

**Supplemental Report: Residential Short Term Accommodation  
(Homestay)(Tabled September 30, 2020)**

<b>Date</b>	September 30, 2020
<b>To</b>	City Council
<b>From</b>	City Solicitor's Office
<b>Service Area</b>	Office of the City Solicitor
<b>Item No.</b>	CM20-26

**RECOMMENDATION**

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That this report and report CR20-79 be tabled to the October 28, 2020 meeting of City Council.

**ISSUE**

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- At the Executive Committee meeting on September 16, 2020, during consideration of report EX20-27 Residential Short Term Accommodation, the Committee introduced and approved the following two amendments to the report:

The percentage limit in a multi-unit dwelling be set at 35%; and  
A cap on licenses if the vacancy rate drops below 3%.

Because these amendments introduce a limit on the number of businesses via a licensing scheme, *The Cities Act* requires the item to be publicly advertised before it can be considered by City Council. To provide sufficient time for public notice the report will need to be tabled to the October 28, 2020 meeting of City Council.

- Following passage of the two motions, Administration has been asked for clarification on how implementation would occur and for further comment on the implications of these measures.
- The Administration is recommending that Council approve an amended implementation date of July 1, 2021.

## **IMPACTS**

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Tabling the report will ensure compliance with section 101 of *The Cities Act* which requires public notice to be provided before Council considers a report regarding a licensing bylaw to impose a limit to the number of businesses in a particular class.

## **OTHER OPTIONS**

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There are no other recommended options.

## **COMMUNICATIONS**

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Public notice regarding the consideration of a cap on the number of licences will be advertised in the Leader-Post on October 17, 2020 as per the requirements of *The Cities Act*.

## **DISCUSSION**

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During consideration of report EX20-27, the Committee passed two amendments to limit the number of licences to be issued for Residential Short Term Accommodation. The purpose of this report is to recommend the item be tabled to allow time for public notice to be provided and to provide additional information on proposed implementation of the new policy directive given at Executive Committee.

### **1. Public Notice Requirement**

*The Cities Act* (the “Act”) grants the City the power to “limit the number of businesses in a particular class of business that may operate”. However, unlike most other bylaw-making powers, the Act specifically requires that public notice be given in the prescribed manner before “initially considering any report respecting” the exercise of this power. Because the report from Executive Committee is now recommending these powers be exercised, public notice is required. In order to consider the report Administration asks that Council table the matter to the October 28, 2020 meeting of Council to allow time for advertising of the discussion of this matter, as is required by *The Cities Act*.

Note that typically Council is dealing with public notice requirements arising out of *The Planning and Development Act, 2007* which requires notice before the bylaw is considered. In the case of this report, the matter falls under *The Cities Act*, which requires public notice before the report is considered.

### **2. Implementation**

The Administration has been asked to provide further information on how to implement the additional regulations recommended by the Executive Committee.

With respect to further comment on the impact of each of these measures and additional recommendations, each measure is discussed below.

### **The percentage limit in a multi-unit dwelling be set at 35%**

When Saskatoon passed this amendment, the stated intention was to differentiate between short term homestay and hotel/hostel use, or to prevent apartment buildings from turning into hotels. Administration is not aware of other jurisdictions in Canada where a similar limit has been instituted. In keeping with the intention of the regulation, Administration is recommending that the limit be implemented in the following three ways for the following reasons:

- (a) Not apply to primary residences
  - Saskatoon's cap does not apply to primary residences;
  - since the intention is aimed at large business operations, exempting primary residences should eliminate unintended licence denials;
  - most residents who list their home or a room in their home either don't end up renting it at all or rent it for less than 30 nights per year. A limit that is too broad may result in these infrequent users obtaining all of the licences for their building (especially a smaller building).
  
- (b) Apply in Residential zones
  - residential short term accommodation and hotel/motel use is currently permitted in mixed use zones and some direct control districts;
  - this will continue to allow legal short term accommodations in mixed use zones and direct control districts that were developed prior to the licensing bylaw being implemented;
  - If Council were to implement the restriction in the zones where this use is already permitted, the Administration would need to provide further advice regarding the implications.
  
- (c) That multi-residential dwelling be defined as "stacked building with a common entryway and greater than 4 units"
  - if the intention is to address the use of parts of an apartment building in a hotel-like fashion then defining the building by its form would assist in limiting the scope of this measure to its intended purpose;
  - this terminology is consistent with *The Zoning Bylaw*: a stacked building contains at least one unit entirely or partially above another.

If Council decides to approve the limits introduced at the Executive Committee, Administration is recommending the implementation described above. Without these limits, Administration believes the policy will inadvertently limit many residents from obtaining a licence without addressing the intended objective.

Council should also be aware that the City does not currently keep a database of all multi-unit residential buildings in the City which would allow us to readily determine when a building has reached capacity. A manual record would need to be created for each building and monitored to ensure limits are not reached. Saskatoon has a software solution and database containing historical information on building sizes and are easily able to monitor

this requirement. Because renting on a short term basis may not occur consistently Administration would issue permits on an annual basis, assessing the 35% threshold on a first-come first-served basis.

### **A cap on licenses if the vacancy rate drops below 3%**

When Saskatoon passed this amendment, the stated intention was to align with the City's existing moratorium on condominium conversions and to prioritize the long term housing stock when vacancy is low. Administration is not aware of other jurisdictions where a similar limit has been instituted. In keeping with the intention of the regulation, Administration is recommending that the limit be implemented in the following ways for the following reasons:

- (a) Not apply to primary residences
  - these dwellings are already occupied and would not be converted out of short term accommodation into long term rental housing;
  - Saskatoon's cap does not apply to primary residences;
  - people may rent out rooms to support their ability to own a home (and themselves leave the long term rental market);
- (b) Mirror the calculations described in the condo conversion policy
  - this will provide for consistency amongst the two policies.

If Council approves the limits introduced at the Executive Committee, Administration is recommending the implementation described above to prevent the policy from inadvertently limiting residents from obtaining a licence without addressing the intended objective.

If Council wishes to consider an alternative response, the Administration has instead recommended that the City address downward trends in vacancy rates more strategically by looking at the cause of the change in vacancy rate, various policy responses available and their effectiveness. Currently, the Administration presents an Annual Housing Report to keep Council up to date on trends in vacancy rates. Measures, such as limits on short term rentals seen in other jurisdictions, are typically in response to low vacancy in high tourist areas. High tourism is unlikely to be the cause of a long term rental shortage in Regina. Even in areas with high tourism, like Vancouver, an assessment found that only 15% of short term rentals that were shut down had been converted to the long term rental market.

### **3. Implementation Date**

Administration is requesting that Council approve an adjusted effective date of July 1, 2021. This would be in line with the original project timeline that was impacted by Covid-19. The original schedule was to present the report to Executive Committee and Council in April 2020 and an implementation date of January 1, 2021. This will ensure appropriate time is available to communicate with the public, finalize the program, and ensure a suitable online process is in place for applications and system to maintain and store records.

**DECISION HISTORY**

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Report EX20-27 was considered at the September 16, 2020 meeting of Executive Committee.

Respectfully Submitted,



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Dawn Schikowski, Manager Licensing & Parking Services 9/23/2020

Respectfully Submitted,



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Byron Werry, City Solicitor 9/23/2020

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