

MEMORANDUM October 20, 2016

TO: Mayor and Council

CC: Sadhu Johnston, City Manager
Paul Mochrie, Deputy City Manager
Janice MacKenzie, City Clerk
Lynda Graves, Manager, Administration Services, City Manager's Office
Rena Kendall-Craden, Director, Communications
Kevin Quinlan, Chief of Staff, Mayor's Office
Katie Robb, Director, Communications, Mayor's Office
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Andreea Toma, Director, Licensing, Property Use Inspections and Animal Services
Iain Dixon, Assistant Director - Regulatory Litigation

FROM: Kaye Krishna, General Manager, Development Services, Building and Licensing

SUBJECT: Short-Term Rental Enforcement Priorities And Recent Cases

This memorandum outlines the City's approach to enforcing current short-term rental regulations, actions and outcomes of recent enforcement cases and plans for monitoring compliance.

Short-Term Rental Enforcement Demands and Priorities

In the city of Vancouver short-term rentals (i.e. fewer than 30 days) are allowed in licenced hotels and bed and breakfasts only. Section 10.21.6 of the Zoning and Development By-law states:

No person shall use or permit to be used any dwelling unit for a period of less than one month unless such unit forms part of a hotel or is used for bed and breakfast accommodation.

Section 10.20.5 sets the same 30 day rental minimum for housekeeping units (i.e. private rooms).

STR - Communications - Enforcement Update Memorandum To Council - 2016-10-19 (2)

In June 2016 there were more than 5,300 unique, active short-term rental listings in Vancouver. Only a fraction of local listings require a minimum stay of 30 days or are licenced hotels or bed and breakfasts; therefore almost all short-term rental activity in Vancouver is currently illegal. Earlier this month Council endorsed a proposed approach to legalize and licence short-term rentals in principal residences and will report back early 2017 with proposed regulations and a plan for implementation. Until then, the City will continue to enforce current regulations largely based on complaints.

The City has received 55 bylaw violation complaints about short-term rentals to date in 2016 (see Table 1 below). Staff have investigated these complaints and with enforcement resources available, have stepped up enforcement activity in recent months, starting with hosts or listings with significant public impacts.

Table 1: 3-1-1 Complaints About Short-Term Rentals 2013 - Present

	2013	2014	2015	2016
TOTAL COMPLAINTS	2	4	19	55
<i>Complaint Type</i>				
Suspected STR	1	3	16	19
Multiple Listings	-	-	-	28
Illegal Suite	-	-	-	1
Noise	-	-	2	5
Safety Concerns	1	-	1	2
Property Damage	-	1	-	-

The process for enforcement against illegal short-term rentals is the same as for other Zoning and Development By-law violations. First, staff confirm that a bylaw violation has occurred and then issue a verbal or written Order to comply with the bylaw. Through the investigation stage of the violation, staff conduct site inspections and address all other bylaw violations (eg. Building, Fire, Untidy, Standard of Maintenance etc...). There are no Municipal Ticket Information fines (MTIs) for zoning violations, however Fire can ticket and issue Chief's Orders for imminent life safety risks. For ongoing or egregious violations the City can seek a Court order to force compliance and/or refer the violation to City Prosecutor to force compliance and impose fines. When other bylaw violations are not evidenced, such as work without permit, enforcing Vancouver's current short-term rental restrictions is challenging and labour-intensive, as it requires the City to prove that an illegal land use is occurring inside a private dwelling.

Current enforcement priorities for short-term rentals include:

1. Short-term rentals in unsafe buildings.
2. Short-term rentals in publicly-funded rental housing
3. Buildings with multiple listings (e.g. 'hosted hotels') or where a long term tenant has been evicted so a unit can be rented short-term instead.
4. Operators running multiple listings (e.g. short-term rental property management companies).

The priorities for enforcement as identified above are aligned with the regulation framework that Council has endorsed; none of these circumstances would be approved for licensed short-term rentals under that framework.

In addition to complaints the City uses data analysis and media/press investigations to identify areas that meet the above priorities.

The main purpose of prioritizing enforcement measures is to ensure personal safety (i.e. no residential use of unsafe buildings) and prevent conversion of long term rental units to visitor accommodation in alignment to City goals and objectives to return short-term rental stock back into the long term rental market. Secondly, staff are using lessons learned from these enforcement cases to design a comprehensive, cost-effective compliance system that would accompany our report back to Council on implementation of new regulations to legalize short-term rental activity in Vancouver.

Recent Short-Term Rental Enforcement Cases

Since July 2016 the City has taken enforcement action in seven priority situations with multiple impacts on the public good. Four situations are now bylaw-compliant, one is partially complaint and two are not compliant.

1. 2341 York Avenue: Multiple Listings, Unsafe Building - Compliant

In July the City received a complaint that the multi-family building at 2341 York Avenue was being operated as an 'Airbnb hotel'. Staff found Airbnb listings for 17 of the 24 sleeping units in the building, all with less than 30 day minimum stays. A building inspection revealed work completed without permit. A written Order was issued instructing the owner to cease short-term rental activity and obtain permits for work completed without a permit. The owner has complied: the required permits have been obtained and the Airbnb listings now require a minimum 30-day stay.

2. 730 W. 7th Avenue: Multiple Listings, Commercial Operator - Compliant

In August the City received a complaint that the owner of multiple units in the 14-unit townhouse complex at 730 W. 7th Avenue was renting two units on a nightly basis. Staff found the units listed on Airbnb and managed by Flatbook (now Sonder Properties), a short-term rental property management company. The complainant advised that these units had previously been rented to long term tenants. Given the impacts of this property (i.e. loss of two long term rental units) City staff collected the required evidence and filed a request with the BC Supreme Court to order the property owner to comply with City bylaws. Both short-term rental listings were deactivated within a few days of court filing. If the property owner agrees to sign a Consent Order that would prevent future infractions a Court hearing will not be required.

3. 1175 W. 10th Avenue: Multiple Listings, Commercial Operator - Compliant

City staff identified an unstratified 14-unit multi-family building at 1175 W. 10th Avenue that was being operated as an 'Airbnb hotel' with all 14 units listed on Airbnb for nightly rental. Given the significant impacts of this property (i.e. loss of 14 potential long term rental units) City staff collected evidence required to petition the BC Supreme Court to order the property

owner to comply with City bylaws. However the property owner voluntarily complied before an injunction request was filed - all listings now require 30 day minimum stays - so Court action was not required.

4. 1150 Comox Street: Multiple Listings, Unsafe Building - Partially Complaint

The City received several complaints about short-term rentals at 1150 Comox Street. Inspections staff found that habitable space had been created in the basement and the attic without permits. A written Order was issued instructing the owner to cease short-term rental activity and obtain permits for work completed without a permit, immediately. This property is partially compliant: Airbnb advises there are no active short-term rental listings for this address and the owner has applied for the required permits. To bring property into compliance, staff will follow up to ensure work commences.

5. 3455 William Street: Multiple Listings, Unsafe Building - Partially Compliant

In September the City received a complaint that two small accessory structures had been constructed behind the main unit at 3455 William Street and were being rented short-term. Staff found six Airbnb listings for this property: the two accessory buildings and four rooms inside the main house. Inspections staff interviewed occupants who confirmed they were renting short-term. There are no washroom facilities in the accessory buildings and were not constructed for living space. Both building have been restored to storage use as intended and are no longer listed for short-term rental. Further follow up by staff is required to ensure work without permit is rectified and the short-term rental listings in the main house are removed.

6. 738 W. 24th Avenue: Multiple Listings - Non-Compliant

The City received several complaints about multiple short-term rental listings for a one family dwelling with secondary suite at 738. W 24th Avenue. Inspections staff found the basement is configured as a two bedroom, two bathroom suite with one kitchen. This is an allowed use. Based on photos in the Airbnb listings for this property, it appears that the space rented short-term as two entire unit listings: a one bedroom with kitchen and a studio with no kitchen. A letter was sent instructing the property owners to cease renting short-term. The owners have not complied: both listings are active and there are reviews from rentals this month. The next step for this property will be to issue a written Order to cease short-term rentals.

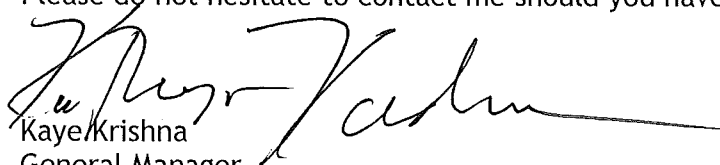
7. Commercial Operators (10+ Listings) - Not Compliant

Data commissioned by the City identified a small number of short-term rental operators with more than 10 listings. Some of these commercial operators operate short-term rentals on behalf of individual owners; others control multiple properties themselves. For example, Penman Properties has 12 entire unit listings on Airbnb with 1 night minimum stays located around the city. This professional property management company has links to the Airbnb listings on their website at <http://www.penmanproperties.com/listings/short-termvacation-rentals/>

In all cases, these listings are no one's principal residence and might be rented long term if current bylaws are enforced. Staff have asked Airbnb to provide contact information for

these operators but it has not yet been provided. Staff will follow up with Airbnb to advance enforcement in these cases.

Please do not hesitate to contact me should you have any questions regarding this matter.

A handwritten signature in black ink, appearing to read 'Kaye Krishna', written in a cursive style.

Kaye Krishna

General Manager

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