

# SHORT-TERM RENTAL



# REVIEW

Phase 2 Engagement Summary

June 11 2019



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# 1 INTRODUCTION

## Project Overview

The District of Squamish is reviewing and developing options for short-term rentals (STRs) which include rentals listed on Airbnb, VRBO and other similar platforms. In 2016 the District’s Affordable Housing Task Force Final Report recommended the development of STR policy and enforcement action to address the growing proliferation of unpermitted STRs with the intention to mitigate the loss of long-term residential rental units. STR regulation is a policy directive outlined in the new *Squamish2040 Official Community Plan*, and is one of many current initiatives aimed at improving affordable housing in Squamish. Local governments play a key role and use a variety of policy, planning and regulatory tools to ensure an adequate and affordable local housing supply to meet community needs. Under the District’s legislated authority respecting land use management, and utilizing zoning and business licensing tools, new STR regulation will aim to address the opportunities, benefits, challenges and impacts that this form of rental presents.

## Project Plan + Engagement Activities

Designing a STR regulatory approach for Squamish requires extensive engagement with the community. The District has committed to Consult (IAP2) by seeking public input on STR approaches and alternative options, keeping the community up-to-date on the project, and providing feedback on how community input will inform Council decisions.

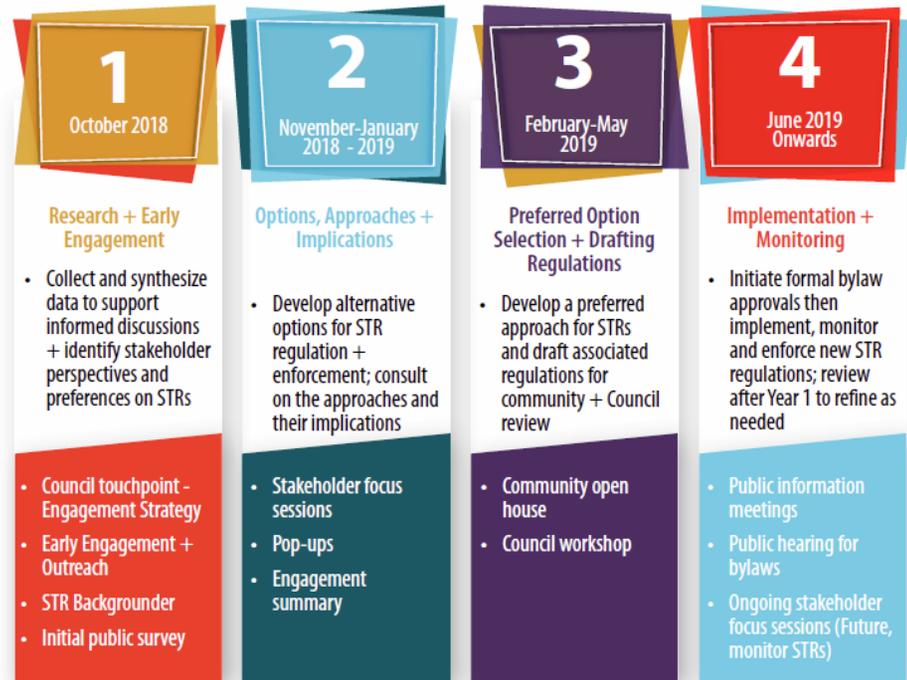
In September 2018, the District initiated a 4 stage project plan and engagement program (Figure 1). The summary of Phase 1 engagement and key findings is available at this [link](#).

Phase 2 engagement activities have included:

- Focus group sessions for key stakeholder groups; and
- Community Open House

Figure 1 STR Project Work Plan

## PROJECT STAGES + ONGOING ENGAGEMENT OPPORTUNITIES



## 2 PHASE 2 ENGAGEMENT KEY FINDINGS

The core purpose of Phase 2 engagement was to facilitate a detailed review and solicit public and stakeholder input on three alternative regulatory approaches described in the [Phase 2 Alternative Options Package](#). These options were presented to Council for initial review on January 29, 2019.

As with the Phase 1 engagement findings, there was a wide variety of perspectives around the regulation of STRs, although overarching sentiments were also consistent with the Phase 1 findings, in that there was general support that the District should regulate STRs in some manner (the exception was the STR Hosts focus group, many participants were not in support of regulating), and a common understanding around the rationale for regulation and management of STRs. The three options seemed to be widely accepted as valid regulatory approaches (there was no consistent commentary that the District had missed the mark in not providing other alternatives).

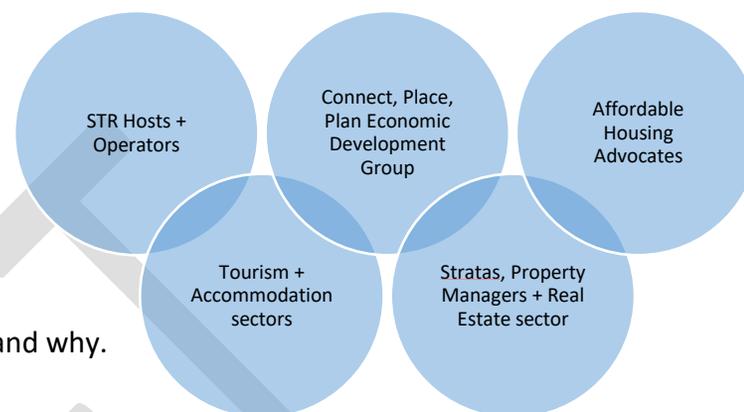
While the response from the community for Phase 2 engagement was not as high as the response for the Phase 1 survey, there were insights gathered to help inform the selection of preferred regulatory option and assist with the development of various aspects of the STR regulatory framework:

- Preference for a more permissive approach (Option A or Option B);
- Desire for flexibility in the regulations, for example, allowing secondary suites and coach houses to be rented short-term;
- Prioritization for neighbourhood liveability aspects to be regulated, particularly parking;
- Desire for clear, easy to understand regulations; little support for caps;
- General consensus that business licence and safety requirements are reasonable.

The next steps to move forward on the STR project are to evaluate the alternative options and select a preferred option for detailed bylaw drafting.

### 3 STR FOCUS GROUPS

In Phase 2, five individual focus group sessions were held with key stakeholder groups to review and discuss proposed alternative regulatory approaches. Staff presented a summary of the public input, perspectives on STRs and key learnings collected in Phase 1, and then framed the initial regulatory alternatives and how they were generated. Key questions for participants included which alternative was supported, if any, and why.



#### Who Participated + What We Heard

Phase 2 STR Focus Group Sessions	# of Participants	Overall Discussion Themes
1. Squamish Integrated Housing Solutions Group – February 20, 2019	4	<ul style="list-style-type: none"> <li>• STR project goals and decision criteria – ability to maintain affordable housing supply should be given more weight than other project goals and objectives to promote tourism, given the severe lack of affordable housing</li> <li>• Potential to consider use of local housing agency/authority to mediate and manage leases between housing suppliers/owners and renters</li> <li>• Consider also initiative in Whistler for securing workforce housing (<a href="#">Home Run Program</a>: matching businesses with property owners)</li> </ul>
2. STR Hosts – March 5, 2019	28+	<ul style="list-style-type: none"> <li>• Options A and B were preferred by majority</li> <li>• Flexibility is key; ability to earn income to offset costs, house family</li> <li>• Owners feel unfairly penalized to solve local housing issues</li> <li>• Focus affordable housing, long term in regulating new development only</li> <li>• Currently no regulation of LTRs, requirement for licenses or enforcement to address illegal suites (life safety); would like to see fairness and District address LTR issues as well, including incentives for LTRs</li> <li>• Proposed limit of 1 STR per property is arbitrary</li> <li>• Little to no supports for caps of any kind</li> <li>• Overall business licensing and safety inspections reasonable</li> </ul>
3. Squamish Economic Steering Group (Connect)	4	<ul style="list-style-type: none"> <li>• Squamish is dynamic town/environment</li> <li>• Phased approach is preferred; track data, and evolve regulations based on monitoring and close review</li> </ul>

Place Plan) – March 8, 2019		<ul style="list-style-type: none"> <li>• Primary objective should be to license STRs: aim for as many licences + declarations as possible</li> <li>• For investment properties, permit but consider higher license fees</li> <li>• What is financial comparable? Look at and address the financial gap between STR and LTR</li> <li>• STR rental rates – look at annual revenues; if owners are bringing in &lt;\$5000- this doesn't seem to add up to providing much supplemental income</li> <li>• With STR regulation Squamish may see increase in STRs</li> <li>• Big workforce housing wave – trades are occupying existing accommodation 60-90 days/yr (seasonally)</li> <li>• For parking, consider issuing parking permits for STRs. Track data and analyze parking needs, then regulate.</li> </ul>
4. Tourism Squamish Board/Accommodation Providers – March 12, 2019	14	<ul style="list-style-type: none"> <li>• Need to balance between long-term rental needs and STRs</li> <li>• Deal with life/safety issues; also illegal suites too</li> <li>• Workforce housing supply critical; operators and businesses are struggling</li> <li>• Given existing housing crisis, take conservative approach; once community has adequate long-term rentals and there is tangible evidence that the housing situation is better, then consider opening up more to STR</li> <li>• More commercial accommodation is also needed to attract hoteliers at national/regional scale, stronger focus/effort desired</li> </ul>
5. Realtors, Stratas and Property Managers – April 12, 2019	5	<ul style="list-style-type: none"> <li>• Strata corporations should do the 'heavy lift' in STR regulation</li> <li>• Currently a number of local stratas have prohibited STRs, although a few are permissive</li> <li>• Strata Property Act definition of short-term rental is 28 days or less; DOS regulations should align with this</li> <li>• Tenancy Act is seen as big barrier for owners considering long-term rental of their units. There is inability to stipulate mutual terms in lease</li> <li>• High real estate demand for 1 bedroom units as investment properties (presales) however this is recognized easier affordable entry for first time buyers – need to balance with needs of new first time buyers</li> <li>• Consider cap for max % of STRs in the community even if not able to enforce; could this be an equalizing factor for affordability?</li> <li>• Mortgage calculations: purchasers are noting long-term rental revenue although many clearly have intentions to offer as short-term rental</li> <li>• Clarity is needed for STRs in downtown C4 commercial zone – given tourism accommodation(hotel, motel) is also a permitted use in list of uses in addition to residential; increasingly downtown mixed use buildings are including STR provisions in disclosure statements</li> <li>• Interest in seeing District consider zoning/geography – be more permissive in commercial areas/zones; more restrictive of STRs in residential areas</li> </ul>

Total 55+ Focus Group Participants

## 4 COMMUNITY OPEN HOUSE

### Who Participated

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Approximately 30 members of the public attended the Community Open House event, which was held at the Squamish Adventure Centre on Thursday, May 2 from 4pm-8pm. Thirty-one (31) Phase 2 feedback forms were submitted in total; 14 forms through email and 17 forms through the Community Open House. One comment that directly related to the feedback form was submitted through the project webpage comment portal.

### What We Heard

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The feedback form asked five key questions around people's preferences and opinions on the proposed alternative options and regulations. Responses to the questions are summarized below.

*1. Which STR alternative option do you like the most?*

53% (17/32) of respondents preferred Option A (More Permissive), 41% (13/32) of respondents preferred Option B (Moderate), and 6% (2/32) of respondents preferred Option C (More Restrictive). Interestingly, of the feedback forms submitted during the open house, 71% (12/17) of respondents preferred Option B. Of the forms submitted via email, 93% (13/14) of respondents preferred Option A.

*2. Should STRs be allowed in suites and coach houses?*

86% (24/28) of respondents said yes, suites and coach houses should be allowed; 14% (4/28) of respondents said no, suites and coach houses should not be allowed.

*3. How should parking be regulated for STRs and how much should be required?*

The majority of respondents thought parking should be regulated. 1 parking space per STR unit was the most frequent parking requirement proposed by respondents, which is the same requirement currently applied to secondary suites and coach houses.

*4. Should (guest/night/unit/neighbourhood) caps be included?*

The majority of respondents were generally not in favour of any caps. The one exception was for a guest/bedroom cap, where 67% (18/27) of respondents were in favour.

*5. In general, are proposed STR regulations and licensing requirements reasonable?*

76% (16/21) of respondents were in favour of STR operators being owners or renters. 62% (13/21) of respondents were in favour of having a business licence requirement, along with safety inspections and parking requirements. 2 respondents specifically did not want a business licence requirement, 4 respondents did not want safety inspections, and 2 respondents did not want parking requirements. 60% (9/15) of respondents were in favour of limiting STRs to 1 per property. 82% (14/17) of respondents were in favour of allowing STRs to be in partial/shared or whole homes. 3 respondents wanted STRs to be in partial/shared homes only.

The feedback form provided space for additional comments. Qualitatively, the most commonly mentioned themes were as follows:

- Economic benefits of STR to support Squamish’s local economy. Comments focused around supporting local tourism, economic health, employment, visitor experience, and ensuring there are adequate accommodation options. Comments recognized STRs as providing spin-off visitor spending and diversifying visitor accommodation options.
- Economic benefits of STR to help residents earn supplemental income and manage housing affordability. Comments focused on affordability challenges, including the high cost of living and housing. STRs allow operators to supplement income to afford mortgage or rental payments.
- Concerns with provincial rental regulations (Residential Tenancy Act). Comments focused on the challenges of long term rental due to the current tenancy laws and negative experiences with long-term rentals, resulting in a preference to rent on a short-term basis or not at all.

## 5 NEXT STEPS

This engagement summary document marks the end of Phase 2 of the STR Review project, and informs the transition into Phase 3, which will include the selection of a preferred STR regulatory option and the drafting of detailed regulations and amendments to the Zoning Bylaw, Business Licence Bylaw, Fees and Charges Bylaw, and potentially the Municipal Ticket Information and Notice Enforcement Bylaws.

Phase 3 Engagement Activities will follow the typical legislated requirements for local government bylaw amendments including a Public Hearing and associated statutory notifications. A Public Information Meeting prior to first readings of the STR regulations will provide an opportunity for public input prior to formal bylaw amendment readings. The STR project webpage will be kept up-to-date throughout the Phase 3 process.

### PROJECT STAGES + ONGOING ENGAGEMENT OPPORTUNITIES

