

Attachment 2
Letter from Parksville Qualicum Beach Tourism Association

PARKSVILLE
QUALICUM BEACH

Parksville Qualicum Beach Tourism Association

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ParksvilleQualicumBeach.com

April 23, 2020

Ms. Kim Fowler
Manager of Long Range Planning
Regional District of Nanaimo
6300 Hammond Bay Road,
Nanaimo, BC, V9T 6N2

Re: Online Accommodation Platform / Municipal Regional District Tax Affordable Housing Plan

Dear Ms. Fowler:

Parksville Qualicum Beach Tourism Association (PQBTA) was in the process of the region's MRDT five-year renewal when the Government of British Columbia made significant Municipal Regional District Tax (MRDT) policy changes.

Prior to October 1, 2018, small accommodations (those with 3 rooms or less) were exempt from collecting MRDT. After this date most short-term rental accommodations were required to collect and remit relevant PST and MRDT.

Large Online Accommodation Platforms (OAP) such as AirBnB also began to collect PST / MRDT on behalf of their host clients and remit directly to the Government of British Columbia. The expanded MRDT tax collection continues to flow to the eligible entities and is known as Online Accommodation Platform MRDT (OAP MRDT). Eligible funding criteria expanded to include the following:

"MRDT revenues from online accommodation platforms (OAP) can be used for affordable housing initiatives." - Municipal Regional District Tax Program Guidelines

PQBTA is the "eligible entity" of the MRDT program representing the Regional District of Nanaimo (Areas E, F, G, H), City of Parksville, and Town of Qualicum Beach. PQBTA is responsible for administering the MRDT funds in accordance with the MRDT Program Guidelines. Eligible entities like PQBTA are required to receive local governments' support in renewing the MRDT.

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While the City of Parksville and the Town of Qualicum Beach provided unconditional support for PQBTA's renewal, the Regional District of Nanaimo placed a number of conditions on its support including:

That the Board's support of the Municipal Regional District Tax renewal be subject to the Parksville Qualicum Beach Tourism Association submitting by 2021 the provincially required One Year Tactical Plan that includes a provision to use Municipal Regional District Tax revenues from Online Accommodation Platforms for affordable housing.

That in 2020 the Regional District of Nanaimo, the City of Parksville and the Town of Qualicum Beach work with the Parksville Qualicum Beach Tourism Association and accommodation providers to develop an Affordable Housing Municipal Regional District Tax Plan starting in 2020.

(Oct. 24, 2018 letter from Paul Thompson, RDN Manager of Long Range Planning)

Prior to working with partners to develop an 2021 Affordable Housing MRDT Plan, PQBTA shares the following information:

1. The Finance Ministry charges PQBTA a \$20 administration fee for every accommodation PST / MRDT registration in our catchment area. Due to the policy change to allow properties with three or fewer rooms to register for PST / MRDT, PQBTA's administration fee costs have grown 300%. Based on the most recent month's administration fee costs, PQBTA projects 2020 fees to amount to \$28,000.
2. Since the October 2018 MRDT policy change, the total amount of OAP has been \$53,259 (Parksville - \$21,046.17, Qualicum Beach - \$22,723.39, RDN - \$9,489.24).
3. Based on the above, an estimated \$25,400 will be available for a 2021 Affordable Housing Plan once PQBTA deducts the administration fee cost from the OAP received.

Considering OAP's minimal net proceeds, PQBTA is seeking the Regional District of Nanaimo's input as to whether this revenue is significant enough to warrant pursuing development of an Affordable Housing Plan. If not, will the RDN consider reinvested OAP into tourism marketing to help our region recover from the COVID-19 crisis.

Please contact PQBTA's Executive Director, Blain Sepos, with any questions and to discuss the available options.

Sincerely,



Pat Jiggins, Chair
Parksville Qualicum Beach Tourism Assoc.