

Zoning Bylaw Short-Term Rental Amendment

RECOMMENDATION:

That Committee of Council recommend to Council that the Zoning Bylaw be amended as described in this report.

REPORT SUMMARY

This report outlines a number of recommended changes to the Zoning bylaw to comply with the provincial *Short-Term Rental Accommodations Act*. The proposed amendments are meant to align definitions and regulations surrounding short-term rental accommodation with Provincial legislation while maintaining the City's current approach to short-term rental accommodation.

BACKGROUND

In October 2023, the Province adopted the *Short-Term Rental Accommodations Act* (the *Act*) with the stated intent to support local government enforcement of short-term rental accommodation bylaws, return dwelling units used for short-term accommodation to the rental housing market and establish a new Provincial role in the regulation of short-term rentals.

The *Act* sets *minimum* standards for short-term rental accommodations which include defining "short-term rental" as a rental of a self-contained suite for a period of less than 90 consecutive days and limiting short-term rentals to the rental host's principal residence plus an accessory dwelling unit or secondary suite. Municipal regulations must be amended by May 1st to reflect these minimum standards; however, a municipality may implement more restrictive requirements or prohibit all short-term rentals. Certain provisions of the *Act* do not apply in specific circumstances (e.g. hotels, lodges, dorms and time shares, resort municipalities and municipalities with a population under 10,000). Municipalities with consistently high rental vacancy rates can request an exemption.

The *Act* also provides for increased fines and tickets for persons who contravene a municipal short-term rental regulation, eliminates non-conforming use protections for properties offering short-term rentals that are not in keeping with current municipal regulations, and establishes a mandatory Provincial short-term rental registry that will require hosts and platforms to include a provincial registry number. The Province is also establishing a new compliance and enforcement unit.

Municipal Policy and Regulation:

Zoning Bylaw: The City's Zoning Bylaw only permits short-term rental accommodation in the form of a "Bed and Breakfast" accessory home businesses in A (Agriculture) and RS1 and RS3 (Residential Single Dwelling) zones. The Bed and Breakfast provisions allows for up to two bedrooms (without cooking facilities) to be used as short-term rental accommodation within a residential dwelling unit; the business owner must reside in the dwelling unit, parking must be provided for the guests and the

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residence cannot also contain a secondary suite. “Boarding” is also permitted in all residential zones; the intent of this provision is to allow for rooming accommodation for non-family residents (e.g. sports billets or exchange students) living with a family for a period of time.

Comprehensive Development Zone 35 allows for one building (2388 Mary Hill Road, adjacent to the Port Coquitlam Community Center) to offer short-term occupancy apartment, which is defined for the purpose of this zone as tenant accommodation of one day or more. The intent of this provision was to allow the owner to provide short-term rentals of apartment units for visiting sports teams and organizations using the Port Coquitlam Community Center. The City has issued a building permit for the 52 unit apartment building, however, construction is not yet complete.

The Zoning Bylaw does not otherwise permit short-term rental or occupancy of a self-contained dwelling unit (e.g. house, apartment or suite with cooking and sanitary facilities); units must be occupied as a residence for “accommodation and home life of a person or family”. The City has generally accepted tenancy agreements (in keeping with the *Residential Tenancy Act* and associated Regulation) in determining a residence rental tenure as opposed to a short-term rental.

Hotels (and motor hotels) are permitted in CC (Community Commercial) zones and are defined as business that provides paid accommodation in a building on a short-term basis. Hotels can provide a variety of lodging options, some of which may include a kitchenette or cooking facilities. Hotels are exempt from Provincial or municipal short-term rental regulations.

Business Bylaw: The Business Bylaw requires a bed and breakfast establishment and a hotel to obtain a business licence. The City has business licences registered to one Bed and Breakfast business and one hotel.

Ticket Information Bylaw: The Ticket Information Bylaw allows for up to a \$1000 fine for un-permitted short-term rental accommodation.

Housing Needs Report: This assessment found that Port Coquitlam is experiencing significant pressures in the rental market, with low vacancy rates and rapid increase in rents over the past ten years. The report noted that only 11% of renters were in purpose built rental buildings; most renter households live in secondary market rental (secondary suites, accessory dwellings, apartments etc.)

DISCUSSION

The number of short-term rental accommodation advertised in Port Coquitlam has grown significantly in the last 5 years; a third-party analytic site suggests there were approximately 114 short-term rental accommodations advertised by late 2023, of which 77 are self contained dwelling units (some of these units are offering short-term stays with tenancy agreements in order to circumvent the intent

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of City regulations). The City currently enforces contraventions upon complaint, receiving 8 such complaints in the past 5 years.

Data from Metro Vancouver suggested Port Coquitlam has a 0.4 vacancy rate in 2022 as demand outpaced supply; the most recent CMHC data (October 2023) showed a 0.5% vacancy rate for the Tri-Cities.

Staff do not recommend amendments to the City's regulations that would permit additional opportunities for short-term rental accommodation, particularly in self-contained dwelling units, as this will likely result in additional pressure on existing rental housing supply and a further reduction in vacancy rates. However, updates to the Zoning Bylaw are recommended to maintain consistency with the recent provincial legislative changes, retain the City's existing approach to regulating short-term rental accommodation, and assist in enforcement. These include:

1. Including a definition of "principal residence" in the Zoning Bylaw. The Act defines principal residence as the residence an individual lives in for a longer period during a calendar year than any other place. To add clarity and certainty, staff recommend this definition be further refined to reference the principal residence as being where an individual lives for at least 6 months out of the year.
2. Rename "Bed and Breakfast" to "Short-term Rental Accommodation" and define as rental accommodation without the provision of cooking facilities provided in hosts principle residence for periods of under 90 consecutive days. The changes reflect the provincial terminology, provides clarity to the provision and updates an antiquated term. This use will continue to be permitted on properties in Agricultural (A) and Single Residential (RS) zones and a Business Licence will be required.
3. Update to the current boarding definition to clarify that the length of stay must be 90 days or more and cannot be co-located with a short-term rental accommodation business use. This will help distinguish boarding from short-term rental accommodations. Staff do not recommend requiring a business license for a boarding use.

Staff have reached out the developer of 2388 Mary Hill Road (CD zone 35) to discuss the provisions of the new legislation regarding short-term rental accommodations. The property owners are still assessing implications of the legislation on similar purpose build short-term accommodation buildings and will be in touch with staff to discuss options as the building nears completion.

Staff will ensure information on short-term rental accommodation regulations is updated on the City's website, pushed out to the community through social media, and will monitor online platforms over the coming months as the Province begins to enforce their legislative requirements. Further City enforcement activities may be necessary to ensure compliance.

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FINANCIAL IMPLICATIONS

None.

OPTIONS (✓ = Staff Recommendation)

	#	Description
<input checked="" type="checkbox"/>	1	Recommend to Council that the Zoning bylaw be amended as described in this report.
<input type="checkbox"/>	2	Recommend to Council that the bylaw only be amended for selected changes.
<input type="checkbox"/>	3	Determine that no changes should be made at this time pending receipt of further information.

ATTACHMENTS

Attachment 1: Draft Short-Term Rental Accommodation Zoning Bylaw Amendments

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