



Town of Golden Short Term Rentals



Short Term Rental Regulations

Bed & Breakfast regulations created and implemented.	Staff present a discussion paper on the growing trend of short term rentals.	<ul style="list-style-type: none">• Town reinstates bylaw enforcement and ticketing in Golden.• Staff engages Tourism Golden and its board.• STR focus groups and online public engagement.	Based on feedback, Council provided staff with direction for drafting bylaws related to STRs. Check out the Council direction board for details.	<ul style="list-style-type: none">• Direction to explore Temporary Use Permits and business license/regulation abandoned due to administrative burden.• Staff and Tourism Golden engage Airbnb.• Staff present a draft zoning bylaw for Council to review.	Based on an application from the developer of OSO, Council approves a commercial zoning amendment, introducing STRs in C1, C2 an C3 zones.	WE ARE HERE		Council to consider feedback and second reading.	Public Hearing on STR bylaws and regulations.	Adoption of the STR bylaws and regulations.
1990s and earlier	2016	2017	2018	2019	February 2020	July 2020	August 2020	October 2020	November 2020	December 2020

Timeline



Council gives first reading
Staff presented the proposed Short Term Rental bylaws and regulations on July 21. Council gave first reading and directed staff to move forward with an open house and online check-in on the short term rental package.



Check-in

- Online feedback form available from July 27 to August 31.
- Check back in with original focus group attendees, Tourism Golden and hotel accommodators.
- Open house check-in with the public on August 18.



Short Term Rental Regulations

Background

- Over the last few years, The Town of Golden has studied potential new rules for Short Term Rentals (STRs). STRs typically refer to the commercial rental of a private residence, such as a few rooms (a B&B) or an entire dwelling unit (a short term rental), for a period of less than 30 nights, for which the guest compensates the owner (or lessee) of the unit.
- STRs represent a globally sought and valid market for travellers. Times have changed and millions of people are looking for alternative accommodation experiences not offered by the traditional hotel model. In the last 8 years there has been a 47% increase in listings globally.
- Websites such as Airbnb and Vacation Rental by Owner (VRBO) as well as smart phones have made it easier to operate an STR. The Town is aware that over the last number of years many unlicensed STRs have started up in both the Town and even more numerous in Area A.
- Municipalities across Canada, and the world, have been facing the same situation and challenges as Golden, experiencing growth in STRs and needing to create bylaws and regulations to address this new sector.

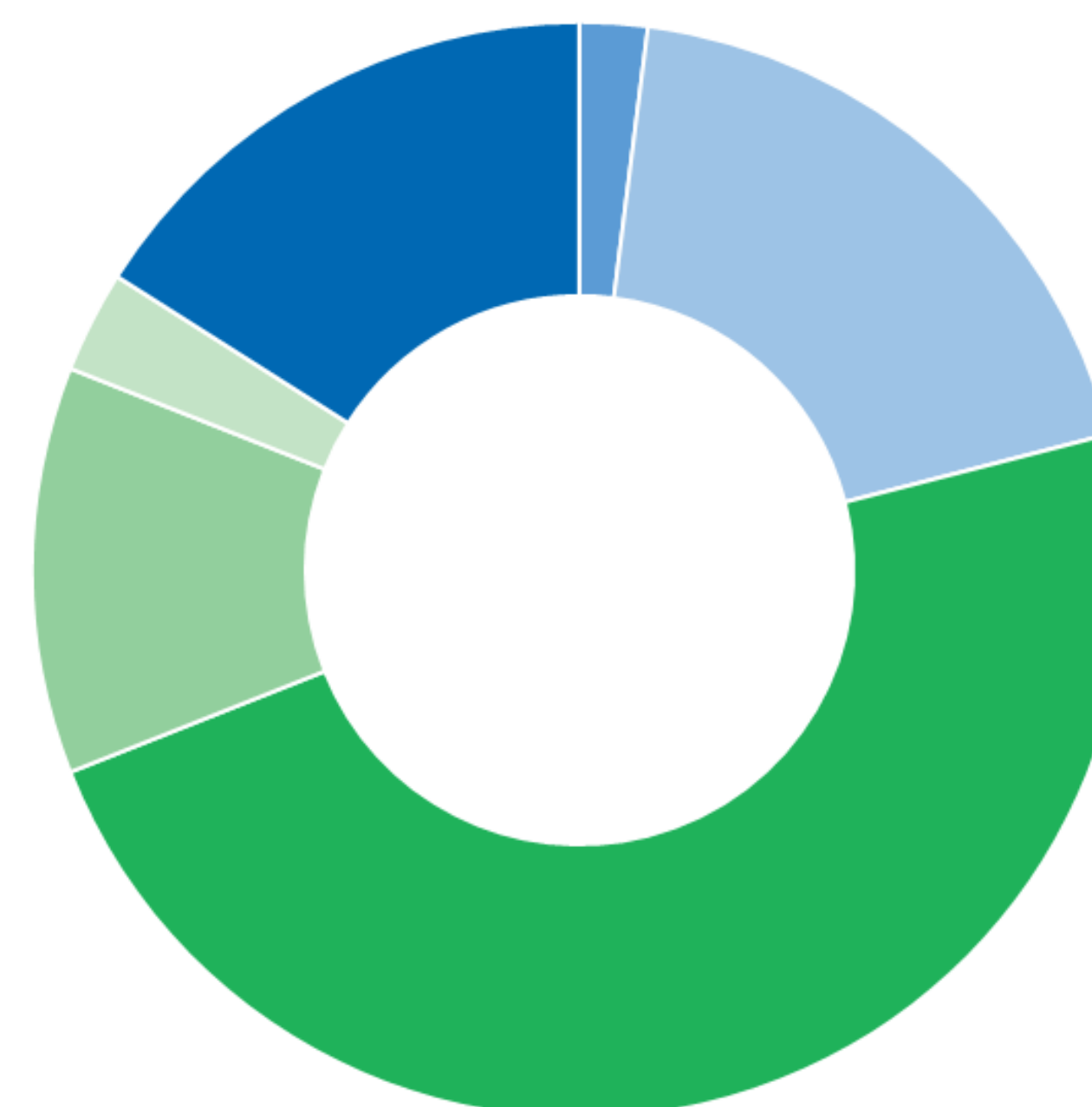
STR Statistics

This chart shows the number of STRs, in the Town of Golden and CSRD Area A, year over year.

Note that in 2020, only 32% of listings in the area are within the Town of Golden.

	Town	CSRD Area A
June 2016	54	184
Nov. 2017	81	212
July 2018	128	330
July 2019	175	513
July 2020	164	508

Rates for STRs located in the Town of Golden



■ \$0-\$50 (2%)

■ \$100-\$200 (48%)

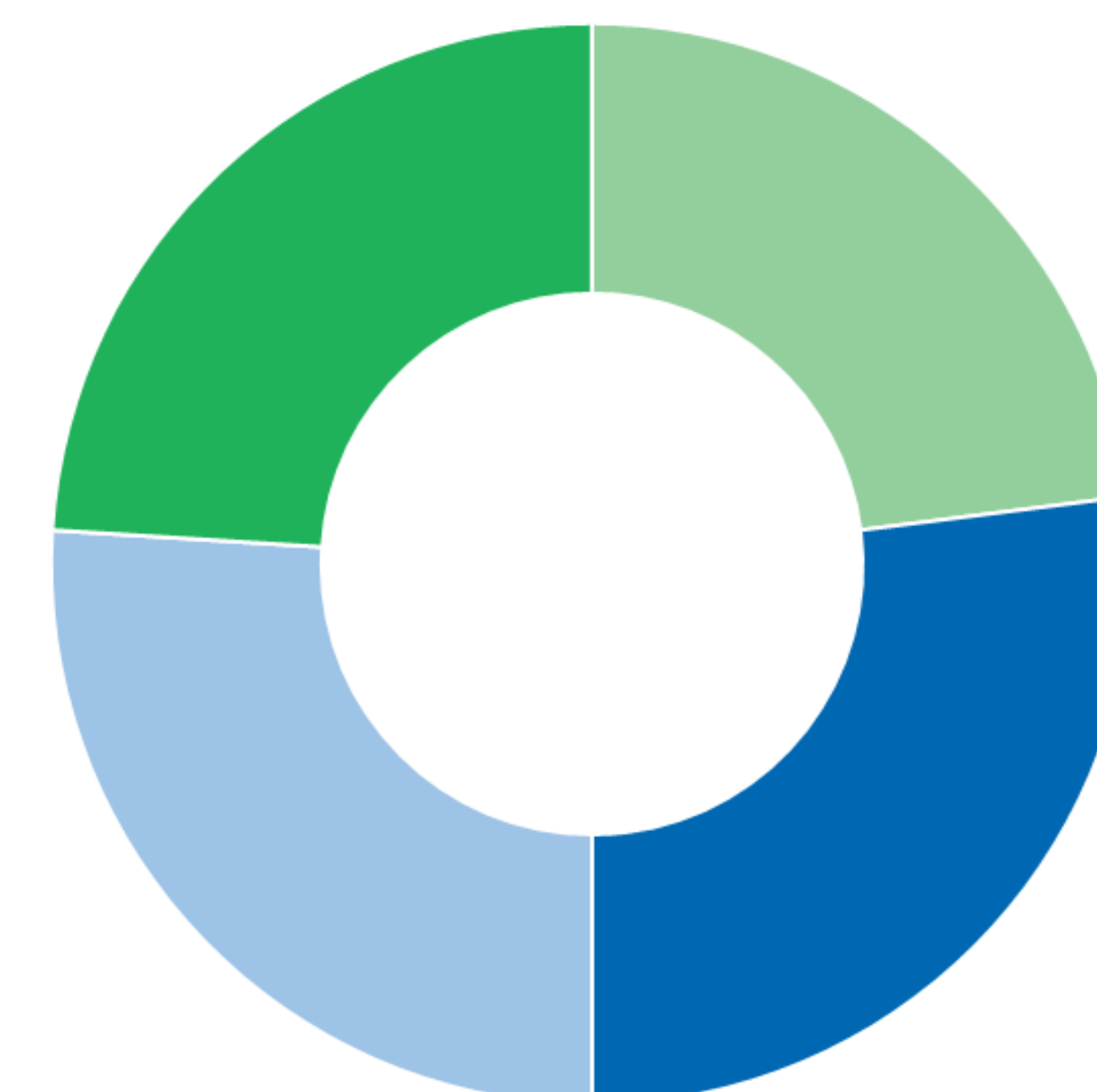
■ \$400+ (3%)

■ \$50-\$100 (19%)

■ \$200-\$400 (12%)

■ not provided (%16)

Estimated operator revenues for 2020 in the Town of Golden



■ \$0 (23%)

■ \$5k-10k (26%)

■ \$25k + (0%)

■ \$0k-\$5k (27%)

■ \$10k-\$25k (24%)

Source: Host Compliance



Short Term Rental Regulations

Community Challenges

- Increases cost of housing for some local residents and employees due to inflated real estate. Reduced supply increases housing prices both for rent and purchase.
- Impacts residential character and the feel of the neighbourhood (or challenge at building it).
- Increases neighbourhood noise and security concerns. Some visitors may treat every day/night like a weekend or Friday night.
- Creates unfair competition as some STRs may not be complying with tax requirements or health/safety codes.
- Reduces 'tax' revenue to pay for the local destination marketing organization (Tourism Golden) and Resort Municipality Initiative when STR operators evade tourism or other taxes.
- Increases parking overflow, traffic and snow clearing challenges.
- May increase the use of water, sewer and solid waste collection more than typical dwelling unit.

Community Benefits

- Allows some residents to earn additional income through STRs to offset housing costs or to help meet basic living needs and support.
- Promotes positive intermingling and cultural exchanges between visitors and residents.
- Contributes to local economy by allowing local residents, not just major businesses and commercial property owners, to earn income from visitors.
- Provides more accommodation options and prices for visitors, improving their experience and in many cases providing more authentic experiences and cultural exchanges.
- Increases development and job creation, as additional income streams may allow homeowners or investors to build more elaborate homes.
- Provides more efficient use of space within a building that may be underutilized (for example empty nesters renting vacant bedrooms).



Short Term Rental Regulations

Feedback and Public Engagement 2017-19

In the winter of 2017/18 the Town conducted an online survey with the general public receiving over 350 responses, as well as Focus Groups which included diverse stakeholders i.e. hotel/motel owner operators, licensed B&B operators, newer unlicensed STR/B&B operators, citizens concerns about rising housing prices, realtors/developers and residents of multi-family developments.

The following goal was presented to the focus group attendees:

Create a fairly regulated environment that supports a viable STR sector while meaningfully preserving housing stock for residential purposes.

What we heard:

- STRs are generally an expected accommodation and are supported, but that the playing field needs to be levelled.
- Housing market is affected. There was support for entire dwellings, but in residential areas via a primary resident home based model and not on properties with Detached Secondary Residential Dwellings (example: carriage houses).
- The shoulder seasons are difficult for STRs and hotels, especially budget motels.
- Other ideas: allow STRs in all areas of Town, include signage with contact information, and implement inspections and proactive enforcement.

	Strongly Agree	Somewhat Agree	Somewhat disagree	Disagree	No opinion
<i>*From the online survey of 355 respondents</i>					
They make it harder for people to find affordable, long term housing	185	104	20	37	9
They are an expected tourist accommodation offering that brings revenue to local shops, restaurants, etc.	136	130	42	34	10
They lead to an increase in the cost of housing	158	86	35	53	19
They create nuisances to neighbours (ex. noise, parking)	100	96	59	78	20



Short Term Rental Regulations

BC Hotel Association Recommendations & Response

In July of 2018, the Hotel Association of Canada, in partnership with the British Columbia Hotel Association published “A Framework for Canadian Regulators,” which examines the benefits and potential impacts of STRs including some recommendations.

The Town has been observant of these recommendations and has incorporated six of the eight recommendations into the proposed STR bylaws:

- ✓ **1.** All STRs must possess a valid business licence and pay the related fees. (“Registered”)
- ✓ **3.** Except in commercial zones, a principle resident must reside in any dwelling unit where an STR unit is located.
- ✓ **5.** All STRs will be inspected for life safety requirements.
- ✓ **6.** Similar to a hotel, STRs must keep a record of their guests, but for administrative purposes there is no reporting requirement, but this data will be available.
- ✓ **7.** All STRs are required by the Provincial Government to collect and remit the Municipal and Regional District Tax.
- ✓ **8.** The Town will be actively enforcing the STR bylaws through 3rd party monitoring of listings over many platforms.

Following a scan of the regulatory approaches taken in communities and cities around the world, the following 8 elements have consistently been applied:



1. HOST REGISTRATION AND FEES

Requires that any property offered for home-renting be registered with the local government. For the benefit of hosts and municipalities, platform companies should facilitate the registration process. Along with the collection of an annual fee to recover costs, registration enables the monitoring and reporting of rental activity.



5. HEALTH AND SAFETY STANDARDS

Regulations that require certain standards for safety (e.g. smoke detectors, fire extinguishers, pest control). This provides some minimal level of protection for guests.



2. PLATFORM REGISTRATION AND FEES

Require registration of the rental platform companies along with a significant annual fee and an ongoing fee for each booking. Rental platform companies must be prohibited from listing any property that is not properly registered.



6. REPORTING

A requirement at the platform and host level to report to government on all home-renting activity. This includes mandating that platform companies issue annual information slips to hosts on rental income with a copy to government authorities.



3. PRINCIPAL RESIDENCE RESTRICTION

Limits home-renting to a principal residence only. This prohibits the operation of ghost hotels and/or large scale commercial enterprises operating under the veil of home sharing. A significant issue remains in that short-term rentals are permitted in areas without proper zoning but with some limitations.



7. TAXATION/LEVIES

Special provisions at the platform level to conveniently collect and remit various taxes and/or levies on behalf of hosts. This creates a more level playing field with commercial operators and provides revenue to government to cover the costs of managing home sharing activity.



4. CAP ON USAGE

Limits the number of days that a home can be rented through a home-renting platform. This helps to moderate the decline in available housing stock and the nuisance factors associated with the conversion of ordinary residences into commercial operations. Caps typically run from 30 to 180 days per year. Some condominium boards put the cap at zero days and some regulations require explicit approval from homeowner's associations before short-term rentals can be offered.



8. ENFORCEMENT/PENALTIES

Mechanisms to ensure regulations are applied and enforced (e.g. confirm principal residence with a driver's license). Effective enforcement can only be achieved with reliable and timely reporting of activity from the platform. Penalties help to ensure the system is operating as intended through voluntary compliance.





Short Term Rental Regulations

Council Direction: February 2018

Following public engagement and focus groups, Council set the following Bylaw drafting direction in February 2018:

- ✗ Support for the proposed Temporary Use Permit and business license/regulation framework as a way to control the number of STRs in a particular area or on a particular street. (This direction was removed in April 2019 due to administrative burden).
- ✓ A short term rental (accommodation of 30 days or less) can occur in single detached dwelling or in a secondary suite as well as within a duplex.
- ✓ The single detached dwelling, duplex or ½ duplex, must be occupied during the short term rental by the operator, it must be the owner's principal dwelling, and the owner must be present. Council was also cognizant of neighbourhood impact and wanted the owner to be present to address potential noise, parking and other nuisances.
- ✓ A duplex or ½ duplex being operated as an STR must be on one title/one real estate entity:
 - If an owner owns both halves of the duplex, on one title, the owner can reside in one half of the duplex and operate an STR in the other.
 - In the case of a fee simple duplex the owner can operate a B&B/STR only in the side where they reside/own.
- ✓ Short term rentals are not to be permitted:
 - On a property with a detached secondary residential dwelling (carriage house or garden suite);
 - Within a unit in a multi-family residential development.
- ✓ Prior to approval, an initial life-safety inspection is to be conducted by the building official then inspections every three years.
- ✓ Requirements such as signage posting requirements, requiring the license number to be posted in advertisements/websites and no advertising without a business license will also be implemented for efficient enforcement purposes.
- ✓ Council is comfortable with the on-site (off-street) parking requirements of two parking stalls per single detached dwelling and one additional stall for each bedroom operated as a B&B/STR up to three bedrooms.
- ✓ There was no support for seasonal operators paying reduced licensing or water/sewer fees
- ✓ Allow full dwelling units to be rented short term in commercial zones (without a permanent resident requirement).

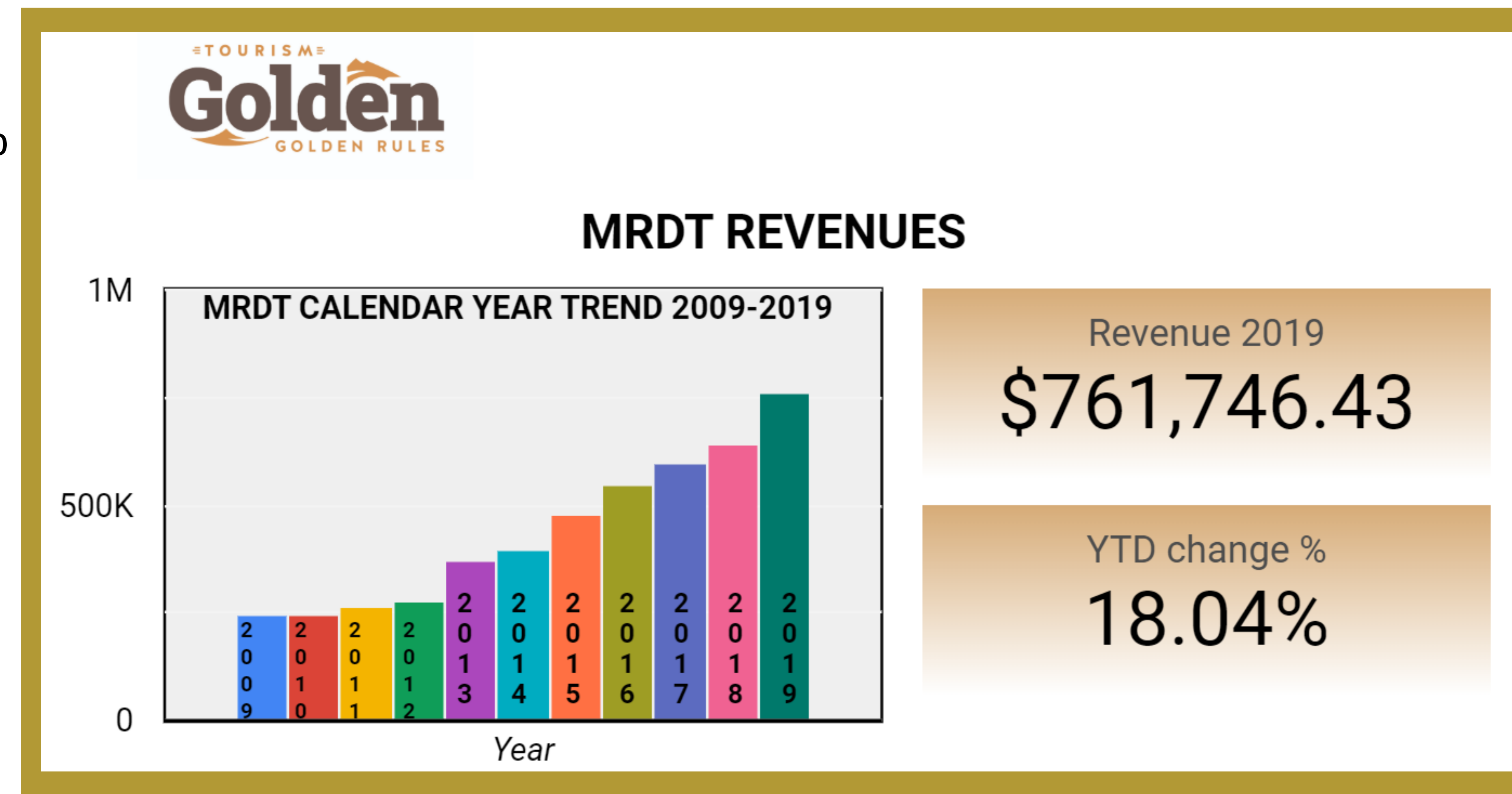


Short Term Rental Regulations

Levelling the playing field

- ✓ The Town has increased its water and sewer rates for bed and breakfasts.
- ✓ Council has played a role in advocating to the Provincial government, that like traditional accommodators, B&B and STR operators should pay higher property taxes and contribute to the Municipal and Regional District Tax (MRDT). Effective October 1, 2018, anyone who operates via an online accommodation platform (OAP) must now collect and remit MRDT as well as Provincial Sales Tax (PST).
 - The MRDT rate for Golden is collected at 2%, which funds in part Tourism Golden.
 - As per Tourism Golden's 2019 Key Performance Indicators, MRDT collected in 2019 was \$761,746.43.
 - Core traditional accommodators registered with the Province: \$652,547; and
 - 1st full year of OAP: \$135,498
 - note there are Provincial admin fees of \$26,280
 - STRs may represent up to 17% of the MRDT revenues collected in Golden and Area A.
 - The COVID-19 pandemic will affect these stats for 2020.

✗ It should be noted that property tax classes fall under the jurisdiction of the Provincial Government (BC Assessment).





Short Term Rental Regulations

Proposed Bylaw Amendments to the Official Community Plan(OCP): The Vision

The purpose of the OCP amendment bylaw is to affirm the vision that in residential areas bed and breakfasts (B&B) and short term rentals (STRs) are based on the home-based business philosophy.

Current OCP:

Prohibit - vacation rentals in new and existing residential areas and encourage vacation rentals in commercial areas. Canyon Ridge subdivision will be the only residential area where vacation rentals will be considered, subject to, design considerations which lessen the potential impact on adjacent existing neighbourhoods.

Proposed amendment:

“Prohibit the rental of entire homes in residential areas as short term rentals and rather, allow short term rentals in new and existing residential areas similar to a home based business. Also, allow short term rentals in commercial areas above a commercial ground floor use. Canyon Ridge subdivision will be the only residential area where short term rentals will be considered, subject to, design considerations which lessen the potential impact on adjacent existing neighbourhoods.



Short Term Rental Regulations

Proposed Zoning Bylaw Amendment

The following would be permitted in residential zones:

- ✓ A permanent resident may operate a B&B within a single detached dwelling.
- ✓ A permanent resident may operate a STR within a single detached dwelling with a secondary suite, if they live in the other suite.
- ✓ Within a single titled duplex a permanent resident can either live in one half and operate a B&B or live in one half and operate a STR from the other half.
- ✓ All are subject to the permanent resident residing on the property and occupying their residence for commercial STR/B&B use with up to three bedrooms.

The following would be prohibited in residential zones:

- ✗ A B&B or STR must not be on a property that contains a Detached Secondary Residential Dwelling (DSRD ex. carriage house). An B&B/STR must be within the principal building.
- ✗ Rental of an entire single detached dwelling.
- ✗ A B&B/STR in a multi-family residential building or in a manufactured home zone.

In early 2020, after receiving an application from the developer of OSO, Council voted in favour of amending the Zoning Bylaw to allow STRs to operate without a permanent resident present above the ground floor in the C1, C2 and C3 commercial zones.

- ✓ After hearing from the hotel association, short term rentals are proposed to be expanded to also include the C4 and C6 zones.

Definitions

Bed and Breakfast (B&B):

The commercial use of a Dwelling Unit to provide temporary accommodation in the form of Sleeping Units (bedrooms) in the dwelling unit to the traveling public.

Short Term Rental (STR):

The commercial use of a Dwelling Unit to provide temporary accommodation to the traveling public.



Short Term Rental Regulations

Proposed New STR Business Regulations

Some of the key proposed regulations include:

- That the owner of an STR in a residential zone cannot be a corporation or a society.
- That marketing must include the business license number and number of approved bedrooms.
- Signage requirements.
- A requirement for a “responsible person” for the guest, neighbours, Town, and the RCMP to contact if there is an issue and a requirement of a two hour response time.
- A requirement to notify neighbours that B&B or STR is being operated and to provide the contact for the responsible person.
- All STR units must be inspected to ensure life safety requirements, such as smoke detectors, egress windows and fire extinguishers, are present and operational.
- Building code compliance and facilitate periodic inspections.
- Keeping of a registry of guest and maintenance staff.
- Ensure all required onsite parking stalls are clear of any debris, unlicensed vehicles or snow by 10 am each day and available for active use by the residents of the dwelling unit on the property and occupants of the short term rental.



Short Term Rental Regulations

Proposed New STR Business Regulations: Licence Fees

Fees have been set based on cost recovery of a licensing regime, responsiveness of the “responsible person,” inspection requirements, recovering third party online monitoring costs, and reflective of other licence rates. Currently B&B operators pay \$70 like most businesses in Town. An 80 unit motel/hotel pays \$240 (\$70 plus \$3 a room). In order to further level the playing field fees are proposed at:

(a) The Bed and Breakfast Licence: the rental of up to three sleeping units in the operator’s permanent residence:

- 1 sleeping unit \$125
- 2 sleeping units \$175
- 3 sleeping units \$225

(b) Short Term Rental Licence - Accessory Use(residential): where the short-term rental use is an Accessory Use and is offered in a residential zone in a building which includes the operator’s permanent residence and the operator is present during the occupancy of the unit:

- 1 bedroom \$175
- 2 bedrooms \$225
- 3 bedrooms \$275

(c) Short Term Rental Licence - Commercial Licence:

- 1 bedroom \$200
- 2 bedrooms \$250
- 3 bedrooms \$300



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Recap

The goal of these regulations is to work towards leveling the playing field, protecting Golden's residential housing stock, and addressing the total number of B&Bs and STRs by:

- Having higher licence rates and a regulatory system in place that is proactively monitored.
- Proposing limits in residential zones by limiting B&Bs and STRs to only the R1, R1-S, R1-D, R2, R2-A, R5 and C5 zones i.e. not the R3, R4, R6 and R7. These latter zones will be omitted as they typically contain more affordable/attainable housing options and often contain common spaces that are desired to feel safe i.e. shared hallways in apartment and condominiums.
- Introducing the permanent resident requirement, built on the home-based business model, to prohibit the use of entire single detached dwellings as STRs to ensure a long term residential component is maintained.





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Next Steps

Adoption Process:

Council to consider feedback and second reading.	Public Hearing on STR bylaws and regulations.	Adoption of the STR bylaws and regulations.
October 2020	November 2020	December 2020

Active Enforcement:

- In order for regulations to be effective, active education and enforcement will be pursued once a suitable framework and process under the bylaw notice system is established.
- The Town will be using a third party online software platform which actively monitors all STR listing platforms (over 125 platforms) for listing within Golden Town limits.
- In observance of enforcement staff resources, the regulatory regime has been designed in such a way so that as much enforcement as possible may be done “on the desktop.” For example, any and all STR listings in the Town of Golden must display a valid business licence number. This will quickly identify any non-compliant listings.
- An amendment to the bylaw notice and adjudication bylaw will occur assigning fines to each of these regulations, this will form the teeth of the Town’s regulatory framework following complaint drive and proactive enforcement.