

## LICENSES FOR RENTAL PROVIDERS AND PUBLIC ACCESS TO INFORMATION

(M. Janz)

### RECOMMENDATION

That the April 26, 2022, Urban Planning and Economy report UPE01090, be received for information.

### Report Purpose

#### Information only.

Urban Planning Committee is being informed of the current state of licensing of short-term and long-term rental operations under Bylaw 20002 - Business Licence Bylaw.

### Previous Council/Committee Action

At the February 7/9 2022, City Council meeting, the following inquiry was made:

Can Administration provide an information report that outlines measures to:

- Establishing licences for all rentals including but not limited to basement suites, garage suites, short term rentals (Air BnB) etc; and
- Increasing property tenants' access to such information, and that the report include information about the potential costs and implications on such measures.

### Executive Summary

- This report provides information regarding existing regulatory, licensing, and enforcement mechanisms and practices for licensing of short-term and long-term rental operations.
- The province provides oversight on landlord-tenant relationships and minimum health standards through various Acts.

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- The City of Edmonton Business Licence Bylaw 20002 requires both short-term and long-term residential rental operators to have a business licence.
- Should there be a desire to set additional minimum municipal requirements and standards for rental properties, Administration would require additional resources to research, scope, and develop service delivery options.

### REPORT

#### Background

Required length of stay of a tenancy typically addresses different consumer needs, and differentiates long-term and short-term residential rentals. Long-term rentals are typically used by tenants as a primary residence. Short-term residential rentals appeal primarily to travellers as an alternative to hotels or motels, or as bridge housing. Short-term rentals are defined as lasting for 30 consecutive days or less and are required to meet all conditions of the Residential Rental Accommodation (Short-Term) category of the Business Licence Bylaw. Long-term rentals are for rental periods of 31 consecutive days or more and require a Residential Rental Accommodation (Long-Term) licence under the Business Licence Bylaw.

Depending on the nature of the rental operation, short-term and long-term residential rentals fall under the jurisdiction and are governed by provincial legislation - including:

- The *Residential Tenancies Act*
  - Governs most landlord tenant relationships
- The *Mobile Home Sites Tenancies Act*
  - Governs landlord tenant relationships on Mobile Home sites
- The *Innkeepers Act*
  - Governs room rentals where the landlord also resides on the property, and inns, boarding houses or lodging houses.
- The *Condominium Property Act*
  - Sections 53-57 outline the powers the condo board may have against a tenant

Landlords and tenants involved in a dispute can apply to the provincial Residential Tenancy Dispute Resolution Service (RTDRS) for support. The RTDRS is a quasi-judicial tribunal that offers landlords and tenants a method of resolving disputes under the jurisdiction of the *Residential Tenancies Act* and the *Mobile Home Sites Tenancies Act*.

In addition to the provincial legislation described above, municipal Bylaw 20002 establishes a framework for ensuring that businesses are compliant with relevant rules and regulations, including land use, building and fire code, health and public safety requirements before permission is given to operate. The bylaw helps to deliver a safe and vibrant city as set out in The City Plan. Bylaw 20002 requires both short-term and long-term residential rental operators to have a business licence. The requirement for short term rental operator licences has been in place since August 27, 2019, while the long term operator licence has been in place for over 20 years.

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## Current State Regulation of Short-Term Rental Operations

### Business Licence Requirements

- Operators require a business licence for each property used for short-term rental.
- Operators are required to submit a guest management operational plan for review and approval by Administration. The guest management plan includes acknowledgement by the host of relevant bylaw requirements, establishment of check-in and check-out procedures for their guests, and outlines measures that hosts and guests will take to ensure noise, waste, and parking requirements are followed.
- Operating requirements include compliance with the approved guest management plan, providing the City's Information for Guests guidelines to all parties renting accommodation, posting the operator's phone number on the premises, and displaying the valid business licence number on any advertisement for accommodation.

### Enforcement

- The majority of short-term rental challenges Administration is made aware of involve nuisance, snow/ice on walk, noise, and parking bylaw infractions. These concerns are addressed through Bylaw 14600 - Community Standards Bylaw and Bylaw 5590 - Traffic Bylaw.
- Identification of short-term rentals also poses enforcement challenges. Short-term booking platforms do not publicly post addresses, and confirmation of location typically comes as a result of expired business licences or Edmontonian-initiated complaints.

## Current State Regulation of Long-Term Rental Operations

### Business Licence Requirements

- A business licence is not required for operators that rent up to a total of two units.
- If the operator has three or more units, the total number of licences required is as follows:
  - One licence is required for every titled lot with three or more units, and/or
  - One licence for all units City wide where there are only one or two units per titled lot.

### Enforcement

- The majority of long-term rental challenges Administration is made aware of involve nuisance or land use concerns. These concerns are addressed through Bylaw 14600 - Community Standards Bylaw and Bylaw 12800 - Zoning Bylaw.
- The enforcement of the Business Licence is one component of the enforcement team that investigates Problem Properties. However, both the enforcement of the Business

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Licence Bylaw and that relating to Problem Properties are uninvolved with tenant-landlord relationships.

### **Public Information of Short-term and Long-term Operators**

The following business licence information for all Short-Term and Long-Term operators is available on the City's Open Data catalogue:

- Business name
- Business licence number
- Business licence status and expiry date

Information on Open Data is current as of December 31, 2021. Administration is currently undertaking maintenance on software and datasets that support the collection and display of this information.

In accordance with privacy requirements, to help reduce instances of harassment and in efforts to reduce community safety concerns resulting from the publishing of addresses of vacant properties, additional information such as business addresses of short-term and some long-term rentals and operator's legal names are not listed on the City's Open Data catalogue.

Administration also maintains a secondary suites registry, which provides confirmation of legal suite status (i.e., have obtained the required Development and Safety Codes permits) for tenants.

Tenants seeking access to information that is not publicly available on the City's Open Data portal, or that is not required to be provided to tenants under Bylaw 20002 are able to submit a Freedom of Information and Protection of Privacy (FOIP) request to Administration for consideration of release of that information.

### **Minimum Requirements and Standards**

Beyond the regulations listed above, Bylaw 20002 does not stipulate minimum standards or set requirements for rentals. The bylaw does not seek to limit or preclude business operations, as its focus is to allow for a permissive licensing scheme unless regulations have proven to be necessary and those regulations fit within municipal purposes. While the Business Licence Bylaw does set some minimum requirements for the obtaining and maintenance of a business licence, these requirements do not cross into areas such as roles, responsibilities and minimum standards. This is because these are the areas generally within the jurisdiction of the province, as set out in the above listed Acts.

Should there be a desire to set additional minimum requirements and standards for rental properties, Administration would require additional resources and an identified funding source to scope and research the issue, undertake public engagement, perform a cross-jurisdictional legislative review, develop program delivery and enforcement model options and their associated costs, and draft required bylaw amendments. Consideration of City Plan goals related to safety,

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affordability and inclusiveness would support the framing of this work and its outcomes in Administration's work plan.

### **COMMUNITY INSIGHT**

Community insights were not gathered for this report, as the focus of the response to the inquiry was to provide current state information. As regular practice, Administration monitors inquiries related to residential rentals through Council and 311 inquiries, in addition to bylaw complaints.

### **GBA+**

The GBA+ process did not inform this report, as the focus of the response to the inquiry was to provide current state information.