



Report

To: Mayor and Members of Council
From: Ruth Orton, Director of Legal and Legislative Services
Date: October 30, 2020
Re: Short Term Rental Accommodations

Recommendation:

It is recommended that:

1. Administration be directed to:
 - (a) seek public comment in connection with the regulation of STRs including comments as to where and in what forms of residential dwellings STRs may be prohibited or permitted; what regulation would best assist to mitigate nuisances; and how prohibition or regulation would impact any existing STRs; and
 - (b) summarize those comments and bring forward recommendations in a further report to be presented to Council in early 2021 (LLS-55-20).

Background:

In recent years, Short Term Rental (STR) accommodations have become popular among travellers as they provide a flexible, cost effective way to travel. STRs also provide income to property owners who do not wish to enter into long term lease agreements but wish only to rent out rooms or entire homes to guests on an intermittent or short term basis. There are many online platforms that advertise STRs including Airbnb, VRBO and HomeAway.

For the purposes of this Report as well as the Business Licencing By-law, STRs do not include Bed and Breakfasts which are defined as follows:

“Bed and Breakfast Establishment” shall mean a single unit detached dwelling in which breakfast is supplied to guests and in which no more than 3 guest suites within the principle dwelling are made available to the residents of the said dwelling for the temporary accommodation of travellers in the course of which no assistance is offered by any person not residing in the dwelling. A bed and breakfast

establishment does not include a hotel, motel, boarding or lodging house, group home dwelling or restaurant as defined herein.

The distinguishing feature between a Bed and Breakfast and an STR is that the owner of the Bed and Breakfast resides in the dwelling together with the guests and provides breakfast; whereas the owner of an STR does not.

Comments:

Due to the increasing popularity of STRs as well as complaints from residents, many municipalities have instituted regulatory requirements in an effort to ensure the safety of those utilizing an STR as well as to limit the potential nuisances and negative impacts upon neighbouring properties. There have not been a large number of complaints about STRs in the Municipality; however, in municipalities in which STRs are prevalent, complaints generally relate to the behaviour of the guests; safety of the neighbourhood considering the transiency of the guests; trespassing and the loss of the character of the neighbourhood. In order to address these potential concerns, Council may wish to consider the following options:

1. Do nothing. As indicated, Administration has not received many complaints about STRs; however, this does not mean that nuisances associated with STRs do not exist or should not be addressed. There will be a considerable amount of work required to be undertaken by Administration in connection with Options 2 and 3, so doing nothing would mean that administrative resources may be focused on other pressing issues.
2. Prohibit STRs altogether. The Municipality's Comprehensive Zoning By-law includes a definition of Bed and Breakfast Establishment, but does not include a definition of STR. In 2009, at the time the Zoning By-law, a STRs were relatively unknown and were not likely considered as a potential use of property. Prohibiting STRs would require an amendment to the Zoning By-law to specifically address the issue and mitigate any impediments to enforcement. This option may reduce conflicts between property uses and may increase the affordable rental housing stock, but may impact upon property owners who have counted on this revenue as income.
3. Regulate STRs. Regulating STRs may help reduce the potential nuisances associated with these types of businesses. If Council wishes to regulate STRs, Council may consider an amendment to the Zoning By-law to specifically address where and in what forms of residential dwellings STRs may be permitted. Council may also consider amendments to the Business Licencing By-law such as:
 - Adding a definition of STR to differentiate the use from that of a bed and breakfast establishment.

- Allowing STRs only in secondary units where the owner lives on site.
- Adding an Appendix substantially in the form attached to this Report which includes regulatory provisions for the protection of the public.
- Include in the regulatory provisions, a requirement that the owner of an STR ensure that every guest of an STR read, sign and adhere to a Code of Conduct.
- Include in the regulatory provisions, a provision limiting the number of guests per room or per dwelling.

There may also be an opportunity to licence STR platforms such as Airbnb, VRBO and HomeAway. Large to mid-size cities such as Toronto, Oakville and Vaughn licence platforms as well as providers.

As with any licensed business, failure to comply with requirements of the Business Licencing By-law may result in the revocation of the licence or a refusal to renew the licence.

Public comment on proposed prohibition or regulation of STRs may be desirable to obtain further input from Leamington residents and the industry in order to determine how to best proceed.

Financial Impact:

There is no financial impact associated with seeking public input as such would be obtained through the Municipality's website and advertised through social media.

Respectfully submitted,


Peter A. Neufeld, B.A., LL.B.
Chief Administrative Officer

Ruth Orton, LL.B.
Director of Legal and Legislative Services

Attachments: Draft Appendix

DRAFT APPENDIX STR

Application - Accompanying Documents

1. In addition to the requirements as set out in Sections 22 and 23 of this By-law, every Application for a Business Licence for an STR, or for a renewal thereof, shall be accompanied by:
 - a) proof of an inspection of the STR conducted by the Fire Chief dated within one (1) year of the Application for Licence or renewal thereof;
 - b) A sketch, which indicates the following:
 - i. units of measurement for each area;
 - ii. identification and number of the guest suites for the purposes of the SRT;
 - iii. number of separate showers, bathtubs (with or without showers), toilets and sinks in the STR.
 - c) a Fire Safety Plan; and
 - d) Certificate of Insurance.

Regulations

2. Every Person who has been issued a Business Licence for an STR shall:
 - a) establish and maintain parking spaces, the size of which shall be in accordance with the Comprehensive Zoning By-law; the location of which shall be in accordance with a sketch approved by the Municipality; and the number which shall be sufficient to accommodate one parking space per guest suite in addition to the main building requirements, if any, as set out in the Comprehensive Zoning By-law;
 - b) maintain and keep in force General Liability Insurance;
 - c) ensure the STR is maintained in a clean and hygienic manner;
 - d) ensure that a Schedule of rates for the STR is posted in each room to be rented, or in a conspicuous location within the STR as the case may be, and such Schedule shall also be available upon request to the public; and
 - e) not have any external display or advertisement other than an unlit sign attached to the building main wall, in accordance with the Comprehensive Zoning By-law.