



To: Mayor Cornell and Members of Council

From: Shawn Persaud, Director of Planning & Development
Planning & Development Department

Report Number: PD-030-21

Meeting Date: 06-30-2021

Subject: **Short Term Rentals and Zoning By-law Regulations**

Recommendation

It is recommended that Planning & Development Report PD-030-21 be received as information;

AND, that the Short Term Rental Task Force Terms of Reference also include potential Official Plan policies and zoning regulations as part of the overall Short Term Rental regulation framework.

Background/Analysis

At the June 9, 2021 Council Meeting, Motion #270/21 was approved and reads:

WHEREAS a Zoning By-law Amendment in relation to the regulation of short-term rentals was considered at the June 9, 2021 Committee of the Whole Meeting and deemed time sensitive in nature;

NOW THEREFORE BE IT RESOLVED THAT staff report back on a proposed Zoning By-law Amendment to regulate short term rentals, to include enforcement and LPAT implications for the June 30, 2021 Committee of the Whole Meeting;

Previous Council direction had staff review and report back to Council on the STR approach and key program components utilized by the following municipalities in implementing their short-term rental controls: Toronto, Huntsville, Lake of Bays, Whitestone, Niagara-on-the Lake, Ramara, and the Town of the Blue Mountains, among others. Therefore, the same municipalities were reviewed with a zoning regulation lens.

Township of Ramara

- Initial Interim Control By-law in February 4, 2019
- Formation of an ad hoc committee
- Land use study
- Short Term Rental By-law passed on January 27, 2020 (Licencing By-law).
- Applications processed -average 1 month (6 months for those with outstanding issues)
- Third party services utilized
- **Zoning regulations not utilized**

Township of Lake of Bays

- August 20, 2019 staff directed to investigate options for Short Term Rentals
- January 14 – March 20, 2020 Public consultation
- March 12, 2020 Presentation at County of Simcoe Workshop
- August 20, 2020 Staff Report and direction to continue research
- April 6, 2021 STR regulation and implementation options report presented to Council
- **Proposed Zoning regulations:**
 - Definition
 - Minimum 1 off-street parking space
 - STR only permitted in the main dwelling (i.e. not in a cabin or Bunkie)
 - Main dwelling containing the STR meet the minimum required setbacks

City of Toronto

- November, 2016 Research and consultation
- June 20, 2017 Report on proposed regulations
- August, 2017 Consultation on proposed regulations
- December, 2017 Council Decision to proceed and Zoning amendment
- November, 2019 LPAT Decision
- December, 2019 Licencing By-law implementation
- September 10, 2020 Registration system launched
- **Zoning regulations:**
 - Definition
 - Only permitted in a principal residence

Town of Huntsville

- 2019 Licencing By-law 2019-122 passed
- January 27, 2020 Zoning amendment By-law 2020-08
- 2020 Registration and licencing initiated and new position created June 2020
- October 2020 updated Licencing By-law 2020-91
- **Zoning regulations:**
 - Definition
 - Minimum 1 parking space per guest room
 - Limit use to certain zones

Municipality of Whitestone

- March 14, 2014 Licencing By-law implemented
- Zoning amendment necessary February 20, 2018 By-law #07-2018
- **Zoning regulations:**
 - Definition
 - Limit use to certain zones

Niagara-on-the Lake

- 2006 Licencing By-law implemented
- 2013 implemented new Licencing By-law #4634-13
- December 4, 2020 Staff report recommending amendments (Third party Service)
- December 21, 2020 Licencing By-law amendment #4634C-20
- **Zoning regulations:**
 - Definition
 - Not more than 3 bedrooms
 - Minimum of 2 parking spaces per STR

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- Minimum on-site amenity area
 - Must front onto a public road and be serviced with water and sewage approved by the Town
 - One STR per lot
 - Must be licensed

Town of the Blue Mountains

- 2005 STR project process started
- 2008 Interim Control By-law
- 2013 Short Term Rental By-law implemented
- 2019 By-law under review
- November 2020 Public Meeting on new By-law
- February 2021 Staff Report on draft new By-law
- **Zoning regulations:**
 - Definition
 - Limit use to certain zones
 - Minimum number of parking spaces per STR
 - Maximum number of occupants
 - Separation distance – no STR can be closer than 120 m to another one
 - Must front onto a public road and be serviced with water and sewage approved by the Town
 - One STR per lot
 - Must be licensed

In addition to the municipalities above, Prince Edward County and Town of Georgina were also noted by Council as ones to review with a STR zoning regulation lens.

Prince Edward County

- 2018 Official Plan Amendment and Zoning By-law Amendment approved
- 2019 Short Term Rental By-law implemented
- **Zoning regulations:**
 - Definition
 - Limit use to certain zones
 - limit the total number of STRs to a maximum density of 15% of existing dwelling units in a certain area
 - maximum density does not apply to STRs that are used as principal residence

Town of Georgina

- 2019 Official Plan Amendment and Zoning By-law Amendment approved
- 2020 Short Term Rental By-law implemented
- **Zoning regulations:**
 - Definition
 - Limit use to certain zones
 - Minimum number of parking spaces – 3 plus 1 for every additional guest room
 - Owner must live in the dwelling or apply for a variance to request designated offsite host
 - Minimum distance of 100 metres between STRs or apply for a variance to request to STR Committee
 - Maximum of 150 licenses at any given time

There are a number of key questions that the Township must consider before determining the most appropriate direction to regulate and license STRs:

1. At what point does the rental of a single detached dwelling or cottage change the residential use and character?
 - STRs have existed since the first cottages were built in Tiny, but were advertised by word of mouth, newspaper ads, etc.
 - The number of renters, the frequency of renting and the number of guests has the propensity to change the character of the property.
 - The 'party houses' or issues such as noise, garbage, parking, etc. may negatively impact the enjoyment of residential properties.
2. How does a municipality recognize all existing STRs (i.e. non-conforming)?
 - This is a challenge for all municipalities, however the onus is on the owner of the property to provide evidence to support historic use.
 - In considering non-conforming uses frequency of rental could be a challenging consideration.
3. How difficult is it to enforce zoning regulations?
 - Zoning By-law regulations that implement a short-term use can be difficult to enforce for the following reasons:
 - Obtaining evidence as to the extent of the use can be challenging.
 - Legal process is often lengthy.
 - Staff time dedication can be substantial.
 - Municipal costs related to enforcement can be substantial.
4. What are the zoning regulations that could be considered in regulating STRs in the Zoning By-law?
 - Definition: Establishes STRs as a separate unique use as being different from a single detached dwelling
 - Only permit STRs in specific zones, i.e. Shoreline Residential (SR), thus not permitting them in permanent housing zones like Hamlet Residential One (HR1), Country Residential (CR), Rural Residential (RR), Rural (RU), Agricultural (A), etc.
 - Only permit STRs to operate a specific number of days per year, thus not allowing a dwelling to be used for year-round rental
 - Maximum number of STR's in the Township
 - Maximum number of STR's in an area
 - Minimum separation distance between STR's
 - Maximum size of an STR
 - Minimum number of parking spaces
 - Maximum number of occupants

An Official Plan Amendment and Zoning By-law Amendment to regulate STRs can be appealed to the Ontario Land Tribunal (OLT). The length of the hearing would be dependent on a number of factors including complexity of the appeal, number of parties and participants.

Council Motion #269/21 in part states:

NOW THEREFORE BE IT RESOLVED THAT staff proceed with the drafting of a Terms of Reference and the selection process for a Task Force for consideration at the June 30, 2021 Committee of the Whole Meeting;

It is recommended that planning staff be directed to work with the Task Force to determine if Official Plan policies and Zoning regulations should form part of the Township approach to regulating STRs.

Options/Alternatives

1. Proceed as recommended in this Report; or
2. Take other action as directed by Council.

Financial Implications

There are no financial implications associated with this Report.

Relationship to Strategic Plan

- Deliver Exceptional Municipal Services
- Build Economic Prosperity & Opportunity
- Promote Environmental Responsibility & Stewardship

Conclusion

It is recommended that Planning & Development Report PD-030-21 be received as information.

Prepared and Submitted By:



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