



## PROPOSED SHORT TERM RENTAL COMPLIANCE & ENFORCEMENT PROGRAM

**File No:** P 20-16  
**Subject:** Proposed Compliance & Enforcement Program

CITY OF WEST KELOWNA  
PLANNING DEPARTMENT

ATTACHMENT: 5

FILE NO.: P 20-16



### **Staff Resources**

The addition of a new position, a full time Senior Business Licencing Officer has been requested. This position would be responsible for and oversee the strategic direction of business licensing services through planning, developing and monitoring internal processes. The Senior Business Licencing Officer would lead the implementation of an effective Short Term Rental regulation program, and manage the proactive enforcement of these regulations.

Currently the Business License Clerk position is located at the City Hall front counter and is a shared position with the Planning Department (0.5/FTE) for each department. The existing 0.5 business licensing clerk position term position is not anticipated to be able to also handle the expected influx of Short Term Rental applications. This 0.5 FTE term position will be reviewed later in 2021 for full time status. The additional application intake and review period (Spring/Summer 2021) will initially be supplemented with the use of a casual clerk as needed.

### **Enhanced Enforcement Measures**

Utilizing the regionally consistent practices approach to regulating short term rentals was also applied when reviewing enforcement options. The Senior Business Licencing Officer would have the ability to suspend or recommend revocation a licence if compliance cannot be achieved within a reasonable time frame under the Business Licencing Bylaw.

New offences are proposed to be introduced as part of the bylaw amendments to the Business Licencing and Regulation Bylaw No. 0087, Bylaw Dispute Adjudication Bylaw No. 0093, and Municipal Ticket Information Utilization Bylaw No. 0095. It is proposed to increase the maximum daily fine for some offences, to act as a deterrent for non-compliance, from \$500 to \$1,000. It was important to ensure that the proposed regulations would be enforceable and it is proposed to introduce a graduating scale of penalties for non-compliance with the Short Term Rental regulations.

Offences which would carry the maximum daily fine of \$500 under the Bylaw Dispute Adjudication Bylaw No. 0093 and \$1,000 under the Municipal Ticket Information Utilization Bylaw No. 0095 include operating a short term rental without a licence, permitting multiple bookings at one time, and using a secondary suite or carriage house for a Short Term Rental.

Offence	Bylaw	Maximum Daily Fine		Existing Offence	Proposed Offence
		Bylaw No. 0093	Bylaw No. 0095		
Contravene permitted uses (specified in each Zone)	Zoning	\$500	\$1,000	X	
Contravene Short Term Rental rules (1 <sup>st</sup> Offence)	Zoning	\$250	\$250		X
Contravene Short Term Rental rules (2 <sup>nd</sup> Offence)	Zoning	\$350	\$350		X
Contravene Short Term Rental rules (Continuing Offence)	Zoning	\$500	\$1,000		X
Contravene parking and loading standards	Zoning	\$100	\$100	X	
No Business Licence	Business Licencing	\$500	\$1,000	X	X
Contravene Short Term Rental rules (1st Offence)	Business Licencing	\$250	\$250		X
Contravene Short Term Rental rules (2nd Offence)	Business Licencing	\$350	\$350		X
Contravene Short Term Rental rules (Continuing Offence)	Business Licencing	\$500	\$1,000		X
Marketing without Licence Number	Business Licencing	\$100	\$100		X
Fail to display Local Contact information	Business Licencing	\$100	\$100		X
Fail to attend short term rental within required time period	Business Licencing	\$250	\$250		X
Fail to display business licence	Business Licencing	\$50	\$50	X	
Fail to display fire evacuation plan in each short term rental guest room	Business Licencing	\$100	\$100		X
Operate short term rental contrary to licence conditions	Business Licencing	\$500	\$1,000		X
Permit multiple bookings at one time in major short term rental	Business Licencing	\$500	\$1,000		X
Use secondary suite or carriage house for short term rental	Business Licencing	\$500	\$1,000		X
Use unauthorized bedroom for short term rental	Business Licencing	\$500	\$1,000		X

### **Third Party Contractor**

To mitigate impacts to staff resourcing, it is proposed that a third party company with the expertise and sophisticated software needed to cost effectively identify Short Term Rental properties be contracted. The procurement of a third party contract for these services would go through the Informal Quote or Formal Quote/Bid procurement process depending on the level of service determined to be required. This process could take up to 6-8 weeks prior to

selecting a contractor to provide the service. A third party company that is the successful proponent of this process could reasonably need an additional 4-6 weeks to implement their program.

Staff have been in contact with one potential contractor who has provided an overview of potential services and costs, with costs based on the number of listings requiring monitoring. Services proposed to be contracted include address identification of active listings, automated compliance letters for listings who are in contravention of any of the regulations, the ability to track the status and outcome of each compliance letter.

### **IDENTIFICATION OF SHORT TERM RENTAL PROPERTIES**

Short Term Rental listings can be spread across multiple websites, with new platforms for Short Term Rental listings being introduced all of the time. There are over 50 potential platforms for listing Short Term Rentals including AirBnB, VRBO (Vacation Rentals By Owner), HomeAway, and Booking.com. Short Term Rental listings are constantly being added, changed or removed.

Without utilizing a sophisticated data base system, there would be a significant drain on staff time to identify non-compliant Short Term Rentals. Address data is usually hidden from listings, a third party contractor would use both software and human analysts to identify the exact address and owner information for each identifiable Short Term Rental.

### **PROACTIVE ENFORCEMENT**

The use of the third party contractor is proposed to support the necessary compliance and enforcement efforts utilizing software capable of searching multiple listings across multiple online accommodation platforms to effectively provide accurate and enforceable information. The monitoring and communication services proposed would follow the below process with the assistance of the third party contractor:

- Identified non-compliant Short Term Rental properties would initially receive a letter advising of the compliance requirements;
- If there was no response, a second letter would be sent within 30 days;
- If compliance was not achieved or if there was still no response, the property would be referred to Bylaw for enforcement action.

The Business Licencing department would work to achieve compliance with the Short Term Rental through the letter notification process. The property would be referred to the Bylaw Department for follow up enforcement if compliance could not be achieved.

It is anticipated that the use of a third party company to carry out the above noted services will significantly reduce the amount of enforcement that would normally expected to be needed by Business Licensing and Bylaw Compliance Staff to obtain compliance. After the regulations for short term rentals have been in effect for some time, third party monitoring may no longer be required as operators become familiar with the regulations and staff work to gain compliance.