

DATE: February 15, 2024

TO: MAYOR AND COUNCIL

NAME AND TITLE: Deanna Wasnik, Director of Planning and Development

SUBJECT: Bill 35: Short-Term Rental Accommodations Act

ATTACHMENT(S): December 4, 2023 Notice of Motion: Short-Term Rental Accommodation Act Response
Request for Feedback Letter dated February 1, 2024
Response from Prince George Tourism dated February 5, 2024

RECOMMENDATION(S):

That Council RECEIVES FOR INFORMATION the report dated February 6, 2024 from the Director of Planning and Development titled “Short-Term Rental Accommodation Act”.

PURPOSE:

The purpose of this report is to address Council’s resolution passed on December 4, 2023 and to provide information related to the regulations of the *Short-Term Rental Accommodations Act*.

BACKGROUND:

On October 26, 2023, the Provincial Government granted royal assent to Bill 35, the *Short-Term Accommodations Act*. The Act responds to the joint Union of BC Municipalities – Government of British Columbia 2021 Report *Priorities for Action on Short-Term Rentals*. The goal of the *Short-Term Accommodations Act* is to strengthen tools to support local government enforcement of short-term rental bylaws, return short-term rentals to the long-term housing market, and establish a provincial role in the regulation of short-term rentals.

At the regular meeting of Council held on December 4, 2023, Council considered a Notice of Motion dated November 20, 2023 from Councillor Brian Skakun and Councillor Trudy Klassen titled, “Short-term Rental Accommodation Act Response” (see attached) and passed the following resolution:

That Council DIRECTS staff to seek feedback from the Tourism and Housing Sectors to prepare options for response, including the option to “Opt-Out” of the provincial Short-Term Accommodation Act.

On December 7, 2023, the regulations and policy guidance for the *Short-Term Accommodations Act* were released by the Province.

DISCUSSION:

Short-Term Rental Accommodations Act

The *Short-Term Rental Accommodation Act* (the “Act”) regulates short-term rentals through components such as business licensing, fines, data sharing, platform accountability, principal residence requirement, provincial registry and, the establishment of a provincial Compliance and Enforcement Unit.

The Act will take precedence over all local regulations and the most notable changes will come into effect on May 1, 2024. The Act will affect short-term rentals within the City of Prince George, namely with respect to limiting short-term rentals to the principal residence.

Principal Residence Requirement

Effective May 1, 2024, the Principal Residence Requirement will come into effect. This requirement is, by default, applicable to all municipalities with populations greater than 10,000.

The Principal Residence Requirement establishes that short-term rentals will be limited to a host’s principal residence, and either a secondary suite or accessory dwelling unit. The Province has defined “principal residence”, “secondary suite”, and “accessory dwelling unit” as follows:

- **Principal Residence:** means the residence in which an individual resides for a longer period of time in a calendar year than any other place.
- **Secondary Suite:** means an accessory dwelling unit that is located in, and forms part of, a primary dwelling unit.
- **Accessory Dwelling Unit:** means a building, or part of a building, that:
 - a) is a self-contained residential accommodation unit;
 - b) has cooking, sleeping, and bathroom facilities; and,
 - c) is secondary to a primary dwelling unit located on the same property.

Option to Opt-Out of the Principal Residence Requirement

The Principal Residence Requirement is the only framework item of the Act that municipalities may request to “opt-out” of but must meet the eligibility requirements in order to do so.

Municipalities with a population of over 10,000 in the 2021 Census and rental vacancy rate of 3% or more for two consecutive years, as per the Canadian Mortgage and Housing Corporation (CMHC), are eligible for the exemption.

The rental vacancy rates for Prince George in 2022 and 2023 are provided in Table 1 below. The data is based on information provided on the CMHC website and confirmed by CMHC staff.

Year	Percentage*
2022	3.7%
2023	2.8%

* based on CMHC data found here: [Full view \(cmhc-schl.gc.ca\)](https://www.cmhc-schl.gc.ca)
(select “Primary Rental Market” → Vacancy Rate (%))

As the “opt-out” option is only available for municipalities with vacancy rates 3% or greater for two consecutive years, the City of Prince George is not eligible to request to “opt-out” of the principal residence requirement in 2024. The earliest possible year the City of Prince George could seek an exemption to the Principal Residence Requirement is 2026, providing the rental vacancy data is 3% or more in 2024 and 2025.

In future, a local government’s resolution to “opt-out” of the Principal Residence Requirement must be submitted to the Province by March 31st of each year, and the change will take effect November 1st of the same year.

Enforcement

The Act establishes that municipalities are responsible for enforcing municipal bylaws related to short-term rentals. The City of Prince George does not currently have any bylaws that regulate short-term rentals. The Provincial Compliance Unit will be responsible for enforcing the Act (i.e. the principal residence requirement).

OTHER CONSIDERATIONS:

Feedback from the Housing and Tourism Sector

As per Council’s direction, staff sent out a request for feedback letter (see attached) to Prince George’s housing and tourism sector that included Tourism Prince George and Canadian Home Builders Association of Northern British Columbia. Tourism PG provided a response to the letter which is attached to this report.

SUMMARY AND CONCLUSION:

This report addresses Council’s resolution passed on December 4, 2023 and provides Council with information regarding the key regulations of the *Short-Term Rental Accommodations Act*. Although the City of Prince George does not currently have any bylaws that regulate short-term rentals, the Principal Residence Requirement of the *Short-Term Rental Accommodations Act* impacts short-term rentals in Prince George. The Province has provided an option to “opt-out” of the Principal Residence Requirement; however, the rental vacancy rate for Prince George does not meet the minimum requirement needed to seek an exemption.

RESPECTFULLY SUBMITTED:

Deanna Wasnik, Director of Planning and Development

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APPROVED:

Andy Beesley, Acting City Manager

Meeting Date: 2024/02/26