVHA and transportation partners have worked very hard to coordinate transportation to maximize benefits. Look how Government Street has come back. This claim is a completely false red herring.

- They claim hotels are too expensive. I say three things here. Victoria has good hotels
 and motels at all levels and the Canadian average. Our prices were low and unhealthy
 for many years. And of course they pay all taxes, fees and compliance like WorkSafe.
 While Airbnb units in stratas (which should be long term tenancies) might be cheaper,
 this is only because they are operating in the grey economy, any way you cut it.
- They claim people cannot afford their mortgages without Airbnb. No-one is talking about eliminating Airbnb from primary homes, but rather that they pay appropriate licences and taxes. It is real estate speculators, hosts with multiple properties, and increasing number of mega hosts that must be addressed.

Some of the attacks have been very personal and they have threatened they will disrupt our membership and create divisions. That is an outdated way of doing business. As a tourism industry we are united and have an effective, sustainable, and collaborative strategy. For example, via our new relationship with the Victoria Conference Centre we have created a program allowing 70 small businesses, mostly retailers, to benefit directly by tapping into conference delegates. It is through smart programs and good, solid demand that we will support small business in Victoria – not by flooding the market with new Airbnbs that take away housing from residents and make current residents' lives unenjoyable.

When others hit low on us as the bonafide, tax-paying, regulation-abiding tourism industry we go back to our core principles.

Our core principles are:

- Housing First: None of our businesses can reach full potential if our staff cannot find places to live.
- Level Playing Field: Or as close as we can get to this.
- Positive players within society. We create jobs, pay taxes, and work to be as sustainable as possible.
- Create an environment conducive to re-investment in commercial accommodations.

No one is calling for a complete ban on short term vacation rentals as has been enacted recently in other jurisdictions. Rather, we seek strong regulation and taxation, and the Committee of the Whole decisions were very well received.

Our three requests appear to be well on their way through the good work of Council:

- 1. Removing transient accommodation as a permitted use, which also removes commercial incentive to use entire or multiple residential properties as a hotel.
- 2. Prohibiting transient accommodation as a zoning option in all new developments.
- 3. Establishing a strong regulatory framework that includes taxation and enforcement, and limits short-term vacation rentals to only a host's primary residence that is not in a multi-dwelling building.

As a final thought, please don't be anxious or afraid about enforcement. It won't be perfect to begin with, and other jurisdictions are doing it well and finding their way through.

On behalf of a very grateful bonafide, tax-paying and regulation-abiding tourism industry, thank you again and please continue the great work.

Sincerely,

Paul Nursey

President and CEO

Paul Nurs

Tourism Victoria

Pamela Martin

Subject:

FW: Email to Mayor and Council RE: Short term accomodation in Victoria B.C.

From: Maureen Thorpe

Sent: June 25, 2017 8:46 AM

To: Victoria Mayor and Council <mayorandcouncil@victoria.ca>

Subject: Short term accomodation in Victoria B.C.

It has come to my attention that there is a movement afoot in Victoria that will affect owners offering short stay accommodation to travellers to Victoria.

My husband and I live in the East Kootenays and enjoy escaping to the west coast for a time in the winter.

Where ever we travel we tend to use short stay accommodation for the following reasons:

We can neither afford nor do we desire to stay in a hotel.

Short stay accommodation feels more homely.

We enjoy residing in neighbourhoods where we can talk with our hosts, learn from them about their passions, and meet locals.

We have access to our own kitchen and often, a garden.

Family can visit and share the same space.

We can enjoy choosing from a large selection of accommodation offering an infinite variety of options.

If a selection of short stay accommodation becomes unavailable, other than staying in a spare bedroom in a stranger's home, we will certainly turn our attention elsewhere.

When in Victoria, we thoroughly enjoy shopping, the markets, the theatre, movies, restaurants and more. Our purse strings become looser as we enjoy the amenities. We hate to lose the possibility of visiting Victoria as often as we do but there are other towns and cities on the West Coast.

I sincerely hope that the discussions regarding short-stay accommodation include the needs of travellers as well as the needs of big business.

Yours in hope,

Maureen Thorpe

Pamela Martin

Subject:

FW: Email to Mayor and Council RE: City Council proposed limitations to a bedroom inside a family dwelling

From: Rich and Mary

Sent: Sunday, June 25, 2017 9:00 AM

To: Victoria Mayor and Council < mayorandcouncil@victoria.ca>

Subject: City Council proposed limitations to a bedroom inside a family dwelling

Good morning. My family of five recently visited Victoria for a two night stay. We were attending a funeral. We wanted quiet accommodation where we could all be together, with private sleeping areas and a fully equipped kitchen. An outdoor sitting area was also desirable. We found a wonderful vrbo that was perfect for our needs . Staying there enhanced our stay and we would seek it out again. While in the area we spent money on shopping, gas and eating out. The option of fully-equipped, short-stay accommodation adds, not detracts, from the charm of Victoria. We hope that council ensures this option will remain available.



MEDIA RELEASE

Greater Victoria Chamber and Fair Short-Term Vacation Rentals

Greater Victoria, June 27, 2017 – The Greater Victoria Chamber of Commerce has adopted the policy resolution, *Regulate and Manage the Emerging Short-Term Rental Business Enterprise*, at its Board of Director's meeting June 27. This policy, recently adopted by the BC Chamber of Commerce and its member Chambers, calls for the provincial government to:

- 1. work with affected stakeholders, including Destination BC and Tourism Industry Association of BC, to clearly articulate related issues and explore resolution options,
- 2. rescind 78(1)b of the Provincial Sales Tax Exemption And Refund Regulation; and
- 3. implement a timely reporting process and structure, so that upon request, a local government can access a complete list of properties registered to collect the Hotel Room PST and the MRDT.

"The Greater Victoria Chamber of Commerce supports short-term residential rental providers operating within a fair and competitive environment," said Catherine Holt, CEO of the Greater Victoria Chamber of Commerce. "There is good work underway by the City of Victoria to regulate short-term vacation rentals in a manner that will support local businesses and protect consumers."

Regulate and Manage the Emerging Short-Term Rental Business Enterprise is one of the Greater Victoria Chamber's 16 policy resolutions, i.e. specific recommendations to governments, which can be read in full in the Greater Victoria Chamber 2017/2018 Advocacy Book, released June 27, 2017.

The Greater Victoria Chamber of Commerce is the largest business association in Greater Victoria, with over 1,400 member organizations. It is funded by businesses to support business, and works to strengthen the region's business community through advocacy, networking events, professional development and other programming to support its members. More info at www.victoriachamber.ca.





MEMBERS

The Chamber is the largest and most influential business association in Greater Victoria.

The Chamber's views are sought after and respected by government, business leaders and the media.

YEARS OF WORKING IN THE REGION

MEDIA MENTIONS ON ISSUES THAT MATTER IN 2016



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Table of Contents

| Introduction | 1 |
|---|-----|
| Affordable Housing | 1 |
| Climate Change | 2 |
| Labour Supply and Retention | 2 |
| Local Economy | 3 |
| Local Government - Governance and Service Delivery | 4 |
| Regulatory Environment | 4 |
| Regional Transportation c | 5 |
| Annex A: Affordable Housing | |
| Housing for B.C.'s Labour Force of Today and Tomorrow | A-1 |
| Increasing Rental Inventory through Fair Tax Treatment | A-2 |
| Annex B: Climate Change | |
| Renovation Tax Credits - Improving B.C.'s Housing Stock | B-1 |
| Annex C: Labour Supply and Retention | |
| Supporting the Labour Needs of Today and Tomorrow - B.C. Provincial Nominee Program | |
| Filling the Gap through Economic Immigration | |
| Annex D: Local Economy | |
| Closing the Gap between Non-Residential and Residential Property Taxes | D-1 |
| Safe Communities and Strong Economies - Mental Health and Addictions in B.C | D-3 |
| Improving B.C.'s Cruise Ship Industry: Ogden Point Master Plan | D-5 |
| Proposed National Marine Conservation Area Reserve - Strait of Georgia | D-7 |
| Annex E: Local Government - Governance and Services | |
| Protecting Our Public Infrastructure | E-1 |
| Safe Communities and Strong Economies - Supporting Policing in B.C. | E-5 |
| Supporting B.C.'s Growth and Economy: Modernization of Regional Districts | E-7 |
| Supporting the Completion of the CRD Liquid Waste Management Plan | E-9 |
| Annex F: Regulatory Environment | |
| Regulate and Manage the Emerging Short-Term Rental Business Enterprise | F-1 |
| Annex G: Regional Transportation and Infrastructure | |
| Improving a Key B.CU.S. Gateway: Belleville International Ferry Terminal | G-1 |
| Improving Urban Transportation in B.C.: Transportation Authorities | G-2 |
| Annex H: The Advocacy Process | H-1 |



Introduction

At any given time there are a wide variety of projects or laws proposed or about to be implemented that can impact the way you do business and affect your long-term growth. The Greater Victoria Chamber of Commerce (The Chamber) is an active advocate on behalf of its membership to help provide an effective voice for the business community before those decisions are finalized.

The Chamber is at its most effective when backed by an active and informed membership. As part of its role, our <u>Policy and Government Affairs Committee</u> works with Chamber staff to become fully informed on all aspects of any issue that impacts our community before working together to support the change or propose alternative solutions.

To support its advocacy efforts, The Chamber annually identifies key policy priorities areas, based on member feedback and consultations. For 2017, The Chamber will develop policy resolutions and plan advocacy initiatives focussed in the following over-arching areas:

- Affordable Housing
- Climate Change
- Labour Supply and Retention
- Local Economy
- Local Government: Governance & Services
- Regulatory Environment
- Regional Transportation and Infrastructure

Part of any effective advocacy movement must include dialogue and discussion. Please feel free to voice your thoughts and concerns by contacting Peggy Kulmala, Manager of Advocacy and Communications, at 250-383-3476 or policy@victoriachamber.ca.

Affordable Housing

Members are increasingly concerned about the scarcity of affordable housing available to our workforce, particularly those earning low to moderate incomes. The scarcity of housing inventories is a priority for businesses because:

- a. housing costs are going up every year and the average home is not affordable on the average family wage,
- b. rental vacancy rates are lower than 1 percent, the lowest in Canada, and
- c. municipal barriers to development differ across jurisdictions and can include long permit times or re-zoning processes, unpredictable community amenity contributions, etc.

The Chamber's position is easy access to housing - both rental and ownership - supports the labour needs of today and tomorrow.



2017 Objective: The Chamber will advocate for the local, regional, provincial and federal governments to invest in methods to reduce private market housing prices as well as stimulate housing and rental inventories. In addition, The Chamber will advocate to increase the supply of affordable housing accessible to employees on low to moderate incomes.

Annex A - Supporting policy resolutions:

- Housing for B.C.'s Labour Force of Today and Tomorrow
- Increasing Rental Inventory through Fair Tax Treatment

Climate Change

Members are concerned with climate change and how the effects of climate change-related legislation, regulation, and taxation will increase their operational costs, stifle investment, and affect their ability to grow and attract investment. The reduction of greenhouse gas emissions and effective management of the impacts of climate change is a priority for businesses because:

- a. waste management, including diversion and reduction initiatives, are an increasingly resource-intensive cost to businesses,
- b. our approach to climate change management affects the ability to compete with other jurisdictions, and
- c. conversion to green technology is expensive, and effectively managed transitions can be critical to business sustainability.

The Chamber's position is economic prosperity goes hand-in-hand with environmental sustainability.

2017 Objective: The Chamber will advocate for solutions that work best for business while supporting public goals for emission reduction and promoting how businesses can also lead through innovation and example.

Annex B - Supporting policy resolutions:

• Renovation Tax Credits - Improving B.C.'s Housing Stock

Labour Supply and Retention

Members are already citing challenges in hiring and housing qualified workers as a barrier to success. Further, our members are concerned that young families cannot afford to move to/remain in in Greater Victoria due to the high cost of living: namely housing and childcare. Addressing current and future labour shortages is a priority to businesses because:

a. Since July 2016, Greater Victoria has had the lowest jobless/unemployment rate in the country,



- b. the strong regional economy, particularly in construction and tourism, is creating additional pressures, and
- c. the forecast is for continued modest economic growth over the next 18 months, which will further exacerbate the labour shortage.

The Chamber's position is that employers need to be able to effectively compete for and tap into all available sources of talent.

2017 Objective: The Chamber will advocate for efficient immigration processes with relevant immigration targets and domestic mobility programs that allow employers to effectively compete for foreign and domestic talent. Further, The Chamber will advocate for ways to decrease the high cost of living in Greater Victoria, such as through increased access quality affordable childcare and housing.

Annex C - Supporting policy resolutions:

- Supporting the Labour Needs of Today & Tomorrow B.C. Provincial Nominee Program
- Filling the Gap through Economic Immigration

Local Economy

Members are increasingly concerned about their tax burden and the economy, particularly how this affects their competitiveness with other jurisdictions. Further, they are aware that government support to economic development has been historically under-resourced and has lacked a regional focus, thereby impacting their ability to grow and to attract investment. Controlling costs to businesses is a priority because:

- In 2016, the Greater Victoria average property tax bill for Residential property owners (before Homeowners Grant) was \$3,043, while for Business, the average bill was \$8,376, and
- According to the <u>2017 Demographia Housing Affordability Survey</u>, Victoria is ranked as one of the world's least affordable cities.

The Chamber's position is that fair and competitive residential and business taxes, a competitive cost of living as well as a regional approach to economic development contributes to a healthy, resilient and growing economy.

2017 Objective: The Chamber will advocate for the judicious use of taxpayer dollars, creation of better jobs, attraction of external investment, and for the diversification and growth of our vibrant economy. The Chamber will actively champion a regional approach to economic development.

Annex D - Supporting policy resolutions:

- Closing the Gap between Non-Residential and Residential Property Taxes
- Safe Communities and Strong Economies Mental Health and Addictions in B.C.



- Improving B.C.'s Cruise Ship Industry: Ogden Point Master Plan
- Proposed National Marine Conservation Area Reserve Strait of Georgia

Local Government - Governance and Service Delivery

Members are frustrated with the cost - in terms of dollars, time and action - to operate in more than one municipality. Members are increasingly concerned about the financial burden placed on businesses as well as the impact that inadequate service delivery has on their ability to grow and to attract investment. The improvement of regional and local governance is a priority to businesses because:

- a. there are conflicts of interest when local politicians are also decision-makers for the CRD,
- b. the City of Victoria bears the majority of costs, e.g. policing, homelessness, as the region's core,
- c. responsibility for public safety is fractured, which can lead to perception that Greater Victoria is not safe, thereby affecting decisions to visit, live, or do commerce in the region, and
- d. it takes extreme effort to initiate and fund regional approaches.

The Chamber's position is that effective local governance supports business success and growth.

2017 Objective: The Chamber will advocate for better governance through fewer governments. Specifically, for the Province to develop realistic options for improved regional governance through the amalgamation of local governments and for modernization of regional districts. The Chamber will advocate that local governments work to enhance the effectiveness and efficiency of municipal service delivery so as to reduce the burden on businesses and improve Greater Victoria's reputation as a region.

Annex E - Supporting policy resolutions:

- Supporting B.C.'s Growth and Economy: Modernization of Regional Districts
- Protecting Our Public Infrastructure
- Safe Communities and Strong Economies Supporting Policing in B.C.
- Supporting the Completion of the CRD Liquid Waste Management Plan

Regulatory Environment

Members are increasingly aware of the need to adapt and evolve to meet customer demands, such as to offer more convenience, lower prices, and increasingly unique customer experiences. Members are concerned when emerging business models such as Airbnb and Uber affect traditional industries, and when existing regulations disadvantage businesses, e.g. municipal private liquor store zoning, or when they are inadequate, e.g. marijuana retailing.

Ensuring a fair and competitive business environment is a priority for businesses because:



- a. current short-term vacation rentals and commercial ride share services create an unfair environment for regulated taxi, hotels, etc.,
- b. the proposed City of Victoria ban or levy on retail plastic bags disadvantage regional or national competitors, and
- c. the City of Victoria proposed regulation of illegal marijuana stores may not be adequate to address the associated risks.

The Chamber's position is that a well-designed and effectively enforced regulations and legislation supports businesses, protects consumers, and contributes to healthy and safe communities.

2017 Objective: The Chamber will advocate for creation/review of regulatory and legislative frameworks, at all level of government, that provide for a fair and competitive environment.

Annex F - Supporting policy resolution:

• Regulate and Manage the Emerging Short-Term Rental Business Enterprise

Regional Transportation

Members are concerned about increasing vehicle travel times, aging/inadequate transportation infrastructure and disproportionate and costly approaches to non-vehicle related transportation modes. The regionalized approach to transportation is a priority for businesses because:

- a. commuting and road traffic in general are becoming more time consuming, especially to and from Westshore communities, and
- b. planning for major routes and infrastructure, such as the Johnson St Bridge, Belleville Terminal, and McKenzie Interchange are treated as if they are the responsibility of a single municipality.

The Chamber's position is that a fast, easy and reliable regional transportation system will attract and retain workers and investors, and support key sectors such as tourism.

2017 Objective: The Chamber will advocate for a regional transportation authority and for funding for upgrades to critical infrastructure.

Annex G - Supporting policy resolutions:

- Improving a Key B.C.-U.S. Gateway: Belleville International Ferry Terminal
- Improving Urban Transportation in B.C.: Transportation Authorities



"For over 150 years, The Chamber has been the vital connection between business and the government," said Chamber CEO Catherine Holt. "We will continue to advocate for public policy and decision-making that benefits businesses, communities, and families throughout Greater Victoria."



Annex A: Affordable Housing

Housing for B.C.'s Labour Force of Today and Tomorrow

Affordable, market-based housing is a major factor in creating attractive, livable and competitive communities. Easy access to affordable housing is important to the business community both as an economic driver in its own right, and also as a competitive advantage in the search for a skilled workforce. Growing urban centres, particularly in Metro Vancouver, Greater Victoria, and Kelowna, are experiencing low rental vacancy rates, signaling issues with supply, keeping rental rates high. Further, these same urban centres are seeing high demand for home ownership, keeping housing and condominium prices high. Together, this suggests B.C.'s overall housing market is not contributing to the diversity of communities or strength of its economy.

Background

It matters to our economy that workers can afford to live where there are job vacancies. In some B.C. urban centres, including Metro Vancouver and Greater Victoria, affordably-priced housing - to own or rent - is simply not available.

| Greater Victoria Municipalities | 2016 Average Assessed Value ¹ |
|---------------------------------|--|
| District of Central Saanich | \$ 614,000 |
| City of Colwood | \$ 500,000 |
| Township of Esquimalt | \$ 556,000 |
| Highlands | \$ 564,000 |
| City of Langford | \$ 456,000 |
| District of Metchosin | \$ 574,000 |
| District of North Saanich | \$ 767,000 |
| Oak Bay | \$ 1,036,000 |
| District of Saanich | \$ 653,000 |
| Town of Sidney | \$ 528,000 |
| District of Sooke | \$ 394,000 |
| City of Victoria | \$ 679,000 |
| Town of View Royal | \$ 604,000 |

Low-wage/minimum wage workers - the coffee shop barista, the restaurant dishwasher, etc. - make \$22,568 per year working full-time at minimum wage. Assuming 30 percent of this income is spent on housing - a generally accepted guideline - these workers cannot afford a mortgage. For rent, they can afford to pay \$565 per month, inclusive of utilities. Given the average rent for a one-bedroom in Victoria is somewhere around \$900, and given the city's rental vacancy rate is 0.6 percent, it is unlikely that they will be able to find somewhere they can afford to live, if any place at all.

A-1

¹ BC Assessment News Release, Jan 3, 2017



Recommendations

In order to meet the labour demands of today and tomorrow, The Chamber recommends that governments:

- 1. in conjunction with local, provincial and federal governments, make a sustainable, long-term investment in the supply of affordable housing, both social and market,
- 2. regulate short-term vacation rentals to prevent them from competing with the housing rental market,
- 3. reward local governments that have clear strategies for density-friendly projects both renovation and new builds, to cut red tape during the development process, and otherwise make it easier for non-profit and for-profit housing developers to build new housing, and
- 4. create through tax relief, grant funding, or some other means more opportunities for first-time homebuyers to enter the housing or condominium market.

The policy, Housing for B.C.'s Labour Force of Today and Tomorrow, was drafted by the Greater Victoria Chamber and approved by the Greater Victoria Chamber board in 2017. The resolution emerged from the joint efforts of the Greater Victoria Chamber of Commerce, the Greater Victoria Harbour Authority, Tourism Victoria, the City of Victoria and the Downtown Victoria Business Association to request Provincial support on issues of importance to the city.

Increasing Rental Inventory through Fair Tax Treatment

Our economy relies upon a wide variety of labour to meet its needs. Rental housing provides accommodation for those who are early in their work careers or those who choose not to pursue home ownership. The lack of supply of rental housing is acute across the country and limits both the supply and mobility of labour. The lack of affordable housing is a significant risk to our economy. There are a number of areas of affordable housing that could be addressed. This policy seeks to address rental inventory specifically.

Tax changes introduced over the past 25 years have disadvantaged the treatment of investment in real property and rental housing in particular. The tax changes have created inequitable taxation on these investments when compared to other forms of investment. The result has been decreased activity in the rental housing market, such as less property turnover and revitalization and less purpose built rental property construction. This has been reflected in the erosion of available rental units, which according to the Canada Mortgage and Housing Corporation (CMHC), has fallen from an average Canadian vacancy rate of 4.5 percent in 1994 to 2.7 percent by the spring of 2014.

Background

In the 1990s, investments in real property were eliminated from the lifetime capital gains exemption. The rationale for the tax move was to direct investment dollars to more "productive" investments. The capital gains tax formula on the sale of rental property is applied immediately upon the disposition of the asset, whereas capital gains on other assets, such as "former property" or "former business property" are eligible for tax deferral when a replacement property is purchased within a specific time frame. Rental property, oddly, is specifically excluded from the definition of "business property". In addition to the capital gains tax, property owners must also pay tax at their full tax rate on the



recaptured amount of capital cost allowance depreciated over the period of their ownership tenure. Together these two tax measures result in a significant "lock-in effect", where owners of real property hold on to the assets rather than re-invest in more productive properties. The tax measures also act as a disincentive to maintain or revitalize the overall quality of both commercial and residential assets, as doing so would result in higher capital gains tax payment upon eventual disposition.

The Canadian Real Estate Association, through the services of Dr. Thomas Wilson, a leading authority on taxation and the University of Toronto's Institute for Policy Analysis, has determined that the cost to government to introduce a deferral on capital gains for real property is minimal. The approximate cost in the first year is estimated to be \$415 million to the federal government and \$208 million in total to provincial and territorial governments. The Association asserts that the cost would actually decrease in subsequent years as the deferrals of gains would come into play and that increased business activity from newly freed capital would more than compensate through increased tax revenue. The Altus Group estimates the typical multi-unit residential income property transaction in the Greater Toronto Area, Greater Calgary Area and Greater Vancouver Area generates \$287,850 in ancillary spending.

<u>The Altus study</u> also found more than one job was created for every two transactions. The increase in ancillary spending and job creation mitigates the loss of capital gains revenue to the government and approximates a revenue neutral effect of this measure.

Tax Treatment of Rental Income

In addition to the treatment of capital gains on rental properties, the rental income they generate falls under the definition of "aggregate investment income" in the Canada Income Tax Act (CITA). Since it is not "active business income", a Canadian Controlled Private Corporation (CCPC) is not able to take advantage of the small business credit, which reduces the corporate tax rate to only 13.5 percent on the first \$500,000 of active business income.

Furthermore, since "aggregate investment income" is excluded from the definition of "full rate taxable income", the CCPC will also not be eligible for the General Rate Reduction. This means that the starting point of the corporate tax rate on this type of income can exceed 40 percent. To potentially qualify for a lower rate, the business must be classified as a "Principal Business Corporation" (PBC). A PBC's primary business must be the leasing, rental, or the development for lease, rental or sale of real property owned by them, and they must employ at least six full-time employees. Most of the companies that provide the majority of rental housing in Canada do not meet these requirements and therefore are taxed at the higher rate.

Furthermore, governments have moved to discourage the use by corporations to defer tax on investment income, instituting an "Additional Refundable Tax" (ART) on aggregate investment income that qualifies for a dividend refund. This is an additional tax on corporations that aggregate investment income and don't pass along the income through dividends to their shareholders. The ART adds a tax of 6.7 percent on the aggregate investment income of CCPCs, which makes the corporate tax rate for CCPCs roughly equal to the highest individual marginal tax rate.

The effect of these definitions and requirements has been to deter investment in rental housing, directing it to other real estate sectors such as the hotel and accommodation industry, where the requirements and tax treatment on active business income are more favourable.



Effects of the GST on Rental Housing

Since it was introduced in 1991, the Goods and Services Tax (GST) has discriminated against rental housing by providing a rebate for ownership housing but none for rental units. In addition, because residential rents are classified as exempt rather than zero-rated under the GST, landlords are unable to recover tax paid on the purchase, repair or improvement of residential buildings. Allowing for a zero-rated designation would mean that because landlords cannot charge GST on rent, they would be able to claim GST on their Input Tax Credits.

All taxes induce people to behave in certain ways. It is clear that the changes in tax policy of the last 25 years applying to investment in real property, and specifically rental property, have resulted in a lock-in effect, less activity in the rental housing industry, and an overall decrease in rental accommodation availability. Yet as noted at the outset, a healthy rental market is important to business operations since rental inventory provides housing for all levels of the employment spectrum.

Recommendations

- 1. That, when fiscal conditions allow, the federal government:
 - a. enact deferral of capital gains tax on the sale of residential rental and mixed-use property, when the proceeds of sales are reinvested within a twelve-month period into other residential rental and/or mixed-use property investments,
 - b. defer the recapturing of the value of depreciated capital cost allowances on residential rental and mixed-use property,
 - c. include rental income under the definition of "active business income" for CCPCs in the CITA legislation,
 - d. allow a 100 percent refund of GST paid by businesses investing in rental housing, and
 - e. zero-rate rental housing operations to allow landlords to claim ITCs on their expenses.

This policy, Increasing Rental Inventory through Fair Tax Treatment, was drafted by the Greater Victoria Chamber in 2012 and endorsed by both the Canadian Chamber and BC Chamber and their member chambers/boards of trade the same year.



Annex B: Climate Change

Renovation Tax Credits - Improving B.C.'s Housing Stock

Renovations help provide stability in the housing market, create jobs, add to tax revenues, support local businesses, as well as contribute to local and higher governments' climate change goals. The federal and provincial governments have the opportunity to incentivize renovations that focus on energy efficiency and Greenhouse Gas (GHG) reduction.

Background

Significant progress on greenhouse gas reduction has been accomplished through technology and systems innovation, voluntary adoption of higher standards of performance, and a uniquely Canadian research and development collaboration between the public and private sectors.

The Province of British Columbia is committed to reducing greenhouse gas emissions as a part of the Climate Action Plan. Many B.C. municipalities are following this lead. For example, the City of Kamloops aims to reduce its greenhouse gas emissions to 45 percent below its 2007 levels by 2020. ²

Housing is responsible for 6.3 percent of direct GHG emissions in Canada. Today's typical new house uses 37 percent less energy than a similar one built in 1990. ³ Further, there are many houses in need of renovation. For example, in Greater Victoria, 87 percent of the housing stock was built before the year 2000, when significant improvements were made to the building code. The Canadian Mortgage and Housing Corporation (CMHC) estimates 84,550 occupied private dwellings in the region built prior to 2000 and are in need of repair. ⁴

The opportunity is for the federal and provincial governments to incentivize renovations that focus on energy efficiency and GHG reduction. Such improvements in the housing stock help provide stability in the housing market, create jobs, add to tax revenues, support local businesses, as well as contribute to local and higher governments' climate change goals.

Presently, there are two home renovation tax credits available to B.C. homeowners:

- 1. <u>BC Home Renovation Tax Credit for Seniors and Persons with Disabilities</u>. The maximum amount of the credit is \$1,000 per tax year and is calculated as 10 percent of the qualifying renovation expense (maximum \$10,000 in expenses).
- 2. Federal Home Accessibility Tax Credit, which is available to those who are 65 or older or eligible to claim the Disability Tax Credit. The HATC is available for the 2016 and subsequent tax years and applies to the total qualifying expenses up to \$10,000 per year, resulting in a maximum non-refundable tax credit of \$1,500 (\$10,000 x 15 percent).

Provincial and federal governments can build on these programs by introducing similar renovation tax credits that focus on energy efficiency and GHG reduction.

² City of Kamloops emissions targets on right track, but in the slow lane

³ <u>Help Canadian Housing and Homeowners Continue to Lead the Way: CHBA's Submission to Canada's Approach to Climate Change (June 2016)</u>

⁴ CMHC, adapted from Statistics Canada data (Census of Canada 2011 and National Household Survey).



Such a tax credit can have a range of benefits over and above those flowing from the renovations alone. For example, home renovation tax credit programs:

- require use of qualified skilled labour,
- assist with the cost of the abatement of hazardous materials such as lead, asbestos, stucco, drywall mud, roof shingles, floor tiles, electrical wires, and cement,
- are an effective method for combatting underground "cash" operators, as to qualify homeowner require receipts, which helps keep both the contract value and revenue in the legitimate economy, and
- on older homes are the most affordable, effective way to increase energy efficiency in the overall housing stock as well as to reduce GHG emissions, allowing governments to demonstrate climate leadership.

Canadian homebuilders and homeowners need to continue to lead the way in climate change action. As the largest opportunity for energy efficiency lies in the existing housing stock, governments must help to encourage homeowners to retrofit existing homes.

Recommendations

The Chamber recommends that the provincial and federal governments create new tax credit programs for consumers to help encourage home renovations that focus on energy efficiency and the reduction of GHG emissions.

This policy, Renovation Tax Credits - Improving B.C.'s Housing Stock, was drafted by the Greater Victoria Chamber, co-sponsored by the Kamloops Chamber of Commerce, and approved by Greater Victoria Chamber board in 2017. It was endorsed by the BC Chamber and its member chambers/boards of trade the same year.



Annex C: Labour Supply and Retention

Supporting the Labour Needs of Today and Tomorrow - B.C. PNP

While immigration is a federal matter, provinces and territories have received a growing role in the selection of immigrants over the past two decades by way of bilateral agreements with the federal government. These bilateral agreements create Provincial Nominee Programs (PNPs) under which each provincial government has an annual nomination limit for the selection of foreign applicants best suited for that specific province/territory. Such applicants, if nominated, are provided expedited processing of their work permit and permanent residency applications. In some provinces, such as B.C., the PNP allotments are continually over-subscribed, while in others it is under used. Further, the majority of settlement tends to be in large urban cores, which can lead to the stagnation/decline of rural areas and ongoing difficulty attracting workers to smaller centres.

Background

Two key factors will determine long-term growth in B.C.'s economy: productivity performance, and the extent to which the labour force expands over time. The hurdles to achieving long-term growth include an ageing population, a low natural birth rate, and intense global competition for talent. A 2016 report found that B.C. will need an extra 20,000 to 32,000 skilled workers annually between 2017 and 2025 to fill projected job vacancies. As the natural birth rate—the lowest in Canada—declines, increasingly employers must look to foreign sources to expand the talent pool. In fact, in the not-too-distant future, immigration will be the only source of significant population growth.

Immigration, Refugees and Citizenship Canada (IRCC) handles large volumes of permanent and temporary resident applications across its extensive global processing network. The process of managing immigration files includes protecting the health, safety and security of Canadians. In collaboration with partners in the Public Safety portfolio as well as the Department of Justice and Health Canada, IRCC works to identify applicants who could pose security or health risks to Canadians. IRCC also works in partnership with other countries to mitigate risks and protect Canada from international threats.

Every foreign worker must obtain a work permit to legally work in Canada. The process by which a work permit is issued involves a complex employment confirmation scheme involving Employment and Social Development Canada (ESDC) and IRCC.

As a general rule, an IRCC visa and immigration officer is not authorized to issue a work permit to a foreign worker unless, in the opinion of the officer, there are insufficient Canadians or permanent residents who can fill the potential position.

Involvement of ESDC is a convenient way for visa and immigration officers to determine whether the employment of the foreign worker is justified given current labour market conditions. With a confirmation of a valid job offer and a favourable opinion known as the "labour market impact assessment" (LMIA) from ESDC - provided security and medical qualifications have been met - the visa and immigration officer will then issue a work permit to the foreign worker. The process generally requires consultation with the employer and ESDC, national advertising and/or recruitment efforts, substantial documentary support and possible involvement of other government agencies.

IRCC manages the permanent entry of foreign workers under the category of Economic Class, including



programs such as Federal Skilled Workers, Live-in Caregiver, and Provincial Nominee (PNP).

According to IRCC, the PNP has four main objectives:

- 1. increase the economic benefits of immigration to provinces/territories based on their economic priorities and labour market conditions,
- 2. distribute the benefits of immigration across all provinces/territories,
- 3. enhance Federal-Provincial-Territorial collaboration, and
- 4. encourage the development of official language minority communities.

Provincial/territorial governments are responsible for:

- designing their PNP program and establishing the program requirements,
- recruiting and nominating the immigrants who will apply to their PNP, and
- monitoring, evaluating and reporting on their PNP.

In B.C., the PNP has nomination categories that focus on different skills levels. Generally, the program can be broken down into the following broad categories, including:

- 1. Entry Level and Semi-Skilled (ELSS), which has a specific focus on supporting workers in the NorthEast development region of the province, and
- 2. High Skilled categories, such as:
 - a. skilled workers (regular and Express Entry),
 - b. international students (regular and Express Entry),
 - c. international students graduating with post-graduate degrees in the health, technology or applied sciences (<u>regular</u> and <u>Express Entry</u>)⁵, and
 - d. health care professionals: regular and Express Entry.

B.C.'s nomination allocation has been increased upon request, being set at 3,800 for 2013, and increased to 4,150 for 2014 and 5,800 for 2015. For 2016, the allocation was 6,000 nominees, which is still higher than any other province. The provincial government requested an allocation of 9,000 nominations from the federal government for 2017, and has been approved for 6,000.

While the BC PNP has grown substantially in response to the provincial government's requests for additional nominations, program demand and provincial labour market needs continue to exceed the annual allocation of nominations. Further, the program lacks responsiveness to the staffing of large-

⁵ This stream does not require a job offer.



scale projects of strategic importance to B.C. and Canada. Projects such as the large-scale LNG proposals have the potential to create a large surge in applications to the program, as experienced skilled overseas workers apply to immigration programs like the PNP to both train and work alongside Canadian workers for the construction and operations of the LNG projects.

Furthermore, an inability to expand the labour pool to sustain and grow economies creates a risk of long-term stagnation/decline for some communities.

Three solutions help to align opportunities with applicants and to mitigating regional disparities.

- 1. Presently, not all provinces and territories are able to fully utilize their allocation. As has been done in the past, when it appears a full allocation may not be used, it makes practical sense that the forecasted unused allocation be transferred to another province/territory that is oversubscribed. This enables B.C. and Canada to be responsive to global as well as regional conditions.
- 2. B.C. already has innovative programs such as the provincial Health Match BC, which through BC PNP provides physicians and allied health care professionals with a direct and expedient route to obtain permanent residency status in Canada. There could be similar matching programs, such as for skilled technology workers, that could build on the momentum in key indemand sectors and that can be distributed throughout the province.
- 3. PNP applicants tend to cluster around high profile urban areas. For example, the vast majority of new immigrants in B.C. choose to live in the already capacity-stretched lower mainland. For example, since 2010, the Lower Mainland has received between 28,650 and 36,040 immigrants each year, while the rest of B.C. received between 2,906 and 2,283. Secondary migration is not specifically recorded, so it is unknown how mobile this population is over time. With such data, programs could be expanded/enhanced to attract applicants and/or landed immigrants to smaller centres in the province.

Recommendations

The Chamber recommends the Government of B.C.:

- 1. work with the Government of Canada to:
 - a. increase B.C. PNP's annual nomination limit to meet the labour requirements of large-scale projects of strategic importance and align with provincial economic trends, and
 - b. allow unused allocations to be transferred between provinces/territories
- 2. develop streams for other sectors, such as technology, engineering, and skilled trades,
- 3. collect data on secondary migration patterns to support the attraction and mobility of immigrants to smaller centres throughout the province, and
- 4. ensure that adequate resources are available to maintain effective BC PNP processing times.

This updated policy, Supporting the Labour Needs of Today and Tomorrow - B.C. Provincial Nominee



Program, was drafted by the Greater Victoria Chamber and co-sponsored by the Richmond Chamber of Commerce and the Prince George Chamber of Commerce in 2017. The policy was approved by the Greater Victoria Chamber's board in 2017 and endorsed by the BC Chamber and its member chambers/boards of trade the same year.

Filling the Gap through Economic Immigration

Members of the Greater Victoria Chamber of Commerce (The Chamber) are citing challenges in hiring qualified workers as a barrier to growth. In urban centres with a high cost of living like Vancouver, Toronto, and Greater Victoria, it becomes particularly challenging to fill gaps at the mid- to lower-end of the employment spectrum, particularly for skilled entry-level as well as low-skilled difficult-to-fill positions. Businesses then turn to hiring foreign workers, but are often frustrated by complex bureaucracy and lengthy timelines. The federal government can effectively adjust the system through a demand-driven focus to immigrant selection, such as by awarding points in the Express Entry process for a job offer, without requiring a Labour Market Impact Assessment.

Background

The next 20 years will see a continued exit of baby boomers from the workforce. This exit will create a strain on national finances in the form of reduced income tax revenue and an increasing expense in the health care system as the baby boomers age. As our workforce shrinks, demand will rise, and employers will have increasing challenges attracting and retaining the workers they need, when they need them.

Immigration to Canada can be either on a permanent basis or temporary in nature, such as to visit, study or work. Immigration, Refugees and Citizenship Canada (IRCC) handles large volumes of permanent and temporary resident applications across its extensive global processing network. The process of managing immigration files includes protecting the health, safety and security of Canadians. In collaboration with partners in the Public Safety portfolio as well as the Department of Justice and Health Canada, IRCC works to identify applicants who could pose security or health risks to Canadians. IRCC also works in partnership with other countries to mitigate risks and protect Canada from international threats.

Process

Every foreign worker must obtain a work permit to legally work in Canada. The process by which a work permit is issued involves a complex employment confirmation scheme involving Employment and Social Development Canada (ESDC) and IRCC.

Involvement of ESDC is a convenient way for visa and immigration officers to determine whether the employment of the foreign worker is justified given current labour market conditions. With a confirmation of a valid job offer and a favourable opinion known as the "labour market impact assessment" (LMIA) from ESDC - provided security and medical qualifications have been met - the visa and immigration officer will then issue a work permit to the foreign worker. The process generally requires consultation with the employer and ESDC, national advertising and/or recruitment efforts, substantial documentary support and possible involvement of other government agencies. Without a positive LMIA assessment, a foreign candidate with a job offer often will not qualify for entry.

Timelines

The processing times for entry as a permanent resident can be lengthy, anywhere from 9 to 97 months. The lengthy timelines, coupled with the LMIA requirement, creates a scenario where the employer identifies the required talent and makes a job offer, but the candidate is either not selected to



immigrate, or has moved on to other opportunities in the interim. Skilled foreign nationals have personal lives and families to consider, and for them as well as their prospective employers in Canada, the unpredictability in the provision of the talent to meet organizational objectives is highly problematic.

Express Entry

Introduced in 2015, Canada's Express Entry system promised transformative change in economic immigration and the opportunity for employers to be involved in immigrant selection.

Express Entry is an electronic application management system for skilled workers to seek permanent residency. It adds a competitive element by selecting candidates based on their scores in a comprehensive ranking system. Scores are assigned based on factors such as education, Canadian work experience and valid job offers.

Job offers must be accompanied by a positive LMIA from Service Canada to confirm that no Canadian or permanent resident is available to take the job. Without the assessment, a foreign candidate with a job offer will not receive 600 points. Candidate assessments below 600 points face more competition and lower chances of receiving an invitation from IRCC to apply for permanent residency through the Express Entry system.

By inserting the LMIA process into Express Entry, the government has put two competing policy principles in play. On the one hand, the Government of Canada wants to facilitate employers' access to a pool of international talent, and on the other hand, it does not want employers to look at international candidates because the government wants Canadians first in the jobs. In the past, the government had other ways to validate job offers for permanent residency applicants. The LMIA is the wrong policy tool for this purpose.

The federal government can effectively adjust the system through demand-driven focus to immigrant selection, such as by awarding points in the Express Entry process for a job offer, without requiring a Labour Market Impact Assessment.

Recommendations

The Chamber recommends that the federal government award points in the Express Entry process for a permanent job offer, without requiring a Labour Market Impact Assessment.

This policy, Filling the Gap through Economic Immigration, was drafted by the Greater Victoria Chamber in 2016 and endorsed by both the Canadian Chamber and BC Chamber with their member chambers/boards of trade the same year.



Annex D: Local Economy

Closing the Gap between Non-Residential and Residential Property Taxes

The Chamber has long expressed concern regarding the local governments charging non-residential property owners a multiple over residential taxpayers, a practice that is not based on any concrete rationale, e.g. aligned with consumption of municipal tax-supported services. This practice affects business' ability to compete with other jurisdictions and remain viable, impacts that will only worsen as property values rise and municipal costs increase.

Background

Prior to 1984, the Government of B.C. regulated ratios between residential and other property classes. This restricted local government's ability to set arbitrary rates and restricted the difference between classes to between 2.6 and 3.5, depending on the class.

In 1984, the Provincial Government granted local government full autonomy in the setting of rates between the various classes. Property classes were then expanded to the current nine classes. This change allowed municipalities the maximum flexibility to allocate tax collection to distinct property types. In addition to the 1984 change, the *Community Charter*, introduced in 2003, provided local governments extensive control over the methods of tax collection and the services that they may choose to fund.

In some provinces, municipalities are free to set their own property tax rates without provincial involvement while in other provinces, the province is involved in the local tax structure through direct controls or limitations on what can be done. For example, in New Brunswick, each municipality sets its own local property tax rate but it is a provincial requirement that the non-residential municipal tax rate must be equal to 1.5 times the residential municipal tax rate. In Ontario, municipalities are permitted to set different tax rates (related to the residential rate) for different property categories although provincially set ranges of fairness limit a municipality's flexibility in setting differential rates. In Manitoba, except for Winnipeg where differential tax rates may be used, municipalities are not allowed to apply differential tax rates to different property types.⁶

Property taxes actually refers to a range of components levied on behalf of a range of different authorities: municipal, school, regional districts, hospitals, transportation authorities, and others. Municipal property taxes are calculated based on BC Assessment's assessed value on specific properties, the municipal budgetary requirements, minus all other sources of funding. It should also be noted that while these are all levied at the local level, only municipal components are fully under the control of the local governments.

Property-tax rates vary by class of property: residential and non-residential, e.g. Industry, Business/Other,⁷ Utilities, Supportive Housing, Farming, Non-profit, Recreational. The difference between residential mill rates and non-residential can be substantial; in Greater Victoria municipalities the difference can vary from more than double to quadruple.⁸

⁶ Property Taxes and Competitiveness in British Columbia, May 2012

⁷ Business/Other includes store and commercial services, office/commercial space, shopping centers, hotels, storage and warehouses, and strata non-residential.

⁸ There is no publicly available information from the Ministry of Community, Sport and Cultural Development nor BC



The rationale for the difference is unclear. In fact, studies have shown that non-residential property owners do not consume the tax-supported services of residential owners.⁹

The autonomy provided to local government, the variety of recipients of property tax, the setting of the tax rate, and the number of classes of property all lend themselves to a complex system that does not encourage openness nor transparency. For example, after extensive reviews of publicly available information, the Greater Victoria Chamber of Commerce specifically asked each of its 13 municipalities January 2017 why they charged non-residential property owners a ratio between two to four times residential (see annex). More than half responded, each acknowledging the practice of charging a multiple - without having a rationale why. One municipality has a higher Business/Other rate in comparison to others in the region because it wants to maintain a very low residential tax rate. Another has a policy of not linking its Business/Other rate with Residential, instead worked to ensure its Business/Other rate was lower than surrounding municipalities. Most pointed out the lack of control they have over the overall "tax bill" due to levies from other authorities. But not one explained why a business is responsible for a greater portion of property taxes than a resident.

Greater Victoria Property Tax Comparison: Class 1 (Residential) vs Class 6 (Business)

| Municipalities | 2016 Residential Mill Rate | 2015 Median Property Value | July 2016 Tax Bill ¹⁰ | 2016 Business Rate | 2015 Median Property Value | July 2016 Tax Bill |
|-----------------|----------------------------------|-------------------------------------|-------------------------------------|--------------------------|-------------------------------------|-----------------------|
| Central Saanich | 6.4821 | 509,000 | \$3,299 | 15.3809 | \$318,000 | \$4,891 |
| Colwood | 6.7903 | 424,000 | \$2,879 | 24.1616 | \$786,000 | \$18,991 |
| Esquimalt | 7.8249 | 418,000 | \$3,271 | 22.7361 | \$476,400 | \$10,831 |
| Highlands | 6.1517 | 545,000 | \$3,353 | 20.9657 | \$293,000 | \$6,143 |
| Langford | 5.9665 | 390,000 | \$2,327 | 17.8579 | \$447,000 | \$7,982 |
| Metchosin | 5.3625 | 536,000 | \$2,874 | 17.3296 | \$182,000 | \$3,154 |
| North Saanich | 4.6147 | 651,000 | \$3,004 | 19.8333 | \$708,000 | \$14,042 |
| Oak Bay | 6.0601 | 758,200 | \$4,595 | 15.5345 | \$282,000 | \$4,381 |
| Saanich | 6.4072 | 537,000 | \$3,441 | 21.8305 | \$392,500 | \$8,568 |
| Sidney | 5.9956 | 423,000 | \$2,536 | 16.3347 | \$321,000 | \$5,243 |
| Sooke | 6.9408 | 336,000 | \$2,332 | 18.0777 | \$280,000 | \$5,062 |
| Victoria | 6.8297 | 428,000 | \$2,923 | 21.4646 | \$523,500 | \$11,237 |
| View Royal | 5.8309 | 467,000 | \$2,723 | 19.2556 | \$434,500 | \$8,367 |
| Average Bill | | \$3,043 | Average Bill | | \$8,376 | |

The Government of B.C. needs to ensure property taxation is fair, transparent, and sustainable.

Recommendations

The Chamber recommends the Government of B.C.:

D-2

Assessment relating to the representative commercial property owner's taxes.

⁹ A 2007 report by MMK Consulting for the City of Vancouver found that, on average, residential properties in Vancouver paid \$0.56 in property taxes for each dollar of tax-supported services consumed, while non-residential properties paid \$2.42 for every dollar of tax-supported services they consumed.

¹⁰ Minus Homeowner Grants



- 1. provide control and oversight on the level of property taxation levied to all taxpayer groups to ensure fair, transparent, and sustainable taxation practices, and
- 2. commission a study by the Auditor General of Local Governments to assess municipal property taxation with the goal of developing a more sustainable structure related to value for money.

This policy, Closing the Gap between Non-Residential and Residential Property Taxes, was drafted by the Greater Victoria Chamber and approved by its Board in 2017. It was endorsed by both the BC Chamber with its member chambers/boards of trade the same year.

Safe Communities and Strong Economies - Mental Health and Addictions in B.C.

Mental illness and addiction affect one in five people across Canada, significantly affecting business and the economy. Further, un- or under-treated mental illnesses and addictions are pervasive within the homeless population, which can lead them to present in anti-social ways, affecting public safety that can, in turn, affect local business. In addition, un- or under-treated mental illnesses and addictions complicates the transition of homeless into permanent housing and can lead to recidivism in offenders, increasing the costs of social housing and to our justice system.

Background

The consequences of un- and under-treated mental illnesses and addictions are substantive, and can present themselves as rising levels of homelessness and crime, lost productivity, policing costs, and government spending. The report, The Life and Economic Impact of Major Mental Illnesses in Canada 2011-2041, estimates that cost of mental illness alone in Canada was \$48.6 billion in 2011. The Centre for Additions and Mental Health lists the costs to our society, which include - on any given week - at least 500,000 employed Canadians are unable to work due to mental health problems and between 23 and 67 percent of homeless people report having a mental illness.

In B.C., the Ministry of Health spends more than \$1.5 billion per year in mental health and substance use services and the Ministry of Children and Family Development approximately \$94 million a year to address child and youth mental health and substance use challenges in B.C. ¹¹ Specific to illicit drug use, the Provincial Health Officer declared a public health emergency April 2016, due to the significant spike in drug overdose deaths.

The provincial government estimates that it costs our economy \$6.6 billion annually in lost productivity due to mental illness and addiction. ¹² Further, the costs of increased policing - typically the first responder when someone becomes unstable or dangerous - is largely borne by businesses through high non-residential property tax rates, which in some regions can be five or more times residential. There are also costs that businesses must pay to ensure the safety of their clients and continuity of their businesses.

The Chamber appreciates that the Government of B.C. has also made it a priority to build a comprehensive system of mental health and substance-use services across the province. We are aware

¹¹ BC Government Fact Sheet: Comprehensive mental health and substance use services in B.C.

¹² Healthy Minds, Healthy People: A Ten-Year Plan to Address Mental Health and Substance Use in British Columbia



that the Ministry of Health has made investments totalling approximately \$1.42 billion in 2014/15, equating to an increase of 67 percent over the 2000/01 total of \$851.4 million. We can see that the provincial government has clearly taken many steps to address mental health and addictions issues across the province over the last three years, steps that include more funding, additional space, and capital investments.

On July 27, 2016, the Government of B.C. established a Joint Task Force on Overdose Response that is headed by Provincial Health Officer Dr. Perry Kendall and Clayton Pecknold, B.C.'s director of police services. The Task Force has representatives from the health and public safety sectors including B.C.'s Chief Coroner, representatives from RCMP "E" Division, the Vancouver Police Department and Vancouver Coastal Health Authority.¹³

The Task Force has identified priority areas such as better mental and emotional support for people who work on the front lines; expanded rapid access to opioid substitution treatment and the continuum of care; expanded and targeted law-enforcement strategies for fentanyl and carfentanil; continued expansion of access to naloxone; enhanced laboratory capacity and further support for the BC Coroners Service.

Although B.C. has increased mental health and addictions treatment resources, helping countless individuals, families, businesses, and communities, the issues related directly and indirectly to un- or under-treated mental illnesses and addictions are still on the rise, as are overdose deaths. B.C. currently has the highest per capita spending on mental health and addictions in Canada at \$230 per capita and yet the service demand is still not met.¹⁴

The Chamber is confident the provincial government will continue to make priority investments in mental health and addictions, but questions whether the current service delivery model is effective. For example:

Access to mental health and addiction services in rural/remote communities remains an issue for a variety of reasons, including a shortage of trained staff.

- There appears to be a lack of coordination between the Ministry of Health and BC Housing, which exacerbates the difficulty of providing housing, allowing individuals to slip through the cracks and end up back on the streets.
- There appears to be a "cherry-picking" approach to addressing un- or under-treated mental illnesses and addictions, largely flowing from funding streams and political priorities e.g. resources tied to a specific gender, age, ethnic profile and/or a specific diagnosis. This can reduce access for those suffering as well as complicate the overall bureaucracy.
- There is no single lead organization at the provincial-level, and as such, service providers, e.g. social housing (emergency, supportive), justice/law enforcement, health/mental health/sexual health, income/employment, often work in silos and compete for funding, further challenging an already complex situation.

D-4

¹³ Opioid Overdose: British Columbia's Public Health Emergency, Written Submission House of Commons Standing Committee on Health (October 6, 2016)

¹⁴ Mood Disorders Society of Canada Quick Facts: Mental Illness and Addictions in Canada (2nd Edition)



• Recidivism for offenders as well as evictions from social housing are predominantly due to un- or under-treated mental illnesses and addictions, yet are managed by those in the justice system and by social housing providers rather than trained health care providers.

Recommendations

The Chamber recommends the Government of B.C. ensures a sustainable, systematic approach to mental health and addictions prevention and treatment through:

- 1. commissioning an expedited study funded in BC Budget 2018 if not sooner to re-design the current service model to include:
 - a. identifying a lead provincial agency to coordinate treatment programs across the province for un- or under-treated mental illnesses and addiction,
 - b. ensuring regional integrated teams are properly resourced to provide effective and assertive treatment and outreach, and
 - c. support and develop intervention in early and evolving mental health and substance use issues,
- 2. ensuring the work of the Joint Task Force on Overdose Response continues and is appropriately funded.

This policy, Safe Communities and Strong Economies - Mental Health and Addictions in B.C., was drafted by the Greater Victoria Chamber, co-sponsored by the Kelowna Chamber of Commerce, in 2017. The resolution emerged from the joint efforts of the Greater Victoria Chamber of Commerce, the Greater Victoria Harbour Authority, Tourism Victoria, the City of Victoria and the Downtown Victoria Business Association to request Provincial support on issues of importance to the city. It was endorsed by the BC Chamber and its member chambers/boards of trade at the 2017 BC Chamber AGM.

Improving B.C.'s Cruise Ship Industry: Ogden Point Master Plan

Developing and improving cruise capacity in British Columbia is essential to maintaining our position as a key player in the global cruise industry. Owned and managed by the Greater Victoria Harbour Authority (GVHA), Ogden Point in Victoria is Canada's busiest cruise ship port of call, welcoming more than 550,000 passengers and more than 212,000 crew on 224 ships in 2016. GVHA has developed the Ogden Point Master Plan. The Plan will contribute to the province's overall cruise capacity, establish B.C.'s second cruise ship "home port", while boosting the visibility of B.C. cruise ports including Vancouver, Nanaimo, and Prince Rupert.

Background

The B.C. cruise ship industry is a significant contributor to the provincial economy and tourism sector.

¹⁵ GVHA Media Release (Nov 3, 2016)

¹⁶ A "home port" specializes in dealing with the activities of a cruise ships, and provides the platform for passengers to enter and disembark the cruises at the beginning and the end of the journeys, respectively. A cruise home port is also capable of providing the essential provisions required for a cruise voyage, e.g. fuel, fresh drinking water, wines, foods.



According to the Cruise Lines International Association (North West & Canada):

- the ports in Nanaimo, Prince Rupert, Victoria and Vancouver account for over half of all of Canada's cruise passenger traffic.
- the cruise business in B.C. generates over 440,000 hotel night stays and some 6,000 direct and indirect jobs, and
- the arrival of each cruise ship in Vancouver stimulates more than \$2 million in economic activity.

Cruise activity out of Ogden Point in Greater Victoria alone is estimated to have an economic impact of \$100 million annually, providing an estimated 700 direct and indirect jobs in the region. Serving popular Alaska routes for all major international cruise lines, mostly out of the Port of Seattle, Victoria's share of future cruise business is expected to grow by four to five percent per year over the next five years.

To sustainably build and manage future growth in cruise and other essential marine industries, GVHA has developed the Ogden Point Master Plan. The Master Plan is a vision for Ogden Point that builds capacity on its existing footprint. It enhances the cruise terminal buildings to create a tourism gateway for Victoria, builds on a partnership with the Esquimalt and Songhees Nations for a strong cultural presence on-site, and adds community-focused retail, service, and hospitality infrastructure. The Master Plan includes attractive investment and development potential for marine industries, building on the site's long history as a viable working harbour.

Implementation of the Ogden Point Master Plan sets the stage for Victoria to become a home port by the early 2020s. A homeport in Victoria could attract pre- and post-cruise tourism business, and is expected to provide economic impact similar to home port activity seen in Vancouver, i.e. \$2 million per ship per excursion.

GVHA intends to apply for federal support under the Building Canada Fund for construction of a new cruise terminal.

Recommendations

The Chamber recommends the Provincial Government:

- 1. endorse the application for federal funding to develop Ogden Point, including the upgrading of the new cruise terminal, and
- 2. support the development of tourism attractions for cruise passengers in all regions of B.C. currently supporting the existing cruise infrastructure.

This policy, Improving B.C.'S Cruise Ship Industry: Ogden Point Master Plan, was drafted by the Greater Victoria Chamber, co-sponsored by the Greater Nanaimo Chamber of Commerce, in 2017. The resolution emerged from the joint efforts of the Greater Victoria Chamber of Commerce, the Greater Victoria Harbour Authority, Tourism Victoria, the City of Victoria and the Downtown Victoria Business Association to request Provincial support on issues of importance to the city. It was endorsed by the BC Chamber and its member chambers/boards of trade at the 2017 BC Chamber AGM.



Proposed National Marine Conservation Area Reserve - Strait of Georgia

The beauty of British Columbia is intrinsically tied to tourism, external investment, and the health of our communities. In 2003, the Government of Canada and British Columbia signed a memorandum of understanding to establish a National Marine Conservation Area (NMCA) Reserve in the Southern Strait of Georgia. The proposed boundary is within a heavily populated area with high levels of private, commercial and public activities. Vancouver Island's coastal communities stand to be greatly affected by the proposed NMCA Reserve, namely their real estate prices, their businesses, as well as their way of life.

The Chamber believes the proposed establishment of a NMCA Reserve in the Southern Strait of Georgia can contribute to our economy, attract investment, create household-sustaining jobs, and support local business. The area of consideration is home to hundreds of thousands of people, is a major international trade route, has a considerable amount of foreshore title land, and has a maze of jurisdictional players. The Chamber believes the biggest risk to commercial and recreational activities is any stakeholder confusion or uncertainty leading up to and after the Strait of Georgia NMCA Reserve is established.

Background

The conservation of marine environments is taking on global significance. In response to this, the Government of Canada began a NMCA program in 1994. In 2003, Canada and British Columbia signed a memorandum of understanding to establish a National Marine Conservation Area Reserve (NMCA) Reserve in the southern Strait of Georgia.

A "Reserve" is established when there are First Nations land claims in an area. Given the number of unresolved First Nations claims in the Southern Strait of Georgia area, an NMCA Reserve would be established pending resolution of the claims. Once all claims are resolved, the area would become a NMCA.

The Strait of Georgia marine region is the smallest of five marine regions found on Canada's Pacific coast, yet it is also one of the most productive. It is also a region intensively enjoyed by British Columbians and visitors each year. For example, the rich sub-tidal communities provide some of the best scuba diving in North America and pleasure cruising is world-class, whether it be in a yacht or a kayak.

Impact on Commerce and Residents

If the Southern Strait of Georgia NMCA Reserve is established, ownership of provincial lands - including the seabed - would be transferred to the federal government. For waterfront residential and commercial properties, that means the submerged lands below the high-tide watermark would be transferred from the Province of B.C. to the Government of Canada.



Beyond the transfer of submerged lands ownership, there is a complex jurisdictional maze that includes First Nations, regional districts, municipalities, transportation authorities, and island trusts. This area also has more than 100,000 residents and countless visitors who have relied on easy and free access to

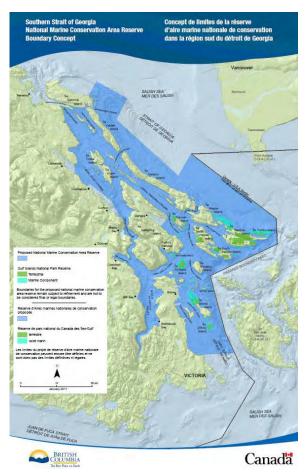
waters for decades. Such a delicate operating environment has a direct impact on residents' quality of life as well as on businesses.

One of the frequently discussed business impacts surrounding the navigable waters within the 2011 proposed boundaries is marine transportation; it is BC Ferries "backyard" and a transit route for thousands of cargo shipments per year.

There are many practical questions that still need to be answered, such as how will the NMCA Reserve operations - including enforcement - be funded? Who makes the decision to halt or alter commercial vessel traffic patterns if zones need to be established or amended? How will the success of the NMCA Reserve be measured? Who will manage affected land use, e.g. issue permits for private infrastructure that extends below the high-tide watermark? These are questions that need to be answered before the NMCA Reserve is implemented to ensure a welcoming business environment and public support.

Decision-Making Environment

The Government of Canada and the Province of B.C. will have numerous challenges facing the proposed Strait of Georgia NMCA Reserve, including:



- continuing to allow high concentration of commercial and recreational marine traffic in the area,
- the potential for a variety of inter-departmental jurisdictional issues, e.g. fishing and marine transportation falling under both Fisheries and Oceans and Transport Canada and in collaboration with Parks Canada, and
- the proposed NMCA Reserve is expected to fall under the Canada National Marine Conservation
 Areas Act, and as such, would not address specific conditions relating to the Southern Strait of
 Georgia's unique environment.

Commercial activities within the Southern Strait of Georgia are critical to our economy. Vancouver Island's coastal communities stand to be greatly affected by the proposed NMCA Reserve, namely their real estate prices, their businesses, as well as their way of life. This leads to a highly charged and politicized environment that can interfere with sound policy decisions, consequently making the region vulnerable to complex change driven by vocal minorities instead of sound principles.



Progress to Date

Parks Canada has hired a full-time employee to manage the specific file, and is working on a number of studies to develop a comprehensive understanding of the region and to reach a determination of the feasibility of the proposed NMCA Reserve. The Chamber expects this research to include a thorough analysis of current and forecasted commercial and recreational activity, as well as how such activity may be affected by the establishment of an NMCA Reserve - before the reserve is created. The proposed Southern Strait of Georgia NMCA Reserve should balance the needs of the economy with the environment. Issues should be anticipated and questions answered prior to implementation. Critical points need to be incorporated into separate legislation to ensure a stable and transparent decision-making environment for all stakeholders.

The Chamber appreciates the need to balance the conservation of our environment. The Chamber recognizes that the beauty of British Columbia is intrinsically tied to tourism, external investment, and the health of our communities.

The Chamber is supportive of continued dialogue regarding the proposed NMCA Reserves in the Strait of Georgia, provided Strait of Georgia's unique environment and its importance to the health and prosperity of the regional economy is clearly recognized.

To that end, The Chamber expects a specific piece of legislation be enacted to address unique nature of the Strait of Georgia NMCA Reserve, such as was done with Saguenay-St. Lawrence Marine Park. Such legislation would mitigate any confusion or uncertainly, allowing businesses, residents and visitors a stable and transparent decision-making platform.

Recommendations

- In recognition of the Strait of Georgia as one of North America's most important trading corridors, moving billions of dollars in trade good, The Chamber recommends that the federal government:
 - establish a predictable and transparent decision-making for the consultation process leading up to establishment of the proposed Strait of Georgia National Marine Conservation Area Reserve, and
 - b. ensure continued access to existing and future marine trade corridors in the Strait of Georgia.

This updated policy, The Proposed National Marine Conservation Area Reserve - Strait of Georgia, was drafted by the Greater Victoria Chamber and approved by its board in 2016. It was endorsed by the BC Chamber and its member chambers/boards of trade the same year.



Annex E: Local Government - Governance and Services

Protecting Our Public Infrastructure

Canadian businesses needs public funding to continue in a sustainable consistent manner that accrues to communities for infrastructure improvements and upgrades. To that end, The Chamber recommends that the federal and provincial governments establishes project selection criteria that prioritizes infrastructure funding requests based on criteria such as national/provincial economic interest, returnon investment, and job creation, as well as that the provincial government develop a long-term infrastructure strategy and plan.

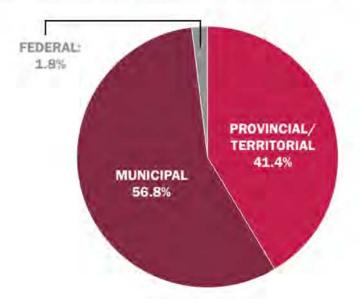
Background

According to the 2016 study, *Informing the Future: Canadian Infrastructure Report Card*, by the Federation of Canadian Municipalities (FCM), municipal governments own nearly 60 percent of Canada's core public infrastructure. The value of these core municipal infrastructure assets is estimated at \$1.1 trillion.

Figure 1: Net Stock of Core Public Infrastructure by Level of Government, 2013

Notes: Net stock calculated using a depreciation model. 2013 data based on forecast.

Source: Updating Infrastructure in Canada: An Examination of Needs and Investments. Report of the Standing Committee on Transport, Infrastructure and Communities, June 2015.



Municipally-owned infrastructure assets include but are not limited to:

- water systems,
- roads and bridges,
- buildings,
- sport and recreation facilities, and
- public transit.



FCM estimates that the backlog of upgrades and expenditure of the existing municipally-owned infrastructure in Canada to exceed \$123 billion.

In 2007, the Government of Canada launched the Building Canada Plan (BCP) which included a \$33 billion investment plan for federal, provincial/territorial and municipal infrastructure before 2014. Spending was accelerated under the Government of Canada's stimulus program in 2009 and 2010. In the 2011 budget, the federal government announced a process to develop a new long-term infrastructure plan to replace the BCP, which resulted in the New Building Canada Plan (NBCP), a 10 year plan for federal investments in building and maintaining Canada.

The NBCP was a federal government commitment to invest over \$53 billion in infrastructure across the country over the next 10 years (2014-2024).

Two key components of the NBCP included:

- 1. the New Building Canada Fund (NBCF) a \$14 billion dollar fund to support projects of national, regional and local significance that promote economic growth, job creation and productivity, and
- 3. the Federal Gas Tax Fund (GTF) to date \$13 billion funding for local infrastructure projects, with close to \$22 billion anticipated to flow over the next 10 years.

The permanent and indexed federal GTF was a step toward that goal, laying the groundwork for a national plan to eliminate the municipal infrastructure deficit.

The federal government's <u>Economic Action Plan 2013</u> renewed the federal GTF, indexing it at two percent per year, to be applied in \$100 million dollar increments, which means that it will grow by \$1.8 billion over the next decade.

For the provinces, the NBCP contribution is significant. For example, for British Columbia, the NBCP represents almost \$3.9 billion in dedicated federal funding, including almost \$1.1 billion under the NBCF and an estimated \$2.76 billion under the GTF.

British Columbia also stands to benefit from:

- \$4 billion available for projects of national significance,
- \$1.25 billion in additional funding available for P3 projects, and
- \$10.4 billion via the GST Rebate.

In the 2016 Federal Budget, the new federal government updated the NBCP numbers, increasing their commitment to asset management by an additional \$50 million. There will now be an additional \$60 billion over 10 years, split evenly between public transit, green infrastructure, and social infrastructure.

This is in addition to the \$65 billion promised by the previous government for traditional infrastructure such as roads, bridges, and transportation. To fully leverage these funds, the provincial approach should



be to group project priorities, and align provincial priorities with the available Federal infrastructure funding opportunities.

Federal funding is provided up front, twice-a-year, to provinces and territories, who in turn flow this funding to their municipalities to support local infrastructure priorities. Municipalities can pool, bank and borrow against this funding which provides financial flexibility.

With aging infrastructure and limited resources, communities face huge challenges in financing the necessary repair, replacement and upgrade of public infrastructure. Communities, industry and businesses rely on utilities, transportation and power system to sustain business. Business interruptions due to broken water mains, poor roads, inadequate transit and other disruption causes economic loss to businesses and limits our ability to attract new businesses to communities.

Communities also face financial challenges from increasing standards and regulations without adequate financial mechanisms to pay for them. The primary resources at the municipal level are property tax. Canadian businesses pay a much higher tax rate than residential taxpayers. Significant increases in property taxes are not affordable either for Canadian businesses or for residents. Senior levels of government need to be more involved in renewing the basic fabric of communities. Today communities receive only eight cents on every tax dollar collected by all levels of government, significantly down from 24 cents a decade ago.

Our built environment or infrastructure is critical to the economic capacity and livability of communities and the viability of Canadian businesses within them. Many communities are struggling with competing financial pressures and aging, failing infrastructure. Municipal budgeting processes currently fail to require accounting for future demands for infrastructure upgrades and replacement. Government support at all levels is required to renew public infrastructure as well as assist with paying for new and increased regulations and standards.

While funding infrastructure remains a priority of the current federal government, the emphasis continues to be on new infrastructure when communities cannot reasonably cope with existing infrastructure. A core direction of current and new funding programs needs to be directed to upgrade and replacement of existing infrastructure especially in medium and smaller communities with very limited tax bases.

A 2015 report by the Canadian Centre for Economic Analysis (CANCEA), <u>Investing in Ontario's Public Infrastructure: A Prosperity at Risk Perspective</u>, shows that the economic importance of public infrastructure investment is vastly greater than previously found using traditional economic models. Using unique agent-based modelling, CANCEA found that public infrastructure investments generate an economic return on real GDP that is almost eight times as large as the impact predicted by traditional economic models.

CANCEA's report uses Ontario big data/big analytics approach to assess infrastructure impacts. The CANCEA team examined the long-term economic impact of Ontario's 10-year, \$130 billion infrastructure plan using its unique research platform called "Prosperity at Risk". The research found that for every \$1 billion invested in infrastructure as part of the Ontario \$130 billion 10-year plan, \$1.7 billion in provincial tax revenue will be generated relative to not making the infrastructure investment.



The power industry estimates their backlog is in excess of \$300 billion for the renewal of the power grid plus unknown generation renewal costs. There is also demand by school boards, health care facilities and universities and colleges for public funds for upgrades and replacement along with billions of dollars of assets owed directly by provincial, territorial a federal governments. However, for every dollar municipalities invest in local infrastructure, federal, provincial and territorial governments receive a combined 35 cents, mainly through new income and sales taxes - 18 cents going to Ottawa and 17 cents to provincial or territorial governments. There are benefits to investing in infrastructure for all levels of government.

Municipal governments are essential to identifying and implementing projects that respond to local needs, while contributing to regional, provincial and federal prosperity. However, municipal governments often lack the resources and expertise to deliver productive and sustainable infrastructure in a cost-effective and timely fashion. The cost and complexity of maintaining public infrastructure introduces significant risk to the effective use of taxpayer dollars. To alleviate this risk, funding programs should require structured project selection criteria that will ensure value for money and continuity of high paying jobs in communities.

All levels of government need to work together to prioritize investments to support trade-enabling infrastructure investment while building capacity of cities and communities to plan, build, and maintain their infrastructure over the long-term.

As the nation's pacific gateway, the Provincial government must actively formulate an overarching strategy to prioritize investment, and attract federal funds. As communities in every Province compete for funding, it is important that a consolidated provincial strategy is in place to ensure that attention is paid to the needs of British Columbia.

Recommendations

The Chamber recommends that:

- 1. the federal and provincial governments establishes project selection criteria that prioritizes infrastructure funding requests based on criteria such as national/provincial economic interest, return-on investment, and job creation.
- 2. the provincial government develop a long-term infrastructure strategy and plan for British Columbia that:
 - a. provides increased support for communities to report on the condition and replacement needs of infrastructure,
 - b. amends the mandatory municipal budgeting process to require identification of future infrastructure needs, and
 - c. aligns provincial funding priorities with the available federal infrastructure funding opportunities.

The updated policy, Protecting Our Public Infrastructure, was drafted by the Greater Nanaimo Chamber, co-sponsored by the Greater Victoria Chamber and the Greater Vancouver Board of Trade, and approved by the Greater Victoria Chamber board in 2016. It was endorsed by the BC Chamber and its member chambers/boards of trade at the 2016 BC Chamber AGM.



Safe Communities and Strong Economies - Supporting Policing in B.C.

B.C.'s police forces are on patrol, investigating crimes, enforcing the law, and keeping the peace. Effective and adequately resourced policing is integral to safe economies and strong economies. As B.C.'s urban centres grow and municipalities increasingly become inter-dependent, the importance of regional policing increases. Yet municipal police forces and RCMP detachments have different levels of funding, manage their cases differently, and may not have the resources for specialized training. In the regions with multiple police forces, funding, governance, and operations can vary widely. From a practical perspective, dividing police resources along municipal borders, especially ones that are adjacent, makes little or no sense.

Background

At the present time, the RAMP and 11 independent municipal police organizations provide service across B.C. For example, Greater Victoria has four independent municipal police forces and three RCMP detachments serving a population of 335,256.

| Greater Victoria Policing (| as of January | <i>(</i> 2016) |
|------------------------------------|---------------|----------------|
|------------------------------------|---------------|----------------|

| Police Service | Officers | Municipality | Pop. (2011) |
|--------------------------------------|----------|-----------------|-------------|
| Central Saanich Police Department | 26 | Central Saanich | 15,936 |
| Oak Bay Police Department | 25 | Oak Bay | 18,015 |
| North Saanich/Sidney RCMP Detachment | 31 | North Saanich | 11,089 |
| North Saanich/Sidney New Petachinent | | Sidney | 11,178 |
| Saanich Police Department | 152 | Saanich | 109,752 |
| Sooke RCMP Detachment*17 | 15 | Sooke | 11,435 |
| Victoria Police Department | 243 | Esquimalt | 16,209 |
| Victoria Police Department | | Victoria | 80,017 |
| | 64 | Colwood | 16,093 |
| | | Highlands | 2,120 |
| Westshore RCMP Detachment | | Langford | 29,228 |
| | | Metchosin | 4,803 |
| | | View Royal | 9,381 |

Under the *BC Police Act*, municipalities with a population exceeding 5,000 must assume responsibility for police services within their boundaries. Such municipalities have three options:

- 1. contract with the provincial government for RCMP municipal police services,
- 2. contract with an existing independent municipal police department, or
- 3. form an independent municipal police department.

Independent municipal police departments are governed by a police board, a non-partisan body whose role is to provide governance, budgetary control, and policy direction.

The operations of the RCMP are governed by the RCMP Act and are subject to the contractual

¹⁷ Sooke RCMP Detachment is also responsible for Port Renfrew, pop. 139 (2011)



agreements between the various levels of government, e.g. Municipal Police Unit Agreement.

Funding

Taxpayers in municipalities with independent municipal police forces pay 100 percent of their local policing costs. Over 30 percent of municipal property taxes are typically allocated to support independent police forces, the largest single expenditure for local governments.

Municipal RCMP policing is partially funded by the provincial government and municipalities through property taxes. The portions are broken down into three different cost-sharing formulas:

- 1. Municipalities with populations exceeding 15,000 persons are responsible for 90 percent of the cost of their RCMP police services.
- 2. Municipalities with populations between 5,000 and 15,000 are responsible for 70 percent of the
- 3. Municipalities with populations under 5,000, pay less than 50 percent of the total cost for police services

The complexity of the current police funding model can be cumbersome. For example, the RCMP detachment serving the five municipalities in Greater Victoria's western communities is funded by three different cost-sharing formulas, one for the two communities under 5,000, another for the two over 15,000, and yet another for the one that falls in between.

Operations

Each municipality can have its own distinct policing requirements. Victoria has the seat of government, is the daytime working centre and the region's night-time playground. As such, the Victoria Police Department may have more officers on duty at bar closing on a Friday night or at the B.C. Legislature on Canada Day than any department or detachment in the region. Further, populations with chronic unor under-treated mental health and addictions requires police officers - often the first responder when an individual is unstable or dangerous - to act as front line social workers.

Each municipality will have its own policing priorities, reflecting local issues, municipal resources, and local government policies. In Victoria, the municipality is regulating marijuana dispensaries, with its independent police force intervening upon a case-by-case bases. Meanwhile, neighbouring municipalities have emphatically said no to medical marijuana dispensaries.

The municipal disparities in law enforcement can have a great impact on the region as a whole, as crime tends to move towards areas of least resistance. If illegal activity triggers police enforcement in one municipality but not in another, then it only makes sense that type of illegal activity flourishes in the latter, potentially attracting similar and related illegal activities.

Integrated Units

Integrated units can provide a regional approach to law enforcement and crime prevention, e.g. Integrated Major Crime Unit, Integrated Road Safety Unit and the Mobile Youth Service Team. Not all municipalities are on each integrated team; their composition tends to be aligned with municipalities' policing priorities. Such teams may create economies of scale, provide access to specialized equipment, training and personnel, as well as increase the effectiveness in addressing criminal activity affecting



more than one community.

Integrated police units form and collapse over the years. From some individual municipalities' perspective, it might seem worthwhile to withdraw from an integrated team when its specific policing priorities are not being met. Others might see their involvement in an integrated team as more of an "insurance policy," i.e., access to specialized expertise and resources that it does not have to fund or retain on its own.

The ad hoc and temporary nature of integrated teams makes them an unreliable approach to regional policing.

Recommendations

The Chamber recommends the Government of B.C. ensure the provision of effective and adequately resourced police services in the Province of B.C. by creating a common governance and funding model to ensure effective, sustainable, equitable police services within and between B.C. communities.

The updated policy, Safe Communities and Strong Economies - Supporting Policing In B.C., was drafted by the Greater Victoria Chamber, co-sponsored by the Abbotsford Chamber of Commerce, and approved by the Greater Victoria Chamber board in 2017. It was endorsed by the BC Chamber and its member chambers/boards of trade at the 2017 BC Chamber AGM.

Supporting B.C.'s Growth and Economy - Modernization of Regional Districts

Regional governments play an important role in our communities by delivering regional services where a regional service is appropriate and providing local level governance and service for unincorporated areas within its boundaries. As urban centres grow and municipalities' residents and businesses increasingly become inter-dependent, the importance of regional services increases, both in terms of type and complexity, e.g. transportation infrastructure, air-quality management, and sewage. However, regional governments can be rendered unable to act without voluntary buy-in from the municipalities. Without effective regional governance and service delivery, businesses experience increased costs - in terms of dollars, time and energy - to operate in more than one municipality and services are duplicated and inefficient or not provided at all.

Background

In 2003, municipal governance was modernized with the *Community Charter*, which set out principles for municipal-provincial relations and gave municipalities' direct authority and accountability in regards to governing their respective municipalities.

Regional districts were created in 1966, and were intended to manage issues that transcended municipal borders and to be the local government for the 95 percent of the provincial land area that was outside of municipal boundaries. The *Local Government Act* describes the Corporate Power to make agreements respecting a wide array of services, regulation and property. In practice, regional districts provide services through authority derived from the *Local Government Act*, letters patent and - since the late 1980s - through Service Establishment Bylaws.

The purpose of regional districts is three-fold:

1. they are regional governments that deliver regional services,



- 2. they are inter-municipal and provide a political and administrative framework for the delivery of services on a partnership basis, and
- 3. they can offer local government services for unincorporated areas.

This policy resolution focusses specifically on the first, regional districts' ability to effectively and efficiently deliver regional services, particularly in urban settings.

Today, there are 154 municipalities in BC, plus 27 regional districts. Since regional districts were implemented, the municipal landscape has changed: the population has dramatically increased and urban areas have expanded. Most regional districts inhabit primarily unincorporated rural areas (electoral areas).

However, some are in urban areas where the municipalities are largely adjacent and things have changed. For example, Greater Victoria area has 13 municipalities (the majority of the Capital Regional District, minus the Gulf Islands) and Metro Vancouver has 21 municipalities.

The Capital Regional District (CRD) and Metro Vancouver have been in the past considered regional district anomalies because of their highly-populated urban areas. In these two districts, the regional governments primarily provide fully regional services like water supply and air quality management. In contrast, less populated regional districts are more focused on providing local services like planning, and fire protection. Both the CRD and Metro Vancouver share regional problems typical of growing urban settings, including transportation, homelessness, water and wastewater management, policing and fire protection, property taxation and land use.

Today, CRD and Metro Vancouver are no longer anomalies. Areas of B.C. are growing and other regional districts are quickly finding themselves in the same/similar predicament as the CRD and Metro Vancouver, including the Regional District of Central Okanagan, Regional District of Nanaimo, Regional District of Fraser-Fort George and North Okanagan Regional District.

The current legislation allows specific municipalities to opt in and out of services and requires any changes to be accepted by all parties. This sets the stage for at best inaction, such as what was seen in the CRD's 50-year path to sewage treatment, if not conflict, with municipalities acting against regional interests thereby rendering the CRD unable to act. There are also many large and small areas where the regional district model does not meet the needs of taxpayers. For example, Section 375 of the *Local Government Act* does not specify or provide any information on the scope or type of public consultation during the development of financial plans. As such, it is left up to the regional district how much - or how little - taxpayers are consulted.

The regional district enabling legislation requires modernization to keep our economy strong and to maintain - if not further enhance - the quality of life of which British Columbians are so proud. Although there have been incremental changes to the governing legislation for regional districts over the past 50 years, it is time for a comprehensive review to align regional governance with B.C.'s growing communities.



Recommendations

The Chamber recommends the Government of B.C. modernize regional district-related legislation to achieve the following objectives:

- 1. Clear mandate—regional districts should have sole responsibilities for specific municipal services.
- 2. Transparency regional districts should be transparent in regards to taxation, ensuring citizens and businesses alike are aware of how much they are paying and for what.
- 3. Governance in the best interest of the majority regional districts have the authority to act in the best interests of the region and to deliver their mandate.

This policy, Supporting B.C.'s Growth and Economy: Modernization of Regional Districts, was drafted by the Greater Victoria Chamber and approved by its board in 2017. It was endorsed by the BC Chamber and its member chambers/boards of trade at the 2017 BC Chamber AGM.

Supporting the Completion of the CRD Liquid Waste Management Plan

Greater Victoria prides itself on its sustainability and its record on the environment. Having raw sewage pumped into the ocean defies our sense of ourselves and is not a credible environmental practice. The lack of treatment has threatened our reputation and our government and economic ties with Washington State. Federal legislation requires that we have sewage treatment in place by 2020 or we will be subject to hefty fines.

Background

Since the 1890s, we have pumped our sewage virtually untreated into the Strait of Juan de Fuca, relying on dilution and natural dispersion processes to treat our waste. The issue of whether or not to treat our wastewater has been on the Capital Regional District's (CRD) radar for decades, going back to 1966 at its formation.

In 2006, the Federal government determined the contamination in the wastewater running through Clover Point and Macaulay Point facilities exceeded the established thresholds for environment protection, and ordered the CRD to treat its wastewater by December 2020, or be subject to significant fines. In 2012, after much debate, letters, open houses and reports, the federal and provincial governments announced they would match CRD funding - over \$500 million - for the wastewater treatment program, provided the facility was built on time.

By 2015 - and millions of dollars later - effected local governments could not agree with CRD on a site and design, and consequently, the CRD was at risk for losing hundreds of millions in public funding and being subjected to fines. Further, Greater Victoria's reputation was at risk, jeopardizing tourism and external investment.

On September 14, the CRD approved the business case for the Liquid Waste Management Plan (LWMP), which included its recommendation for a single 108 megalitre/day plant for the tertiary treatment of wastewater at McLoughlin Point in Esquimalt, at an estimated cost of \$765 million.

The Minister of the Environment has given the CRD until December 31, 2017 to come up with a plan for



the bio solids. The Project Board is working with the Government of B.C. to extend this planning timeline, as the CRD is exploring an integrated approach to resource management (IRM) and will need more than one year to develop a cost-effective and forward-looking IRM solution.

Recommendations

The Chamber recommends the Government of B.C.:

- 1. support the region in the implementation of this project through a solutions-oriented approach to any challenges that arise through the implementation of the largest infrastructure project ever undertaken in this region,
- 2. if required, amend legislation with regard to the management of solid and liquid wastes to allow for waste integration and beneficial use of water into resources, and fund pilot projects in this regard,
- 3. support innovative and cost-effective approaches to IRM, which may require changes to legislation with regard to the management of solid and liquid wastes, to allow for waste integration and beneficial use of waste into resources, and
- 4. provide a fair share of provincial funding for these additional requirements of the Liquid Waste Management Plan.

This policy, Supporting the Completion of the CRD Liquid Waste Management Plan, was drafted by the Greater Victoria Chamber and approved by its Board of Directors in 2017. The resolution emerged from the joint efforts of the Greater Victoria Chamber of Commerce, the Greater Victoria Harbour Authority, Tourism Victoria, the City of Victoria and the Downtown Victoria Business Association to request Provincial support on issues of importance to the city.



Annex F: Regulatory Environment

Regulate and Manage the Emerging Short-Term Rental Business Enterprise

Affordable monthly rental housing is a major factor in creating vibrant, livable and sustainable communities. Reasonable access to monthly rental housing is important to the business community both as an economic driver in its own right, and also as a competitive advantage in securing a stable workforce and community growth. Over the past several years there has been a rapid loss of affordable monthly rental housing in many communities throughout B.C. due to the ease with which landlords have changed their unit's usage. Internet platforms have provided landlords with opportunities to easily switch the usage of their monthly rental housing to nightly rentals.

This has indirectly contributed to rent increases, reduced availability of affordable housing for families and workers, and made it difficult for many communities (e.g., Kelowna, Sun Peaks Resort, Fernie) to attract and house skilled workers, particularly during high demand visitor periods. A number of initiatives and projects to build more affordable monthly rental housing are underway in many of these communities however in the majority of cases it will be years before they are available. There is an immediate short term need to secure back many of the over 15,000 housing units lost¹⁸ as well as stabilize this new business enterprise.

Background

The primary responsibility to address this issue lies with B.C.'s local governments because they have the legislative authority to control and manage housing in their communities through the use of zoning, bylaws and regulations. Some communities have implemented processes and procedures however many more are just starting. The magnitude of the challenge is very daunting to many communities particularly the smaller ones as they lack the robust monitoring and enforcement resources required. Many of the smaller resort communities are the ones hardest hit and have limited resources due to their size. In some of these communities close to 10 percent of their affordable monthly rental housing stock has been lost, displacing 100's of workers. Taking an example from Vancouver, sharing economy properties account for 1.2 percent of all rental units including condos, basement suits, laneways, and apartment. Putting these units into long-term rental housing could raise the vacancy rate from 0.8 to 2 percent¹⁹. Further, the operators of many short-term rentals are commercial operators avoiding taxes such as Municipal Regional District Tax (MRDT) because of the anonymity provided by the site²⁰.

What is emerging very quickly from a local government perspective is that the magnitude of the task of enforcement is overwhelming; in many cases local governments do nothing. This in turn, signals landlords that defying zoning, bylaws and regulations has no consequences, and thus, the loss continues unchecked.

There is a significant role for the Government of B.C. to assist local governments with this critically integral enforcement process. Currently *Provincial Sales Tax Act* - Provincial Sales Tax Exemption and Refund Regulation, tax Regulation 78(1)b enables operators of less than four rooms to avoid collecting the eight percent Provincial Hotel Room Sales Tax and the two or three percent MRDT if applicable. The

¹⁸ Karen Sawatzky, Simon Fraser University, http://summit.sfu.ca/item/16841#310 and available online information from Airbnb, VRBO, Turnkey, and AirDNA.com

¹⁹ https://www.ubyssey.ca/news/ubc-student-airbnb/

²⁰ Vancouver's top Airbnb earners are commercial hosts: research



5 percent GST is also avoided as many landlords would claim they have annual sales of less than \$30,000 on their one unit.

Rescinding Tax Regulation 78(1)b would require all operators of one room or more to register and collect the applicable sales taxes associated with their daily sales activity. This Provincial statutory requirement would enhance the local government's enforcement regime in two very meaningful ways:

- 1. Non-compliant landlords will now also be at risk of enforcement activity from the Ministry of Finance for non-collection of sales taxes. It is anticipated that this new requirement combined with the local government processes and guidelines will cause many landlords to revert back to renting their units on a monthly basis or comply with both levels of governments requirements to avoid the risk of more rigorous enforcement activity. Many landlords will not qualify with new local government criteria and structure; this is where enforcement from both levels of government will be critical to gaining back lost affordable monthly rental housing.
- 2. The data regarding registration and tax collection will augment the local government's management processes and ensure ongoing compliance. The information will be cross checked with the local government registry ensuring stability and assisting with future planning.

Recommendations

The Chamber recommends the Government of B.C.:

- 1. work with affected stakeholders, including Destination BC and Tourism Industry Association of BC, to clearly articulate related issues and explore resolution options,
- 2. rescind 78(1)b of the Provincial Sales Tax Exemption And Refund Regulation; and
- 3. implement a timely reporting process and structure, so that upon request, a local government can access a complete list of properties registered to collect the <u>Hotel Room PST and the MRDT</u>.

This policy, Regulate and Manage the Emerging Short-Term Rental Business Enterprise, was drafted by the Fernie Chamber in 2017 and endorsed by the BC Chamber and its member chambers/boards of trade the same year. The Greater Victoria Chamber of Commerce Board of Directors approved this policy June 2017.



Annex G: Regional Transportation and Infrastructure

Improving a Key B.C.-U.S. Gateway: Belleville International Ferry Terminal

The Belleville International Ferry Terminal in Victoria is a key international gateway to Greater Victoria and Canada for millions of visitors. Owned by the Government of B.C., the terminal is of strategic importance to the province, with an economic impact of \$180 million per year. Currently, the terminal is comprised of 20-year-old trailers and other temporary structures. The proposed funding model for a new terminal has five contributing partners: the two ferry operators, City of Victoria, Tourism Victoria, Province of B.C. and the Government of Canada, with an anticipated \$40 million in federal funds.

Background

Improvements to the Belleville Terminal are long overdue and necessary for many reasons, not least of which is to improve the passenger experience, attract more visitors to the region, and build on Victoria's reputation as a world-class destination. Belleville Terminal has long-term leases with two ferry operators: 1. Black Ball Line, the operator of the Coho vehicle ferry service operating between Victoria and Port Angeles, Washington, and 2. Clipper Navigation Ltd., operator of the high-speed catamaran passenger-only service operating between Victoria and Seattle, Washington.

To date, all three levels of government plus Tourism Victoria, Clipper and Black Ball have partnered to fund a series of projects, separated into phases:

Phase one was funded by the Province, Black Ball Ferry Line and Clipper Navigation Inc. and included replacement of critical marine infrastructure, improved custom facilities, and covered walkways.

Phase two is funded by the City of Victoria and Tourism Victoria, aimed to improve Belleville Street.

The next phase relates to the construction of a common ferry terminal building - a facility that has been under discussion since 1993 when the interim Clipper terminal was installed. After many planning studies and concept plans, B.C. is left with ageing and inadequate infrastructure - essentially trailers and other temporary structures - to serve as a high-profile and key gateway to the country.

The new terminal building, with amalgamated border services and pre-clearance, will boost existing cooperation between Customs and Border Protection and the Canada Border Service Agency, provide the infrastructure to make it easier for Canada and the USA to conduct business and also support the Beyond the Border initiative, and improve the processing of passengers crossing the Canadian and U.S. borders.

The proposed funding model for the terminal building has five contributing partners: the two ferry operators, City of Victoria, Tourism Victoria, Province of B.C. and the Government of Canada.

The Province of B.C. will retain ownership of the buildings and related land.

Recommendations

The Chamber recommends the Government of B.C. complete its business case and proceed to request federal funding.



This policy, Improving a Key B.C.-U.S. Gateway: Belleville International Ferry Terminal, was drafted by the Greater Victoria Chamber and approved by its board in 2017. The resolution emerged from the joint efforts of the Greater Victoria Chamber of Commerce, the Greater Victoria Harbour Authority, Tourism Victoria, the City of Victoria and the Downtown Victoria Business Association to request Provincial support on issues of importance to the city. It was endorsed by the BC Chamber and its member chambers/boards of trade the same year.

Improving Urban Transportation in B.C. - Transportation Authorities

Easy access to multi-modal transportation options and well-maintained infrastructure is critical to strong economies and healthy communities. Being able to freely move between municipalities is not only vital to the commerce, but in accessing health, recreation, and social supports. As urban centres grow and municipalities increasingly become inter-dependent, the importance of regional transportation networks increases. As the second largest population centre in B.C., home to the provincial capital, host to key sectors that contribute to B.C.'s economy, Greater Victoria urgently needs a solution now, one that paves the way for other B.C. regions who will soon face similar challenges.

Background

In B.C. growing and developing urban cores, travel times are already increasing during peak periods with commuters crowding the existing infrastructure. Economic growth and quality of life are reliant upon considerable improvements to the infrastructure and travel options to efficiently move people and goods in, out, and within urban cores. Fast, easy, reliable and affordable transportation modes support healthy communities and strong and resilient economies.

In these regions without a transportation authority, regional transportation planning does not happen. For example, the 13 municipalities in Greater Victoria are each responsible for transportation within their boundaries, while the Capital Regional District is responsible for transportation in unincorporated areas. Layered on top, is the B.C. Ministry of Transportation and Infrastructure that is responsible for highways and related infrastructure - some of which runs through and between municipal areas and regional districts. Adding even more complexity are provincial and federal funding envelopes with different eligibility criteria and an increasing focus on a low-carbon economy and alternative modes of transport.

These regions, such as the Capital Regional District, Regional District of Central Okanagan, North Okanagan Regional District, Regional District of Nanaimo, and Regional District of Fraser-Fort George, each need a transportation authority with regional planning responsibility encompassing current and future modes of transportation - by feet, bike, boat, bus, train, car and more. This entity needs the right governance, taxation power similar to the current BC Transit tripartite model, planning expertise, zoning authority, project management capacity, and operating mandate.

Recommendation

The Chamber recommends that the provincial Government legislate additional regional transportation authorities as needed, starting in Greater Victoria, to enable increased efficiency in the coordination, planning, funding, and operation of a multi-modal transportation network.

This updated policy, Improving Urban Transportation in B.C. - Transportation Authorities, was drafted by the Greater Victoria Chamber and approved by its board in 2017. The resolution emerged from the joint efforts of the Greater Victoria Chamber of Commerce, the Greater Victoria Harbour Authority, Tourism



Victoria, the City of Victoria and the Downtown Victoria Business Association to request Provincial support on issues of importance to the city. It was endorsed by the BC Chamber and its member chambers/boards of trade the same year.



Annex H: The Advocacy Process

At any given time there are a wide variety of projects or laws proposed or about to be implemented that can impact the way you do business and affect your long-term growth. The Chamber is an active advocate on behalf of its membership, helping to provide an effective voice for the business community before those decisions are finalized.

Criteria

In conjunction with stakeholders, The Chamber identifies the issues of concern to the business community and what action government must take to address the concern.

Issues must:

- be of significance to The Chamber's membership,
- be a 'business issue'
- be timely, and
- have a direct relationship to The Chamber's vision, mission, values, goals and priorities.

Definitions

- Policy refers to the positions defining problems and propose solutions that support The
 Chamber's advocacy efforts. Policies are approved by The Chamber board and remain in effect
 until amended or revoked by The Chamber's Board. Advocacy-related policies are distinctly
 separate from operational policies, e.g. privacy policy.
- Advocacy covers a broad range of activities, which may or may not, include lobbying. Advocacy
 is a system of actions directed at changing attitudes, policies, positions, practices or programs in
 society. Advocacy refers to any activity that attempts to change mainly government policy, and
 may include public attitudes and perceptions.
- Lobbying is a subset of advocacy that aims to influence specific legislation. Almost all social
 change has started with non-lobbying advocacy and ended with major lobbying efforts.
 Examples include the protection of women's rights and child labour laws. Each initially
 combined a broad spectrum of non-lobbying advocacy activities, with lobbying employed
 somewhat later to achieve the needed change.

Policy Development

Chamber policy is designed to represent business interests and to that end the Recommendations are largely outcome-focused. Specific decision-making authorities/regulatory bodies are expected to create the detailed policy required to support their operations.



1. Policy Initiation

The Chamber's <u>Policy and Government Affairs Committee</u> (The Committee) monitors business, economic and political environment to identify issues of interest to The Chamber and its member. The Committee will assess an existing or emerging issue to identify:

- whether it fits with Chamber priorities,
- whether it fits with existing Chamber policy,
- whether it fits with business principles,
- the scope of businesses affected,
- opportunities for partner activity,
- the complexity of the issue, and
- the likelihood of success.

The Committee will develop and recommend to the Board a list of priorities for policy development/update at the start of the each year. The Committee will also provide input during the policy development stage, e.g. potential solutions and their collateral effects, to identify the best solution for the business community, and review the draft policy prior to Board consideration.

2. Approval

Policies approved by the Board are kept in the electronic policy binder and posted to The Chamber <u>website</u>. The approval of policies will be listed as a motion in the board minutes.

3. Evaluation

All policies are reviewed annually by the Committee and any updates approved by The Chamber's Board. Policies remains in effect until amended or revoked by the Board, with successful policies of note shared under "Wins for Business".

Advocacy

Once a policy resolution is approved, The Chamber's designated spokespeople will advocate that policy on behalf of the membership. Specific advocacy efforts will depend on the specifics of a policy and will relate to:

- who is the decision making authority,
- who are the affected stakeholders,
- the anticipated public interest, and
- partners in support of our position.

Advocacy activities include but are not limited to:

- meetings with stakeholders and decision makers,
- media relations,
- distribution of communications products,
- formal correspondence,
- public/member information sessions, and
- political candidate forums.



Lobbying

As defined by the B.C. <u>Lobbyist Registration Act</u>, lobbying is to communicate with a public office holder in an attempt to influence a range of activities, including:

- the introduction, amendment, passage or defeat of any Bill or resolution in or before the Legislative Assembly,
- the development or enactment of any regulation, including the enactment of a regulation for the purposes of amending or repealing a regulation,
- the development, establishment, amendment or termination of any program, policy, directive or guideline of the government of British Columbia or a Provincial entity, and
- to arrange a meeting between a public office holder and any other individual for the purposes of attempting to influence any of the above.

The B.C. Lobbyist Registration Act requires those who spends 100 hours or more a year lobbying to register with the Office of the Registrar of Lobbyists for British Columbia. The Chamber CEO as well as the Manager of Advocacy and Communications are registered as in-house lobbyists under the Act.

Pamela Martin

Subject: FW: Email to Mayor and Council RE: Air B&B Open Letter to Mayor and Council

From: designgroup21

Sent: Wednesday, June 28, 2017 6:09 PM

To: Victoria Mayor and Council <mayorandcouncil@victoria.ca>

Subject: Air B&B Open Letter to Mayor and Council

Restricting Air B&B's Won't Address the low cost rental housing Shortage and will hurt the Tourism Industry!

As a Victoria resident, I have been watching with great interest, as Victoria Council struggle to solve the rental shortage in Victoria. Their latest proposal to restrict Air B& B's rentals will damage the tourism market, by reducing the choice and number of options for tourists traveling to our wonderful city during a time when many of the older hotels (1,000 plus rooms) in the region are converting to long term rentals.

Air B&B's offer travellers to Victoria, more affordable travel options compared to hotels in the region. The continuing decline in Victoria tourism accommodation sector will impact all sectors of the industry as well as drive up hotel room prices. You only have to look as far as Tofino to see the current high cost of rooms during the peak season.

I also agree that Air B&B's should be collecting the current room tax to further market Victoria as the great destination that it is.

Lawrence Watling Director (retired) Westmark Hotels of Canada LTD Past President Yukon Tourism Association Past Director BC & Yukon Hotels Association **Subject:** FW: Email to Mayor and Council RE: AirBnB

From: green changers

Sent: Friday, June 30, 2017 3:35 PM

To: Victoria Mayor and Council <<u>mayorandcouncil@victoria.ca</u>>; Marianne Alto (Councillor) <<u>MAlto@victoria.ca</u>>; Chris Coleman (Councillor) <<u>ccoleman@victoria.ca</u>>; Ben Isitt (Councillor) <<u>BIsitt@victoria.ca</u>>; Jeremy Loveday (Councillor) <<u>iloveday@victoria.ca</u>>; Margaret Lucas (Councillor) <<u>mlucas@victoria.ca</u>>; Pam Madoff (Councillor) <<u>pmadoff@victoria.ca</u>>; Charlayne Thornton-Joe (Councillor) <<u>cthornton-joe@victoria.ca</u>>; Geoff Young (Councillor) <<u>gyoung@victoria.ca</u>>

Subject: AirBnB

Hey - So you guys keep saying there are X number of 'Whole home / apartment' listings on AirBnB.

You have to understand that doesn't tell the true story - AirBnB considers any space that has a separate entrance as a "Whole home / apartment". For example we have a 100 year old home in Fairfield with an exterior door to a separate bedroom. The bedroom also has a separate bath. Because it has it's own entrance, AirBnB considers it a whole suite - however to imply this would otherwise be rentable as a 'normal' long term rental is entirely false. It wouldn't come close to meeting a legal rental, or even a non-permitted one. There's no kitchen or anything. I have spoken to several other AirBnB operators and they fall under the same umbrella.

Also, FWIW, we tried to get a legal B&B permit from the city, but they won't allow us because we have a separate basement suite (which my mother, who is on disability, lives in - I think that qualifies as a "social good").

The previous owners of our home applied several times to turn the house into a fourplex but were continually denied. So, here we are stuck in-between. There are a LOT of other people with old houses like ours that are in similar situations.

We've had hundreds of guests over the past couple of years, all of whom spend money in the city, which last time I checked relied on tourism as a main industry. I guarantee many of our visitors (generally young people on a budget) would not have come here if they had to spend \$150 a night to stay at a 'cheap' motel.

I generally agree that a brand new downtown condo should be used for housing. I'm fine with perhaps paying a hotel tax or something, but otherwise I already report my income to the CRA and pay income tax on it, as well as stay within their guidelines for keeping my home as primarily residential.

I could go on, mentioning the fact that Victoria wants to be called 'Tectoria' while at the same time banning one of the largest tech companies in existence, but I'd rather keep this short.

It's very important to understand all sides and make sure city council doesn't throw the baby out with the bath water. I hope that provides a little more information from a host's perspective.

Thanks.

Pamela Martin

Subject:

FW: Email to Mayor and Council RE: Vancouver regulations on short-term rentals move to council vote - British Columbia - CBC News

From: Anita Paul

Sent: Wednesday, July 05, 2017 3:13 PM **To:** Lucas De Amaral < LDeAmaral@victoria.ca >

Subject: Re: Email to Mayor RE: Vancouver regulations on short-term rentals move to council vote - British Columbia -

CBC News

Thankyou for your reply .I do think that the proposal for imposing the 15% Foreign Tax on purchases having been denied by council is unbelievable.It's obvious that once this levy was imposed by Vancouver City Council that foreign buyers flooded over to Victoria and the rest of the island, again allowing them to purchase property just for holding on, not freeing up rental property.

Some people on council should perhaps forget about the bike lanes for a while and get down to more important matters such as available housing for our citizens !!!

You can pass that on to Council for us..

Anita and Dave Paul

Sent from my iPhone

From: Dave and Anita

Sent: Wednesday, July 05, 2017 2:41 PM

To: Lisa Helps (Mayor) < mayor@victoria.ca >; Victoria Mayor and Council

<mayorandcouncil@victoria.ca>

Subject: Vancouver regulations on short-term rentals move to council vote - British Columbia - CBC

News

Hello

I wrote to Mayor Helps before the end of last year, requesting an update on Foreign Tax on home purchases and also what was being done to curb Airbnbs to make available rental housing for locals.

To date, nothing has been done. Please read the link and reply as to what is being done, in Victoria, in both these critical areas.

Anita and David Paul

Fairfield

 $\underline{http://www.cbc.ca/news/canada/british-columbia/vancouver-short-term-rentals-regulations-airbnb-1.4191210}$

Pamela Martin

Subject:

FW: Email to Mayor and Council RE: Short term stay

-----Original Message-----

From: Rene Fortier [

Sent: Friday, July 07, 2017 11:03 AM

To: Victoria Mayor and Council <mayorandcouncil@victoria.ca>

Subject: Short term stay

To the mayor and council,

I believe taking the side of large foreign corporation in the housing problem of Victoria is the wrong approach. I personally don't have a short term rental unit but have used them during my travels and found them to offer a lot more than the sterile hotel, the personal touch of the different owners made my stays more interesting and fulfilling.

I know of young people who could afford to get in the housing market if allowed to use one room as a short stay unit with the added benefit of making contact all over the world.

The present approach of trying to ban short stay suits will not result in more affordable units unless you are thinking \$2000 is affordable.

Try approaching the different housing CO-OP with investing in more unit instead of lowering the cost for the present members, I believe they all used government funding to start.

Sincerly

René Fortier

Subject:

FW: Email to Mayor and Council RE: Regarding the Contentious: Short Stay Accommodations in Victoria

From: Devon O'Brien

Sent: Tuesday, July 11, 2017 8:24 PM

To: Victoria Mayor and Council <mayorandcouncil@victoria.ca>

Cc:

Subject: Regarding the Contentious: Short Stay Accommodations in Victoria

Dear Reader,

In this economy and with the housing market as it is, I appreciate that few individuals are without some degree of challenge. The issue of short stay accommodations in Victoria is bringing to light several local concerns about how our local community operates as well as the kind of community that we say that we want to be. I write to you as a white; married cis-gender female; who supports individuals and families with developmental disabilities through work and volunteer ventures; with one child; living in a rental property. Here are my thoughts.

Removing short stay accommodations as a tourism option does not solve the housing crisis.

- Short stay accommodations would not suddenly become affordable housing in this economy. They would return to being high priced rentals so that owners can still afford their mortgages. (I happen to know of a few short term accommodation providers who actually use this income to mitigate the need to raise rents in their other units, therefore allowing more affordable long term rental units. Large property management firms by contrast, often raise rents every year.)
- Renting out a room in one's home to a homeless person is not a viable housing solution. There are people who already open their homes to marginalized individuals, such as foster parents and home shares for people with disabilities. People who want to do this are already doing it. Have you discussed this option with the homeless population of Victoria? Would said individuals feel comfortable in someone's home?
- One solution might involve more co-op housing, which would be built from the rental revenue after mortgages are paid off instead of reducing unit holders' rent.
- Another solution might be to open a percentage of the hotel rooms that are unfilled to become affordable housing options for various populations; alternatively, hotels with unused space could be taxed and that revenue could support the development of affordable housing opportunities in Victoria.
- Yet another solution may be that the funds generated by property management firms that unnecessarily
 increase rent each year be used to create affordable housing options within the existing properties OR
 unnecessary increases could be halted to keep housing more affordable.

Short stay accommodations are an important tourism option.

Both hotel and short stay accommodations have benefits for individuals and communities. When I travel, I only choose cities with short stay options for the following reasons:

- I can stay longer than I would be able to afford in a hotel
- I have numerous dietary issues which means that I need a place to prepare my own meals
- My son has some health challenges and we would be disruptive in a hotel
- I work from home so sometimes need a designated work space when we are away.
- I can support the local economy by shopping in grocery stores and utilizing neighbourhood resources such as cafes, galleries, and community centers

- I can get to know local people and learn about local culture, in a way that I feel comfortable with
- We need access to outside space for our son (he often gets up at 4:30am and needs to be outside by 6:00am)

It would be inappropriate for us to stay in a room in someone's home for the following reasons:

- My family and I want privacy. I choose to live without roommates when I am home, and do not want to become someone's roommate while I am away from home. That is not relaxing.
- We have a child and do not want him causing difficulties for the individuals that would be staying with, so it is important for him to have his own space
- I am a very light sleeper
- I need to have free and easy access to a kitchen and a fridge to support my dietary challenges
- Sometimes our travel itinerary means we would disturb people by coming in early or late

Other reasons that people may require a short stay:

- There is a need for a private space for a family gathering such as a celebration of life
- There may be a need to be flexible for space for large family visit (I recently met 8 Danes who specifically said they could not travel together without a short term rental and therefore only go to cities which have that option)
- People may want to stay longer than could be afforded in a hotel, between the nightly room rates and costs of eating out because there are no kitchen facilities
- Individuals of LGBTQ+ communities may need more private options AND to know that the people hosting them are allies
- Someone may be supporting a friend or family member through a medical procedure and need a place to stay together that has all of the amenities of a home environment (this was the situation of a friend of mine recently)

I think that it is conceivable that if I am choosing only short stays when I travel, that others may do the same when visiting Victoria and that unless they have to come here, may choose to go elsewhere in order to have the accommodation that they prefer. This would clearly harm our tourism industry.

Perhaps hotels need to look at why people are choosing other options and adjust what they provide, if they are concerned about losing business. I am concerned that based simply on the reasons that I choose to stay in a short term rental when I travel, that removing this option in Victoria only harms our ability to be the kind of community that we say we want to be (inclusive, local, community minded) and leaves us in-genuine in our argument about the housing crisis when really the issue appears to be about hotels, which tend to be foreign owned chains, not getting enough business. I am puzzled as to how we can justify a position that we have a housing crisis and that we are not encouraging local businesses such that we need to reduce local business (through removing short stay accommodation) in order to support non-local business (hotels).

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Regards,

Devon O'Brien

Subject:

FW: Email to Mayor and Council RE: Support for Short Stays Rentals & Affordable Housing

From: tyler lampard

Sent: Tuesday, July 11, 2017 11:41 AM

To: Victoria Mayor and Council < <u>mayorandcouncil@victoria.ca</u>> **Subject:** Support for Short Stays Rentals & Affordable Housing

Hello

Thanks for your commitment to supporting your community members and respecting a democratic process. First off I would like to share that the past few trips I have taken I have stayed exclusively in short stay rentals as they make travel affordable. Short stays provide the flexibility to explore neighborhoods, restaurants, markets, and parks that I would have missed if I had been in typical hotels. The other contributing is factor that short stays offer privacy, which means a lot to me as on vacation I like to relax with my family and being in a typical hotel setting, or single bedroom in a family home would not meet this function.

I am concerned about the efforts of City Councillors to restrict homeowners use of their property. It makes me wonder about legal property rights that I home owner has and curious about why it is that people have short stay rentals.

Those that I know with short stay rentals use them as part of their retirement plan. Essentially contributing to the local community and maintaining their own financial independence.

Why should homeowners have to provide supportive housing when there is no request of International Hotel chains to do so? Are local Municipal Councillors representing their communities or businesses that are suffering for not adapting to changing markets.

I rent a subsidized apartment. It is subsidized by a family member that can give me a couple hundred dollar a month break because he and his partner rent out to short stay renters because it is financially viably. Something they would not be able to do if they have to provide market rent only.

How can our community respond to a market rent that is expensive, and in short supply. Are International Hotel chains being asked to contribute in providing affordable or subsidized housing?

Let's address the problem, not just symptoms. Build more Coop Housing and support investment in rentals that are affordable.

Thank you for your time and concern in supporting your community address this housing crisis.

Tyler Lampard

Subject:

FW: Email to Mayor and Council RE: VICTORIA ACCOMODATIONS

From: Eric Whyte

Sent: Wednesday, July 12, 2017 11:54 PM

To: Victoria Mayor and Council < mayorandcouncil@victoria.ca >

Subject: VICTORIA ACCOMODATIONS

TO WHOM IT MAY CONCERN:

I AM AN ANNUAL VISITOR TO VICTORIA, OFTEN TRAVELLING WITH FRIENDS AND/ OR RELATIVES FROM MY HOME IN EUROPE TO CANADA.

I HAVE HEARD THAT VICTORIA IS CONSIDERING BANNING SHORT TERM RENTAL OF COMPLETE, PRIVATE HOUSES AND APARTMENT-LIKE SUITES IN A BID TO FORCE VISITORS TO YOUR CITY TO STAY IN BEDROOMS IN OTHER PEOPLES HOMES, WITH THE ONLY OTHER OPTION BEING EXPENSIVE DOWNTOWN HOTELS.

IT IS IMPOSSIBLE FOR A FAMILY TRAVELLING TOGETHER TO OCCUPY ONE, OR EVEN TWO BEDROOMS IN THE HOME OF A STRANGER. GRANDPARENTS AND BABIES HAVE COMPLETELY DIFFERENT SLEEP PATERNS, AND NEITHER IS COMPATIBLE WITH THE HOSTS. NEITHER WOULD I PUT A TEENAGE GIRL IN A ROOM THAT THE HOST COULD ACCESS WHILE WE SLEEP NEXT DOOR. YOUR PLAN IS WAY OFF BASE!

WHEN I STAY IN VICTORIA, I REQUIRE A KITCHEN, A SEPARATE LIVING ROOM, AND AT LEAST ONE BEDROOM, SO THAT OUR STAY CAN BE A HOME AWAY FROM HOME. THIS YEAR I WAS PLANNING TO COME WITH FRIENDS FOR A WEEK. PREVIOUSLY I HAVE BROUGHT GUESTS OVER FOR UP TO THREE WEEKS. TYPICALLY, I USE VICTORIA AS HOME BASE, WHILE EXPLORING THE SURROUNDING AREA BY DAY. WHILE I GREATLY ENJOY YOUR PROVINCIAL MUSEUM AND VARIOUS OTHER INTERESTING PLACES IN TOWN, I TRY TO AVOID THE RIP-OFF TOURIST TRAPS. IF ALL I WAS LEFT WITH FOR CHOICE WERE UNACCEPTABLE INDIVIDUAL ROOMS, OR OVERPRICED DOWNTOWN HOTELS, I WOULD HAVE TO SERIOSLY RECONSIDER FUTURE TRAVEL PLANS.

I URGE YOU TO RECONSIDER THESE ILL- ADVISED PLANS TO ELIMINATE A VERY WELCOME OPTION FOR STAYING IN YOUR BEAUTIFUL CITY- KEEP VICTORIA VISITOR FRIENDLY!

SINCERELY, ERIC WHYTE Subject:

FW: Email to Mayor and Council RE: Short Term Rental Regulation and people with special needs

From: Robin Bayley

Sent: Saturday, July 15, 2017 9:19 AM

To: Victoria Mayor and Council < <u>mayorandcouncil@victoria.ca</u>> **Subject:** Short Term Rental Regulation and people with special needs

While traveling recently, I saw a sign in Santa Barbara with the message Save The Rentals. Santa Barbara is a city with many similarities to Victoria in terms of its tourist economy and size.

When home, I explored the website. Yes, it is one-sided, but it has a lot of arguments that have not been expressed. I share it now and hope that staff will explore it.

http://www.strsantabarbara.org In it, you will find A Plan for Fair Regulation of STRs PDF | and Short Term Rental Effect on Housing Study

You will also see from the site that attempts to regulate will likely be faced with legal challenges.

Key arguments that resonated with me include:

- These properties tend to be very well maintained
- The people who stay in these properties are often local residents with specific short term needs
- A small percentage of owners rent their properties out year-round or would rent them for periods of a month or more

I live in a neighbourhood of single family homes where neighbours often rent their homes for short periods and although I can think of one instance where the renters were unruly, on the whole, we enjoy being recharged by the enthusiasm of these visitors for our region. In talking with them, I realize that many would not be here if this form or accommodation were not available. They might be desert dwellers escaping the heat for a month or two, a large family here for a wedding (for whom a hotel would be cost-prohibitive) or local residents whose homes are being renovated. The latter is very common. If not rented on a short term basis, the homes would be empty while the owners were away. This might lead to crime and lack of maintenance.

While on vacation, I stayed in short term rentals, **to accommodate my disability**, which is generally not accommodated in hotels. Had these not been available to me, I could not have traveled. On return, I enlisted the help of tourism Victoria to find out what hotels in Victoria can accommodate my disability. There is **one** hotel whose rack rate 399 a night during the summer, and it does not entirely accommodate my condition.

My main point is that there are some needs that hotels and other traditional vacation accommodation types do not fill. Short term vacation rentals fill niches, and are more flexible. The needs will not go away, and as the Santa Barbara site says, these rentals will continue or people will go to communities where they can be accommodated.

I have not seen any consideration of the effect on people with special needs in the public discussion of short term rentals in Victoria. Discouraging such rentals by onerous regulation would decrease accessibility of the city and limit mobility of people with disabilities. Checking accessibility forums, I see that Victoria already gets mixed reviews, due to heritage properties not being accessible to people with mobility impairments.

I write as an individual with no vested interest and I ask that Council direct staff to consider the accessibility angle and explore the Santa Barbara experience as it attempts to deal with the issue.

Sincerely, Robin Bayley

Robin Bayley 39 Linden Avenue Victoria, BC, V8V4C9 1137 May St. Victoria,B.C. V8V 2S6

June 11, 2017

To: Mayor Lisa Helps and Council

Re: Committee of the Whole agenda June 15

Dear Mayor and Council:

We understand Council will discuss the issues of Short Term Rentals (STRs) at the June 15 meeting. As residents of Fairfield we are completely opposed to the existence of STRs used as businesses in residential areas.

MAYOR'S OFFICE

JUN 1 3 2017

VICTORIA, B.C.

Last summer a house two lots east of our house was sold. The property was purchased by people who already own a house on Heywood Ave. which is used exclusively for short term rentals. Additionally, they live on Sutlej St. in a house which also has short term rental suites. Clearly they are operating a business in an area zoned for residential use.

We have lost neighbours in our block with the use of this house for short term vacation rentals. I want to know the people who live on my block and in the general area.

STRs represent a loss of long term rentals to any neighbourhood, and in Victoria the need for rental accommodation is severe. Additionally, merely awarding a business licence is a violation of zoning ordinances; indeed, it amounts to spot rezoning. Currently, regulations prohibit use of entire homes for STRs. These regulations should be enforced, along with the regulatory directions approved by council January 19 of this year.

Yours truly,

Winston and Claire Jackson

Winston Jackson .

Lacey Maxwell

From: mallard

Sent: August 7, 2017 12:01 PM **To:** Victoria Mayor and Council

Subject: Short term vacation rentals value to Victoria

Dear Mayor and Council Members:

My wife and I have been in the tourism business with highly ranked [Top 25 in the world, Conde Nast, etc.] 5 Star hotels for more than 25 years. We own a condo in Victoria, which currently is used as a short term vacation rental. Our goal is to have the unit pay for its annual expenses until we move to Victoria. We currently qualify as a "legal, nonconforming property in the transient area." Our concern is that if the tax rate is moved from residential to commercial, this places an unfair tax burden on this segment of Victoria's tourism market. Allow us to explain.

The Victoria tax for our property, according to the city's online calculator, would be raised to more than \$11,000. This is an increase of about \$8000 a year. If the unit generated \$32,000 in gross rental income for the year, a representative ballpark figure, the additional \$8K represents a hit of 25% off the top, along with 25% withholding tax and 30% to the property management company, plus strata fees, utilities, insurance, and the original residential property tax fee, etc. Put another way, this tax increase alone is more than the income from 2 full monthly rentals. It becomes a non-viable STVR entity overnight.

Imagine a person earning \$32,000 a year [about \$15 an hour over a 40-hour week for the year] suddenly getting hit with an additional \$8000 a year tax deduction? That's equivalent to 13 weeks of income. To put it into perspective, it would mean that each city councillor gets hit with an additional \$20,000 tax bill per annum out of your \$82,000 a year salary on top of all your existing expenses.

STVRs generally aren't big money generators like most viable commercial businesses, especially when considering the capital investment needed to purchase the property. We would like our units to pay their way and have a little left over for upkeep and improvements. Shifting from residential to commercial tax rates will negate this.

Having the unit as a STVR, rather than a yearly rental, also allows my wife and I to spend up to 8 weeks a year in our condo while exploring business investment opportunities in Victoria. Our STVR is the first step in this direction.

The other side of the coin is to consider the positive cash influx tourists bring into the city when staying at a STVR. If a STVR, on average, generates about \$3000 a week [or about \$200 per person per day including car rentals, drinks and meals, tours and related tourist activities, souvenirs, taxes and other purchases, as tourists spend up to 10% of their annual income on vacations] into the local economy, apart from STV rental, STVR tourists *in only 3 weeks* would put about \$9000 into the local economy versus the additional \$8000 per year with a change in tax rates, depending on assessment values. In other words, STVRs generate much more income for the local community than they do in rental income for owners.

If the average STVR rents 18 weeks, or about one third of the year, each STVR puts about \$54,000 into the local Victoria economy benefitting local businesses and jobs, both of which generate commercial, sales and

income taxes, which help the local community grow. And Victoria still gets the STVR residential taxes. This hardly poses a threat to the 24/7 Fairmont or other hotels any more than do local restaurants. In fact, a major source of income and profits for hotels is derived from its sales of drinks and meals, which generally are more expensive than the average local restaurant. Some hotels will even discount their room rates to get "heads in beds", which rates are highly flexible for hotels due to the large number of rooms available, as Expedia and other online booking sites attest, knowing they will make up the difference with income generators in other areas, including tourists being brought to the Fairmont on tours. STVRs can't do this.

However, if the change in tax rates from residential to commercial negates being a viable STVR, as would be in our case, then the city's business owners lose \$54,000 per year per STVR and the city loses the tax revenue associated with it because there is nothing out there to replace the STVR tourist segment except another STVR. If this tourism segment is not available in Victoria, people will spend their vacation money where STVRs are available, especially whenever the Canadian dollar gains on the US dollar.

As one person noted, "If it weren't for the large scale condominium development in downtown Victoria and the influx of family visitors who can't fit into [couldn't stay] in them while visiting the city, and [had to] stay in hotels and similar accommodation, I strongly suspect Victoria tourism would be in recession." http://www.cbc.ca/news/canada/british-columbia/canadian-dollar-s-dip-creates-tourism-boom-in-victoria-b-c-1.3179197

From our experience during the past 25 years in tourism and the contributions made by it to local economies, we would ask that the city council embrace a balanced approach in their decisions that make the economy grow for *all the stakeholders*, even including them in your decision making process, thereby encouraging the continued growth of tourism and its related businesses in Victoria. We've used this stakeholder based approach to solve many local issues involving tourism and its economic benefits.

To this end, there are many ways forward. However, an ex post facto decision to move from residential to commercial tax rates for STVRs would place an unfair tax burden on this popular and growing tourism segment.

One path forward would be to grandfather existing, qualifying and legal STVRs under current rules, and to make well-reasoned, positive changes for new properties, and those past non-complying STVRs. Also, this will send a positive message to potential future business investors in Victoria knowing that the rules will not change to their detriment after they've made capital investments.

Having worked for decades with 5 star properties and tourism's impact on local economies, 5 star hotels have their market niche as do STVRs. We know from experience that people who stay in 5 star hotels don't frequent STVRs given the choice. I hardly believe our condo unit gives the Fairmont a run for its money. We can't possibly provide the services and experience the Fairmont provides. However, while the Fairmont and others provide a special place for tourists to stay in Victoria, for the average income tourist and their families, an STVR allows them a "place to come home to" at the end of the day exploring Victoria. And for this, they are grateful as our guest reviews constantly tell us.

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Michael & Karyn Allard

Lacey Maxwell

From: Lacey Maxwell

Sent: September 15, 2017 11:58 AM

To: Lacey Maxwell

Subject: RE: Airbnb tax agreement - Quebec

From: Alex Dagg

Sent: August 29, 2017 9:01 AM

To: Lisa Helps (Mayor) < mayor@victoria.ca>

Cc: Marianne Alto (Councillor) < MAlto@victoria.ca>; Chris Coleman (Councillor) < ccoleman@victoria.ca>; Ben Isitt (Councillor) < BIsitt@victoria.ca>; Jeremy Loveday (Councillor) < iloveday@victoria.ca>; Margaret Lucas (Councillor) < mlucas@victoria.ca>; Pam Madoff (Councillor) < pmadoff@victoria.ca>; c-thornton-joe@victoria.ca; Geoff Young (Councillor) < gyoung@victoria.ca>

Subject: Airbnb tax agreement - Quebec

Dear Mayor and Councillors,

Today, Airbnb and the Government of Quebec announced a first-of-its kind tax agreement in Canada.

Starting Oct.1, 2017, Airbnb will automatically collect and remit the 3.5 per cent tax on lodging on bookings made in any of Quebec's 22 tourist regions, making the process seamless and easy for both hosts and the province.

The agreement in Quebec is an example of how Airbnb and government officials can work together as partners. With more than 350 tax agreements around the world, we are proud to be helping governments benefit from the positive economic impact of home sharing and look forward to continuing our work with other jurisdictions across Canada.

To read more about this landmark announcement, please visit our blog here: https://montreal.airbnbcitizen.com/airbnb-and-government-of-quebec-announce-first-tourist-tax-agreement-in-canada/

Thank you for your continued interest in Airbnb and the home-sharing community.

All the best,

Alex

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Alex Dagg Public Policy Canada

From: Joanna Pettit

Sent: Wednesday, September 13, 2017 7:54 AM

To: Public Hearings

Subject: Zoning Regulation Bylaw Amendment

My husband and I are very concerned at the proposed restrictions on short-term rentals in downtown Victoria. We are are a retired couple who do not have pensions other than government OAS and CPP. Our savings were in our home, which we sold four years ago when we downsized to a small duplex in Victoria. At that time after much deliberation we we purchased a micro-loft unit in the Janion with the idea of using it in a number of ways. In the summer months we needed space to put up visiting friends and family as we don't have space for them at our place. We also wanted to be able to do home exchanges with people from other countries as this allows us to do some travelling within our means. And we wanted to be able to do AirB&B at other times in the summer when it was available.

For the rest of the year (from September to April) we planned to rent the furnished space to a university student without a car since the Janion is right on a bus route to UVic. The units in the Janion are very small studio apartments and they were marketed as being perfect for downtown living and short-term rentals. Our space is less than 300 square feet and is not suitable for long-term accommodation due to very limited storage space. It's ideal for a student or a visiting professor or a single person without a lot of stuff who wants to be downtown. By offering short-term rentals in the summer we are able to subsidize a lower rent for students and others during the winter months.

We took possession of the suite in December and furnished it and rented it to a Camosun student until the end of April. Over the summer we used it for our friends and family, we spent a week there while a family from France stayed at our place on a home exchange, and met a number of people from Canada, the USA and Europe who came to spend a few days there while visiting Victoria. We have now rented the space on a fixed-term rental until the end of April.

The grandfathering that is proposed as part of this bylaw change will not help us as we rent to students for the eight-month school year. If the option to do short-term rentals is eliminated and we have to rent on a month-to-month basis we will be in a difficult situation next year, since we have have contracted for three different non-simultaneous home exchanges in the summer of 2018, and we will have no place to offer family from Vancouver and other parts of the island when they come to visit.

I think that Victoria would be shortsighted to ban Airbnb altogether in Victoria. If we want to attract visitors to our city we need to have a range of accommodation and prices. There are many people who want to visit here but cannot afford to stay in pricey downtown hotels and eat all their meals in restaurants. Airbnb units like ours fill that gap. I understand the need for regulations to prevent speculation by owners operating commercial businesses. This is certainly eating into rental availability. But not all people who rent places through AirB&B are greedy speculators. A blanket ban will create difficulties for people like ourselves who need to supplement low income through short-term rentals from time to time.

Rather than an outright ban, I would like to see something like Seattle's proposal that targets commercial users by limiting the number of spaces an individual can rent on a short-term basis. Hosts could list their primary residence and one other dwelling but no person could have more than two listings. Limits like these would motivate multi-unit hosts to move their rentals to long-term leases. Please consider leaving some room for people like us who want to do short-term rentals in the summer from time to time as a part-time use of a second property.

Joanna Pettit

1221 Yukon Street, Victoria

From: Susan Kainer

Sent: Thursday, September 14, 2017 11:14 PM

To: Public Hearings

Subject: Written Comments re: Public Hearing Short Term Rental Vacation Rentals

Dear Mayor and Council,

I am unable to attend the public hearing so please refer to my letter below.

I have written to you in the past about AirBnbs in a series of letters. These letter focused on the regulatory failures of other cities around the world and what needs to be done to avoid these same failures. Paraphrasing my key take home message: "If your regulatory policy is to license STRs (short term rentals) without holding the software platform companies accountable you are destined to repeat the failures of many cities throughout the world. Data shows only a small percentage of hosts will get licenses."

In too many cities that have already established short-term rental regulations, Airbnb continues to advertise and profit from properties that are violating local bylaws. Victoria, learning the lessons from other jurisdictions needs to have a robust, effective by-law regulation without "breaking the bank". STR platforms (the tech/software company posting the advertisements) should be held accountable and liable for illegal properties advertised on website and it is the responsibility of the platform to ensure that all local properties comply with regulation.

Real platform accountability means STRs like Airbnb polices its own host community, ensuring that all advertised rental properties comply with local short-term rental regulation. For each property found not to be in compliance with Victoria's STR by-law a \$1000 or more per illegal property per day fine would be issued to the STR platform until that property is removed.

Furthermore, I would add: An automatic referral to the Canada Revenue Agency of any property owner caught illegally advertising an STR and a 90 day rental limit per year of those properties complying with the by-law.

What we have learned from experiences in cities around the world is that city governments need to develop legally binding language that can be used to hold short-term rental platforms directly accountable for each and every illegal property they advertise and profit from.

In conclusion: if you don't hold software platforms accountable for illegal STRs you are destined to fail and you know it.

Sincerely, Susan Kainer

1565 Brooke St, Victoria BC V8S 1M8

Disclosure: Member FGCA CALUC These are my personal views and do not represent the FGCA CALUC.

From: Nice Solutions

Sent: Friday, September 15, 2017 8:45 AM

To: Public Hearings; Victoria Mayor and Council

Cc: delove@shaw.ca

Subject: Short Term Rentals- Downtown Victoria

Dear Council,

I am writing to respectfully request that you carefully consider the implications of removal of in-place transient zoning in the downtown area. I understand the goal is to free up affordable housing however, I hope that market forces will be clear and that you will accept that removing short-term rentals will only result in -

- a) Less available student accommodation many short-term rental owners that I know offer their units to students, after the peak summer month rental period ends.
- b) Less money being spent supporting the businesses in the CoV each time I visit our short-term rental unit at The Janion, I spend money in the downtown restaurants and shops. We have a partner in our unit who does the same with her husband. We've had upwards of 30 guests so far this year who have also, over there minimum 3-night stays, spent freely and daily, again, supporting the downtown businesses. My belief is that those living downtown on a long-term basis spend only a fraction of what these transient guests/tourists/owners do, over the course of a year.
- c) Absolutely no effect on the shortage of affordable long-term housing in the downtown area i.e. short-term units in premium buildings will still rent for well-above "affordable" levels and/or, will sit, empty, for much of the year.

There are better ways to work on providing much-needed affordable, long-term rentals, than penalizing the owners of these legally-zoned downtown properties. Those ways involve more work than a simple removal of transient zoning. The answers aren't simple, or cheap, however, I'd ask that you turn your attentions to something other than this perhaps well-intentioned plan which will be, ultimately in my opinion, damaging to tourism and individual owners' rights.

I understand that I am one of the very privileged few who own a small (300 square foot) second property in a beautiful city. It wasn't easily come by - I've got a mortgage, I pay wages to local people who ensure my property and guests are well-cared for in my absence, I pay federal taxes on the income generated and, for Federal Tax purposes, my property is deemed to be majority personal use. I work, almost daily, to promote Victoria via personal websites and social media. I spend freely when I have the opportunity to stay in my property. I don't believe I'm a rare case. We short-term owners are not big business but, we're certainly valuable contributors to the economy of downtown Victoria and, as such, I feel we are deserved of at least some small consideration in your deliberations.

I ask you to, please, at the very least, support and maintain the transient zoning currently in place. Removing it would be to the detriment of many individuals, small businesses and tourists and would not result in any benefit to those many residents seeking affordable housing in the downtown area.

I hope that you will take the time to digest the contents of this letter. I would like to attend the meeting on September 21st however, as I live in Nanaimo and have work commitments, I may not make it. This letter is my personal representations of my situation and my case for, at a bare minimum, maintaining the current transient zoning for short-term rentals in the downtown area.

Thank you for your time,

Tracy Nice NICE SOLUTIONS

Creative Solutions for your Home and Business "Creativity is Intelligence having Fun!"

Subject:

FW: Email to Mayor and Council RE: Short term vacation rentals value to Victoria

From: mallard

Sent: August 7, 2017 12:01 PM

To: Victoria Mayor and Council < mayorandcouncil@victoria.ca >

Subject: Short term vacation rentals value to Victoria

Dear Mayor and Council Members:

My wife and I have been in the tourism business with highly ranked [Top 25 in the world, Conde Nast, etc.] 5 Star hotels for more than 25 years. We own a condo in Victoria, which currently is used as a short term vacation rental. Our goal is to have the unit pay for its annual expenses until we move to Victoria. We currently qualify as a "legal, nonconforming property in the transient area." Our concern is that if the tax rate is moved from residential to commercial, this places an unfair tax burden on this segment of Victoria's tourism market. Allow us to explain.

The Victoria tax for our property, according to the city's online calculator, would be raised to more than \$11,000. This is an increase of about \$8000 a year. If the unit generated \$32,000 in gross rental income for the year, a representative ballpark figure, the additional \$8K represents a hit of 25% off the top, along with 25% withholding tax and 30% to the property management company, plus strata fees, utilities, insurance, and the original residential property tax fee, etc. Put another way, this tax increase alone is more than the income from 2 full monthly rentals. It becomes a non-viable STVR entity overnight.

Imagine a person earning \$32,000 a year [about \$15 an hour over a 40-hour week for the year] suddenly getting hit with an additional \$8000 a year tax deduction? That's equivalent to 13 weeks of income. To put it into perspective, it would mean that each city councillor gets hit with an additional \$20,000 tax bill per annum out of your \$82,000 a year salary on top of all your existing expenses.

STVRs generally aren't big money generators like most viable commercial businesses, especially when considering the capital investment needed to purchase the property. We would like our units to pay their way and have a little left over for upkeep and improvements. Shifting from residential to commercial tax rates will negate this.

Having the unit as a STVR, rather than a yearly rental, also allows my wife and I to spend up to 8 weeks a year in our condo while exploring business investment opportunities in Victoria. Our STVR is the first step in this direction.

The other side of the coin is to consider the positive cash influx tourists bring into the city when staying at a STVR. If a STVR, on average, generates about \$3000 a week [or about \$200 per person per day including car rentals, drinks and meals, tours and related tourist activities, souvenirs, taxes and other purchases, as tourists spend up to 10% of their annual income on vacations] into the local economy, apart from STV rental, STVR tourists *in only 3 weeks* would put about \$9000 into the local economy versus the additional \$8000 per year with a change in tax rates, depending on assessment values. In other words, STVRs generate much more income for the local community than they do in rental income for owners.

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If the average STVR rents 18 weeks, or about one third of the year, each STVR puts about \$54,000 into the local Victoria economy benefitting local businesses and jobs, both of which generate commercial, sales and income taxes, which help the local community grow. And Victoria still gets the STVR residential taxes. This hardly poses a threat to the 24/7 Fairmont or other hotels any more than do local restaurants. In fact, a major source of income and profits for hotels is derived from its sales of drinks and meals, which generally are more expensive than the average local restaurant. Some hotels will even discount their room rates to get "heads in beds", which rates are highly flexible for hotels due to the large number of rooms available, as Expedia and other online booking sites attest, knowing they will make up the difference with income generators in other areas, including tourists being brought to the Fairmont on tours. STVRs can't do this.

However, if the change in tax rates from residential to commercial negates being a viable STVR, as would be in our case, then the city's business owners lose \$54,000 per year per STVR and the city loses the tax revenue associated with it because there is nothing out there to replace the STVR tourist segment except another STVR. If this tourism segment is not available in Victoria, people will spend their vacation money where STVRs are available, especially whenever the Canadian dollar gains on the US dollar.

As one person noted, "If it weren't for the large scale condominium development in downtown Victoria and the influx of family visitors who can't fit into [couldn't stay] in them while visiting the city, and [had to] stay in hotels and similar accommodation, I strongly suspect Victoria tourism would be in recession." http://www.cbc.ca/news/canada/british-columbia/canadian-dollar-s-dip-creates-tourism-boom-in-victoria-b-c-1.3179197

From our experience during the past 25 years in tourism and the contributions made by it to local economies, we would ask that the city council embrace a balanced approach in their decisions that make the economy grow for *all the stakeholders*, even including them in your decision making process, thereby encouraging the continued growth of tourism and its related businesses in Victoria. We've used this stakeholder based approach to solve many local issues involving tourism and its economic benefits.

To this end, there are many ways forward. However, an ex post facto decision to move from residential to commercial tax rates for STVRs would place an unfair tax burden on this popular and growing tourism segment.

One path forward would be to grandfather existing, qualifying and legal STVRs under current rules, and to make well-reasoned, positive changes for new properties, and those past non-complying STVRs. Also, this will send a positive message to potential future business investors in Victoria knowing that the rules will not change to their detriment after they've made capital investments.

Having worked for decades with 5 star properties and tourism's impact on local economies, 5 star hotels have their market niche as do STVRs. We know from experience that people who stay in 5 star hotels don't frequent STVRs given the choice. I hardly believe our condo unit gives the Fairmont a run for its money. We can't possibly provide the services and experience the Fairmont provides. However, while the Fairmont and others provide a special place for tourists to stay in Victoria, for the average income tourist and their families, an STVR allows them a "place to come home to" at the end of the day exploring Victoria. And for this, they are grateful as our guest reviews constantly tell us.

Sincerely,

Michael & Karyn Allard