

# Exploring Additional Short-Term Rental Regulations

## Potential Bylaw Considerations

### Recommendation

That the September 29, 2020, Urban Form and Corporate Strategic Development report CR\_8199, be received for information.

### Previous Council/Committee Action

At the March 9, 2020, City Council meeting, the following motion was passed:

That Administration explore potential bylaw changes related to short-term rentals, including:

- a. Defining a short-term rental as any rental agreement of 25 days or less;
- b. Establish a notification process to adjacent property owners for all short-term rental properties;
- c. Examine options to ensure equity in approval processes between “entire rental” properties and shared home rental properties;
- d. Explore options for “entire rental properties” to address concerns regarding:
  - i. Maximum number of rental days in a year;
  - ii. Maximum number of occupants;
  - iii. Maximum number of rental properties owned by a single person;
  - iv. Restriction of rental property ownership to those with a primary residence in Edmonton;
- e. Development of complaint and/or bylaw infraction thresholds that would result in licence suspension or removal;
- f. An updated review of regulatory regimes around short-term rentals in other jurisdictions.

### Executive Summary

Edmonton’s short-term rental regulations aim to enhance livability in the city by streamlining rules for short-term rental operations while balancing the industry’s interests with those of neighbourhoods and other businesses. This report explores potential bylaw changes that could augment measures for achieving short-term rental regulatory goals and suggests removing the Development Permit requirement for shared home rentals to: reduce the regulatory burden on these operators, promote equity between rental types and increase licensing compliance. It also suggests

creating a requirement for short-term rental hosts to provide the City with a guest and property management plan. This approach is comparable to Good Neighbour requirements in some municipalities, which promote relationship building between hosts and neighbours. The Business Licence Bylaw and Zoning Bylaw Renewal projects will provide further opportunities to address issues with short-term rentals if needed.

### Report

On August 27, 2019, Council passed Bylaw 18942 Short-Term Residential Rental Accommodation, which licences short-term rental accommodation in Edmonton. As of September 2020, there were 1,768 short-term rental properties in the city, which is a decrease from 2,146 properties that were recorded in May 2019.

Administration continues to manage complaint concerns related to short-term rentals with current City Bylaws including the Community Standards Bylaw and Waste Management Bylaw. Other extreme incidents including large numbers of people for partying and illegal activities (i.e., violence, drugs and weapons) are not common, nor are they indicative of the behaviours undertaken at the majority of short-term rentals. However, when those incidents occur, they are highly disruptive to the neighbourhood. These extreme events are addressed by the Edmonton Police Service.

Between August 2018 and August 31, 2020, Administration received 167 complaints associated with 117 unique short-term rental properties, which resulted in 71 warnings. The breakdown of the complaints is as follows:

- 78 complaints under Community Standards Bylaw 14600 relating to issues such as nuisance property, snow/ice on sidewalk and waste;
- 81 complaints under Business Licence Bylaw 13138 relating to unlicensed businesses;
- Eight complaints under Animal Licensing and Control Bylaw 13145 relating to issues such as dog barking or howling.

As directed by Council at the March 9, 2020, meeting, Administration explored potential bylaw changes relating to short-term rentals; and details can be found in Attachment 1 - Review of Potential Short-term Rental Bylaw Considerations. Specific to changing thresholds related to; length of rental, entire rental properties, and complaints, consideration for change is not supported. Administration does identify opportunities for further examination as part of the Business Licence Bylaw and Zoning Bylaw Renewal projects.

### 1. Equity in Approval Processes

Administration notes that, due to the minimal impacts associated with shared home rental operations, removal of the Development Permit and notification requirements for shared home rentals could provide parity for qualifying shared home rentals with entire home rentals. Further information on this can be found under section C of Attachment 1 and in Attachment 3 - Options to Address the Equity in the Approval Process of Short-Term Rentals.

### 2. Notification Process

Administration recognizes that disturbances associated with short-term rentals impact livability in neighbourhoods. As a means of promoting businesses' regulatory compliance and minimizing neighbourhood disturbances, a requirement for all short-term rental hosts to provide the City with a guest and property management plan may assist with management of disturbances. Through this plan, hosts would be required to detail how they will manage noise, parking, waste, and other nuisance issues at a short-term rental property before a licence is issued. This approach is similar to 'Good Neighbour' requirements which are in place in municipalities such as Vancouver. Under the 'Good Neighbour' requirements, a host agrees to comply with applicable bylaws and regulations in order to obtain a licence. Further information on other municipalities' regulations can be found in Attachment 2 - Cross-Municipal Scan of Short-Term Rental Regulations.

### **Next Steps**

Administration will continue to monitor the short-term rental industry's rate of regulatory compliance and the industry's impacts on neighbourhoods, complaint information and the city's housing needs. This will enable Administration to ensure that the regulations are relevant and address existing needs of neighbourhoods, the industry and other stakeholders. Additionally, the Business Licence Bylaw Renewal is intended to facilitate a more timely and effective response to businesses' compliance related issues.

### **Corporate Outcomes and Performance Management**

<b>Corporate Outcome(s): Edmontonians are connected to the city in which they live, work and play</b>			
<b>Outcome(s)</b>	<b>Measure(s)</b>	<b>Result(s)</b>	<b>Target(s)</b>
Development of a livable, safe and sustainable community.	Percentage of short-term rental accommodations with licences	13 percent (2020, Q2)	100 percent
	Edmonton's vacancy rate	4.9 percent (2019, Q4)	3 percent

### Public Engagement

Public engagement was not conducted for this report; however, the report is based on stakeholder feedback obtained from interviews with municipal regulators, the hospitality industry, short-term rental platform providers, Business Improvement Areas, short-term rental hosts, a community league, and neighbours to short-term rental properties. It also includes feedback from focus group discussions with short-term rental hosts and guests; and online surveys with Canadian travellers and Edmontonians. Overall, the stakeholders were supportive of short-term rental regulations and they emphasized the need for the regulations to balance the different interests.

### Next Steps

Administration will review considerations in advancing the Equity in Approval and Notification processes. Both activities would require Bylaw amendments which can be accomplished as part of the Zoning Bylaw Renewal and Business Licence Bylaw Renewal projects or as amendment reports.

### Attachments

1. Review of Potential Short-term Rental Bylaw Considerations
2. Cross-Municipal Scan of Short-Term Rental Regulations
3. Options to Address the Equity in the Approval Process of Short-Term Rentals

### Others Reviewing this Report

- M. Persson, Chief Financial Officer and Deputy City Manager, Financial and Corporate Services
- C. Owen, Deputy City Manager, Communications and Engagement
- G. Cebryk, Deputy City Manager, City Operations
- R. Smyth, Deputy City Manager, Citizen Services
- B. Andriachuk, City Solicitor