

Lobbying in British Columbia's Designated Resort Municipalities:

The Case of Short-Term Rentals

by

Helena Riggs Konanz

A THESIS SUBMITTED IN PARTIAL FULFILLMENT OF

THE REQUIREMENTS FOR THE DEGREE OF

MASTER OF ARTS

in

THE COLLEGE OF GRADUATE STUDIES

(Interdisciplinary Studies)

THE UNIVERSITY OF BRITISH COLUMBIA

(Okanagan)

October 2018

© Helena Riggs Konanz, 2018

The following individuals certify that they have read, and recommend to the College of Graduate
Studies for acceptance, a thesis/dissertation entitled:

Lobbying in British Columbia's Designated Resort Communities: The Case of Short-Term
Rentals

submitted by Helena Riggs Konanz in partial fulfillment of the requirements for
the degree of Master of Arts

Dr. Carey Doberstein, Irving K. Barber School of Arts and Sciences
Supervisor

Dr. Ross Hickey, Irving K. Barber School of Arts and Sciences
Supervisory Committee Member

Dr. Brigitte Le Normand, Irving K. Barber School of Arts and Sciences
Supervisory Committee Member

Dr. Bernard Momer, Irving K. Barber School of Arts and Sciences
University Examiner

Abstract

This thesis focuses on the subject of short-term rentals and their host companies, such as Airbnb, to study the influence of business interests at the local level of government in British Columbia. Worldwide, these companies and their listings have grown exponentially in the last five years, but not without controversy, as they have met up against tenant rights groups, municipalities, and hotel associations who are upset about its effects on housing, neighborhoods and the traditional accommodation sector. Government regulations and municipal policy making are examined to understand the power of lobbying in this context. The lobbying efforts of both Airbnb and the hotel/motel associations are investigated and analyzed, from data collected from both interviews and a survey of local officials in British Columbia's fourteen designated resort municipalities. The findings confirm that lobbying in municipalities is very active, but the practices are distinct from other levels of government. Recommendations include a lobbyist registrar at the local level to foster transparency and accountability, and a new way of looking at how all levels of government ought to approach regulating the new normal of online platform industries.

Lay Summary

This thesis focuses on the subject of short-term rentals and their host companies, such as Airbnb, to study influence of business interests at the local level of government in British Columbia. Companies such as Airbnb have grown exponentially in the last five years and governments throughout the world are scrambling to set up appropriate policy to regulate them. Government regulation and municipal policy making are examined in the fourteen designated resort communities in British Columbia to understand the power of lobbying by specific groups: the company Airbnb and the hotel/motel industry. The findings confirm that lobbying in municipalities is very active, but the practices are distinct from other levels of government. Recommendations include a lobbyist registrar at the local level to foster transparency and accountability, and a new way of looking at how all levels of government ought to approach regulating this new normal of online platform industries.

Preface

This thesis is original, unpublished, independent work by the author, Helena Riggs Konanz. The survey and interviews were covered by the UBC BREB (Behavioral Research Ethics Board) number H17-01900.

Table of Contents

Abstract	iii
Lay Summary.....	iv
Preface	v
Table of Contents.....	vi
List of Tables.....	viii
List of Figures	ix
Acknowledgements	x
Dedication.....	xi
Chapter 1: Introduction.....	1
Chapter 2: Methodology	4
Chapter 3: Short-Term Rentals	9
3.1 The Growth of Short-Term Rentals.....	9
3.2 Short Term Rental Policy Making.....	13
3.3 Government Regulations and Short-Term Rentals.....	16
3.4 Local Government Policy-making and Short-Term Rentals	22
3.5 About Designated Resort Municipalities in British Columbia	24
Chapter 4: Lobbying	29
4.1 Hotel and Motel Industry Power	35
Chapter 5: Data Analysis.....	41
5.1 Osoyoos and Valemount.....	41
5.2 Key Finding: The issue of short-term rentals and Airbnb is considered a serious issue in most of the British Columbia resort designated communities.	42

5.3	Key Finding: Communities are looking towards each other for answers of how to address the issue of short-term rentals.....	52
5.4	Key Finding: Community resources are under extreme pressures from the issue of short-term rentals.....	54
5.5	Key Finding: Lobbying has a strong presence in designated resort communities in British Columbia.	57
5.5.1	Airbnb Lobby	57
5.5.2	Hotel/Motel Industry Lobby	63
5.5.3	Host Compliance Lobby	67
Chapter 6: Conclusion		71
6.1	Recommendations	73
References		76
Appendices		84
Appendix A Interview Consent Form		84
Appendix B Recruitment Letter		88
Appendix C Interview Questions		91
Appendix D Short Term Rental Survey		94

List of Tables

Table 3.1: British Columbia Resort Municipalities Short-Term Rental Policies.	28
Table 5.1: In your opinion, has Airbnb been helpful in informing your council and staff concerning short term rentals in your community?	58
Table 5.2: What kind of contact and engagement has Airbnb initiated or provided, by position?	62
Table 5.3: Has the hotel industry been helping in informing your council and/or staff concerning short-term rentals in your community?	65
Table 5.4: To your knowledge, has any private company that assists communities in the management of short-term rentals, such as Host Compliance, contacted your council or staff?	69
Table 5.5: To your knowledge, has your community considered hiring a short-term rental management company like Host Compliance?	69

List of Figures

Figure 5.1: When was the last time your community’s short-term rental policies were updated?	43
Figure 5.2: How often in the past year have you been contacted by individuals or community groups supportive of short-term rentals in your community?	44
Figure 5.3: How often in the past year were you contacted by individuals or community groups opposed to short-term rentals in your community?	46
Figure 5.4: Of those opposed to short-term rentals in your community, what were their main concerns?	48
Figure 5.5: Have you had to hire any staff specifically because of short-term rental policy creation and/or enforcement?	55
Figure 5.6: To your knowledge, has Airbnb ever contacted members of your council and/or staff in the past two years?.....	58
Figure 5.7: What kind of contact and engagement has Airbnb initiated or provided?.....	60
Figure 5.8: Have individuals representing the hotel industry contacted members of your council and/or staff concerning short-term rentals in your community?	64
Figure 5.9: To your knowledge has your community considered hiring a short-term rental management company like Host Compliance?	68

Acknowledgements

The opportunity to go back to university and study political science and policy making while holding a political office was something I had wanted to experience for a long time. For the last seven years I have filled the role of city councilor for the City of Penticton and often wondered why things happened the way they did. By spending time working towards my master's degree I had the opportunity to work in a political science laboratory which made me a better councilor and a better person. This could not have been possible without the support of some key people.

Thanks so much to my supervisor Carey Doberstein, who kept reminding me that I was on the right path and that I could accomplish this goal. I know how much extra time you spent getting me up to speed after so many years away from the classroom, and it is greatly appreciated. I also want to thank my committee member Brigitte Le Normand, whose Urban Studies course gave me the inspiration for this thesis, and to Ross Hickey, who did not hesitate when I asked him to join the team and spent a lot of time analyzing what exactly I was trying to learn about the phenomenon of Airbnb and short-term rentals. Thanks to my friend Darielle who coincidentally seemed to be taking the same path I was at the same time in our lives and the experience wouldn't have been the same without her there.

My twin sister Genevieve continually reminded me, as she always has, that she was there if I needed her. And last but not least, my beautiful family who supported, without hesitation, this crazy idea that I had to go back to school after so many years and study a subject which they know I have always been fascinated with; my beautiful children Zakary and Zoe, and my partner and love of my life, Adam.

Dedication

To my family, Adam, Zakary and Zoe, who are the source of inspiration in my life.

Chapter 1: Introduction

In 2016, French officials announced that the population of Paris had dropped significantly since the previous census. Despite efforts by authorities to lure families back into the city, the net decrease in population between 2009 and 2014 by over 14,000 was alarming (Yakabuski, 2018). Surprisingly, the blame was not placed on terrorism or high taxes and rents, but on the online platform, Airbnb. Mayor Jean-François Legaret was quoted as saying; “The consequences are dramatic. ... Local services, and also daycares and schools, are threatened with closure due to a lack of permanent residents” (Yakabuski, 2018).

As the issue of addressing STRs (short-term rentals) that have plagued France over the past decade is now spreading to Canada, we are seeing similar battle lines drawn between those supportive and those opposed in major cities, but also in small communities in British Columbia. As journalist Conrad Yakabuski from the Globe and Mail described it, “...what began as a hot new trend in 2008 has sparked an incendiary worldwide war” (Yakabuski, 2018).

How do local governments in small communities address issues like STRs? Elected officials and administration are pressured, and lobbied, to make appropriate decisions by both citizen and business groups and are also influenced by how other communities are addressing these issues (Nownes, 2000). Lobbying at the federal and state (provincial) levels of government has the appearance of being much more transparent and regulated than local government in the United States and Canada because of the requirement for registration at those levels (Nownes, 2000). Very little is known and written with regard to the influence of lobbyists at the local level of government; it is obvious that it happens, yet less is known of the degree and methods by which it transpires. That is why I am asking the question:

How are businesses lobbying local government?

This thesis examines the influence of business interests on local government officials in British Columbia by focusing on the particular issue of STRs and their host companies, such as Airbnb. With cities and smaller communities all across the world grappling with the problem of what to do with Airbnb and STRs, Airbnb, for example, continues to grow at an unprecedented rate; in 2017, the company offers more listings than the top five hotel chains put together, without owning any physical assets of its own (Bula, 2017; Wood, 2017). Although it is lauded by many for diversifying neighbourhoods and for providing economic leverage for the middle class, the company is not welcomed in many cities, as it is blamed for everything from enabling tax evasion, to disrupting neighbourhoods, to contributing to a housing crisis (Fitzmaurice, Ladegaard, Attwood-Charles, Carfagna, & Schor, 2016). As a result, STR companies and hosts have been met with strong opposition from hotels, tenant rights groups, and municipalities (Fitzmaurice et al., 2016). Many accuse companies like Airbnb of reshaping cities without regard to those things that have historically made these cities livable, such as vibrant commercial districts, neighbourhood integrity, and affordable housing (Slee, 2016).

This thesis begins by articulating the research question and the methodological approach to answer it. Following that, the sharing economy and the accelerated growth of the STR industry is described and analyzed, in particular its most successful platform, Airbnb. The focus then moves to government regulations and municipal policy making and explores the power of lobbying in this context. Following that, the lobbying activities of Airbnb and the traditional accommodation sector are described. The fourth section presents the results and key findings from the data collected from both interviews and a survey of local officials in B.C.'s fourteen designated resort municipalities. The final section contemplates the implications of these

findings for small communities grappling with regulating a new industry, but also speaks to how industry more broadly seeks to influence local politics in Canada.

Chapter 2: Methodology

The origins of my question of *How are businesses lobbying local government?* was sparked by my observations as an elected official for the City of Penticton and the Regional District of the Okanagan Similkameen. Before I became an elected official, I assumed I would be approached by constituents, business owners, developers, and representatives from other levels of government with their interests and concerns. What surprised me was how often this happened and what effects this lobbying might have on local government policy-making in BC since lobbyists in this province are generally not compelled to register at the municipal level.¹

I decided to investigate the subject of lobbying at the local government level by approaching it through the lens of what I knew to be a current topic in many communities in BC: STRs (short-term rentals) and the biggest and most politically active platform, Airbnb. What type of STR policies to create, and how to enforce these policies, is a subject that many communities in Canada and the world are grappling with right now. To help formulate my research questions and design my approach to inquiry, I conducted preliminary interviews with elected officials and administrators from communities throughout BC at the UBCM (Union of British Columbia Municipalities) convention held in Vancouver, during the week of September 25th-29th, 2017. UBCM is the collective advocate for local government in British Columbia, and the annual convention is considered the main forum for policy making and developing positions brought forward by members and presented to upper levels of government and other organizations involved in local affairs (UBCM, 2018).

¹ Surrey is the only municipality in BC that currently requires this.

The purpose of these exploratory interviews was to understand what angles of inquiry would be most helpful to investigate before beginning the main phase of my research. I conducted approximately a dozen brief interviews and three long interviews that week with elected officials to begin to understand, in a general sense, what their concerns were with short-term rentals and if they experienced business influence concerning this issue. I also met with representatives of Airbnb at a meeting that the other members of Penticton City Council and I were invited to attend and posed questions to them concerning their work with local government. This preliminary information helped me to formulate the questions I would create for the formal interviews that I would perform and the survey that I would release between November 2017 and March 2018.

In order to narrow down the scope of my research, I decided to focus the study on fourteen municipalities in BC that in certain respects differ from each other yet have many things in common: these are the fourteen designated resort communities in BC. These fourteen communities are part of the BC resort municipality initiative (RMI) which was a program created in 2006 to assist small, tourism-based jurisdictions to promote economic activity and visitation and generally help promote the tourism sector throughout the province (BC Government News, 2014). This program acknowledges the fact that there are specific challenges that small and rural resort communities in BC have, which is the highly seasonal characteristics of tourism alongside the high cost of living, which affects accommodation, employment and population, along with the less administrative capacities than larger communities may have (Vaugeois, Maher, Heeney, Rowsell, Bence & McCartney, 2013). The initial prerequisite for becoming a designated resort community in BC was the requirement of a high number of per-capita tourist-based accommodation units. Members of this program receive annual funding from the provincial

government that can be used towards tourism infrastructure and initiatives to support local and regional tourism economies. At this time the province is no longer accepting additional communities into this program (BC Government News, 2014).

In these communities there are two major industry interests who some argue have competing agendas: Airbnb (and other home sharing platforms), and the hotel and motel industry, and my aim was to discover the degree and methods by which these key actors contact and attempt to influence local government policy. It should be noted that I attempted to contact the second biggest home sharing platform in North America, VRBO (Vacation Rentals by Owner) but was unable to reach anyone from that company other than customer service agents. Through my experience as an elected official and the intense literature review it became apparent that Airbnb appears to be the only company from this industry directly in contact with governments here in BC and around the world concerning STR policy making.

Between November 1st and February 15th, I sent out fifty-five requests for interviews to the fourteen resort municipalities², and ultimately completed a total of twenty-five interviews which included fourteen elected officials, ten administrators (e.g. CAOs, planners, bylaw officials, etc.), and one representative from Airbnb. The interviews lasted between twenty and forty-five minutes, depending on the availability of the participants. Interviews were important to conduct in the context of this inquiry as I felt they would allow me to understand what the motivations behind new or revised policies toward short term rentals in these communities were, the details of which may not make it into official documents or even city council debates.

² Fernie, Golden, Harrison Hot Springs, Invermere, Kimberley, Osoyoos, Radium Hot Springs, Revelstoke, Rossland, Sun Peaks, Tofino, Ucluelet, Valemount and Whistler.

According to Colin Robson in his book *Real World Research*, the interview is a “flexible and adaptable way of finding things out” (p.272) and has the potential of “...rich and highly illuminating material” (p. 273). It is best used, according to the author, as a supplement to other research methods (Robson, 2016). I asked open-ended questions of the participants so that they felt comfortable enough to expand on a theme that they felt was important. According to researcher Susan Farrell, “Open-ended questions prompt people to answer with sentences, lists, and stories, giving deeper and new insights” (Farrell, 2016, p.1). After performing the twenty-five interviews, I spent many hours transcribing and organizing them into general themes and found consistent comments to enhance the research project.

Drawing on information and themes I gathered from the interview respondents, I then created and distributed an electronic survey on UBC’s Qualtrics platform, in which there were twenty-four questions focused on the issue of STRs in their community, the status of bylaws and regulations, and their experience with advocacy from citizens and the competing industries. All email addresses gathered for elected officials and administrative staff are available online for the benefit of the general public. This survey was anonymous, and I was able to check the IP addresses of the respondents to make certain no one answered the survey more than once. With that in mind, a challenge with this being an anonymous survey was that there was no way of knowing from which of the fourteen communities the responses came from, or if multiple responses may have come from one or more municipalities. My goal was to receive as large a sample as possible because the larger the sample, the lower the chance of inappropriately generalizing (Robson, 2016), and the greater possibility of recognizing patterns of experience among these BC municipalities that may not be as apparent if I was to only perform interviews.

The survey was distributed to all elected officials in each of the fourteen communities as well as administrators whose job titles suggested to me that they may be at least partially responsible for dealing with this issue, whether it be through crafting policy or enforcement. This included CAO's (chief administrative officers), economic development officers, development service managers, and bylaw officers. Of the one hundred twenty-five officials in these communities who received the survey, a total of sixty responded with fifty-six completing the survey in its entirety. Of those who participated, thirty-five were elected officials and twenty-one were members of the administration.

The survey included unambiguous, short questions, to make it possible for respondents to answer quickly and concisely. Many were closed-ended questions, as these limit answers, creating tighter data than information received from the open-ended questions as those that were used in the interviews (Farrell, 2016). There were five questions within the survey with an "other" option which gave the respondents an opportunity to add their own answer, and the final question asked for any additional comments to share regarding anything not asked in the survey, of which there were twenty-three responses.

Chapter 3: Short-Term Rentals

3.1 The Growth of Short-Term Rentals

This thesis explores the question, “How are businesses lobbying local government?” by examining the influence of business at the local level of government in BC through the lens of policy making and enforcement of a sector of sharing economy, STRs (short-term rentals). STR platforms such as VRBO, Hometogo, Trip Advisor, and the biggest platform, Airbnb, are considered part of the sharing economy. The sharing economy is a modern day socioeconomic system, facilitated online, that bridges demand and supply by using underutilized assets (Gumbs, Griffen & Dodds, 2016). It includes “sharing, swapping, trading or renting products and services, enabling access over ownership” (Botsman, 2013, p. 1). The sharing economy is referred in some literatures and media outlets as the gig, access, collaborative, peer, rental and circular economy. According to author Rachel Botsman, in the last few years the term has become too expansive and inclusive of many emerging phenomena, making it difficult to precisely define. She explains that while looking through relevant literature, researchers and policy makers alike remain confused due to its various dimensions; for example: the benefits (e.g. access), behaviors (e.g. sharing), business model (rental) or even market structure (e.g. peer-to-peer). The more imprecisely it is defined, the more the value of the sharing economy is questioned (Botsman, 2013), and the more difficult it is to debate and devise consistent and appropriate government regulation. For example, many people insist that using the word ‘sharing’ when describing companies like Airbnb is a misnomer, because these are market-driven platforms in which consumers can pay for access to buy and sell their products, promoting utilitarian rather than social value (Eckhardt & Bardhi, 2015).

What spring-boarded the sharing economy industry was the 2008 global recession which caused a brisk downturn in economic activities, stimulating intense individualism and incentivized a new group of entrepreneurs that were aided by the global network society and online resources who saw this crisis as an opportunity for change (Castells, Caraça & Cardoso, 2012). As economic resources plunged during the financial crisis, individuals were forced to make changes to maintain their financial position caused by an onslaught of the “perfect storm”; the 2008 financial crisis and its recovery, the ubiquitous nature of the internet, and the entrepreneurial push offered by the sharing platforms (Castells et al., 2012).

STR companies like Airbnb are key players in the sharing economy which have advanced technological platforms that enable homeowners to rent their property for short stays, allowing them to compete with traditional brick and mortar businesses like hotels and motels (Gurran & Phibbs, 2017). Airbnb and its counterparts are disrupting the way we view housing and travel. With the help of these companies, and especially the explosion of Airbnb as a platform, STR listings have grown exponentially since 2008, the year Airbnb company came online. Since then, Airbnb reports that 150 million travelers have stayed in over three million listings, located in more than 191 countries (Airbnb, 2018; Brenner, 2017). STRs are considered by many to be a “disruptive innovation”, which describes businesses that “initially start at the bottom of the market and then relentlessly move up the market, eventually displacing established competitors” (Christiansen, 2016, p. 1). The results can be a new and expanding group of consumers with abilities to gain access to items that were historically only accessible to those who lie within a high-income bracket, or those with exceptional skills (Christiansen, 2016).

In promoting their business model, Airbnb insists that homestay services encourage tourists to stay longer and in a variety of neighbourhoods and deny that the company takes

business away from the traditional accommodation sector (Boswijk, 2016). Opposing studies, either independent or supported by the hotel industry, suggest a negative impact on the accommodation sector, especially those properties at the lower end of the market (Boswijk, 2016, Gurran & Phibbs, 2017; Guttentang, 2015; Zervas et al., 2014). Proponents of STRs also insist that home rental is a way for the average homeowner to supplement their income, allowing STR hosts a mortgage that might otherwise remain out of their reach (Airbnb 2018, Guttentang, 2015). As one Vancouver City Councillor said in 2017 during a council debate opposing the city's tough stance on regulating STRs, "... many homeowners would not be able to pay their mortgages without income from Airbnb" (Kane, 2017).

In contrast to this notion are the purported negative effects of Airbnb on housing that is blamed for removing long term rental units off the market and seems to be the driving force behind tougher policies on STRs in many communities (Slee, 2016; Gumbs, Dodds & Griffen, 2016, UBCM, 2016). As a new and growing industry, academic research can be found both supporting and refuting this claim but may have some biases. For example, researchers Jamasi, Zohra and Hennessey link the lack of rental availability and high costs of housing in Toronto with the explosion of Airbnb in that community, with their report *Nobodies business: Airbnb in Toronto* (Jamasi, Zohra, and Hennessy, 2016). This report is funded by the Canadian Centre for Policy Alternatives, a non-profit think-tank whose major donors include unions such as the B.C Federation of labour, Canadian Union of Public Employees, and United Food and Commercial Worker, groups typically opposed to Airbnb due to its possible negative effects on the traditional accommodation sector (CCPA, 2018). On the contrary, in the report *The Economic Impacts of Home sharing in Cities around the World*, Airbnb claims that 81% of hosts around the world share the home in which they live (Airbnb, 2018), and yet the website *Inside Airbnb* refutes this,

showing that in Vancouver alone 68% of homes are rented out as entire homes or apartments (Inside Airbnb, 2018). In Another book, *Peers, Inc.*, author Robin Chase describes the lessons she learned as the founder of Zipcar, a fellow platform company, and promotes companies like Airbnb as springboards of sharing and access which she insists makes economic sense (Chase, 2015). Inevitably, wading through the grey literature can be difficult when researching the effects of STRs on communities and housing in particular. And all the while, there is increased political pressure on policy makers with extensive media reports of confrontations between residents and Airbnb visitors they say are causing major disruptions in established neighborhoods, including housing, parking and noise complaints (Morris, 2015; Yakabuski, 2017).

Jurisdictions throughout the world are struggling to understand how to address these concerns. Systematic research on STRs has been sparse, as, as mentioned above, most of the literature on this subject is anecdotal and strongly influenced by either the supportive short-term rental sector or, by contrast, the resistant hotel industry (Guttentang, 2015). Airbnb itself has invested a considerable amount of money on professional lobbyists and commissioned studies (Guttentang, 2015), with many believing Airbnb is using its massive leveraging power to promote itself positively as an “economic powerhouse for the good of the country” (Weisberg, 2017, p. 1). Examples of this are what the company calls their “economic empowerment” initiatives, which include setting a goal of doubling the size of its hosts in urban minority majority neighbourhoods, and the promotion of its “living wage pledge”, where hosts can let their guests know they are paying the people who clean their listings a wage of at least \$15.00 an hour (Weisberg, 2017, p.1).

There are also Airbnb's efforts to work with local government officials in brokering agreements with over 250 jurisdictions in the United States to collect hotel and tourist tax from Airbnb rentals (Airbnb, 2018). Airbnb currently collects taxes from over 300 jurisdictions, with the province of BC announcing in 2018 that it will partner with Airbnb and begin collecting provincial taxes and the MRDT (Municipal and Regional District Tax) at the time of booking (Kerr, 2018). Furthermore, company representatives are in contact with both politicians and city planners in municipalities throughout North America to promote what they consider their positive home sharing initiatives and are attempting to assist in actual policy making by providing officials with such resources as: *Airbnb's Policy Tool Chest*, *How Canadians feel about Home sharing*, and *Airbnb's Growing Community of 60+ Hosts* (Airbnb, 2018).

There is also the non-profit organization created in 2013 called PEERS that touts itself as a grassroots advocate for the sharing economy that works alongside companies to develop strategy, branding and lobby policies to enhance the sharing economy. It currently has over 250,000 members and with PEER groups in over 90 cities across the globe (PEERS, 2018). Airbnb paid for the consultant to start up the group, and most of the 73 listed partners are for-profit, platform companies like Airbnb, Uber, Lyft, and TaskRabbit. The company's mandate is to encourage the general public to join in order to add their voices to the movement and "bring the sharing economy to the mainstream" (PEERS, 2018; Kamenetz, 2013).

3.2 Short Term Rental Policy Making

With these debates mind, when communities of any size prepare to make the decisions on whether and how to regulate a new and rapidly growing industry like STRs, they face unique uncertainty in terms of how to proceed, the nature and scale of the problem they wish to mitigate

against, and how to most effectively implement and enforce these policies. This uncertainty is often addressed by interest groups and stakeholders who lobby decision makers by using various methods, including education, persuasion and pressure.

How are communities around the world, including small resort-based communities in British Columbia, addressing the home-sharing platforms? Some jurisdictions are requiring rezoning of properties, others are pushing to have these homes categorized as businesses, while still others are boosting their enforcement efforts and even going as far as to ban STRs altogether. Enforcement comes at a high cost and administrative challenge, especially for small cities (Bula, 2017). The research on the effects of STRs has thus far centered on large jurisdictions such as Toronto, New York, and Los Angeles, with very little information available on the effects of, and appropriate policies for, the growing short-term rental market in smaller, tourist-based communities (Gumbs, Griffen & Dodds, 2016; Slee, 2016; Zervas et al., 2016). Rural and resort communities in British Columbia (the focus of this research) are looking to Vancouver for advice on how to address this issue, but it is not obvious that looking at large cities for guidance is helpful to small jurisdictions. With a population approaching one million, and a rental vacancy rate less than 1%, Vancouver, has historically taken an aggressive approach toward STRs, blaming its housing crisis, at least partially, on Airbnb (Chan, 2017). In defending past regulations, which included a ban on STR's in secondary homes and carriage houses, while allowing homeowners to rent their primary residence after being approved for a business license (Chan, 2017), Vancouver Mayor Gregor Robinson stated "We have almost no vacancy for rentals in Vancouver. This is part of a broader effort to get more long-term rental happening and to make sure that a whole new industry is regulated properly" (Benning, 2017).

Updated regulations in Vancouver announced in 2018 to address the over 6,000 homes listed on Airbnb included allowing hosts to run short term rentals if they acquire a business license and subsequently post that license number on the platform. Hosts are allowed to rent spare rooms and whole homes if the owner is temporarily away (Bula, 2018). But housing in Vancouver has many factors affecting it that experts say have nothing to do with Airbnb and its counterparts, such as cultural pressures that keep 85% of its land base “trapped” in single family home zoning (Kretzel, 2017), and a huge influx of foreign workers and international students whose financially supportive offshore parents are buying homes and driving up prices (Todd, 2018). Simon Fraser University graduate student Karen Sawatski, who has researched Airbnb extensively in Vancouver, believes that if the situation were different, and there was a healthy vacancy rate in Vancouver, only then would it be appropriate to substitute any long-term housing for STR purposes. She does admit, though, that the city’s overall vacancy rate has averaged a low 0.9% for the past 30 years, long before Airbnb came into existence (Sawatski, 2016). Though not the focus of this study, more research needs to be done to make an academic correlation between long term vacancy rates and STR’s.

Though the Government of Canada has no formal regulatory role in land use regulation of the kind relevant to STRs, they have devoted resources to data collection and study on this issue. Statistics Canada reported that between November 2015 and December 2016, 4.2% of Canadians used STRs, with the majority of those being between the aged 25 to 34. Although this may seem like a small number, the amount they spent was substantial; Canadians spent over one billion on these private accommodation services, both inside and outside of Canada, during that time period (Statistics Canada, 2017). A report released in February 2015 sponsored by the DMCPI (Deputy Minister’s Committee on Policy Innovation) highlighted potential roles that

local governments could play when addressing the sharing economy and STRs, including: enabling support for sharing economy businesses, raising awareness of the risks and opportunities available with this sector, and enhancing the positive impacts while playing a convener approach with stakeholders. Of course, this all takes money, and it is not clear in the report where local governments should find this funding, although the report also recommends implementing a fair taxation approach towards this sector (Government of Canada, 2015).

With so many communities, big and small, approaching this issue differently, the question this thesis research attempts to answer is the question of how and to what extent business is influencing the policy making choices in small, tourist-based communities in British Columbia. To answer this question this research zooms in on the fourteen resort-designated communities in British Columbia and through survey and interview data uses the STR issue to study the degree and methods of lobbying in local government. The next section will take a closer look at government regulations concerning STRs.

3.3 Government Regulations and Short-Term Rentals

When disruptive economic players emerge, in this case, the so-called sharing economy, there are positive and negative reactions; it is no secret that people, and governments, generally fear or resist change, especially when that change is seemingly abrupt. Government will tend to react in response to those fears, whether it fully understands the problem or not, in the form of some type of regulation, as the very nature of disruption in a community often leads to calls for government intervention.

Local governments have the authority to set regulations for a myriad of issues in their communities, but most of these issues are fundamentally about land use (Nownes, 2006). In fact,

the most frequent and critical decisions made by municipal governments are re-zoning decisions (Hoch, Dalton & So, 2000), and yet author Arthur Nownes' research has shown that the process can be quite anarchic, to say the least. In general, the acceptance or denial of rezoning requests is generally enacted without significant specifications, leaving decision making with an absence of consistent standards. This absence of consistency thus makes local politics and land use decisions extremely attractive to lobbyist' involvement (Nownes, 2006).

Regulatory processes should allow decision makers to balance opposing interests and are imperative for the advancement of democracy (Rodrigo, 2005). But until recently, the compliance and enforcement aspect of STRs by government (i.e. implementation of regulations) has been given less attention than the rulemaking phase, and this compliance and enforcement can become an exercise in futility if the agencies or government departments lack enforcement and monitoring strategies (Rodrigo, 2005), as it arguably has for the fourteen designated resort communities in British Columbia.

When considering the sharing economy, it is apparent that there are significant pressures on policy makers to legitimize a segment of the economy that as of a decade ago was considered a non-issue and has since become a huge burden for local governments, including resort communities, to regulate (Brenner, 2017). As mentioned earlier, STR listings have grown exponentially since 2008, the year Airbnb company came online. Since then, Airbnb reports that 150 million travelers have stayed in over three million listings, located in more than 191 countries (Airbnb, 2018; Brenner, 2017). Looking outside of British Columbia, governments throughout the world are still in the early stages of defining their approach to the sharing economy (De Groen, Lenaerts, Bosc & Paquier 2017). In their research, Johal and Zon (2015) found that this new industry appears "fundamentally at odds" with the way governments tend to

operate (p.13). The main reasons for this are its unique features, which include; its scale and acceleration of growth, the static nature of regulatory bodies within rigid hierarchies, and the large and well-informed constituency that includes incumbent industries, such as the hotel and motel industry, that are mobilized, organized and ready to fight to defend their turf (Johal & Zon, 2015). Through my interviews with representatives from the resort communities, the hotel/motel industry is a major factor in the push to regulate and create what many of them called a “level playing field”. On the other end of the spectrum politicians are being influenced by the large group of citizens, acting as both hosts and consumers, who have eagerly embraced this new reality. It is no surprise that lawmakers remain baffled over what their next move should be. While the cogs and wheels of government haltingly contemplate their next move, the sharing economy is moving at such a rapid pace that its regulation involves dealing with a “moving target”, severely complicating decision-making (Munkoe, 2017, p. 42). Munkoe and others warn that because this target is moving at such a rapid pace compared to government decision-making, lawmakers must choose between creating very specific policies, which risks curbing innovation and creating economic lock-ins³, or creating generalized policies that run the risk of missing the target altogether (Eurich & Burtcher, 2014; Munkoe, 2017). Not surprisingly, there is one notion that researchers seem to agree on: the status quo approach is ill-suited towards disruptive innovation due to the inherent slow reaction of government to change and the strife the issue appears to be causing in communities (Johal & Zon, 2015).

³ Through regulations, consumers becoming dependent on a particular product, in this case regulation may create a monopoly for Airbnb because smaller and latecomers may not be able to break into this market (Eurich & Burtcher, 2014).

Elected officials and administrative staff walk a precipitous tight wire; they have the daunting task of approaching entirely new activities without compromising innovation and entrepreneurialism, while also addressing the concerns pertaining to consumer risks and incumbent reactions (Johal & Zon, 2015). Moreover, Koopman, Mitchell and Thierer (2014) remind us that regulation does not always achieve the normative goals of those who claim to have the public interest in mind. They warn that generations of scholars have noted that dominant and politically powerful incumbents will attempt to capture the regulatory system that is ideally supposed to facilitate an economically level playing field. This “regulatory capture” (p.7), sometimes disguised as consumer protection, can economically squeeze whole sectors of industry, creating barriers to innovation and entrepreneurship and maintaining market strongholds among existing players (Koopman, Mitchell & Thierer, 2014). In *The Theory of Economic Regulation* (1971), author George Stigler insists that regulation is not always created to advance the public interest but instead “regulation is acquired by the industry and is designed and operated primarily for its benefit” (p.3). Firms can lobby for regulations that create barriers to entry for newcomers, increasing requirements for operation and costs. Following Stigler’s logic, it also seems natural that early platform companies like Airbnb would be eager to be involved in policy making in all levels of government to their mutual benefit. The reality is that the sharing economy has the ability to topple organized traditional businesses such as taxis, retailers, and in the context of this paper, the hotel and motel industry, but does not fit into the mold of existing regulations. This is the complex context and set of choices in front of policy makers.

According to researcher Adam Thierer (2016), law-makers have two possible competing answers to the question at hand. He states that the “precautionary principle” (p.3) would lean

towards making new innovations illegal until their developers can prove that they will not cause injury to any persons; in this case in order to operate, Airbnb and its counterparts would have to prove that they are not responsible for housing shortages or neighbourhood turmoil (Thierer, 2016). Alternatively, government officials could choose what he advocates as “permission-less innovation” (p.3), allowing the platforms to proceed with few impediments in the name of innovation, unless “a compelling case can be made that a new invention can bring serious harm to society” (p.3), encompassing a wait and see policy for government (Thierer, 2016).

Adding to the complications of regulating the sharing economy is that prior to 2008 STRs generally operated with little or no opposition (i.e. boarding houses, vacation rentals), and furthermore, the industry is structurally designed to self-regulate in many respects. Where government initiatives tend to be slow, cumbersome, and expensive, the sharing economy has already initiated some bottom up governance mechanisms; for example, the major STR platforms such as Airbnb and VRBO have their own reputational and rating systems, although this does not affect land use regulations which is the big question local government must consider (Allen & Berg, 2014).

A particular problem arises in small rural communities whose governments are pressured to regulate, yet do not have the resources to do so. The fourteen designated resort communities in British Columbia looked at in this study have very few municipal employees and the ones they do have tend to wear many hats. All, excluding Whistler, have very few, if any, bylaw officers. Stand-alone planning departments, if they exist at all, are unable to address the myriad of policy decisions that STRs call for. Typically, they must turn to private planning consultants for help (Hoche, 2000).

In my conversations with elected officials and bureaucrats a general consensus emerged that if the choice is not to ban or ignore STRs in their community, but to regulate, there are two ways to approach this; they can rezone residential properties to business class, or they can offer some form of TUP (temporary use permit). The communities selected for this project which chose to rezone STR properties generally reported it as being an onerous process, as Nownes warned, for a number of reasons (Nownes, 2006). First, in order to re-zone there is the cumbersome practice of relying on a full public hearing and council vote. There are hundreds, and in the case of Whistler, thousands of STRs in each of these fourteen communities. This can become a laborious initiative if all of the hosts were to comply with the re-zoning requirement of full public hearings, which makes TUPs more manageable for some communities. An example of this is the City of Revelstoke, which is considering changing its re-zoning requirements which includes a cap on the number of STRs, due to the hours of STR public hearings and the contentious nature of those hearings to date (City of Revelstoke, 2018).

“Council needs to revisit the cap. With enshrining it with zoning, you create winners and losers”.

Alan Chabot, CAO, Revelstoke

The other complaint against rezoning is that it allows for manipulation of the value of the property, as this has the possibility of allowing for a higher use than those properties not allowed to re-zone. Officials in Revelstoke commented that some re-zoning would occur with owners who were not interested in actually renting their house, but in the added value at time of resale.

Needless to say, TUPs that are forced to re-submit with property transfers seems to be the policy of choice among the communities, including Sun Peaks and Golden.

“If we screw up, we can fix it, which is one of the best values of a TUP (temporary use permit). It is a moving target, a target that no one had any conversation about 5 years ago and is ever evolving”.

Ron Oszust, Mayor, Golden

3.4 Local Government Policy-making and Short-Term Rentals

Although there has been some research and much written on the origins, proliferation and impact of STRs (short term rentals) on communities, very little research has been done on what leads different political actors to choose a particular position on policies for STRs, and what leads them to invest in the considerable time and resources that goes toward implementing these policies. There is agreement among most stakeholders that there is a need for local and provincial governments to clearly define rules and regulations for this industry to avoid community and neighbourhood upheaval, but also a sense that overregulation can be as problematic as under regulating. But what influences political decisions to regulate or not to regulate? Why, in the case of STR policy making, would some lawmakers in otherwise similar communities choose to require business licenses, others hand out temporary use permits, while others choose to ban the rentals altogether? Business influence is an important part of the puzzle that has been under recognized among observers, especially concerning STRs in small, tourist-based communities in British Columbia.

Although levels of government may hold the same title, such as city, regional district, or province, each of these differ in ways that make it difficult to compare them and the motivations behind their policy decisions (Peterson, 1981). When looking at local government, the term municipality, for example, refers to vastly different entities and responsibilities; some BC municipalities pay the majority share of policing, some cities hire fire departments or alternatively, use volunteers, others choose to own an electrical company instead of depending on a private company for delivery of this service. Unlike upper levels of government in Canada, municipalities in British Columbia are forced to balance their budget year after year. The differences in responsibilities and spending complicate the attempt to discover the universal patterns of policy making, especially when, as author Paul Peterson (1981) puts it, “one regards policy making [in local governments] as the outcome of a bargaining process among competing groups and interests, these differences create problems that almost always have defied solutions” (p. 10). That being said, this thesis is built on the premise that regulation is perhaps the most central policy lever of municipal lawmakers in Canada, whether its related to land, housing, licensing, or any other issue that confronts local government. Any decision involves trade-offs with alternate goals and resources (Rodrigo, 2005). When defining a city’s interests, and revealing the paths of decision making, it is important to remember that these decisions originate from the attempt by lawmakers to pursue, as Peterson (1981) states, the enhancement of “the economic position, social prestige or political power of the city taken as a whole” (p. 20). Therefore, when performing a study on the nature of the influences on policy making, it is important to find a group of the most similar municipalities as much as possible and use this as a springboard for research.

With this in mind, I have attempted to narrow down these multiple influences by focusing on a group of cities in British Columbia, Canada, that show similarities in the context of governance. There are over 200 local governments in British Columbia, including regional districts, villages, and cities. Each vary incredibly from each other as mentioned above, which in the case of this thesis, makes it difficult to compare the short-term housing policies of Vancouver (population 631,000), whose policies, until recently, were opposed to STRs (Lalone & O'Brien, 2017), with those of the City of Kimberley (population 4513), whose mayor has publicly stated he and his council will welcome those tourists looking for STRs to their community (Hoffman, 2018) (UBCM, 2018). As a result, this research focuses on the fourteen designated resort municipalities located in British Columbia, Canada, as they are similar in size (small) and similar in terms of facing the ongoing struggle to balance the desire to promote tourism against livability for year-round residents, a key dimension in the debate around STRs.

3.5 About Designated Resort Municipalities in British Columbia

Tourism is one of the largest industries in British Columbia, increasing in revenue by 31% to fifteen billion between 2005 and 2015 (Province of British Columbia, 2015). The fourteen communities included in this research are the communities chosen within the RMI (British Columbia Resort Municipality Initiative Program) created in 2006 to assist small, tourism-based jurisdictions to promote economic activity and visitation and was recently added to the 2014 “Gaining the Edge” program for advancing and supporting the tourism sector in the province (BC Government News, 2014). This program acknowledges the fact that there are specific challenges that small and rural resort communities in BC have, which is the highly seasonal characteristics of tourism alongside the high cost of living, which affects

accommodation, employment and population, along with less administrative capacities than larger communities typically have (Vaugeois, Maher, Heeney, Rowsell, Bence & McCartney, 2013). Members of RMI receive extra funding from the provincial government that can be used towards tourism infrastructure and initiatives to support local and regional tourism economies, and since 2006 the province has spent over \$87 million among these fourteen municipalities towards projects that increase resort amenities, visitor activities, private investment, and employment (BC Government News, 2014). At this time the province is no longer accepting additional communities into this program (BC Government News, 2014).

STRs are now an essential component of accommodation for tourists in resort towns. Home sharing platforms have become a popular tool for tourists to rent to acquire vacation lodging because of their affordability, as compared to traditional hotels, and authenticity, the wish to stay in a residence within a neighbourhood setting (Gumbs, Griffin, & Dodds, 2016; Guttentag, 2016). Furthermore, the easy access to multiple listings on the STR platforms is particularly attractive to millennials (Airbnb, 2016; Gumbs, Griffin, & Dodds, 2016; Guttentag, 2016). Additionally, there is plenty of positive feedback from residents of resort communities, who rent their homes out as a mortgage helper in a location that typically has higher than average housing costs (Vaugeois, Maher, Heeney, Rowsell, Bence & McCartney, 2013).

Complicating this housing issue further is the fact that resort communities require a continual supply of labourers in order to keep them at a world class standard (Vaugeois et al, 2013). The seasonality and costs associated with living in these towns include high demands for temporary labour, a heavy reliance on in-migration of employees, and the need to house this mainly temporary workforce in locations where housing prices are already inflated (Vaugeois et al, 2013). Housing affordability is the main issue in recruitment and retention for the majority of

these fourteen BC communities to keep their businesses running successfully, and reliance on employers to provide housing is unrealistic since the majority of the businesses are small enterprises (Vaugeois et al, 2013). Furthermore, when researching resort communities in British Columbia, Vaugeois et al mention that many employers were “questioning whether it was the role of the employer to provide housing infrastructure, and others did not want their employees living and working together all the time due to human dynamics issues” (Vaugeois et al, 2013, p.102)

Lifestyle amenities seem to be the prime motivation for those who move to these locations for temporary work and living conditions (Vaugeois et al, 2013). With this in mind, you would think that stakeholders (including the municipality) would spend a considerable amount of time and resources creating strategies to influence staff to move and stay past the high season, using these amenities as incentive. Vaugeois et al. found this to be a missing link with these BC resort communities when comparing them to other tourist centers globally; there seems to be little coordination among stakeholders to attract and retain workers using the amenities as bait (Vaugeois et al, 2013). Where stakeholders are focusing instead are on opportunities to lengthen the high tourist season and making housing relatively affordable for employees (Vaugeois et al, 2013).

These resort communities join cities around the world in the struggle to address the arrival and uptake of Airbnb and its counterparts. With the rapid growth of Airbnb in the last few years, there are many legitimate challenges and concerns that are raised with leaving STRs unregulated, including loss of neighbourhood culture, property devaluation, health and safety concerns, and tax evasion (Lines, 2015). As will be elaborated on in a subsequent section, Airbnb is also blamed for having an unfair advantage over the traditional accommodation sector,

a sector that plays pivotal economic and political roles in resort communities (Lines, 2015; Zervas, Proserpio, & Byers, 2016). Many researchers have also found that platforms like Airbnb pose a significant threat to the housing market by reducing supplies and increasing costs, although, as mentioned earlier, most studies concerning housing have focused on large urban centers. Many of these reports recommend stricter regulations by local governments to curtail the further growth of this industry (Gumbs, Dodds & Griffin, 2016; Slee, 2016; Zervas, Proserpio, & Byers, 2016). Though these studies offer insight into the issue generally, there is very little information available on the effects of, and appropriate policies for, STRs in rural, tourist-based communities.

Instead of following the model of Vancouver and other large cities, rural resort communities in BC should address this issue in a unique way not only because of their small tax base, lack of resources and bylaw support, but also because in localities dependent on tourism, short-term holiday rental of residential homes is an established practice and traditionally has been needed and welcomed (Rhodes, 2015). Table 3.1 below presents highlights of the different regulatory approaches the fourteen BC designated resort municipalities were taking as of Spring, 2018, when confronting STRs. When looking at this table, it is important to remember that each jurisdiction holds different bylaws on issues such as parking, noise and garbage collection, that, although are not STR bylaws in themselves, will affect how STRs are eventually regulated.

The next section will take a closer look at lobbying and how it relates to STRs in BC.

Table 3.1: British Columbia Resort Municipalities Short-Term Rental Policies.

Municipality	Current STR Policy Highlights	Last Updated	Further Information
City of Fernie (Pop. 5249)	A business license is required and must be displayed on all advertisements, must be compliant with building codes, an emergency contact for city responsive within 24 hours of a complaint. Rental can only be located in a principle residence, and not allowed in suites (City of Fernie, 2018).	October 2017 (City of Fernie, 2018)	Previously to October 2017, renting for periods of less than 30 days was illegal (City of Fernie, 2018).
Town of Golden (Pop. 3708)	Currently illegal, except if a legal B&B (Armstrong, 2016).	2012 (Armstrong, 2016).	In 2017/2018 the town began fine-tuning new regulations that would set a framework for STRs. Public consultation included a survey, focus groups and community meetings. By summer, 2018, the town is looking to add STR requirements such as a Temporary Use Permit as a way to control the number of STRs and making owner presence mandatory (Town of Golden, 2018).
Village of Harrison Hot Springs (Pop.1468)	STRs are considered Illegal except in commercial zones (Harrison Hot Springs, 2018).	More than ten years ago (Harrison Hot Springs, 2018).	In July 2017 city council directed staff to uphold its current bylaw regulations and curtail any illegal commercial activity, including STRs, occurring in residential neighborhoods (Harrison Hot Springs, 2018).
District of Invermere (Pop. 2955)	According to bylaw regulations, STRs are considered illegal. Currently not enforced (Opinko, 2018).	More than 10 years ago (Invermere, 2018).	In 2018 Invermere began the process of gathering public input on STRs, which would include a survey, public engagement sessions and open houses (Opinko, 2018).
City of Kimberley (Pop. 4513)	In the Interview with Troy Pollock, Planner, designated areas allow STRs through zoning, with some enforcement.	More than 10 years ago (Kimberley, 2018).	The Kimberley 2017 Official Community Plan mentions that it will review its bylaws to ensure that the city has the appropriate tools to manage short and long-term rental supplies (Kimberly, 2018).
Town of Osoyoos (Pop. 5000)	According to bylaw regulations, STR rentals under 30 days are considered illegal (Osoyoos, 2018). Currently not enforced.	More than 10 years ago (Osoyoos, 2018).	Town started to engage public on STR issues in 2013 but met with public resistance (Doherty, 2013).
Village of Radium Hot Springs (Pop. 777)	No specific STR rules in place, but residential zoning rules apply (Radium Hot Springs, 2018).	More than ten years (Radium Hot Springs, 2018).	In interview Mayor Clara Reinhardt said it is primarily a strata issue and the stratas need to formulate and enforce their own rules.
City of Revelstoke (Pop. 6719)	Requires rezoning, business license, and limited to 120 nights a year. The number of STRs is currently capped in existing neighborhoods (2016) at 125 bedrooms (City of Revelstoke, 2018).	September 2016 (City of Revelstoke 2018).	In interview with CAO Alan Chabot and Economic Development Officer Nicole Fricot the public hearing required for the rezoning have been onerous and problematic.
City of Rossland (Pop. 3556)	Short-term rental sub-zone created, with a business license and permanent resident required to be present during rental. Density limited to one STR per block (City of Rossland, 2018).	October 2017 (City of Rossland, 2018).	No rezoning required at ski hill or in commercial zones (City of Rossland, 2018).
Sun Peaks Mountain (Pop. 1616)	Rezoning was required until 2018, when the community moved to a requirement for a Temporary Use Permit along with a business license for any rental less than 28 days. There is also an STR density cap of 20% for any single street or neighborhood (Sun Peaks, 2018).	2018 (Sun Peaks, 2018).	This has been a contentious issue with considerable pressure from the major business in town, Sun Peaks Resort, who blames Airbnb for lack of housing for seasonal staff (McDonald, 2017).
District of Tofino (Pop. 1932)	Owner must have business license, which must be displayed on any advertising. Only homes located in the appropriate zone can rent their homes, and there must be a primary resident and only one STR permitted per household (District of Tofino, 2018).	December 2017 (District of Tofino, 2018)	There is currently proactive enforcement occurring with over 65 tickets issued in 2017 for STR non-compliance (District of Tofino, 2018).
District of Ucluelet (Pop. 1627)	Allowed in appropriate zoning and a business license is required. The owner must be present during the rental (District of Ucluelet, 2018).	2017 (District of Ucluelet, 2018).	Hired first bylaw officer and the company Host Compliance to enforce STR rules (District of Ucluelet, 2018).
Village of Valemount (Pop. 1020)	Temporary use permit and business license required (Marshall, 2013).	2014 (Marshall, 2013).	Through interviews with council members and staff for this research, it was discovered STRs are not considered a serious issue in this community at this time.
Resort Municipality of Whistler (Pop. 11,854)	A business license is required, and the property must be located in the properly zoned area that lists tourist accommodation as a permitted use. Properties zoned residential may not short-term rent (Whistler, 2018).	2015 (Whistler, 2018)	In interviews with members of city council it was discovered Whistler is believed to have thousands of STRs, and there is extreme pressure to regulate and enforce policies.

Source: Data collected from author.

Chapter 4: Lobbying

Understanding how difficult it is to balance priorities for policy making generally in communities of every size, how do policymakers make decisions when setting regulations for a new and rapidly growing industry like STRs (short-term rentals)? Municipalities face unique uncertainty in terms of how to proceed, the nature and scale of the problem they wish to mitigate against, and how to most effectively implement and enforce these policies. This uncertainty is often addressed by interest groups and stakeholders who lobby decision makers by using various methods, including education, persuasion and pressure. Lobbying has of course been around for a long time; the first modern lobbyist was William Hull, whose job it was to influence US Congressmen to secure additional compensation for veterans (Dwoskin, 2012).

What exactly do lobbyists do? Lobbyists are people who, on behalf of their business or clients, contact government officials in an attempt to influence decision making and effect “what government does” (Nownes, 2006). A lobbyist can do this through many avenues, including testifying in public hearings, meeting with elected officials and staff, and mobilizing citizens at a grassroots level. Grassroots lobbying, in particular, can be very effective as it can demonstrate to lawmakers that a majority of their constituents hold a certain view and should not be ignored. They seek to affect policy decisions by providing focused information on an issue to the people they lobby (Nownes, 2006). In a pioneering study published in the 1960s, lobbying scholar Lester Milbrath asked a similar question of a broad range of Washington DC lobbyists, with the conclusion being that meeting personally with government officials (though he does not specify which type of government official) and engaging in grassroots lobbying are particularly effective lobbying techniques (Peterson, 1981).

There are currently five thousand five-hundred lobbyists that are registered in Ottawa for efforts aimed at the central government (Abma, 2017) and another two thousand in British Columbia (ORL, 2017). Jay Fedorak, the deputy registrar with the BC office of the registrar of lobbyists, was defending the transparency in the business when he said:

“The purpose of the lobbyist registrar is to provide transparency by helping.... anyone who’s interested in government decision-making to have some idea of who is talking to public office holders about what subject” (Britton, 2017).

The LRA (Lobbyist Registration Act) regulates lobbying in British Columbia. Its efforts focus on promoting transparency by requiring lobbyists to declare all aspects of their lobbying efforts through an online lobbyist registry. The LRA does not keep track of interactions between private citizens and public officials and, importantly for the purposes of this research, does not require lobbyists to register for activities transpiring with local government officials (ORL, 2018). Even so, according to the British Columbia Community Charter, the local government legislation between municipal and provincial relations, public officials must recuse themselves in any decision where there may be a conflict of interest and are not allowed to accept gifts worth over two hundred fifty dollars. They must also declare any campaign contributions from outside sources (Government of BC, 2018). There are many municipalities around Canada that have their own lobbyist registrar, but Quebec is the only province that requires cities to establish their own. Surrey is the only municipality in BC that has put one in place, although recently city councillors in Vancouver have been pushing to establish one (Bula, 2017).

Lobbying has become an important aspect of local government for a variety of reasons. First, citizens attitudes have changed in their expectations of influence over decision makers beyond their one vote during the election period. There is a growing distrust of elected and appointed officials and constituents who want to have a say in decisions which they formerly left for public officials to decide (Nevitte & Merelman, 1999). The efforts among many to become more involved has led to the organization of both broad-based and single citizen groups to influence policy making, causing friction in communities as public officials feel they are being pressured by narrowly focused interest groups that do not necessarily reflect the broader community sentiments, but have the powerful ability to mobilize and be heard (Nevitte & Merelman, 1999). Add to this the fact that local governments believe they are being downloaded on by senior levels of government for services they were never held responsible for in the past, which has made for an atmosphere in which public and private entities are relying on each other to get things done (Duffy, Royer & Beresford, 2014; Hoche, 2000).

Meeting personally with elected officials and grassroots lobbying involving citizens are two of the most prevalent types of lobbying, lobbyists will also attempt to influence the bureaucracy. This is done by offering “policy-analytic” information to staff, as well as offering insights into what other communities may be doing concerning an issue (Nownes, 2006, p.137). As local governments continue to be expected to do more with less, there is an increased reliance on the private sector for information (Bryson, Bloomberg & Crosby, 2014). This type of information can be welcomed by staff members who may feel overwhelmed and relieved at not having to do the background research and information gathering on an issue that can be both tedious and time consuming. Because planners in particular are many times the gatekeepers for

land use politics, many lobbying campaigns start with approaching the planning staff for support for their project (Nownes, 2006).

Lobbying may also be more influential in local government decision making in BC because usually there are no political parties involved, allowing councilors to be persuaded and change their votes in ways not really possible for MLAs and MPs under strict party discipline (Kam, 2009). Lobbying at the federal and state (provincial) levels of government has the appearance of being much more transparent than local government in the United States and Canada because of the requirement for registration at those higher levels of government (Nownes, 2000). Very little is written about the influence of lobbyists at the local level of government; we know it happens, but we need to better understand by measuring how much of it occurs and the methods used.

Author Paul Peterson insists that, although formalized groups such as lobbyists play less of a role in local government decision making than they do in higher levels of government, it is at the grassroots level that issues of immediate importance affect citizens (Peterson, 1981). At the local level, participation must be organized by political groups to be effective, where elected and non-elected officials can be approached by lobbying bodies unencumbered by regulations. And since local politics fundamentally boils down to the politics of land use, and staff have significant discretion over their rezoning policies they submit to their councils, it is not surprising that decisions on land use attract lobbyists (Peterson, 1981).

When looking at the influence of lobby groups on local government decisions, it is important to emphasize that there are three main reasons why lawmakers find it difficult to create policy in the sharing economy sector in general. The first two reasons include the many unique aspects of these enterprises, and the difficulty of current regulatory models to address these

aspects, both discussed earlier. The third issue is the political and cultural conditions of municipal governments which make it particularly susceptible to lobbying, and the pressures this puts on policy making (Johal & Zon, 2015). Politicians are accountable to their constituents, yet they also meet regularly with a wide range of groups who are jockeying for their positions. Still, when a large and influential group in the community, whether it be a grassroots coalition or business organization, has concerns, it is the responsibility of the politician to listen. As research has shown, segments of the sharing economy have the ability to destabilize traditionally powerful businesses groups such as taxis, retailers, and in this case, hotels, although “real economy” competitors are well organized and are aggressively fighting the onslaught of the platform newcomers (Rauch & Schleicher, 2015, p.2). What makes this so difficult is that public officials must thoughtfully weigh the values of existing operators, who are “concentrated and organized” (p.17), against the “broad but diffused interests” (p.17) that are made up of the sharing platform companies, hosts, and consumers (Johal & Zon, 2015).

Local governments everywhere, including those in British Columbia, are strapped for both time and money for many reasons, one of which is, as mentioned earlier, the recent federal and provincial downloading of responsibilities (Duffy, Royer & Beresford, 2014). Therefore, it seems reasonable that there should be considerable uptake by communities for the “free” assistance that Airbnb is offering. In the new public management approach to governance, markets are the preferred way of delivering government services due to a lack of confidence in the efficiencies and abilities of a traditional public administrative approach (Bryson, Bloomberg & Crosby, 2014). Relying on the private sector for information becomes even more necessary, although not unproblematically, as local governments continue to be expected to do more with less. In their article, *Public value governance: Moving beyond traditional public administration*

and the new public management, authors Bryson, Bloomberg and Crosby speak about a more recent, emerging approach to public management, which may work best with complex issues such as STRs. In this new form of governance, both public management and elected officials are charged with creating dynamic and active citizenship by using its resources to uncover what they believe is good public value (Bryson et al., 2014). In this instance, finding out the true public value of STRs, instead of following the lead of companies such as Airbnb, may help policy makers set up appropriate performance measurements and a management framework for dealing with this complex issue. Although neighbourhoods, politicians and incumbent industries are waging repeated battles against the platforms, there is little evidence that there has actually been a crack-down on STRs in those communities. These new firms have shown great resilience, relying on “popularity, financial resources and political savvy” as they continue to grow at an unprecedented rate (Rauch & Schleicher, 2015, p.33).

Airbnb is considered by many as part of the “urban informality”; operating outside the formal sector, lacking government regulation, and with a low barrier to entry. The attempt to transition companies like Airbnb into the formal economy is what is causing tension for policy makers, the industry, and communities (Shabrina, Zhang, Arcaute, & Batty, 2017). There is nascent academic research on the impact to housing and business by Airbnb and its consorts, and little information has been gathered on the frameworks local land use planners are following to address this phenomenon (Gurran & Phibbs, 2017). In the article *Who Benefits from the Sharing Economy of Airbnb*, the authors insist that “Many municipalities are attempting to impose old regulations on these new marketplaces, without much thought about whether these laws apply to these companies, and without a complete understanding of the benefits and drawbacks generated by these new services” (Quattrone, Proserpio, Quercia, Capra & Musolesi, 2016, p. 1). No matter

what the reaction from government, the industry keeps growing at a prolific rate, and it looks like this trend will continue, with or without the support of, or benefits to, the municipality, and to the frustration of some of its citizens (Lines, 2015).

4.1 Hotel and Motel Industry Power

As we look at local government lobbying in the accommodation sector an important factor to remember in this research is that hotels in resort communities contribute heavily to the economy, especially in small, resort communities. The reason the province originally started the designated resort initiative was because officials realized that these communities have a unique reliance on tourism, and on hotels and motels, as their main, and sometimes only, employers (BC Government News, 2014). The traditional accommodation sector holds a deep tradition in these communities; not only are they some of the biggest investors, they have historically embedded themselves into the culture of that place (Rhodes, 2015). In fact, these hotels are the reason why these jurisdictions are receiving these resort funds, as the hotel bed ratio to population is extremely high (BC Government News, 2014). The community must also be participating in the Municipal and Regional District Tax (MRDT) program, which is a 2% to 3% tax applied to the sales of short-term accommodation (e.g. hotels, motels, and bed and breakfasts) that goes towards the funding of local tourism marketing and projects in municipalities throughout BC. In order to participate in this program there must be an agreement by a majority of accommodation providers within the jurisdiction (Destination BC, 2018). According to current rules, the MRDT cannot be collected from those accommodators who have less than 4 units to rent, and this has become a contentious issue when it comes to creating a “level playing field” between the traditional accommodators and STR operators (Destination BC, 2018). In early 2018 it was

announced that the province of BC and Airbnb had reached an agreement that would see the company collect taxes, including the MRDT, on all STRs booked on their platform, but regulatory changes allowing the collection of the taxes from less than 4 units have yet to be announced. It also was not made clear which, if any, other home-sharing platforms would participate (Kerr, 2018).

What is apparent is that the rapid advancement of the sharing economy platforms in the last few years, including the explosion of Airbnb, has created true competition with the hotel and motel industry. This is way beyond any competition that was experienced when the bed and breakfast operators grew dramatically in the 1980's. That particular movement never fully took off in North America until later in the 1990's when the internet became a way to drive the business (Bedandbreakfast.com, 2018). But what is similar to the bed and breakfast movement is that the "Airbnb phenomenon" is not an advancement by an outside competitor moving to the community to set down stakes, as a typical hotel chain might; these are the residents and homeowners of the community that are charged with opening "mini hotels", though facilitated by multinational companies like Airbnb and are seriously challenging the status quo (Yakabuski, 2017).

STR companies, in particular Airbnb, insist they do not affect the traditional accommodation sector, and in fact, help the economy as a whole by bringing in more tourists to a community, encouraging them to stay longer and in a variety of neighbourhoods (Boswijk, 2016). Opposing studies, either independent or supported by the hotel industry, suggest a possible negative impact on the accommodation sector (Boswijk, 2016; Gurran & Phibbs, 2017 & Guttentag, 2016). Research done by Zervas, Proserpio and Byers found that the presence of Airbnb in a community negatively affects the price of hotel rooms during peak demand, and may

have an impact on their bottom line, particularly with those hotels on the lower end of the spectrum (Zervas & Proserpio & Byers, 2016). Due to the rural characteristics of the resort communities examined in this study, the traditional accommodators located there are made up of predominantly small, older hotels, rated 3-star or less. (Expedia.com, 2018).

What is evident is that Airbnb and the other sharing platforms cannot be ignored, and that both sides are on a “collision course” in their attempt to woo tourists and business customers. As researcher Daniel Guttentag (2016) suggests:

“Airbnb is following the classic disruptive innovation path by continually introducing improvements to its product performance, such that it can better compete with hotels along traditional accommodation attributes” (p. 236).

Airbnb and its counterparts are thus considered a threat by many in the traditional accommodation sector, although further research is needed to prove the precise impact the short-term platforms are having on this industry and if that impact is context dependent (Guttentag, 2016). Meanwhile, many insist that the sector will be hit hard by the growth of this industry and are using their vast marketing capabilities to warn the general public against using it (Hutchison, 2015).

There are different ways the hotel industry is reacting to this disruption. One avenue is to “disrupt itself” by offering less expensive products that attempt to mimic Airbnb’s appeal of lower prices and unique experiences, while still offering the stability of a brand-name hotel (Guttentag, 2016). An example of this is Marriott’s and Hilton’s recently launched “Moxy” and “Tru” brand of hotels, which are marketed as lifestyle products geared toward “millennial

minded” customers. Both brands offer hostel-type rooms that include modern furniture and rooftop mini-bars, at a fraction of the cost of a typical Marriott or Hilton product, yet to date appear to be setting up exclusively in urban environments (Gallagher, 2017; Nelson, 2017).

Another example of aggressive resistance to Airbnb is the attempt by some companies to mimic the disruptor by forming their own home-sharing websites. An example is Tribute homes, which was launched as a pilot project in 2018 by Marriott offering more than two hundred specially selected homes for short term stay in London. Representatives from the hotel chain explain that through the launch of Tribute, they are differentiating themselves from Airbnb with enhanced quality control, which they insist Airbnb is not able to offer (Coffey, 2018).

Although changes in business models are being used to compete with Airbnb and other platform companies, what seems to fly under the radar is the process by which the hotel industry is using significant resources against the growth of STR's in the form of lobbying, including at the local government level. An example of how the hotel industry has attempted to thwart the progress of Airbnb in the United States, for example, was laid out in an investigative report by the New York Times in 2017. According to journalist Katie Brenner, efforts to constrain Airbnb in New York City were spearheaded by the American Hotel and Lodging Association as they began to forge alliances with neighbourhood associations, elected officials and affordable housing organizations, along with hotel labour unions, whom they are typically at odds with, to work towards reducing the number of Airbnb hosts in that city. The result was Governor Cuomo signing a bill imposing “steep fines for those short-term rental hosts deviating from local housing regulations” (Brenner, 2017). Furthermore, in 2018 it was announced that the New York City Council was planning to crackdown on STRs by requiring online home-sharing companies to provide the Mayor's Office of the Special Enforcement with the address of their listings to

prevent rent-regulated apartments from engaging in business operations. This move by local government is being blamed on the hotel industry and unionized hotel workers joining together on a national campaign called “Share Better” (Goldenburg, 2018). Airbnb spokesperson Josh Meltzer responded to the news by saying:

"All across the city, we have heard from dozens of families who are sharing their home to make ends meet and who have faced harassment, either from special investigators funded by the big hotel industry or the Office of Special Enforcement itself” (Goldenburg, 2018).

Here in BC, the BCHA (British Columbian Hotel Association) has a very strong political voice with over 600-member hotels, contributing over three billion dollars to the general economy (BCHA, 2018). This association considers itself the voice of the BC hotel industry at the federal, provincial and community level, with a mandate to ensure a positive operating environment for the industry (BCHA, 2018). The HAC (Hotel Association of Canada), of which the BCHA is a member, has been actively lobbying the federal government to “take a heavier hand” with short term rental platforms like Airbnb, arguing that these companies are getting preferential treatment when it comes to not collecting taxes and avoiding safety and regulation requirements (Global, 2018). Needless to say, the BCHA is a strong voice in the push for more regulations with STRs. And it is clearly having an impact with the announcement that in 2018 the BC government and Airbnb would collaborate in the collection of taxes from the company’s BC hosts, with some of the funds to be directed toward affordable housing. Airbnb currently collects these “stay taxes” in 350 jurisdictions worldwide (Kearney, 2018).

Now that the growth of STRs has been outlined, and the competing industries articulated, and the literature reviewed regarding lobbying at the local level, we can move on to analyzing the cases in BC using relevant interview and survey data. The first section will deal with two communities out of the fourteen that were the only two communities with no plans to regulate at this time, followed by an explanation of why this is so. It is also important to note that although no one from the District of Invermere responded to a request to be interviewed for this research, through document research it was discovered that the community is currently in the early stages of community consultation on STRs with its citizens to set up some rules and parameters for future policy making (Keitch, 2018).

Chapter 5: Data Analysis

5.1 Osoyoos and Valemount

Two communities out of the fourteen in the study stand out as the only two jurisdictions who were not in the process or had not recently updated their STR policies. Osoyoos went through some very contentious public consultation in 2013 to try to address some issues that were arising from STRs in that community. As Osoyoos Mayor Stu Wells said at the time,

“We have a lot of strata properties that have vacation rentals. They tend to polarize the strata councils, divide the residents, and turn into major brouhahas leading to legal settlements...the warfare waged by one of these classic disputes is beyond belief ...impossible to police and bylaw enforcement is very costly and again ineffective” (Doherty, 2013).

From interviewing officials from Osoyoos, STRs were a concern that they approached as a bylaw issue when there were complaints about garbage, noise and parking, especially during the peak season. At this time there are no plans to address the many unlawful STRs in that city. During his interview, Councilor CJ Rhodes admitted that although this could be an issue they address more closely in the near future, “...really at the end of the day...small communities like Osoyoos have very limited resources to police bylaws, period. The problem is not the bylaw or the cost of the bylaw, it’s the enforcement that is such a challenge...”.

He went on to say that it was up to the stratas, of which there are many in Osoyoos, to maintain and enforce their own rules and regulations concerning these rentals. There is certainly pressure on the local government to enforce its dated rental regulations in the community. In

2016, the Osoyoos town council sent a letter of support for the Osoyoos Hotel and Motel Association's (OHMA) request to Victoria to help mitigate the negative effects of short-term rentals in that community. In their letter, OHMA insists they are on an unlevel playing field in their competition against companies like Airbnb because illegal operators can charge lower rates as they do not collect taxes. The letter goes on to say that local law enforcement and bylaws have had little effect due to the significant amount of evidence that must be produced to support enforcement actions, and that it was imperative that the province step in (Lacey, 2016).

Three officials were interviewed from Valemount, and all three admitted STRs were not an issue yet in their community. A small town with a population of 1020, Valemount has a very strong hotel presence, with over 400 hotel rooms, and according to Economic Development officer Sylvio Gislinberti, very few short-term rentals (Tourism Valemount, 2018). Work should start this summer on the Jumbo Glacier Resort which, when finished, may change the rental and housing landscape in that community. Meanwhile he said that the economy is strong and motel rooms have a high occupancy rate from visiting snowmobilers and those needing to stay along Highway five, so the few STRs that do exist are welcome and needed.

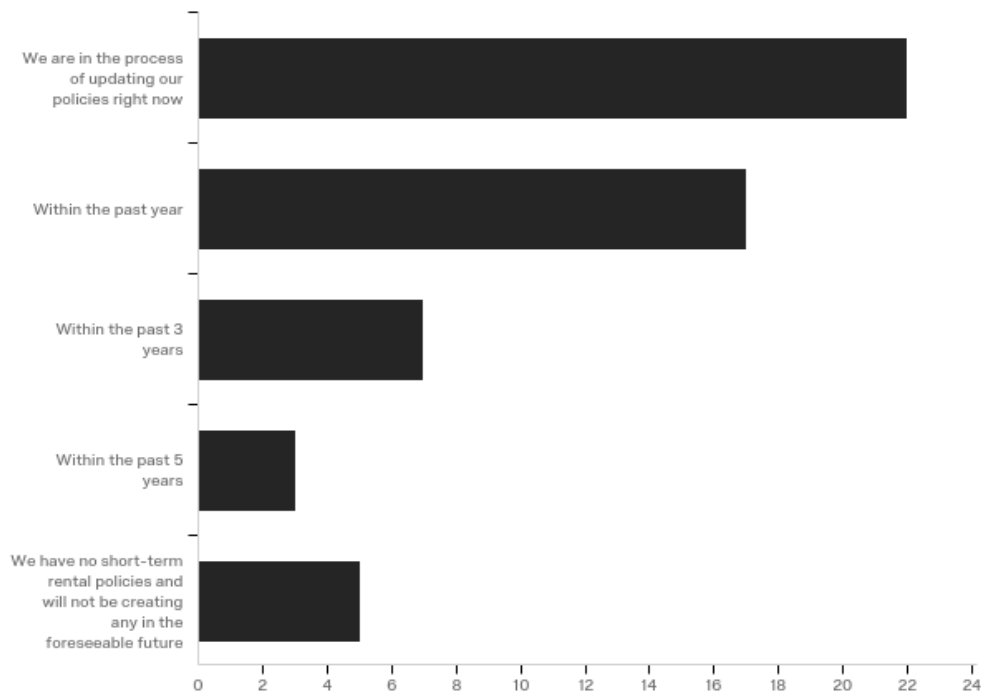
With this information in mind concerning Osoyoos and Valemount, we can now move forward to analyzing the remaining twelve cases in BC using relevant data from both the survey and the interviews.

5.2 Key Finding: The issue of short-term rentals and Airbnb is considered a serious issue in most of the British Columbia resort designated communities.

There was an assumption at the start of this research that the issue of STRs would be a serious concern in these resort communities and this was indeed observed in the interview and

survey data. With the exception of those officials interviewed from Osoyoos and Valemount, the other communities reported having recently updated their STRs or were in the process of doing so. As seen in Figure 5.1 below, 39 out of the 54 (72%) of those who responded to the question of when the last time their community had updated it's STR policies answered that they had created new policies within the past year or were currently in the process of creating new policies.

Figure 5.1: When was the last time your community's short-term rental policies were updated?



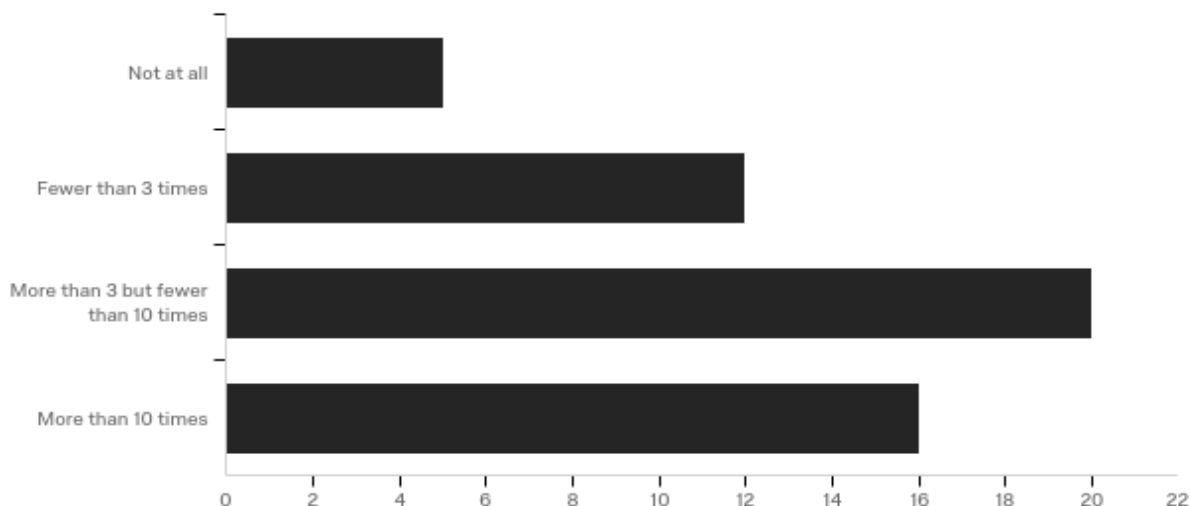
Source: Data collected by the author.

Positive Aspects of Short-Term Rentals

There is intense pressure on both politicians and administrators to address the issue of STRs in their community, and it is not all negative. In Figure 5.2 below we can see 68% (36) of

respondents in the survey had been approached by those supportive of STRs in their community more than three times in the past year, with 30% (16) of those having been approached more than 10 times.

Figure 5.2: How often in the past year have you been contacted by individuals or community groups supportive of short-term rentals in your community?



Source: Data collected by the author.

All of those interviewed felt there were some positive aspects of STRs, citing the fact that this was a necessary, flexible product for their community because it complemented the hotel and motel offerings, and in most cases, there would not be enough tourist accommodation available in the high season without at least some STRs.

Alan Chabot, CAO of Revelstoke, insisted that, “It’s (STRs) a style of accommodation that the consumer demands that’s not met by staying at the Super 8”. Another comment by Bylaw Manager Brent Ashton from Ucluelet supported the need for this type of rental in his community, saying “Short term rentals are necessary for tourists, provide additional places for people to stay, and even those are booked up completely (in the high season)”.

Many mentioned how it helped people afford to own a home in a resort community. Rossland Mayor Kath Moore reiterated this when she said, "...some of our homeowners want to rent out that extra bedroom, now that their kids are off at university and they want to make some extra income".

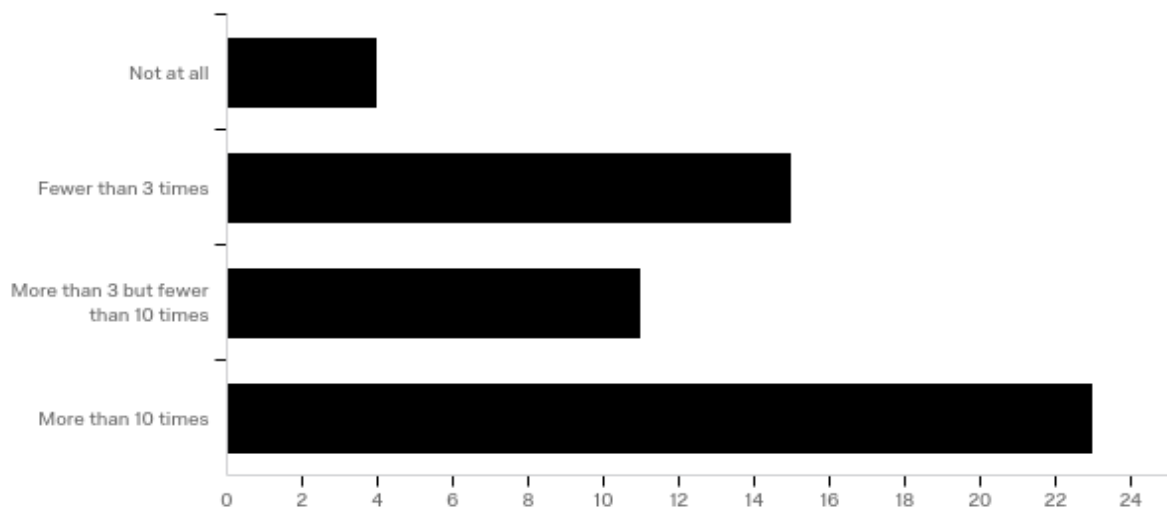
This reflects earlier research that although Airbnb and its counterparts are blamed for everything from tax evasion, to disrupting neighbourhoods and contributing to the housing crisis, it is also lauded by many for such things as diversifying neighbourhoods and providing economic leverage for the middle class (Fitzmaurice et al., 2016).

Just how many short-term properties were needed in each jurisdiction was more difficult for respondents to clearly articulate. Likewise, all those interviewed were not sure how many there actually were in their communities due to many factors that they mentioned, including; the underground nature of the industry, the number of advertising platforms, and the difficulty in narrowing down the exact location of the properties.

Negative Aspects of Short-Term Rentals

In contrast to those reporting the positive aspects, Figure 5.3 below reveals that 65% (34) of respondents in the survey had been approached in the past year more than three times by individual citizens or groups with negative things to say about the STR industry, with 43% (23) of respondents being approached more than 10 times.

Figure 5.3: How often in the past year were you contacted by individuals or community groups opposed to short-term rentals in your community?



Source: Data collected by the author.

Every interview subject had some negative comments concerning short term rentals except for Valemount, because as already mentioned, the issue is presently not a concern. As reflected in the literature review, these concerns related to the negative effects on neighbourhoods, the traditional accommodation sector, taxation and housing (Slee, 2016). Those interviewed gave many indications that they believed that their community was making some progress on creating policy concerning this issue, yet they were openly frustrated about the way to regulate those policies effectively. An example is Brent Ashton, who is the only bylaw officer in the small municipality of Ucluelet and was hired specifically for the issue of STRs. He mentioned it was almost impossible to find the time to do any real research on this issue, and the information that was available is “stuff that’s just been thrown together”.

“There were several complaints coming to council... it’s about gathering information, it’s about trying to gain compliance...most people in this community are trying to play by the rules, but there are always those that play games...”.

Brent Ashton, Bylaw, Ucluelet

Jen Ford, Councilor from Whistler, echoed these sentiments when she said;

“VRBO and Airbnb got pretty crafty where they post a photo of this beautiful table inside the kitchen and you have no idea where that property could be and so finding those loopholes has become very, very tricky for everyone to navigate”.

Jen Ford, Councillor, Whistler

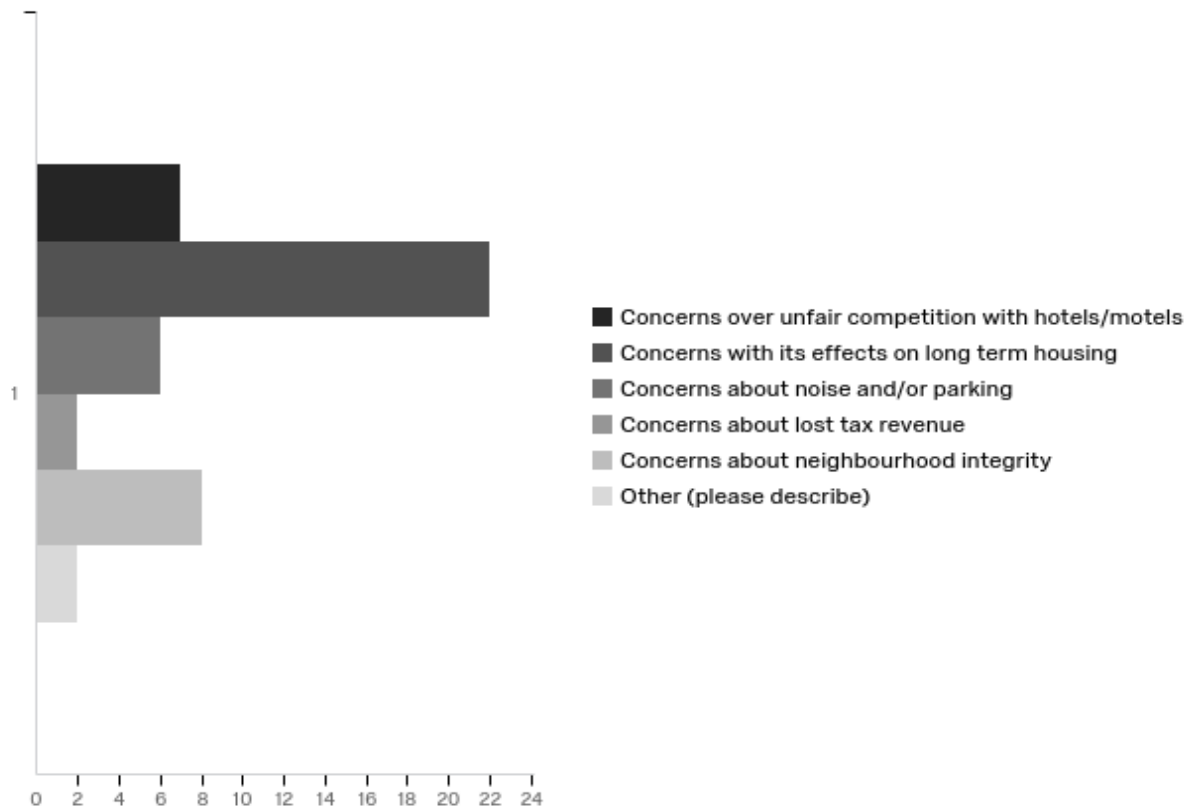
Rob Bremner, the CAO for Sun Peaks, added that people were finding unique ways to avoid detection that made it very difficult for effective compliance, mentioning that “people are turning listings off during the day and turning it back on at night to avoid detection...”.

These interviews reflect the information put forward in the literature review revealing the difficulties faced when wading through the grey literature as systematic research on STRs has been sparse, and most of the literature on this subject is anecdotal and strongly influenced by either the supportive short-term rental sector or, by contrast, the resistant hotel industry (Guttentag, 2015).

Housing Concerns

Similar to the academic research available, when asked what the biggest concern was that their constituents had concerning STRs, Figure 5.4 below shows that survey respondents by far chose the effects on long term housing as the number one issue of concern (45%).

Figure 5.4: Of those opposed to short-term rentals in your community, what were their main concerns?



Source: Data collected from author.

In 5.4 above, an option for additional feedback was provided in an “other” category, as it was important to find out if there were any other serious STR issues that had not been listed. Some of these comments were that STRs drive assessments and costs of housing up, and

contrary, some that said short term rentals drive housing values down. One survey respondent mentioned that they would like to see further research done on property values, as they believed STR's were "a double-edged sword" in their community, both enabling citizens to afford a mortgage in a very expensive place to live, yet enabling speculation therefore driving prices up. Another mentioned that STRs were "widely perceived as necessary for first time home owners to be able to afford their mortgage", while on the other hand turning "residential into revenue property and drive(ing) up housing costs beyond what local workers can possibly afford".

Following the same theme, although a majority of the interviewees mentioned that STRs were affecting neighbourhood integrity having to do with parking, garbage, noise, and a "revolving door of strangers", many of them (16) focused on the negative effects that STRs had on housing. An example is Jen Ford, a councillor in Whistler, who insisted that, "people are being evicted out of their homes because people have seen that they can short term rent and make a heck of a lot more money than someone who pays \$1500/month for a two bedroom...". As mentioned in the literature review, many accuse companies like Airbnb of reshaping cities without regard to those things that have historically made these cities livable, such as vibrant commercial districts, neighbourhood integrity, and most importantly in these resort cities, affordable housing. (Slee, 2016). This is in contrast to proponents of STRs who insist that home rental is a way for the average homeowner to supplement their income, allowing STR hosts a mortgage that might otherwise remain out of their reach (Airbnb 2018, Guttentang, 2015). It is easy to understand why policy-makers remain confused, or at the very least conflicted, concerning setting regulations for STRs.

Furthermore, a very serious concern I found in this research of these resort municipalities was the belief by participants that Airbnb affected the ability for staff throughout the community

to find housing. As mentioned in the literature review, resort communities require a continual supply of labourers in order to keep them at a world class standard, and housing affordability is the main issue in recruitment and retention for the majority of the fourteen communities to keep their businesses running successfully, (Vaugeois et al, 2013). Many of those interviewed mentioned that housing that used to be available for these typically lower waged workers is now occupied by tourists through short term rental platforms like Airbnb. Mayor Al Raine of Sun Peaks explained during his interview that since many workers are at the lower end of the wage scale they cannot afford to rent, let alone buy, in his community. The CAO of Sun Peaks, Rob Bremner, agreed with the mayor's sentiments, saying that "short term rentals are taking away employee beds". And as the manager of planning in Fernie, Patrick Sorfleet insisted that "there is a huge staffing issue for all of our businesses", blaming this on STRs. Finally, Mayor Wilhelm-Morden of Whistler stated that this was a serious labour force issue, and that "even though they are only temporary residents, they used to be able to get a house for 6-12 months and then move on, and now they are having trouble".

Quite a few of the respondents in this research commented that some property owners felt that choosing to rent to seasonal workers could be risky when compared to STRs in a resort community. These home owners felt that seasonal workers, who pay a fraction of the rent that STRs pay, are transient in nature and are usually young, "lifestyle junkies" who may not take care of a property as responsibly as a well-managed tourist would. This reflects research done by Vaugeois et al., who in their research on these resort communities interviewed an official who said "...the transient workforce is mostly here to play, and they work to sustain their leisure" (p.37) and that many employers "...did not want their employees living and working together all the time due to human dynamics issues" (Vaugeois et al, 2013, p.102).

Finally, many of the respondents mentioned that recent changes to the BC Residential Tenancy Act was a deciding factor for those homeowners who chose to move to short term renting. In 2017, the provincial government introduced new legislation to protect renters from housing instability by “closing the loop” restricting landlords’ usage of a vacate clause, making fixed term leases null and void (Givetash, 2017). Some of those interviewed for this research, including Mayor Ron Oszust of Golden, mentioned that constituents complained to him that “long term rentals in a resort community are challenging” and worried about damage to their properties when renting to these “lifestyle junkies” that can make up many of the temporary workers in resort communities.

Summing up the key findings of this section, short term rentals, as reflected in the literature review and in the data retrieved from this research, is a serious concern in these communities. There are a significant number of citizens approaching both municipal staff and elected officials both supporting and opposing this type of rental in their communities, which underscores the confusion that these leaders have in setting policies that reflect the will of their constituents and commercial interests. Support rests mainly on the value of added tourist accommodation and as a mortgage helper. Opposition is based on neighbourhood integrity and tax evasion, but mostly on the negative effects this may have on housing. Confusion lies in that there seems to be little reliable data on whether STRs either lower or increase the value of homes, but there seems to be no argument that units in these resort communities that were formerly rented to seasonal employees are now being used for short term tourist accommodation, squeezing out workers that are considered necessary for their economic viability.

The next section describes another key finding in that each of these resort communities are looking among themselves for answers on how to address the issue of STRs, and also looking

beyond to major cities like Vancouver for advice. Following that I describe the District of Tofino's process for addressing the issue of STRs as they were the community mentioned most frequently by interviewees and survey respondents as an influencer when setting policies and regulating these rentals.

5.3 Key Finding: Communities are looking towards each other for answers of how to address the issue of short-term rentals.

When asking both the interviewees and survey participants which jurisdictions they looked to while creating policies for short term rentals, thirty-four different jurisdictions were named, with Tofino mentioned the most frequently (23), followed by Whistler (15), Nelson (14), Vancouver (11) and Revelstoke (7). The next section will describe the STR policies of Tofino to get an understand why these are used as a model for the other resort municipalities.

The District of Tofino

Tofino is perhaps no surprise as the most frequently cited during the interviews and in the survey, as it has taken a proactive approach towards short term rentals with extensive community studies and consultation. Tofino's mayor, Josie Osborne, was also mentioned frequently by interviewees as someone who has been proactively moving her community forward with the issue of STRs while actively educating other communities about this issue. Historically the complaints in Tofino have been due to noise, parking or operating over capacity, but in the past few years the nature of the complaints changed to most people upset that they were being evicted due to vacation rentals (UBCM, 2016). During my interview with Mayor Osborne, she explained, similar to Vagueois et al.'s research, that seasonal workers, which the district depends

on in the summer months, could not find housing. But she insisted over-regulating could be detrimental, as many Tofino homeowners needed to rent their homes out to tourists in order to afford their mortgage. Others, according to the mayor, planned to live in their Tofino home someday, when they retire, but for now they were living in the house part time, and were only able to do this with some temporary STR income (Personal interview, Tofino Mayor Josie Osborne, February 2016). This reflects information found in the literature review that short term home rental can make it possible for the average homeowner to supplement their income, allowing them a mortgage that might otherwise remain out of their reach (Airbnb 2018, Guttentag, 2015).

The community's regulations to date include requiring owners or operators to display their valid business license number on any marketing or advertisement, with staff actively enforcing compliance in this sector through investigations and inspections (District of Tofino, 2018). The rentals must be within the required zoning, must be occupied by a primary resident, with one rental unit allowed per property. Tofino also has a warning on their website that they issued over 65 tickets for non-compliance in 2017 (District of Tofino, 2018). They have hired a company called Host Compliance, which is a company that helps municipalities monitor and enforce short term rental bylaws, which will be discussed in section 5.5.3 (Host Compliance, 2018).

One participant commented in the survey that STRs were considered a huge issue in Tofino, with “over half of the households used in some capacity as short-term rentals”, and that “chasing after non-compliance is costing us a huge amount in staff time and appeals”. In her interview on the subject, Councillor Dorothy Baert from Tofino mentioned that STRs needed to

be addressed as, “we have an insufficiently housed workforce”, and that the long-term objective was to have more year-round residents on properties in Tofino.

Vancouver was a community mentioned both in the survey and in interviews when asked about STR policy-making. Given the difference in population, hotel room availability, and seasonality, it may not be appropriate for small, tourist-based communities in British Columbia to follow Vancouver’s lead on policy making for STRs yet the research on the effects of these rentals has predominantly been on large communities (Gumbs et al., 2016; Slee, 2016; Zervas et al., 2016). Until recently, STRs were virtually banned from most Vancouver residences, but in 2018 the city council decided to attempt to legalize many of its more than six thousand STRs by requiring business licenses and limiting the business to principal residences only. Also included were the requirements for building and safety inspections and the posting of a business license number on the platform (City of Vancouver, 2018). It is apparent that Vancouver’s rental policies may not be the answer for resort communities who rely on at least some STRs during peak tourist seasons.

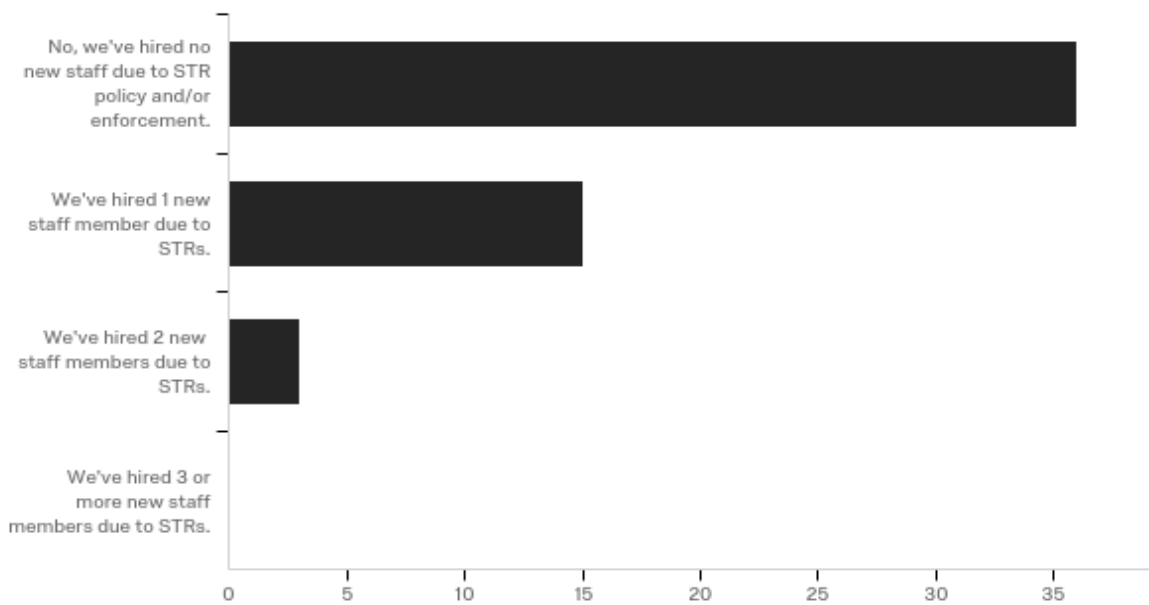
The next section will focus on data that reveals just how serious a burden STR policy making and enforcement of regulations is on these resort communities.

5.4 Key Finding: Community resources are under extreme pressures from the issue of short-term rentals.

Not only is this issue considered a high priority by most of these communities, there was nearly complete agreement by all respondents that this was a huge strain on their community’s resources. Nearly all of these communities have a small number of staff members (Whistler being the relative exception, with thirteen bylaw officers), yet Figure 5.5 below reveals that 34%

(18) of survey respondents admitted they were forced to hire new staff to manage and enforce STR policies.

Figure 5.5: Have you had to hire any staff specifically because of short-term rental policy creation and/or enforcement?



Source: Data collected by the author.

One third of those interviewed also mentioned they would need to hire staff to manage this issue. It also became clear through the interview process that a majority of communities were forced to approach this issue on a complaint-driven basis. An example was Patrick Sorfleet, the manager of planning for Fernie, who said that when it came to STRs, the bylaw and enforcement capabilities “just don’t match up”. And CJ Rhodes, a councillor from Osoyoos revealed his frustration with this issue when he said, “What do you do, hide in the bushes and watch people coming and going?”. Mayor Ron Oszust summed it up when he said that, “It’s

tough to enforce because it requires resources, consistency... strength of will. It's easy to turn a blind eye, say oh well, this isn't a battle worth fighting..."

This lines up with the findings in the literature review that a particular problem arises in rural communities whose governments are pressured to regulate, yet do not have the resources to do so, and this new industry appears to be fundamentally at odds with the way governments tend to operate, which is generally slow and resistant to change (Johal and Zon, 2015; Munkoe, 2017). There was general agreement among those interviewed that their communities because their communities have very few employees, they tend to share multiple responsibilities. All, excluding Whistler, have few, if any, bylaw officers. Planning departments, if they exist at all, are unable to address the myriad of policy decisions that STRs call for. Typically, small communities are forced to turn to private planning consultants for help (Hoche, 2000).

Up to this point, this data section has focused on the reactions of citizens and local governments in these resort communities towards STRs. The data has revealed that this is a very serious issue in most of these communities. Elected officials and staff are being approached by a significant number of citizens both supporting and opposing this type of rental in their communities and are pressured to create policy to address this new industry. In order to do so, communities are looking for advice from each other and beyond, with a significant amount of resources being used on policy making and enforcement.

The next section will focus on key findings on the patterns of lobbying at the municipal level. The first section will explore key data concerning lobbying from the platform company Airbnb on local elected officials and staff. The second section will delve into the information gathered concerning lobbying at the local level by the hotel and motel industry. The final section

will focus on data from a third arm of lobbying concerning STRs, the company Host Compliance.

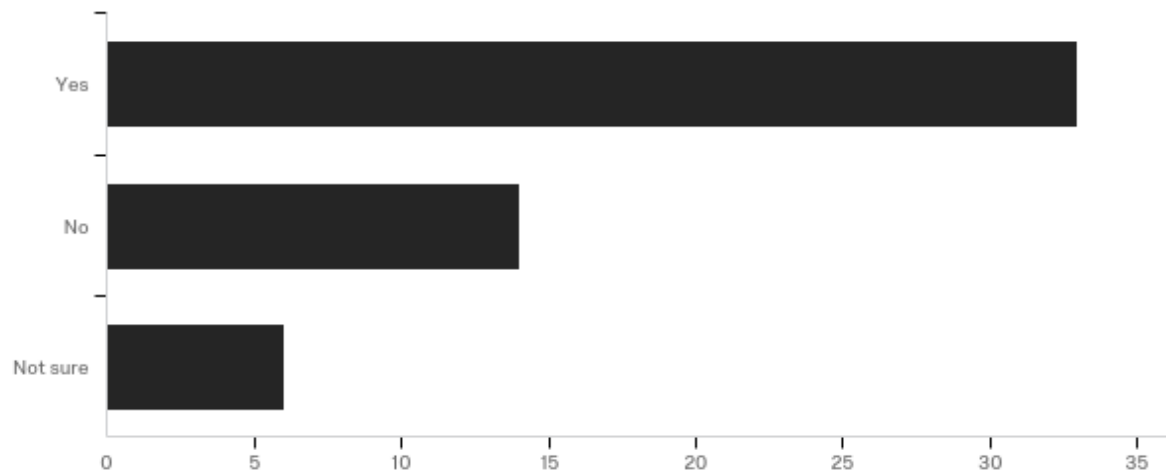
5.5 Key Finding: Lobbying has a strong presence in designated resort communities in British Columbia.

A key finding revealed in this research is that there is a tremendous amount of pressure on officials in these resort communities from two main groups; Airbnb and the hotel and motel industries. These will be examined in sections 5.5.1 and 5.5.2. Following this, the company Host Compliance will be discussed as it is also contacting these officials, offering to assist them in managing their STR policy-making and enforcement.

5.5.1 Airbnb Lobby

As demonstrated by Figure 5.6 below, 62% (33) of those surveyed had been contacted or met with Airbnb concerning this issue. Furthermore, Table 5.1 below shows that 44% (8) of elected officials indicated that information provided by the company had been helpful toward policy making. What was extremely revealing is that 90% (9) of the administrators surveyed believed the information provided to them was very helpful to somewhat helpful in informing them towards short term rental policy. This indicates that administration is open to help from industry and uses data collected from this source to help them in formulating policy, much more so than elected officials. With staff being stretched further and further in their responsibilities and with the continual downloading of responsibilities from upper levels of government (Duffy et al.,2014), the reliance on business for information gathering by municipalities can only grow.

Figure 5.6: To your knowledge, has Airbnb ever contacted members of your council and/or staff in the past two years?



Source: Data collected by the author.

Table 5.1: In your opinion, has Airbnb been helpful in informing your council and staff concerning short term rentals in your community?

	What position do you hold in your community?		Total
	Elected official	Member of the administration	
Very Helpful	4	3	7
Somewhat helpful	4	6	10
Not really that helpful	6	0	6
Not helpful at all	4	1	5
Total	18	10	28

Source: Data collected by the author.

Through an extensive literature review it was revealed that there is increased political pressure on policy makers concerning STRs, with media reports of confrontations between residents and STR visitors they say are causing major disruptions in established neighborhoods

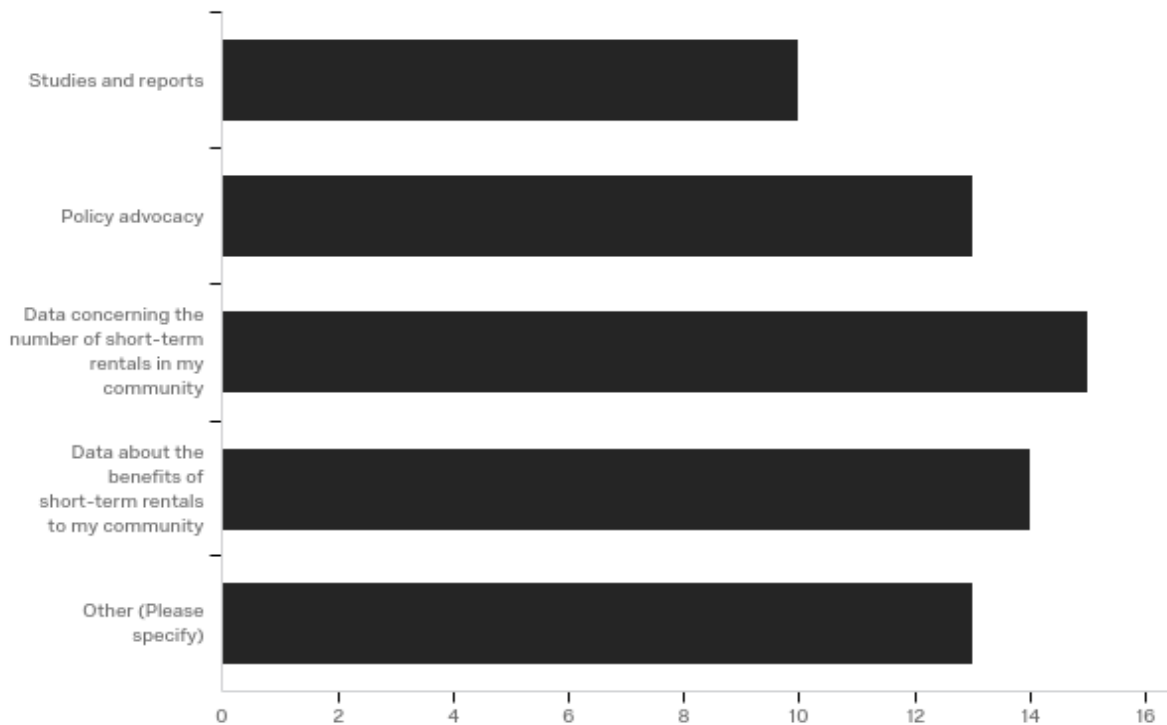
(Morris, 2015; Yakabuski, 2017). Even though this issue seems to be causing turmoil in communities around the world, research on STRs has been sparse, as most of the literature on this subject that may aid administrators is anecdotal and strongly influenced by either the short-term rental sector, like Airbnb, or the traditional accommodation industry. (Guttentag, 2015). We know that this company spends a great deal on lobbying; as described in the literature review Airbnb has invested a considerable amount of money on professional lobbyists, who, along with meeting face to face with lawmakers, also share commissioned studies (Guttentag, 2015). They offer these “policy-analytic” information, such as reports and insights into what other communities may be doing, to assist and influence policy-making (Nownes, 2006, p.137). With very few resources available to it, staff’s reliance on the private sector (in this case Airbnb) for information becomes even more necessary, as local governments continue to be expected to do more with less (Bryson et al., 2014).

Looking at Figure 5.7 below, it is apparent that Airbnb uses multiple methods to contact both elected officials and administration surveyed. Some interviewees mentioned they had received letters, such as Whistler Mayor Wilhelm-Morden; “I know that Airbnb, for example, wrote a letter to me and said they couldn’t understand why we didn’t want them operating in our neighborhoods and that we should relax our bylaws so that they could achieve at least 30% rentals in our neighborhoods”. Airbnb has also emailed both officials and their constituents, as Whistler Councillor Jen Ford explained in her interview, “There were 33 owners from one strata that were emailed (by Airbnb) and told ‘you’ve got to go to that public hearing and make it known you’re not in favor of this change’”.

Many elected officials met with the company in person, typically at the UBCM (Union of British Columbia Municipalities) convention, such as Mayor Reinhardt of Radium Hot Springs,

“The first time Airbnb came to UBCM we received an invite to meet with them personally, two UBCMs ago, and we met with them this year as well...we found that helpful.....”

Figure 5.7: What kind of contact and engagement has Airbnb initiated or provided?



Source: Data collected by the author.

Table 5.2 below breaks this information down according to survey answers from both the elected officials and the administrators, revealing that 23% (15) of those surveyed were given data from Airbnb concerning the number of short-term rentals available in their community. Among staff, 75% (9) were given this information, while Airbnb supplied this information to only 30% (6) of the elected officials, which may be one of the reasons why the administrators feel Airbnb was so helpful. This aligns with the interviews, as many remarked that they felt frustrated at not knowing some basic information, such as how many short-term rentals there

actually were in their communities. Comments such as, “We think we have about 100, but it’s hard to know” (Mayor Kathy Moore, Rossland), “We truly don’t know; we’ve done some research, our guess is in the range of 50-100 depending what time of year we’re checking into it. It’s their nature.” (Troy Pollock, planning, Kimberley), and “We think it’s about 20 to 30, ...but some of them might be in other rental pools, so it’s hard to tell...” (Clara Reinhardt, Mayor, Radium Hot Springs), were common.

15% (10) of respondents in the survey said they had received policies and reports from Airbnb. Many of those surveyed and interviewed had received letters from Airbnb, and a few had received studies or reports designed by the company, including “The Policy Tool Chest”, an informational booklet to assist municipalities in policy making (Airbnb Citizen, 2016). Others mentioned Airbnb had given them stats on the number of vacation rentals in their community, that the company was willing to start collecting taxes, or even enhance the listings on their platforms to help enforcement in their community.

In Table 5.2 below, only 25% (5) of elected officials said that they had been contacted by Airbnb through policy advocacy, but this may be the result of a vague question written in this research, as the survey may have been unclear over what policy advocacy entails. Future research projects should explain to participants what is meant by this term. It is important to note that in the “other” response there were five responses from elected officials mentioning that Airbnb had met with them personally. As for administrators, 67% [8] said that they had been contacted through policy advocacy, and it is possible again that these administrators have a better grasp of what policy advocacy actually entails.

Table 5.2: What kind of contact and engagement has Airbnb initiated or provided, by position?

	What position do you hold in your community?		Total
	Elected official	Member of the administration	
Studies and reports	4	6	10
Policy advocacy	5	8	13
Data concerning the number of short-term rentals in my community	6	9	15
Data about the benefits of short-term rentals to my community	11	3	14
Other (Please specify)	10	3	13
Total	20	12	32

Source: Data collected by the author.

The administrators who were interviewed received data in the form of reports from Airbnb, while the elected officials talked more about meeting with company officials face to face. In fact, ten of the twenty-four interviewed said the information supplied by Airbnb was through meeting with representatives at the UBCM convention. As mentioned in earlier, UBCM is the advocate for local government in British Columbia, and the annual convention is considered the main forum for policy making and developing positions brought forward by members and presented to upper levels of government and other organizations involved in local affairs (UBCM, 2018). Industry has a strong presence at this annual event, and it is not unusual for elected officials and staff to meet with lobbyists representing different companies at functions throughout the week. Airbnb has also been invited to represent the industry on UBCM expert panels (UBCM, 2018).

Finally, of note in Table 5.2 is that 55% (11) of elected officials received data from Airbnb about the benefits of STRs to their community, while only 25% (3) of administration had

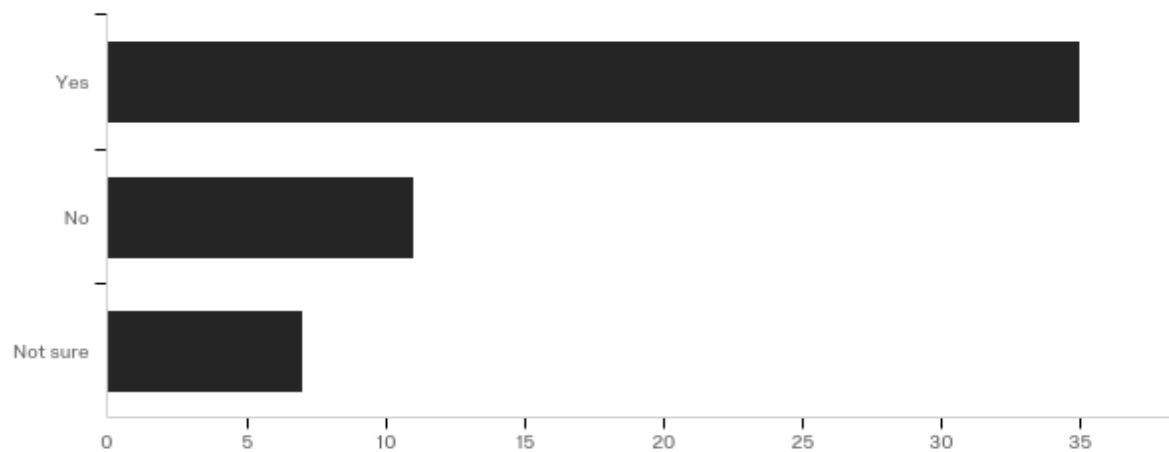
received this information. This corresponds with the viewpoint of author Anthony Nownes who insists that although meeting personally with elected officials and grassroots lobbying are the most common types of lobbying, lobbyists will also attempt to influence bureaucracy, who are often “gatekeepers” for land use politics, by offering what he calls “policy-analytic” information, as well as offering insights as to what other communities may be doing concerning an issue (Nownes, 2006, p. 137).

It is apparent that there has been a tremendous amount of direct lobbying by Airbnb towards the officials who participated in this study. Lobbying has come in many forms and can be differentiated between administration and elected officials. We will now look at the information gathered from this research on lobbying at the local government level by the hotel and motel industry.

5.5.2 Hotel/Motel Industry Lobby

Lobbying from the hotel and motel industry towards government officials has also been very strong in these fourteen communities on the issue of short-term rentals. Participants of the survey and those interviewed mentioned multiple times that hotels are vital to the economy of their city. One example is CAO Madeline MacDonald from Harrison Hot Springs who said, “We don’t have any industrial tax base, and utility tax base, so we’re always very sensitive to issues that could impact the accommodation sector.” Figure 5.8 below reveals that when asked whether representatives from the hotel/motel industry had contacted members of staff or council about this issue, 66% (35) said yes.

Figure 5.8: Have individuals representing the hotel industry contacted members of your council and/or staff concerning short-term rentals in your community?



Source: Data collected by the author.

As mentioned in the literature review, contact from the hotel industry is no surprise as Airbnb and its counterparts are blamed for having an unfair advantage over the traditional accommodation sector, a sector that plays pivotal economic and political roles in resort communities (Lines, 2015; Proserpio & Byers, 2016; Zervas et al., 2016). The literature review revealed some research has shown that STRs pose a negative impact on the accommodation sector, especially during peak season and more so with lower end properties (Boswijk, 2016; Gurran & Phibbs, 2017 & Guttentag, 2016; Zervas et al., 2016). Due to the rural characteristics and seasonality of these resort communities, it is important to remember that the motels located there are made up of predominantly small, older hotels, rated 3-star or less. (Expedia.com, 2018). It is also confirmed in this research and in the literature review that STRs are blamed for effecting housing affordability and availability for temporary staff in these communities, which is the most important issue in recruitment and retention for the majority of the fourteen communities to keep their businesses running successfully (Slee, 2016; Vaugeois et al, 2013).

Table 5.3 below shows that 71% (15) of elected officials surveyed felt the information provided was somewhat helpful to very helpful, while 57% (8) of administrators felt this way.

Table 5.3: Has the hotel industry been helping in informing your council and/or staff concerning short-term rentals in your community?

	What position do you hold in your community?		Total
	Elected official	Member of the administration	
Very helpful	5	2	7
Somewhat helpful	10	6	16
Not really very helpful	5	4	9
Not helpful at all	1	2	3
Total	21	14	35

Source: Data collected by the author.

The final question asked survey participants to add any relevant comments concerning STRs in their community. Similar comments from those interviewed, many in the survey mentioned that accommodators complained about parking, noise and excess utility usage at a residential instead of a business rate. Many spoke about evasion of taxes, especially with the MRDT and provincial tax collection. One comment in the survey read, “I am deeply concerned by the amount of lobbying going on by the accommodation sector against vacation rentals. It is the biggest complaint against vacation rentals. I understand the importance of ensuring fair competition, but it does not appear that this is what they (the traditional accommodators) are after”.

Sixteen out of the twenty-four interviewees mentioned some type of contact with the hotel/motel industry concerning short term rentals. Yet unlike Airbnb lobbying, this industry tends to sit on local task forces and special. Many of these hotels are small businesses with owners living and working in the community and have developed relationships with the citizens and local government. Those interviewed said that the traditional accommodators also sent resolutions and recommendations to UBCM and to the BC Chamber of Commerce.

City councils also advocate for the hotel industry, securing meetings with provincial ministers concerning STRs. As Osoyoos Mayor Sue McKortoff explained, “I remember when we [Osoyoos city council] had at UBCM a meeting with Shirley Bond [then BC Minister of Tourism]. She was in charge of resort municipalities at the time and we said to her this is not quite fair because they [STR hosts] are not paying into the hotel tax at all...”.

Similar to Mayor McKortoff’s comments, every one of the interviewees mentioned that something had to be done about short-term rentals to make a “level playing field” between companies like Airbnb and the traditional accommodations sector, especially referring to collecting the MRDT and provincial taxes. As Brent Ashton, bylaw supervisor from Ucluelet, explained, “Hotels and resorts are paying business fees, business sewer and water, hotel tax, collecting GST, they’re playing by the rules, but their biggest thing is that this guy (STR host) is not paying a business license, not paying business tax. Not paying MRDT”. Many held the same sentiment as Mayor Moore of Rossland when she said, “Striking that balance between serving our citizens, and our traditional accommodators, who don’t want any of them (STRs)”.

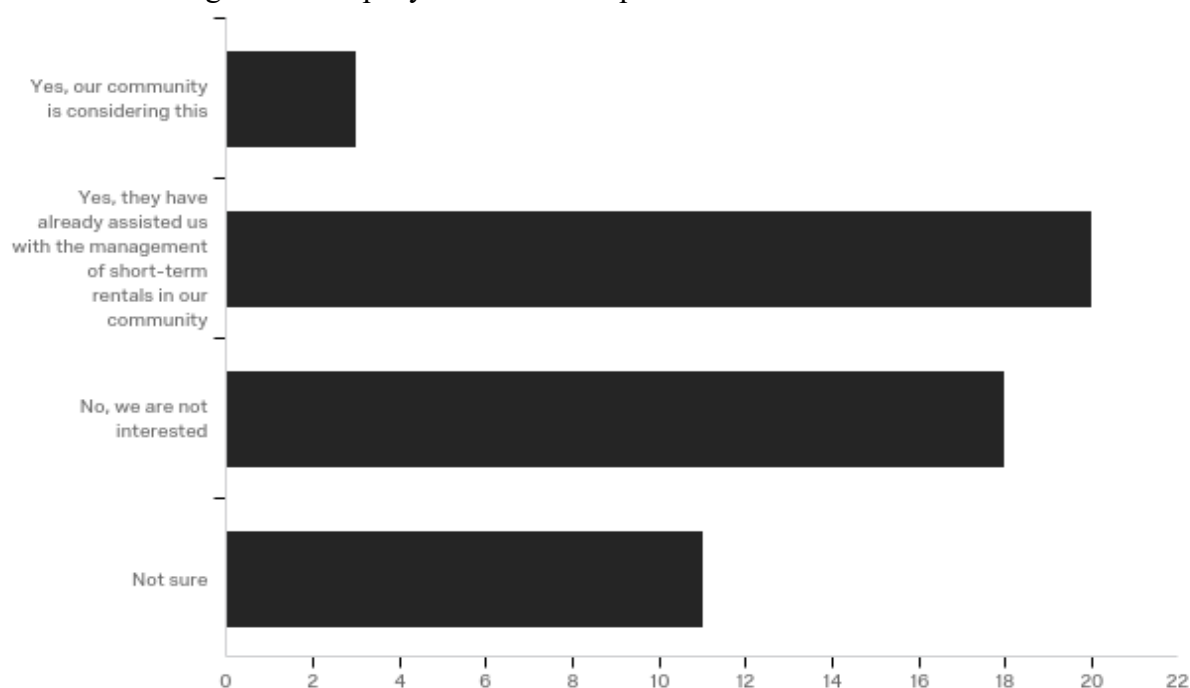
The next section will focus on a third component that was discovered while performing this research, Host Compliance. This company specializes in managing STRs and has a strong lobby focused at local government.

5.5.3 Host Compliance Lobby

As described in the previous sections, through my interviews with politicians and bureaucrats in BC's designated tourist communities it became apparent that lobbying concerning STRs occurs predominantly from two opposing groups; the dominant STR platform, Airbnb, and from the hotel/motel associations. I discovered a third company, Host Compliance, which has become very influential on this issue. Host Compliance is a company that helps municipalities monitor and enforce short term rental bylaws (Host Compliance, 2018). As described in the literature review, local governments believe they are being downgraded on by senior levels of government for services they were never held responsible for in the past, which has made for an atmosphere in which public and private entities are relying on each other to get things done (Duffy et al, 2014; Hoche, 2000).

The company is owned by the software company iCompass, a business that offers software solutions to promote government efficiencies for managing records and meetings. iCompass hosts webinars to administrators and reaches out to elected officials through email, recommending its clients hire Host Compliance for their STR management needs (iCompass, 2018). I discovered that nine out of the fourteen BC designated resort towns are clients of iCompass, and it is apparent iCompass uses its influence to sell the services of Host Compliance. As seen in Figure 5.9 below, 44% (23) of those surveyed said that they were in the process or had already hired Host Compliance to help manage their short-term rentals.

Figure 5.9: To your knowledge has your community considered hiring a short-term rental management company like Host Compliance?



Source: Data collected by the author.

Tables 5.4 and 5.5 below reveal that the smaller the community the respondents were from, the more information it received from Host Compliance and the more it tended to contract out for this company's services, likely due to its limited resources and capacity to enforce their bylaws themselves. Those officials surveyed from communities with less than 1,000 in population, 57% (4) were contacted by Host Compliance, and 43% (3) likely to or had already hired the company. Those with a population of 1,000-4,999, 57% (16) were contacted (Table 5.4), and 54% (15) were likely to hire them (Table 5.5). The larger communities were not contacted by the company as much as the smaller centers and were less likely to hire them; 28% (5) of the larger communities of 5,000 to 9,999 were contacted by Host Compliance, while only 29% (5) of those were likely to hire the company.

Table 5.4: To your knowledge, has any private company that assists communities in the management of short-term rentals, such as Host Compliance, contacted your council or staff?

	What is the population of your community?				Total
	Less than 1,000	1,000 to 4,999	5,000 to 9,999	More than 10,000	
Yes	4	16	5	0	25
No	1	8	8	0	17
Not sure	2	4	5	0	11
Total	7	28	18	0	53

Source: Data collected by the author.

Table 5.5: To your knowledge, has your community considered hiring a short-term rental management company like Host Compliance?

	What is the population of your community?				Total
	Less than 1,000	1,000 to 4,999	5,000 to 9,999	More than 10,000	
Yes, our community is considering this	0	1	2	0	3
Yes, they have already assisted us with the management of short-term rentals in our community	3	14	3	0	20
No, we are not interested	1	10	7	0	18
Not sure	3	3	5	0	11
Total	7	28	17	0	52

Source: Data collected by the author.

It is not surprising that local governments, particularly small communities, would be contacted by firms such as Host Compliance when they appear to be unable to address a new and confusing industry such as STRs. Through interview conversations, it was evident that these

resort communities need help from outside sources to handle this issue, and it is apparent that as they continue to be expected to do more with less there is an increased reliance on the private sector for information and support (Bryson et al., 2014). With the original data collected for this research described and analyzed, we will now move to the conclusion of this thesis, which includes recommendations for addressing issues like STRs as well as the issue of lobbying at the local government level.

Chapter 6: Conclusion

Lobbying at the federal and provincial levels has the appearance of being much more transparent because of the requirement for registration at those levels (Nownes, 2000). The fact that there is no systematic registry or process can complicate our understanding of how lobbying affects local policy making, as there is little debate around the fact that local government officials have a variety of difficult decisions to make during their tenure. Human nature demands that they look for assistance in information gathering and for setting priorities, and this assistance comes from either their constituents, industry, or advice and/or lessons from other communities. This thesis has looked at all three of these influences, but in particular on the question of the influences from the business sector on decision makers and on eventual policy making, using the contentious issue of STRs as an opportunity to observe this phenomenon.

One key finding through this research was the confirmation that, similar to jurisdictions throughout the world, STRs are a very prominent issue in most of these resort towns. It was discovered that these communities are looking amongst each other (in particular, Tofino) for guidance as to how best to address and balance the pressures in setting policy for this exploding industry, but they are also looking to major cities like Vancouver for lessons. Research shows that policy diffusion occurs when pressures from policy creation can come from outside the jurisdiction, with “the spread of innovations from one government to another...” (Shipan & Volden, 2008, p. 841). That is, when a policy adopted elsewhere appears to be successful, then the city will simplify its task by most likely adopting that policy (Shipan & Volden, 2008). The findings from this research have revealed that looking at large communities to address this issue may not be appropriate for many reasons, including the difference in population, the flexibility of the STR product, and the critical need for housing tourists during peak seasons in resort cities.

Yet the effects of STRs on long term housing, and particularly on employee housing, remains a major concern. The recent changes in the BC *Residential Tenancy Act* and the lifestyle of these temporary workers, along with the lucrative incentives offered by STRs, are influencing the choices made by property owners to avoid long term rental situations.

A major finding emerging from this research is that there is a high amount of contact between industry and local government when it comes to the issue of STRs, in this instance Airbnb, and the opposing incumbent businesses made up of the traditional accommodation sector. Both sectors are lobbying hard, both locally and globally, and these small communities are not immune to their influence. Future research should weigh the intensity and frequency of this lobbying with actual policy change. But for now, it is important to understand the pressures these local governments are under and speculate that it would be entirely difficult to ignore it or not take the information provided by these groups into consideration during the decision-making stage. And we cannot forget that citizens are very much involved in this lobbying, as companies like Airbnb are made up of hosts that, in most cases, live and work in the community and are trying to make ends meet in the context of escalating housing prices. On the other end, hotels and motels have historically been embedded in the economic and social fabric of these towns, reminding lawmakers they have invested millions of dollars locally and companies like Airbnb are not only creating turmoil in neighbourhoods but have not offered any actual brick and mortar investment.

What is apparent is local governments are caught between a rock and a hard place when it comes to policy making concerning issues that may have a major effect on their communities. When the question is asked “How are businesses lobbying local government?”, it is apparent that there is certainly influence from industry, and although this takes the form of face to face

meetings, it also includes valuable information for lawmakers. In the case of STRs this includes, among other things, data on the number of rentals and its effects on neighbourhoods, participation in expert panels and local committees, and even policy manuals. With resources stretched thin and the “downloading” of responsibilities continuing, this research reveals that information received from industry is, in most cases, welcomed and needed, although more transparency on the efforts by industries and interests, not just on the STR issue, would help citizens understand how their elected officials and administrators are navigating policy issues. This leads to the recommendations of this study to help make this process happen.

6.1 Recommendations

Authors Horst Rittel and Melvin Webber would describe an issue such as short-term rental as a “wicked problem”, as there is an attempt by government to solve a complex, social problem while using traditional government models. In their article, *Dilemmas in a general theory of planning*, Rittel and Webber insist that those policy issues that seem impossible to formulate, with an enumerable set of solutions, that are given a moral rather than a pragmatic approach, are considered wicked (Rittel & Webber, 1973).

There will continue to be “wicked problems” that local government will be responsible for solving and keeping track of the origins of decision making is important for the advancement of democracy. Every level of government should be given the opportunity, especially with stretched resources, to acquire expert information from industry. The new emerging approach to policy making called public value governance may be the appropriate approach to “wicked problems” STRs, moving forward. With this approach, bureaucratic and elected officials work towards active citizen engagement to find out what is good public value; in this instance, finding

out the true value of short-term rentals, instead of following the lead of influential lobbyists such as those hired by the STR companies, hotel/motel associations, or management companies like Host Compliance. This could help communities create the ideal policies for dealing with this and other complex issues (Bryson et al., 2014).

Another recommendation is for the province of BC to increase transparency by mandating a lobby registration at the local level similar to the federal and provincial levels of government. As mentioned earlier, currently Quebec is the only province which mandates registration of lobbyists at a local level, with Surrey being the only city in BC with their own lobby registrar (Bula, 2017). Along with this, recommendations put forward by former BC lobbyist registrar Elizabeth Denham should be followed, which included the requirement not only to register, but to also publicly report actual lobbying activity on a regular basis. Currently they are only mandated to speculate on their future activities at the time of registration which she believes can be misleading (Shaw, 2016).

As for the “wicked problem of short-term rentals” (Rittel & Webber), there are many who agree a “level playing field” means fitting the square peg of the platform economy into the round hole of traditional government regulation, while others believe a different route should be taken. Author Adam Thierer insists that instead of treating new platforms the same as incumbent operators, governments should adopt a two-track approach to reduce the regulation gap, creating a level playing field while still promoting entrepreneurialism and innovation (Thierer, 2016). This will not be easy, as there was a reason why all those that were interviewed in this research project mentioned that there should be “a fair playing field” when it comes to the incumbent sectors and STRs. It is universally accepted that the environment in these communities is currently not fair. Yet, although tax collection seemed to be the number one complaint against

this new industry from the traditional accommodators, there was a general feeling from those interviewed that this would not actually solve the problem. Thierer believes that government should modernize prescriptive regulations to allow both newcomers and incumbents to innovate by reducing cumbersome red tape requirements, while still keeping the health and welfare of the public in mind (Thierer, 2016). In order for this two-track system to work, the red tape must also be relieved on the incumbent industry's side, as traditional zoning and permit government requirements for hotels and motels is onerous to say the least. This modernization of regulations needs to originate from the provincial and federal levels of government, and filter down to the local level, where small jurisdictions can mold the laws with the needs and values of their own communities in mind.

Another recommendation from this research is to allow the marketplace to work out the problem on its own. As mentioned in an earlier section, STRs seem to affect the viability of lower-end hotels at peak seasons (Zervas et al., 2016). Many of these resort communities have older hotels with a rating of three star or less. At peak season, many of these hotels can charge up to \$400 a night or more (Expedia, 2018), while on Airbnb the choices are somewhat less expensive for typically a different type of space (Airbnb, 2018). Moving forward, older hotels and motels may need to lower their price points through innovation and adaption in order to compete with the new normal of Airbnb and its counterparts.

Changes will not happen quickly, and most likely when lawmakers at all levels finally get around to addressing this issue in a holistic manner, the STR platforms and the sharing economy will have changed again.

References

- Abma, Derek, (2017). The Hill Times' top 100 lobbyists: elite players know how to align interests with government. Retrieved from: <https://www.hilltimes.com/2017/02/20/top-100-lobbyists-elite-players-know-align-interests-government/96666>
- Airbnb about us (2018). Retrieved from <https://www.airbnb.ca/about/about-us>
- Airbnb citizen (2016). Retrieved from: <https://www.airnbccitizen.com/introducing-the-airbnb-policy-tool-chest/Airbnb>
- Airbnb economic impact, (2018). Retrieved from: <https://www.airbnb.ca/economic-impact>
- Allen, D., & Berg, C. (2014). The sharing economy: How over-regulation could destroy an economic revolution. *Institute of Public Affairs*.
- Armstrong, Phil, (2016). Town of Golden STR Discussion Paper. Retrieved from: <http://www.golden.ca/getattachment/Town-Hall/Current-Issues-and-Publications/DP-PKG-MDS-2016-07-15-Short-Term-Rental-Discussion-Paper.pdf.aspx?lang=en-US>
- BC Government News; Jobs, Trades and Technology, (2014). Retrieved from: <https://news.gov.bc.ca/stories/resort-municipality-funding-to-support-tourism-growth-in-14-communities>
- Bedandbreakfast.com, ((2018). Retrieved from: <https://www.bedandbreakfast.com/info/about/history>
- Benning, Kyle, (2017). Short term rental regulations expected from both the City of Vancouver and B.C. Government. Retrieved from: <https://globalnews.ca/news/3818852/short-term-rental-regulations-expected-from-both-the-city-of-vancouver-and-b-c-government/>
- Botsman, R. (2013). The sharing economy lacks a shared definition. *Fast Company*, 21, 2013.
- Brenner, Katie, (2017). Inside the hotel industry's plan to combat Airbnb. Retrieved from: <https://www.nytimes.com/2017/04/16/technology/inside-the-hotel-industrys-plan-to-combat-airbnb.html>
- Boswijk, J. (2016). Airbnb: The future of networked hospitality businesses. *Journal of Tourism Futures*, 2(1), 22–42. doi:10.1108/JTF-11-2015-0048
- British Columbia Hotel Association (BCHA), (2018). Retrieved from: <http://bchotelassociation.com/>

Britton, Liam. (2017). Fairly limited transparency rules for lobbyists in BC, deputy registrar says. Retrieved from: <http://www.cbc.ca/news/canada/british-columbia/lobbying-lobbyists-b-c-1.4014551>

Bryson, J. M., Crosby, B. C., & Bloomberg, L. (2014). Public value governance: Moving beyond traditional public administration and the new public management. *Public Administration Review*, 74(4), 445-456.

Bula, Frances, (2017). Two Vancouver councillors push to establish lobbyist registry. <https://www.theglobeandmail.com/news/british-columbia/two-vancouver-councillors-push-to-establish-lobbyist-registry/article34094312/>

Canadian Centre for Policy Alternatives, (2018). Retrieved from: <https://www.policyalternatives.ca/>

Castells, M., Caraça, J., & Cardoso, G. (Eds.). (2012). *Aftermath: The cultures of the economic crisis*. Oxford University Press.

Chan, Cheryl. (2017). Vancouver proposes new rules to curb short term rentals. Retrieved from: <http://vancouversun.com/news/local-news/vancouver-mayor-plans-to-license-and-tax-airbnb-rentals>

Chase, R. (2015). Peers Inc: How people and platforms are inventing the collaborative economy and reinventing capitalism. Public Affairs.

Christensen, C. (2017). Disruptive Innovation. Retrieved from: <http://www.claytonchristensen.com/key-concepts/>

City of Fernie, (2018). Retrieved from: <http://www.fernie.ca/EN/main/city/departments-services/planning-development-services/short-term-rental-regulations.html>

City of Kimberley, (2018). Retrieved from: <http://kimberley.ca/community>

City of Revelstoke vacation rental package, (2018). Retrieved from: <https://revelstoke.ca/DocumentCenter/View/3202/Rezoning-Vacation-Rental-Package>

City of Rossland, (2018). Public hearing, zoning amendment Bylaw 2633 short term rentals. Retrieved from: <http://www.rossland.ca/public-hearing-short-term-rental-zoning-regulations>

City of Vancouver; short term rental business requirements (2018). Retrieved from: <http://vancouver.ca/doing-business/short-term-rental-business-licence-requirements.aspx>

Coffey, Helen. (2018). Marriott takes on Airbnb with new home-sharing website. Retrieved from: www.independent.co.uk/travel/news-and-advice/marriott-airbnb-homesharing-website-hostmaker-london-tribute-portfolio-homes-pilot-a8323211.html

De Groen, W.P., K. Lenaerts, R. Bosc and F. Paquier (2017), “Impact of Digitalization and the On- Demand Economy on Labour Markets and the Consequences for Employment and Industrial Relations”, Study prepared for the European Economic and Social Committee, Brussels.

Destination British Columbia, (2018). Retrieved from: <https://www.destinationbc.ca/BC-Tourism-Industry/Municipal-and-Regional-District-Tax-Program.aspx>

District of Invermere, (2018) Retrieved from: <http://www.invermere.net/>

District of Tofino, (2018). Short-term rentals. Retrieved from: <http://www.tofino.ca/Short-term-rentals>

District of Ucluelet <http://ucluelet.ca/community/community-notices/333-press-release-ucluelet-pursuing-illegal-vacation-rentals>

District of Tofino, (2018). Retrieved from: <http://www.tofino.ca/Short-term-rentals#Rules>

Doherty, Lionel. (2013). Vacation rentals under scrutiny by RDOS board. Retrieved from: <http://www.osoyoostimes.com/vacation-rentals-under-scrutiny-by-rdos-board/>

Duffy, R., Royer, G, & Beresford, C. (2014). Who’s picking up the tab? Federal and provincial downloading onto local governments. Columbia Institute Centre for Civic Governance.

Dwoskin, E, (2012). Retrieved from: <https://www.bloomberg.com/news/articles/2012-06-07/a-brief-history-of-lobbying>

Eckhardt, G, & Bardhi, F., (2015). The sharing economy isn’t about sharing at all. Retrieved from: <https://hbr.org/2015/01/the-sharing-economy-isnt-about-sharing-at-all>

Eurich, M., & Burtscher, M. (2014). The Business-to-Consumer Lock-in Effect.

Expedia.com, (2018). Retrieved from: <https://www.expedia.com/>

Farrell, S, (2016). Retrieved from: <https://www.nngroup.com/articles/open-ended-questions/>

Fitzmaurice, C., Ladegaard, I., Attwood-Charles, W., Carfagna, L. B., & Schor, J. B. (2016). Domesticating the Market: Moral exchange and the sharing economy. Unpublished Paper, Boston College.

Gallagher, Leigh, (2017). Marriott’s latest New York hotel is for the Airbnb generation. Retrieved from: <http://fortune.com/2017/11/17/marriott-arne-sorenson-airbnb-moxy-new-york/>

Givetash, Linda, (2017). BC moves to stop landlords from flipping tenants, hiking rent between leases. Retrieved from: <https://vancouverisland.ctvnews.ca/b-c-moves-to-stop-landlords-from-flipping-tenants-hiking-rent-between-leases-1.3651120>

Global News, (2018). Canada's hotel industry calls on government to impose taxes on Airbnb services similar to hotels. Retrieved from: <https://globalnews.ca/video/4176468/canadas-hotel-industry-calls-on-government-to-impose-taxes-on-airbnb-services-similar-to-hotels>

Goldenberg, Sally, (2018). New York City poised to join Airbnb crackdown. Retrieved from: <https://www.politico.com/states/new-york/city-hall/story/2018/05/14/new-york-city-poised-to-join-others-in-cracking-down-on-airbnb-418835>

Government of BC, 2018. Community Charter. Retrieved from: http://www.cscd.gov.bc.ca/lgd/gov_structure/community_charter/governance/ethical_conduct.ht

Government of Canada, (2015). Back to the future, the sharing economy. A report for the DMCPI. Retrieved from: <https://www.canada.ca/en/innovation-hub/services/reports-resources/report-sharing-economy.html>

Gumbs, Q., Griffin, T., & Dodds, R. (2016) Airbnb Report.

Gurran, N, Phibbs, P. (2017). When Tourists Move In: How Should Urban Planners Respond to Airbnb? *Journal of the American Planning Association*, 83(1), 80-92.

Guttentag, D. (2016). Why tourists choose Airbnb: A motivation-based segmentation study underpinned by innovation concepts.

Hoch, C., Dalton, L. C., So, F. S., & ICMA Training Institute. (2000). The practice of local government planning (3rd ed.). Washington, DC: Published for the ICMA Training Institute by the International City/County Management Association.

Host Compliance: Retrieved from: <https://hostcompliance.com/>

Hoffman, Josh (2018). Kimberley wants to embrace Airbnb. Retrieved from: <http://www.thedrivefm.ca/2018/02/05/kimberley-wants-to-embrace-airbnb/>

Hutchison, J. (2015). Hoteliers warn against using Airbnb. 3 News. Retrieved from <http://www.3news.co.nz/business/hoteliers-warn-against-using-airbnb-2015012310#axzz3RagqS2xK>.

iCompass. Retrieved from: <https://www.icompasstech.com/>

Inside Airbnb, (2018). Retrieved from: <http://insideairbnb.com/index.html>

Jamasi, Zohra, and Trish Hennessy. "Nobody's Business." (2016).

Johal, S., & Zon, N. (2015). Policymaking for the sharing economy: Beyond whack-a-mole. Mowat Centre.

Kam, C. J. (2009). *Party discipline and parliamentary politics*. Cambridge University Press.

Kamenetz, Anya, (2013). Is PEERS the sharing economy's future or just a great Silicon Valley PR stunt? Retrieved from: <https://www.fastcompany.com/3022974/is-peers-the-sharing-economys-future-or-just-a-great-silicon-valley-pr-stunt>

Kane, Laura, (2017). Vancouver bans short term Airbnb rentals in laneway homes, basement suites. Retrieved from: <https://infotel.ca/newsitem/vancouver-bans-short-term-airbnb-rentals-in-laneway-homes-basement-suites/it47648>

Kearney, Cathy, (2018). Will BC's Airbnb tax make tourists turn to tax free alternatives? Retrieved from: <http://www.cbc.ca/news/canada/british-columbia/calls-to-tax-other-online-vacation-renters-1.4529215>

Keitch, Lorene, (2018). Long term look at short term rentals. Retrieved from: <https://www.columbiavalleepioneer.com/news/long-term-look-at-short-term-rentals/>

Kerr, Jessica, (2018). Airbnb to start collecting, paying taxes in BC. Retrieved from: <http://www.cbc.ca/news/canada/british-columbia/calls-to-tax-other-online-vacation-renters-1.4529215>

Koopman, C., Mitchell, M., & Thierer, A. (2014). The sharing economy and consumer protection regulation: The case for policy change. *J. Bus. Entrepreneurship & L.*, 8, 529.

Kretzel, Lasia, (2017). Metro Vancouver family housing availability 'falls off of a cliff' report. Retrieved from: <http://www.news1130.com/2017/05/29/metro-vancouver-family-housing-availability-falls-off-cliff-report/>

Lacey, Keith, (2016). Council supports sending letters supporting hoteliers concerns over short term rentals. Retrieved from: <http://www.osoyoostimes.com/council-supports-sending-letters-supporting-hoteliers-concerns-over-short-term-rentals/>

Lalone, Megan, O'Brien, Frank, (2017). Whistler, Vancouver, crack down on short term rentals like Airbnb. Retrieved from: <https://www.biv.com/article/2017/6/whistler-victoria-crack-down-short-term-rentals-ai/>

Lines, G. E. (2015). Hej, Not Hej Da: Regulating Airbnb in the New Age of Arizona Vacation Rentals. *Ariz. L. Rev.*, 57, 1163.

Marshall, Korie, (2013). Valemount vacation homes to require ok from village. Retrieved from: <https://www.therockymountaingoat.com/2013/12/valemount-vacation-homes-to-require-ok-from-village/>

McDonald, Mike, (2017). Sun peaks resort considering housing authority to battle Airbnb rentals. Retrieved from: <http://infotel.ca/newsitem/sun-peaks-resort-considering-housing-authority-to-battle-airbnb-rentals/it46606>

McFarlane, C., & Waibel, M. (Eds.). (2012). Urban informalities: reflections on the formal and informal. Ashgate Publishing, Ltd. Remove?

Morris, Steven Leigh, (2015). Airbnb is infuriating the neighbours, is it time for new rules? Retrieved from: <http://www.lawweekly.com/news/airbnb-is-infuriating-the-neighbors-is-it-time-for-new-rules-5343663>

Munkøe, M. M. (2017). Regulating the European sharing economy: State of play and challenges. *Intereconomics*, 52(1), 38-44.

Nelson, Tim, (2017). Hilton is doubling down to win back business from Airbnb. Retrieved from: <https://www.architecturaldigest.com/story/hilton-doubling-down-to-win-back-business-from-airbnb>

Nevitte, N., & Merelman, R. M. (1999). The decline of deference: Canadian value change in cross-national perspective. *The American Review of Canadian Studies*, 29(3), 531.

Nownes, A. J. (2006). *Total lobbying: What lobbyists want (and how they try to get it)*. Cambridge University Press.

Opinko, David, (2018). District of Invermere Begins Process to Regulate Short Term Rentals. Retrieved from: <http://www.summit107.com/news/east-kootenay-news/district-of-invermere-begins-process-to-regulate-short-term-rentals/>

ORL Office of the registrar of lobbyists British Columbia 2017
<https://www.lobbyistsregistrar.bc.ca/reports/annual-reports/>

PEERS, (2018). Retrieved from; https://www.purpose.com/case_studies/peers/

Peterson, P. E. (1981). *City limits*. University of Chicago Press.

Press, Jordan, 2018). On tax deadline day, hotels urge Ottawa to tax Airbnb. Retrieved from: <https://www.wltribune.com/business/on-tax-deadline-day-hotels-urge-ottawa-to-tax-airbnb/>

Province of BC, (2018): Value of Tourism. Retrieved from: <https://www2.gov.bc.ca/gov/content/tourism-immigration/tourism-resources/value-of-tourism>

Quattrone, G., Proserpio, D., Quercia, D., Capra, L., & Musolesi, M. (2016, April). Who Benefits from the Sharing Economy of Airbnb. In Proceedings of the 25th International Conference on World Wide Web (pp. 1385-1394). International World Wide Web Conferences Steering Committee.

Rauch, D. E., & Schleicher, D. (2015). Like Uber, but for local government law: The future of local regulation of the sharing economy. *Ohio St. LJ*, 76, 901.

Rittel, H. W., & Webber, M. M. (1973). Dilemmas in a general theory of planning. *Policy sciences*, 4(2), 155-169.

Rodrigo, D. (2005). Regulatory impact analysis in OECD countries. Challenges for Developing Countries. Dhaka, Bangladesh: Organization for Economic Cooperation and Development.

Rhodes, K. (2015). *Adequacy of the regulation of short-term holiday letting in New South Wales: Submission to parliamentary inquiry*. Sydney, Australia: Local Government NSW.

Sawatzky, K. (2016). Short-term consequences: Investigating the extent, nature and rental housing implications of Airbnb listings in Vancouver.

Shabrina, Z., Zhang, Y., Arcaute, E., & Batty12, M. (2017). Beyond informality: The rise of peer-to-peer (P2P) renting.

Shaw, Rob, (2016). BC's lobby watchdog calls for tougher government rules. Retrieved from: <http://vancouversun.com/news/local-news/b-c-s-lobbying-watchdog-calls-for-tougher-government-rules>

Shipan, C. R., & Volden, C. (2008). The mechanisms of policy diffusion. *American journal of political science*, 52(4), 840-857.

Slee, T. (2016). What's Yours is Mine: Against the Sharing Economy. Or Books

Statistics Canada, (2017). Measuring the sharing economy in the Canadian macroeconomic accounts. Retrieved from: <https://www150.statcan.gc.ca/n1/pub/13-605-x/2017001/article/14771eng.htm>

Stigler, G. J. (1971). The theory of economic regulation. *The Bell journal of economics and management science*, 3-21.

Sun Peaks, (2018). Short-term rental policy. Retrieved from: <https://sunpeaks.civicweb.net/filepro/documents/9815?preview=21248>

Thierer, Adam D., (2016) Permissionless Innovation and Public Policy: A 10-Point Blueprint. Retrieved from: <https://ssrn.com/abstract=2761139> or <http://dx.doi.org/10.2139/ssrn.2761139>

Todd, Douglas, (2018). Douglas Todd: Vancouver's rental and housing markets pressed by 'temporary' residents'. Retrieved from: <http://vancouversun.com/opinion/columnists/douglas-todd-vancouvers-rental-and-housing-markets-pressed-by-temporary-residents>

Tourism Valemount, (2018). Retrieved from: <http://visitvalemount.ca/plan/visitor-centre/>

Town of Golden, (2018). Short term rentals. Retrieved from: <http://www.golden.ca/Town-Hall/Current-Issues-and-Publications/Short-Term-Rentals-in-Golden.aspx>

Town of Osoyoos, (2018). Retrieved from: <http://www.osoyoos.ca/>

UBCM, (2016). Policy Implications for Short Term Vacation Rentals. Retrieved from: <http://www.ubcm.ca/assets/Convention/2016/2016~Documents/Thu-PM-OakBay-Short-term%20Vacation%20Rentals.pdf>

UBCM 2018 <http://www.ubcm.ca/>

Vaugeois, N., Maher, P., Heeney E., Rowsell B., Shannon Bence S. & McCartney, M. (2013). B.C. resort community labour strategic analysis final report. Prepared by go2 and the Canada-British Columbia Labour Market Development Agreement.

Village of Harrison Hot Springs, (2018). Retrieved from: <https://www.harrisonhotsprings.ca/wp-content/uploads/2017/07/2017.07.24-News-Release.Short-Term-Vacation-Accommodation.pdf>

Village of Radium Hot Springs (2018). Retrieved from: <https://www.radiumhotsprings.com/>

Weisberg, Lori, (2017). Airbnb steps up lobbying pitch to mayors with new economic boast. Retrieved from: <http://www.sandiegouniontribune.com/business/tourism/sd-fi-airbnb-mayors-20170623-story.html>

Wood, Betty, (2017). Airbnb is now bigger than the top 5 hotel brands put together. Retrieved from: <https://thespaces.com/2017/08/15/airbnb-now-bigger-worlds-top-five-hotel-brands-put-together/>

Yakabuski, Konrad, (2017). Home sharing: there goes the neighbourhood. Retrieved from: <https://www.theglobeandmail.com/opinion/home-sharing-there-goes-the-neighbourhood/article33532329/>

Zervas, G., Proserpio, D., & Byers, J. (2016). The rise of the sharing economy: Estimating the impact of Airbnb on the hotel industry. Boston U. School of Management Research Paper, (2013-16).

Appendices

Appendix A Interview Consent Form

Short Term Rentals in British Columbia

Thank you for your interest in this study aimed at learning how politicians and staff members in British Columbia have engaged with the issue of short-term rental policy. As a graduate student at UBC Okanagan and as an elected official from Penticton and the Regional District Okanagan/Similkameen, I believe your perspective is important in understanding how policy in this realm is shaped and may be beneficial in understanding political-decision making at the local level. Your participation will consist of an approximately 45-minute interview that will involve some questions concerning recent policy decisions you may have made concerning short term rentals (Airbnb, for example) in your community. This interview will be recorded and transcribed. During this research, all interviews will remain confidential, and you may remain anonymous if requested. Before you proceed with the interview, there is a consent form for you to review and sign if you wish to participate.

Q1 Informed Consent

Who is conducting this study?

Helena Konanz, Graduate Student, UBC Okanagan Email: Helena.konanz@ubc.ca (250) 809-2897

Principal Investigator: Professor Carey Doberstein, UBC Okanagan. Email: carey.doberstein@ubc.ca. (250) 807-9017.

Why is this study being conducted?

This study is being conducted to better understand the considerations politicians and staff make when confronting policy issues, in particular, short term rentals, and the influence of information supplied by staff, special interest groups, and pressure from the voting public.

Why should you take part in this study?

You have been asked to participate in this study because your perspective as an elected official or staff member is important to understand in terms of how policy decisions are made.

What happens if you say “yes, I want to take part in this study”?

If you consent, your participation will consist of an approximately 45-minute interview that will involve questions on how you approached or evaluated the issue of short-term rental policies and Airbnb in your community. All interviews will be recorded, with your permission, and transcribed by Helena Konanz.

Study results.

The results of this study may be presented at conferences, published in academic journals, and appear in media presentations. The results will also be available to the public on the internet via cIRcle.

Is there any way being in this study could be bad for you?

Your participation in this study is completely voluntary, and the information you contribute will remain confidential. You also have the option of remaining anonymous if requested. We hope you will choose to answer all of the questions, but you are not obligated to answer any questions with which you do not feel comfortable. You may terminate the interview at any point in time without consequence and your interview data will not be included in the study.

I would like to reemphasize that I am both a graduate student researcher and a local elected official. I do not believe this dual role presents special risks to you in your considerations on whether to participate in this research, as my position is independent and autonomous from yours, and thus you should feel free to decline or agree to participate without fear of any professional or personal consequence.

How will your identity be protected?

All information gathered from you will be treated as confidential. You may also choose to have your identity as a participant remain anonymous in any presentation or publication resulting from this research. The research team will download, store and secure the data from all completed interviews on a password-protected computer with additional encryption software. If you choose to withdraw from the study at any point, any data collected up until the point of withdrawal will not be included in the interview and will be deleted. If you choose to withdraw participation after the interview is done and before the research is presented or published you may contact Helena Konanz and the interview data will be deleted.

Who can you contact if you have complaints or concerns about the study?

If you have any questions concerning this study, you may contact the Principal Investigator, Dr. Carey Doberstein, whose contact information can be found at the top of this form. If you have any concerns or complaints about your rights as a research participant and/or your experiences while participating in this study, contact the Research Participant Complaint Line in the UBC Office of Research Ethics toll free at 1-877-822-8598 or the UBC Okanagan Research Services Office at 250-807-8832. It is also possible to contact the Research Complaint Line by email (RSIL@ors.ubc.ca).

Taking part in this study is entirely up to you. You have the right to refuse to participate in this study. If you decide to take part, you may choose to withdraw from the study at any time without giving a reason and without any negative impact. If you would like a copy of the results of this research, please contact Helena Konanz via the contact information supplied at the top of this form.

By signing below, you acknowledge that you have been presented with this above information and that you agree to participate in this study. You will receive a copy of this consent form for your records.

Name _____

Signature _____

Date _____

Anonymous Attribution? _____

I agree to this interview being recorded. Yes _____ No _____

Appendix B Recruitment Letter

Dear (insert potential participant's name):

I am writing to invite you to participate in a study titled *Short-Term Rentals in BC* that I am conducting as part of my Master's degree at UBC Okanagan under the supervision of Professor Carey Doberstein. I am also an elected councillor with The City of Penticton and a director with the Regional District of the Okanagan-Similkameen. The study is aimed at learning how elected officials in British Columbia have engaged with the issue of short-term rental policy. I believe your participation in this study is important to obtain a better understanding of how policy in this realm is formulated.

Your participation would consist of a 45-minute interview at a mutually agreed upon location or via Skype, that will involve some questions concerning recent policy decisions that you have made concerning short term rentals (Airbnb, for example), in your community.

During this research, all interviews will remain confidential and the conversation will remain anonymous if requested. If you agree to participate, you are not obligated to answer any questions with which you do not feel comfortable. With your permission, the interview will be recorded and later transcribed for analysis.

All information collected will be downloaded, stored and secured on a password-protected computer with additional encryption software. If you choose to withdraw from the study at any

point, any data collected up until the point of withdrawal will not be included in the interview and will be deleted.

I would like to reemphasize that I am both a graduate student researcher and a fellow local elected official. I do not believe this dual role presents special risks to you in your considerations on whether to participate in this research, as my position is independent and autonomous from yours, and thus you should feel free to decline or agree to participate without fear of any professional or personal consequence.

The UBC Behavioural Research Ethics Board has issued certificate H17-01900 for this study. If you have any further questions regarding this project, you can contact myself, (contact information found below) or my supervisor Professor Carey Doberstein. You may also the Research Participant Complaint Line in the UBC Office of Research Ethics toll free at 1-877-822-8598, or the UBC Okanagan Research Services Office at 250-807-8832.

If you are interested in participating or would like to find out more about this study, please reply to this email or call me (contact information found below). You will receive a consent form to review prior to participating.

I hope the results of this study will be beneficial to anyone interested in how policy is shaped, especially around the very relevant issue of short-term rentals in British Columbia communities.

I look forward to the opportunity to speak with you.

Sincerely,

Helena Konanz
Graduate Student
UBC Okanagan
helena.konanz@ubc.ca
(250) 809-2897

Carey Doberstein, PHD.
Assistant Professor, Political Science
UBC Okanagan
carey.doberstein@ubc.ca
(250) 807-9017

Appendix C Interview Questions

Short Term Rentals in British Columbia

Interview Questions

Q1 (Informed Consent Form; see attached informed consent form for the interview)

Q2 Approximately how many short -term rentals do you believe are there in your community?

Q3 Do you consider this issue a priority?

Q4 Are STRs scattered throughout your town or just in specific areas?

Q5 What are the benefits of STRs in your community?

Q6 Are there any negative aspects to STRs in your community?

Q7 In general, how do the citizens in your community feel about STRs?

Q8 What is your traditional accommodation sector's reaction to STRs?

Q9 When was the last time your community's short-term rental policies were updated? What was the process like?

Q10 While implementing or planning these policies, did your community look at how other jurisdictions were approaching this issue?

Q11 Who was involved in the formulation of these policies (i.e. citizen groups, tourism, business)?

Q12 Were you provided with information directly from the industry, including Airbnb, VRBO, or any other short-term rental platform?

Q13 Have members of your community's city council or staff ever met with companies in the industry (i.e. Airbnb). Was this helpful?

Q14 Have Airbnb sent members of your city council or staff information concerning policy making of STRs?

Q15 How influential have STR platforms like Airbnb been towards policy making in your community?

Short-term rentals in British Columbia

Start of Block: Default Block

Q01 Short-term Rentals in British Columbia

Thank you for your interest in participating in this survey. The study is aimed at learning how elected officials and city staff in British Columbia have engaged with the issue of short-term rentals (STRs). I believe your participation is important to obtain a better understanding of how policy in this realm is formulated. It involves a short, 10-minute online survey, that includes some questions about your community, along with questions pertaining to recent policy decisions that you may have made concerning short term rentals (Airbnb, for example). Although your participation will remain anonymous, when completed, the research project will be available for municipalities to use and may help in future policy making on this issue. Please read the informed consent form on the next page to continue.

Page Break

Q02 Informed Consent Form Who is conducting this study? Helena Konanz, Graduate Student, UBC Okanagan Email: Helena.konanz@ubc.ca (250) 809-2897 Principal Investigator:

Professor Carey Doberstein, UBC Okanagan. Email: carey.doberstein@ubc.ca. (250) 807-9017.

Why is this study being conducted? This study is being conducted to better understand the considerations politicians and staff make when confronting policy issues, in particular, short term rentals (STRs), and the influence of information supplied by staff, special interest groups, and pressure from the voting public.

Why should you take part in this study? You have been asked to participate in this study because your perspective as an elected official or staff member is important to understand in terms of how policy decisions are made. The results of this study may be presented at conferences, published in academic journals, and appear in media presentations. The results will also be available to the public on the internet via cIRcle.

Is there any way being in this study could be bad for you? Your participation in this study is completely voluntary, and the information you contribute will remain confidential and anonymous. We hope you will choose to answer all of the questions, but you are not obligated to answer any questions with which you do not feel comfortable. You may terminate the interview at any point in time without consequence and your interview data will not be included in the study. I would like to reemphasize that I am both a graduate student researcher and a local elected official. I do not believe this dual role presents special risks to you in your considerations on whether to participate in this research, as my position is independent and autonomous from yours, and thus you should feel free to decline or agree to participate without fear of any professional or personal consequence.

How will your identity be protected? All information gathered from you will be treated as confidential. The research team will download, store and secure the data from all completed surveys on a password-protected computer with additional encryption software. If you choose to withdraw from the study at any point, any data collected up until the point of withdrawal will not be included.

Who can you contact if you have complaints or concerns about the study? If you have any questions concerning this study, you may contact the Principal Investigator, Dr. Carey Doberstein, whose contact information can be found at the top of this form. If you have any concerns or complaints about your rights as a research participant and/or your experiences while participating in this study, contact the Research Participant Complaint Line in the UBC Office of Research Ethics toll free at 1-877-822-8598 or the UBC Okanagan Research Services Office at 250-807-8832. It is also possible to contact the Research Complaint Line by email (RSIL@ors.ubc.ca). Taking part in this study is entirely up to you. You have the right to refuse to participate in this study. If you decide to take part, you may choose to withdraw from the study at any time without giving a reason and without any negative impact. If you would like a copy of the results of this research, please contact Helena Konanz via the contact information supplied at the top of this form. By clicking on "Proceed", you acknowledge that you have

been presented with this above information and that you agree to participate in this study and you may continue to the survey.

☐ Proceed (1)

Page Break

Q03 First I would like to know a little bit more about your community and the position you hold.

Q27 In what Regional District in British Columbia does your community belong?

- ☐ Thompson-Nicola (1)
 - ☐ Okanagan-Similkameen (2)
 - ☐ Fraser Valley (3)
 - ☐ Alberni-Clayoquot (4)
 - ☐ East Kootenay (5)
 - ☐ Squamish-Lillooet (6)
 - ☐ Kootenay Boundary (7)
 - ☐ Columbia Shuswap (8)
 - ☐ Fraser-Fort George (9)
-

Q1 What is the population of your community?

- ☐ Less than 1,000 (1)
 - ☐ 1,000 to 4,999 (2)
 - ☐ 5,000 to 9,999 (3)
 - ☐ More than 10,000 (4)
-

Q2 What position do you hold in your community?

- ☐ Elected official (1)
 - ☐ Member of the administration (2)
-

Page Break

Q22 The next questions relate to the current short-term rental policies in your community.

Q3 When was the last time your community's short-term rental (STR) policies were updated?

- ☐ We are in the process of updating our policies right now (1)
 - ☐ Within the past year (2)
 - ☐ Within the past 3 years (3)
 - ☐ Within the past 5 years (4)
 - ☐ We have no short-term rental policies and will not be creating any in the foreseeable future (5)
-

Q4 How strict do you consider the enforcement of these policies?

- ☐ Not very strict (1)
- ☐ Fairly strict (2)
- ☐ Very strict (3)
- ☐ Not sure (4)
- ☐ We do not have specific policies regarding short-term rentals (5)

Q5 Have you had to hire any staff specifically because of short term rental policy creation and/or enforcement?

- ☐ No, we've hired no new staff due to STR policy and/or enforcement. (1)
- ☐ We've hired 1 new staff member due to STRs. (2)
- ☐ We've hired 2 new staff members due to STRs. (3)
- ☐ We've hired 3 or more new staff members due to STRs. (4)



Q6 How does your community enforce these policies?

- ☐ As specific complaints come to our attention (1)
- ☐ Staff scanning short-term rental websites for non-compliance (2)
- ☐ We have hired a private company to scan and/or enforce (3)
- ☐ We do not have specific policies concerning short-term rentals (4)
- ☐ Other (please specify) (5) _____

Q7 Would you like the province to assist municipalities in B.C., if at all, with the growth and effects of short term rentals (STRs)? You can check more than one answer.

☐

The province should stay out of this (1)

☐

The province should help municipalities collect MRDT tax from STRs. (2)

☐

The province should update the residential tenancy act. (3)

☐

The province should allow a zoning category specifically for STRs. (4)

☐

Other; Please specify: (5)

Q8 In planning or implementing the policies, did your community look at how other jurisdictions have approached this issue? If yes, please list any jurisdiction you may recall.

☐ Yes (1) _____

☐ No (2)

Q09 The next set of questions relate to the engagement of stakeholders and citizens regarding short-term rentals in your community.

Q10 How often in the past year have you been contacted by individuals or community groups **supportive** of short-term rentals in your community?

- ☐ Not at all (1)
 - ☐ Fewer than 3 times (2)
 - ☐ More than 3 but fewer than 10 times (3)
 - ☐ More than 10 times (4)
-

Q11 How often in the past year were you contacted by individuals or community groups
opposed to short-term rentals in your community?

- ☐ Not at all (1)
- ☐ Fewer than 3 times (2)
- ☐ More than 3 but fewer than 10 times (3)
- ☐ More than 10 times (4)



Q12 Of those opposed to short term rentals in your community, what were their main concerns?

Please rank 1-6, if applicable.

- _____ Concerns over unfair competition with hotels/motels (1)
- _____ Concerns with its effects on long term housing (2)
- _____ Concerns about noise and/or parking (3)
- _____ Concerns about lost tax revenue (4)
- _____ Concerns about neighbourhood integrity (5)
- _____ Other (please describe) (6)
-

Q13 To your knowledge, has Airbnb contacted any member of your council and/or staff in the past 2 years?

☐ Yes (1)

☐ No (2)

☐ Not sure (3)

Skip To: Q16 If To your knowledge, has Airbnb contacted any member of your council and/or staff in the past 2 years? = No

Skip To: Q16 If To your knowledge, has Airbnb contacted any member of your council and/or staff in the past 2 years? = Not sure

Q14 In your opinion, has Airbnb been helpful in informing your council and /or staff concerning short-term rental policy making?

- ☐ Very Helpful (1)
 - ☐ Somewhat helpful (2)
 - ☐ Not really that helpful (3)
 - ☐ Not helpful at all (4)
-

Q15 What kind of contact and engagement has Airbnb initiated or provided? (Click any that apply)

☐

Studies and reports (1)

☐

Policy advocacy (2)

☐

Data concerning the number of short-term rentals in my community (3)

☐

Data about the benefits of short-term rentals to my community (4)

☐

Other (Please specify) (5)

Page Break

Q16 Have individuals representing the hotel industry contacted members of your council and/or staff concerning short-term rentals in your community?

☐ Yes (1)

☐ No (2)

☐ Not sure (3)

*Skip To: Q19 If Have individuals representing the hotel industry contacted members of your council and/or staff c...
= No*

*Skip To: Q17 If Have individuals representing the hotel industry contacted members of your council and/or staff c...
= Yes*

*Skip To: Q17 If Have individuals representing the hotel industry contacted members of your council and/or staff c...
= Yes*

*Skip To: Q19 If Have individuals representing the hotel industry contacted members of your council and/or staff c...
= Not sure*

Q17 In your opinion, has the hotel industry been helpful in informing your council and/or staff concerning short-term rental policy making?

- ☐ Very helpful (1)
 - ☐ Somewhat helpful (2)
 - ☐ Not really very helpful (3)
 - ☐ Not helpful at all (4)
-

Q18 What kind of contact or engagement have they initiated or provided? (Click any that apply).

☐

Studies and reports (1)

☐

Policy advocacy (2)

☐

Data about the number of short-term rentals in my community (3)

☐

Data about the negative effects of short-term rentals in my community (4)

☐

Other (please specify) (5)

Page Break

Q19 To your knowledge, has any private company that assists communities in the management of short-term rentals, such as Host Compliance, contacted your council or staff?

☐ Yes (1)

☐ No (2)

☐ Not sure (3)

Q20 To your knowledge, has your community considered hiring a short-term rental management company like Host Compliance?

☐ Yes, our community is considering this (1)

☐ Yes, they have already assisted us with the management of short-term rentals in our community (2)

☐ No, we are not interested (3)

☐ Not sure (4)

Page Break

Q21 Do you have any additional comments to share regarding anything not asked in this survey that you believe is relevant to know about short-term rentals in your community?

Page Break

Q22 Thank-you for participating in this research project!

End of Block: Default Block
