(Appendix D)

Licensing & Enforcement Program Framework – Short-Term Rental Accommodations (STRAs)

The following Licensing and Enforcement Program Framework for Short-Term Rental Accommodations (STRAs):

PART 1: COMMON TERMS

- **"Primary Residence"**. means a dwelling unit that is owned or rented by an individual, either alone or jointly with other individuals, pursuant to a lease or rental agreement and where the individual lives for the majority of the year.

- **"Short Term Rental Accommodation"** or "STRA" means a dwelling unit which is rented in whole or in part for a period of less than 30 consecutive days in exchange for payment of money or other value.

- **"Short Term Rental Accommodation Platform**" means a person (or group of persons) or corporation that, for compensation, markets or brokers the booking, reservation, rental or listing of all or part of a dwelling unit as a short term rental accommodation, and collects fees in whole or in part on behalf of an STRA operator by means of a website or any digital application.

- **"Operator"** means an individual, partnership or corporation who carries on the business of operating a short term rental accommodation or a short term rental accommodation platform, as the case may be.

PART 2 – GENERAL QUALIFICATIONS FOR LICENSE

Anyone who wishes to operate a STRA in Winnipeg must obtain a license. It is illegal to operate a STRA without a license.

An operator must obtain a separate license for each STRA.

An individual with a permanent residence in Winnipeg may obtain a maximum of four (4) licenses – one for the individual's primary residence and three (3) for another non-primary dwelling places.

Corporations or partnerships wholly owned by Winnipeg residents would be allowed to obtain a maximum of three (3) licenses for non-primary residential properties owned by them or the wholly-owned Winnipeg partnerships or corporation as a STRA, conditional on them owning the properties on February 23, 2023, and approved by the appropriate Zoning By-law.

Prior to the City of Winnipeg issuing a license the following is required:

1. Completed License Application and payment of the associated license fee

2. If the proposed STRA is a condominium, a letter of approval from the condominium board giving permission to operate a STRA must be provided.
    - This requirement is proposed to mitigate problems within condominium complexes

3. If the applicant is the principal tenant of a rented unit, a letter from the landlord authorizing its use as an STRA must be provided.
    - This requirement is proposed to mitigate problems within apartment complexes

4. A floor plan outlining the number of bedrooms and fire exits within the proposed STRA which is approved by enforcement inspectors.
    - This requirement is proposed to assist enforcement officers in determining whether requirements regarding the maximum number of renters and fire escape plans are being observed.

5. Confirmation that the STRA meets conditions set out in the Winnipeg Zoning By-law or the Downtown Winnipeg Zoning By-law, permitting the STRA to operate.

6. Confirmation that the STRA meets the requirements of the Neighbourhood Liveability By-law for residential properties.

7. Confirmation that the STRA meets conditions set out in the Community Safety Business Licensing By-Law.

<u>General Conditions for operation of STRA:</u>

1. Install and maintain fire safety equipment to include smoke alarms, fire extinguishers, and carbon monoxide detectors, and demonstrate that each are operative during annual inspections.
    a. Smoke alarms must follow regulations set out in the Fire Prevention By-law 35/2017.
    b. Fire extinguisher must be available and placed in the main area of the STRA.
    c. Carbon monoxide detector must be installed in the main area of the STRA.

2. Keep the following records and provide them to the City upon request
    a) Number of nights STRA was rented
    b) Rental type – individual rooms or the entire dwelling
    c) Names of customers who provided payments for each booking
    d) Nightly and total price charged for the short-term rental

3. Provide guests with an emergency exit plan. The plan must also be posted inside the STRA.

4. Provide guests with an emergency contact number and be available 24/7 to respond during the rental period. The emergency contact number must also be posted inside the STRA.

5. Must book STRAs through a licensed STRA platform only and must include the City of Winnipeg license number on the listings within the platform. Booking privately or through any other advertising medium is prohibited.

6. Approval from the Winnipeg Police Service Records Review Board is required as part of the application process.
    - This requirement was proposed in order to address concerns that STRAs are used for illegal purposes, including human trafficking, prostitution, and drug trafficking.

7. The City STRA license number must be posted on any online or physical advertisements publicizing the STRA. Note again that all bookings are required to be made through a licensed platform.

8. Allow access to any City of Winnipeg enforcement official to conduct an inspection upon reasonable notice at any reasonable time.

9. Must inform the City within 10 days of any change to the information that was provided during the application process.

10. Comply with any orders issued by the City of Winnipeg under the By-law.

11. License is subject to annual renewal. Operator must cease all operations immediately if the license is expired.

12. Provide any other information or documents reasonably requested by the designated employee.

13. Maintain compliance with all City of Winnipeg By-laws.

14. Renters are provided with reading materials concerning human trafficking and sex trafficking that are made available by the City, and that the operator must produce and place the materials in a prominent place within the STRA.

15. Unless operator is in residence, the following must be posted in a conspicuous location at the entrance to the STRA while it is being rented:
    a. License
    b. 24/7 phone number of operator
        - This is intended to provide accountability to neighbourhood residents

16. The maximum number of adults per bedroom is two. This does not include minors under 18 years of age.

17. The STRA is not rented for a continuous period of 30 days or more

PART 3 - PRIMARY RESIDENCE

Anyone who wishes to operate a STRA in their primary residence must provide the following, in addition to the general requirements:

1. Provide evidence that the STRA is the primary residence of the STRA operator and is used as their primary residential dwelling.

2. A primary residence may be rented as follows:
    a. If the owner/principal tenant is in residence, the maximum number of guest rooms that can be rented in a primary residence is one less than the number of bedrooms existing in the structure. There is no limit on the number of nights that these guest rooms can be rented per year but only for a continuous period of less than 30 nights per booking.
    b. If the owner/principal tenant is not in residence, the entire home can be rented for a maximum of 150 nights per year with a maximum period of less than 30 continuous nights per booking.

PART 4 – NON-PRIMARY RESIDENCE

Any individual or corporation may operate three non-primary residence STRA, providing individuals have a permanent residence in Winnipeg, or corporations or partnerships are wholly owned by Winnipeg residents, conditional on them owning the properties prior to February 23, 2023.

Non-primary residence STRAs have no restrictions on the number of nights per year that they can be rented.

Before issuing a license, the following is required in addition to the general requirements (above). Anyone who wishes to operate a STRA other than at their primary residence must provide the following:

1. The name and contact information of an individual who is authorized by the owner to address any legal issues or complaints.

2. A safety plan that entails floor plans that identifies the location of smoke detectors, carbon monoxide detectors, fire extinguishers, and emergency exits at the time of application.

PART 5 - STRA PLATFORMS;

No STRA platform may list properties as STRAs in Winnipeg without a license issued by the City of Winnipeg under the By-law.

Anyone who wishes to operate a STRA Platform must provide the following at the time of application:

1. Completed License Application and payment of the associated License Fee.

2. Provide a list of STRA properties within Winnipeg that are listed on their platform at the time of application.

3. Provide details of the company's procedures on how to address complaints associated with the STRAs listed on their platform.

4. All STRA platforms must provide an address for service.

Requirements:

1. Keep the following records, and provide to the City upon request:
    a. The listing identification number and corresponding license number of each STRA listing for which it has provided STRA platform service.

b. Number of nights each property is rented as an STRA
c. Rental type – entire home or rooms, or primary residence.
d. Price paid for each booking

Licensee Conditions:

The licensee must:

1. Provide listings of properties within the city of Winnipeg on their platform when requested, after the initial application.

2. Do not post listings in Winnipeg on their platform unless the listing has a valid STRA license.

3. Comply with any compliance orders issued under this by-law

4. License is subject to annual renewal. Operator must cease all operations immediately if the license is expired.

PART 6: SUSPENSION AND REVOCATIONS

It is proposed that the City accept the same system for suspensions and revocations that exist in other licensed businesses under the Community Safety Business Licensing By-law. In summary, the system is as follows:

Suspension of a License:

1. A designated employee may suspend a license for a period of up to 30 days, if allowing the license holder to continue to carry on the business for which the license was issued would create a reasonable apprehension of significant harm to:
    - The health and safety of people;
    - Private or public property; or
    - The environment

2. The license holder provided false information at the time of application

3. The information on which the decision to issue the license was based was incorrect, and the license would not have been issued had the correct information been known

4. The license holder or the business no longer meets the requirements and standards required for the license to be issued

5. The past conduct of the license holder creates a reasonable apprehension that the business will not be carried on in the future in compliance with this By-law, another By-law, or relevant legislation

Immediate revocation of license:

1. The Records Review Board has revoked a certificate

Revocation of license:

A designated employee may revoke a license if:

1. Any information on an application was falsified

2. Carrying on the business for which the license was issued has resulted in harm or a significant risk of harm to:
    - The health and safety of people;
    - Private or public property; or
    - The environment

3. The information on which the decision to issue the license was based was incorrect, and the license would not have been issues had the correct information been known

4. The past conduct of the license holder creates a reasonable apprehension that the business will not be carried on in the future in compliance with this By-law, or another By-law, or relevant legislation

5. At the discretion of the designated employee, if the licensee is failing to comply with an order made under this By-Law or any other By-laws.

Before revoking a license, the license holder must be given a reasonable opportunity to be heard.

PART 7: LICENSING

STRA Administration

- Based on the regulations being proposed approximately 900 STRA licenses will be issued.

	Elements of the Program	Required Staffing
Impact to current administrative work	• administrative and clerical file management of licensing program and registration administration • point of contact for customer service to answer questions related to licensing • Coordination of STR Licensing/tax information on City of Winnipeg website to inform licensees • Educational outreach for all potential, existing, and new licensees.	1 FTE – Clerk C (licensing)

Short Term Rental Platforms

- Assuming approximately 4 Short term rental platforms operating in Winnipeg.

	Elements of the Program	Required Staffing
Minimal impact on current administrative work	• administrative and clerical file management • point of contact for customer service to answer questions related to licensing of STRA platforms • Educational outreach for all potential, existing, and new licensees.	0 FTE

Licensing Fees and Structure (annually)

Licensing Fee and Structure (annually)	
Short Term Rental Licensing levels	**Annual Fees**
Primary Residence	$260
Non-Primary Residence - Tier 1 - 1-bedroom property	$260
Non-Primary Residence - Tier 2 - 2-bedroom property	$520
Non-Primary Residence - Tier 3 - 3-bedroom property (baseline)	**$780**
Non-Primary Residence - Tier 4 - 4-bedroom property	$1,040
Non-Primary Residence - Tier 5 - 5-bedroom property	$1,300
Non-Primary Residence - Tier 6 - 6-bedroom property **(max)**	$1,560
Platforms – Tier 1 Less than 100 listings	$1,000
Platform – Tier 2 101-500 Listings (baseline)	**$2,500**
Platform – Tier 3 – More than 500 listings	$4,000

* License fees for operators have been established based on a level proportionate to business tax rates paid by establishments offering similar services adjusted for size and reduced slightly recognizing differing amenities provided.

Projected 2024 REVENUE (January 2024 - December 2024)			
License Category	**Projected # of Licenses Issued**	**License Fee**	**Total Revenue (projected)**
*assumes 900 STRA's license			
Primary Residence (baseline)	300	$260	$78,000
Non-primary Residence	600	$780	$468,000
STRA - Platforms (baseline)	4	$2,500	$10,000
Subtotal	**904**		**$556,000**

*The proposed licensing fee structure as projected with the objective to achieve full cost recovery of the program. Annual renewals including inflationary increases to fees apply.

PART 8: INSPECTION & ENFORCEMENT

Short Term Rental Accommodations

Assumptions:

- 900 STRA licensed with growth rate of 10 per year.
- 4 STRA Platforms
- 15% non-compliance rate and/or complaints

Elements of the Program	Enforcement Inspectors
○ Complaint or non-compliant inspections ○ Inspections based on both complaints and proactive enforcement (annual inspection of all 900 STRA) ○ Report findings to licensing branch ○ Address non-compliance through MBEA and administrative management of licensing including inspections in the evening and on weekends.	3 FTE

Elements of the Program	Enforcement Coordinator
○ Supervisory oversite of the licensing enforcement team ○ Business analysis that enhances the productivity and effectiveness of the program	1 FTE

Failure to comply with The City of Winnipeg Community Safety Business Licensing By-Law No. 91/2008 can result in administrative penalties including warnings, suspensions, and/or fines under the Municipal By-law Enforcement Act (MBEA). Fines and early payment amounts are set out in Appendix A.