

Tofino Ratepayers Association



July 24, 2024

Hello Ratepayers,

At our last Director's meeting we waded into some recent developments in the Short-Term Rental issue. Here are some points of view and some questions that came out of that discussion. I have waited several weeks to digest this missive, before sending it out.

How are these "Taxpayer issues"? some of you may ask. The STR issue, along with others we will discuss, directly affects both the value and assessed value of your property. It affects the rate of taxation you and others are paying. This issue has a significant impact on your taxes and ultimately whether or not you can afford to live here.

The first thing I want to comment on is the ongoing "Legal Challenge," in the Provincial Court, concerning the Provincial Government's recent STR bill. Does the Government have the right to change property zoning and use that was legally conferred to owners, and legally in use by owners, without compensation or some kind of Legal Non-Conforming accommodation? Or is the Government acting outside the law and against the broader interests of the citizenry? Private property rights are among the most important rights we have so clarification is necessary. Dark are the days and history when such rights were usurped. So, answers to these will be most welcome.

When bylaws are changed, those who have owned and operated legally under the original rules, are usually granted a "Legally Non-Conforming" status. The rules can change going forward, while those whose use pre-existed the new rules, can continue to operate under the old rules. Legal use rights must be respected, and such rights should not be able to be easily withdrawn. Confidence in the system is very important. Daily, citizens are faced with important decisions regarding a family home, a business, or an investment. We expect and deserve clarity and confidence in the system to balance the rights of individuals and private businesses against the power of the State. The integrity of Zoning Bylaws and land use restrictions depends on confidence in the system.

We need these kinds of assurances so the public has confidence in the system...and can invest.

However, drive around town and it is clear some properties are being used illegally. Our original support for the STR bill stemmed from concerns over one particular type of abuse, that of the absentee ownership of Residential Zoned property and its use solely for STR purposes without any residential occupancy. The effects of this are serious inflation in property values, the subsequent increased taxation for all residential users, a drain on the supply of residential properties for actual residential use and a change in the character and quality of neighbourhoods. We support the current attempts to deal with this particular issue, but it must not be done in a way that denies Tofino residents the ability to use STR on the property where they live, to help subsidize the astronomical costs they face.

This is the other side of this zoning issue; that for many new and long-term Tofitians, running an STR has become a necessity to pay off a staggering mortgage, punishing tax increases and an ever-increasing cost of living. Legal STR use has become an important part of home ownership for many, and we have no argument with this practice as long as it is done legally, as a secondary use of residential property, with the owner being resident.

We understand that the DOT has instructed staff to draw up new rules for zoning for STR's. There seems to be little to no information on the extent or nature of these changes that may be coming, and this is leading to needless anxiety. The extinguishing of preexisting STR rights for those currently zoned for this use and currently operating legally, cannot be an option. Wild suggestions that certain neighborhoods

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would be or could be excluded from STR use, while other areas permitted, would have the effect of ghettoizing certain areas and rapidly accelerate the property values and taxes of others whether residents there engaged in STR's or not, accelerating social stratification.

We can support reasonable restrictions of STR use such as Owner Occupancy and limits on the amount of square footage used, thus ensuring that the STR is secondary to the residential use. However there needs to be extensive consultation with the community. Let's hammer out the general guidelines through public consultation before the scribes get to the details. I am sure they would welcome the help of general context and direction.

In regard to the recent council decision to opt into the Provincial STR rules regarding principal residency requirement, I understand that there are some very pissed off folks who own and operate legal STRs at Eik and Tibbs.

When I read the zoning for Eik St. there is specific allowance for Vacation Rental. (I am given to understand the same situation applies to Tibbs, though that may have been the result of a zoning that happened after the building was constructed). In other words, this was a legal use of the property which has now been removed with no compensation to the owners. As stated before, this is not something that the Ratepayers can endorse as it disregards basic property rights.

A much better solution would be that where "condo" developments specifically allow for the use of vacation rental, the District and the owners of such units might consider that the application of commercial tax rates rather than residential would be appropriate. It offers a reasonable and fair compromise to the current situation and protects the interests of other taxpayers as well as the owners.

Cox Bay Beach Resorts could serve as an example of commercially taxed units that offers some flexibility, in that a small number of the units are residentially used and taxed, while most (those that are used as short-term rentals), are commercially taxed. This might be part of a model offering a more reasonable outcome for all.

Will the District consider this? What authority would the District have, in this exemption, not in the Zoning issue, but the proposed tax issue?

So here are some questions for Council and these are not rhetorical

- 1) How and in what way will the council consult with the public on its general direction in these matters?
- 2) Will council respect the rights of all residential property owners who currently have a right to legal STR use in residential zones?
- 3) Will the District of Tofino conduct analysis of the impact to the taxpayer of various kinds of decision making (such as land use and zoning changes) and share that information before decisions are made?

As a general note, the impacts to taxation of all planning and development applications, should be a matter of routine and included as public information. That should include the specific taxation impacts of the subject property as well as impacts to the rest of the tax base.

In the next newsletter we will be discussing the current state of Staff Housing, which, in many respects, is a major problem for this community. It represents a failure of this community. The current reality

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does not project an appropriate image for the future success of a tourist-based economy or a place where most folks might want to live.

For the directors (Harold Sadler, Steve Thicke, Tammy Shymko, Kevin Midgley)

Jack Gillie