

**MINUTES**  
GOVERNANCE AND PRIORITIES COMMITTEE  
SHAW AUDITORIUM, VANCOUVER ISLAND CONFERENCE CENTRE,  
80 COMMERCIAL STREET, NANAIMO, BC  
MONDAY, 2020-OCT-26, AT 1:00 P.M.

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Present: Councillor T. Brown, Chair  
Mayor L. Krog  
Councillor S. D. Armstrong  
Councillor D. Bonner  
Councillor B. Geselbracht  
Councillor E. Hemmens  
Councillor Z. Maartman  
Councillor I. W. Thorpe  
Councillor J. Turley

Staff: J. Rudolph, Chief Administrative Officer  
R. Harding, General Manager, Parks, Recreation and Culture  
S. Legin, General Manager, Corporate Services  
D. Lindsay, General Manager, Development Services  
B. Sims, General Manager, Engineering and Public Works  
B. Corsan, Director, Community Development  
L. Bhopalsingh, Manager, Community Planning  
F. Farrokhi, Manager, Communications (joined electronically)  
D. Stewart, Social Planner, Community Planning  
S. Gurrie, Director, Legislative Services  
K. Lundgren, Recording Secretary

1. CALL THE REGULAR MEETING TO ORDER:

The Regular Governance and Priorities Committee Meeting was called to order at 1:00 p.m.

2. INTRODUCTION OF LATE ITEMS:

- (a) Agenda Item 5(a)(1) Short-Term Rental Regulation - Add Delegation from Richard Harbo.
- (b) Agenda Item 5(e)(1) - Add Presentation titled "REIMAGINE NANAIMO - Phase 1 Engagement Status Update".

3. APPROVAL OF THE AGENDA:

It was moved and seconded that the Agenda, as amended, be adopted. The motion carried unanimously.

4. ADOPTION OF THE MINUTES:

It was moved and seconded that the following Minutes be adopted as circulated:

- Minutes of the Special Governance and Priorities Committee Meeting held in the Shaw Auditorium, Vancouver Island Conference Centre, 80 Commercial Street, Nanaimo, BC, on Monday, 2020-SEP-21, at 10:30 a.m.
- Minutes of the Governance and Priorities Committee Meeting held in the Shaw Auditorium, Vancouver Island Conference Centre, 80 Commercial Street, Nanaimo, BC, on Monday, 2020-OCT-05, at 1:00 p.m.

The motion carried unanimously.

5. REPORTS:

(a) GOVERNANCE AND MANAGEMENT EXCELLENCE:

1. Short-Term Rental Regulations

Introduced by Dale Lindsay, General Manager, Development Services.

Presentation:

1. David Stewart, Social Planner, provided a PowerPoint presentation. Highlights included:

- The goal of the Short-Term Rental (STR) review is to determine whether bylaw and policy changes are needed
- STRs are defined as the rental of a room or an entire residential dwelling unit (entire home) on a temporary basis
- 71% of STRs in Nanaimo are entire home rentals which are currently not permitted in the City of Nanaimo
- STRs are dispersed all over Nanaimo with a slight cluster in downtown Nanaimo near the waterfront

Committee discussion took place. Highlights included:

- The large percentage of entire home STRs that are currently not permitted
- The difference between house exchanges and STRs
- Impact of STRs on the long-term rental market

David Stewart, Social Planner, continued his presentation. Highlights included:

- A large portion of STRs are seasonal
- The negative impact of entire home STRs on the neighbourhood due to the home owner not being present
- Entire home STRs likely to have an impact on the long-term rental market

Committee discussion took place. Highlights included:

- The use of Host Compliance software to monitor and enforce STR regulations
- Enforcing STR regulations on the basis of complaints

David Stewart, Social Planner, continued his presentation. Highlights included:

- Overview of STRs in multi-family homes and secondary suites
- Only three of the twelve BC municipalities included in the review allow rentals in secondary suites. This may be due to the impact on the long-term rental market
- Eight of the twelve municipalities included in the review require business licences; the business license fees ranged from \$49 to \$1,500 among the different municipalities
- Staff recommend a business licence fee of \$165 to maintain consistency with most business licence fees in the City of Nanaimo
- Public consultation included stakeholder engagement, an Open House and a survey
- Tourism Nanaimo supports STRs but encourages a strongly regulated market and a business licence requirement
- Provided a summary and graphical representation of public engagement survey responses

Committee discussion took place. Highlights included:

- Concerns regarding the results of the public engagement survey due to small sample size
- Accredited Neighbourhood Associations
- The complexity of the situation and the consequences of the decisions being made
- Current timing of this decision amidst COVID-19 when many people may be struggling financially

David Stewart, Social Planner, provided a summary of options:

- Option 1 – Allow entire home rental with permanent residency restriction
- Option 2 – Maintain status quo but include a business licence requirement

Committee discussion took place. Highlights included:

- Buildings operated by strata would have to put their own regulations in place if they do not wish to have STRs in their building
- Challenges associated with the requirement of an additional parking space in multi-family residences

- Fire inspection for all STRs would strain existing Staff's capacity. Alternatively, Staff recommend a fire safety compliance declaration form be submitted
- Difficulty of enforcement and monitoring of parking

David Stewart, Social Planner, continued the summary of options:

- Option 3 – Allow entire home rentals without primary residency restriction
- Option 4 – Restrict STRs to certain areas only

Committee discussion took place. Highlights included:

- Whether STRs have much of an impact on long-term rental market
- The higher profitability of STRs versus long-term rentals
- The increase in STRs with the emergence of online platforms such as Airbnb, HomeAway, and Vacation Rentals by Owner (VRBO)

Delegations:

1. Barrie Page spoke regarding disturbances in his neighbourhood from a home that is currently operating as an STR, where the owner resides out of town.
2. Richard Harbo provided a PowerPoint presentation regarding an STR operating in his neighbourhood. Disturbances include vehicle traffic, noise, and improper garbage and recycling disposal.

The Governance and Priorities Committee recessed at 2:25 p.m.  
The Governance and Priorities Committee reconvened at 2:35 p.m.

Committee discussion took place. Highlights included:

- The concerns regarding the lack of fire inspection and compliance
- Investing in enforcement and suggestion to include costs within the business licence fee
- Allowing STRs in multi-family residences may impact the long-term rental market
- The impact of STR on neighbourhoods and the importance of the operator being a permanent resident of the site
- Taking into consideration the various points-of-view on this topic
- The consideration for individuals, particularly during COVID-19, who rely on the financial benefit of renting an STR
- Issue seems to reside in addressing behaviour of the STR guests
- The benefit of STRs as a more affordable option for guests

Dale Lindsay, General Manager, Development Services, noted that due to the complexity of the issue, the recommendation option chosen by the Committee will then be presented to the community for further input, before it is brought back to Council for final decision.

Committee discussion continued. Highlights included:

- Strata properties' regulations in regards to allowing STRs in their building
- Communication and distribution of information
- Requiring business licencing gives the City the opportunity to enforce compliance
- Further discussion and direction from Council needed in regards to the level of enforcement
- The expected compliance from STR operators in obtaining a business licence
- More discussion to be had after further community input

It was moved and seconded that the Governance and Priorities Committee recommend Council direct Staff to:

1. Prepare amendments to the City of Nanaimo's "Business Licence Bylaw 1998 No. 5351", "City of Nanaimo Zoning Bylaw 2011 No. 4500", and "Off-Street Parking Regulations Bylaw 2018 No. 7266" in order to:
  - a) add a definition to "City of Nanaimo Zoning Bylaw 2011 No. 4500" for "Short-Term Rentals";
  - b) add the definition of "Permanent Resident";
  - c) permit short-term rentals in Residential, Commercial, Downtown, and Corridor zones where the operator is a permanent resident of the dwelling unit or suite;
  - d) apply existing limits on the number of guests and guestrooms permitted within a bed and breakfast to all short-term rentals;
  - e) continue to allow short-term rental guestrooms within a secondary suite provided the total number of long- and/or short-term rental rooms does not exceed two per dwelling unit (house and suite);
  - f) require a business licence for all short-term rentals and bed and breakfasts within the City of Nanaimo based on proof of residency (including two of the following: voter registration, income tax returns, British Columbia driver's licence, British Columbia medical services card, Home Owner Grant application, and British Columbia identification card); and
  - g) require one additional parking space for each short-term rental.
2. Prepare an explanatory guide and operator declaration form for short-term rentals that outlines short-term rental operator requirements, including providing contact information to Staff and neighbouring residences where the owner can be reached within 24 hours.
3. Consult further with stakeholders and the public regarding Council's recommended option before returning to Council with bylaw amendments.

The motion carried unanimously.

(b) REIMAGINE NANAIMO:

(1) REIMAGINE NANAIMO – Phase 1 Engagement Status Update

Lisa Bhopalsingh, Manager, Community Planning, provided a PowerPoint presentation. Highlights included:

- Online survey extended to 2020-NOV-30, allowing more time for stakeholder outreach
- Registration requirements for survey participation have been lifted
- Report on phase 1 of public engagement scheduled for January 2020
- Analytics for the REIMAGINE NANAIMO website and Social Media Campaign (Facebook, Instagram and Twitter)
- Approximately 2,900 surveys have been completed
- Shopping Centre Pop-ups: Woodgrove Centre, Country Club Centre, North Town Centre and University Village Mall
- Nanaimo Community Surveys mailed out with return deadline of 2020-OCT-30
- Additional advertising through newspaper ads, radio and digital ads
- Strong cross-departmental effort on engagement

(c) AGENDA PLANNING:

1. Governance and Priorities Committee Agenda Planning

It was moved and seconded that a presentation from Joan Brown and Scott Saywell regarding reconciliation be added to the Governance and Priorities Committee Meeting agenda planning list. The motion carried unanimously.

It was moved and seconded that the topic of “Street Entertainers Regulation Bylaw 2011 No. 7109” be added to the Governance and Priorities Committee Meeting agenda planning list for January or February 2021. The motion carried unanimously.

It was moved and seconded that Councillor Brown and Councillor Geselbracht provide a video/presentation on the Doughnut Economic Framework Model for information and discussion at the 2020-NOV-09 Governance and Priorities Committee Meeting. The motion carried unanimously.

6. ADJOURNMENT:

It was moved and seconded at 3:59 p.m. that the meeting adjourn. The motion carried unanimously.

CERTIFIED CORRECT:

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CHAIR

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CORPORATE OFFICER