



To: Mayor Evans and Members of Council

From: Steve Harvey, Chief Municipal Law Enforcement Officer
By-law Department

Dave Flewelling, Director of Emergency Services/Fire Chief
Fire & Emergency Services Department

Joceline Roi-Pattison, Chief Building Official
Planning & Development Department

Report Number: MLE-010-23

Meeting Date: 11 Oct 2023

Subject: **Short-Term Rental Licensing Update**
Our File No:

Recommendation

THAT Municipal Law Enforcement Report MLE-010-23 regarding Short-Term Rental Licensing Update be received as information;

Background/Analysis

The focus of this staff report is to provide Council with an update on the STR Licensing progress and system thus far from the departments contributing to this project, experiences, lessons learned and the 2024 renewal process for those that have received fully Approved Licences (Green symbol on STR Map).

Future Staff Reports will focus on the implementation of an Administrative Monetary Penalty System (AMPS) system, nuisance complaints policy, statistical complaints received, court/compliance actions undertaken and recommendations for any possible by-law amendments, costs and/or fee increases.

At the August 11, 2022 Special Council meeting Council received Municipal Law Enforcement Report MLE-013-22 (Appendix 1) regarding the Draft Short-Term Rental Licensing By-law, Staffing implications and implementation plan. At that meeting Council Approved Resolution directing staff to proceed as outlined in the report (Appendix 2). Additionally, at that meeting, Council passed Short-Term Rental Accommodation Licensing By-law #22-017.

It has been just over one year since the By-law was signed and staff direction to proceed with the new program. Very significant progress has been made since August 11, 2022 and each day staff are very optimistic about where this project will be and the progress made in another year from now.

Some of the key highlights and milestones are as follows:

- August 11, 2022, Implementation Plan approved and By-law 22-017 passed;
- August 23, 2022, Press Release - Short-Term Rental Program/By-law #22-017;
- September 23 - November 14, 2022, Staffing Advertisements;
- October 4, 2022, Application goes live and By-law goes into effect;

- October 4, 2022, 12:15 am 1st Application received and successful launch of Application Process;
- November 15, 2022, 219 STR Applications received (under the 300 Licence Limit);
- November 15, 2022, Granicus Complaints system went live;
- November 15, 2022, Map went Live and Press Release issued;
- December 5, 2022, Fire Prevention Inspector position start date;
- January 9, 2023, Junior Building Official position start date;
- February 6, 2023, 1st Application Approval and Licence issuance;
- February 21, 2023, Licensing Officer position start date;
- April 3rd, 2023, STR Enforcement staff started;
- Ongoing daily progress.

Staffing Implications:

The August 11, 2022 Municipal Law Enforcement Report MLE-013-22 identified the following Sections and this report will follow up in the same manner:

- Software Solution,
- Building Official,
- Fire Inspector,
- Licensing Officer,
- By-law Enforcement,
- Appeals Committee,
- Prosecution, Legal, Contingency.

Software Solution (Granicus Host Compliance):

As identified in the previous report, a specialized software solution was necessary to successfully implement this project. Along the way all project milestones were achieved and the software provider has continually worked with the Township and staff to make adjustments and enhancements as necessary. As we continue to move forward the software provider and staff continue to make adjustments for the upcoming renewal process to complete the entire licensing process.

Planning and Development Department Implications:

The Building Official job posting for Short Term Rentals closing on September 30, 2022, did not result in a good pool of applicants, given the market and lack of Building Officials available in the industry, the job description was re-worked as a Junior Building Official and re-evaluated from a salary standpoint. The new Junior Building Official job posting closed on November 14, 2022, resulted in 4 applicants to be interviewed. Jonathan Filice was the chosen applicant who started on January 9, 2023.

The Junior Building Official position is responsible for the review of zoning compliance (parking, zoning of property), building department and sewage department review. Given that Tatham Engineering has its own record keeping documents, this created a compliance barrier, the Junior Building Official could not be given direct access to these records to verify compliance with the re-inspection program. Only some sewage use permits are scanned which means a lot of correspondence between the Junior Building Official and Tatham Engineering.

Once the review of Short Term Rental Applications started, we noticed that determining compliance with egress windows and bedrooms window requirements would not be possible if window location, sizes and styles were not shown on the floor plan. It was also noticed that the type of smoke/co alarms were not listed (ex. Hardwired and interconnected with strobe). The window location and

detail along with life safety alarm requirements were not relayed to applicants through the licencing program which resulted in all floor plans requiring additional information.

Many issues were encountered throughout the review process including but not limited to: incomplete site plans and floor plans, many building were built without required building permits such as 22 decks and accessory buildings, and illegal secondary living spaces had been added to single family dwellings. In total so far 178 additional illegal bedrooms and numerous bathrooms were added without a building permit and/or sewage capacity. This number is likely to increase over the remaining applications have been finalized. Open building permits including lack of "permission to occupy" permit granted, open building code orders, none compliant with the sewage system re-inspection program were also found. Problems were also encountered when trying to contact applicants, many did not respond to the e-mail and/or phone call for more information or clarification, many were difficult to deal with and some had to be forwarded to the Chief Municipal By-Law Enforcement Officer or Chief Building Official. Older properties are also subject to a life safety inspection as there are no records or permits on these properties, many did not cooperate in scheduling these inspections, claiming they could not accommodate it until after the 2023 rental season.

The regular permitting process and inspections also caused delays as short-term rental. As-built permits had to go through the regular process of approval and inspection which can take over a month even when the application has all the required information. The process of reviewing applications and completing life safety inspection on applicable properties has taken up 100% of the Junior Building Official positions time in addition to overtime and assistance from other Building Officials. It is estimated that 80% of all applications received were problematic in at least one way.

Emergency Service Implications:

The Short-Term Rental Fire Inspector job posting closed on September 23, 2022, and resulted in a great pool of applicants. A panel interviewed several qualified applicants. Carter Forget was selected and he accepted the position and began his employment on December 5, 2022.

The Fire Inspector position is responsible for the review of all STR applications from a fire safety perspective and to conduct an on-site inspection. There is a great deal of collaboration and correspondence between the Fire Inspector and the Junior Building Official when reviewing each of the applications and conducting inspections.

Following some initial training the STR Fire Inspector began reviewing applications from a fire safety perspective making notes of comments to be provide to the applicant once other departments had conducted their respective application reviews so that all comments could be consolidated and addressed with the applicant at one time.

The issues encountered by Planning and Building throughout the review process hampered our ability to move forward with the on-site inspection process as these issues needed to be rectified prior to conducting the on-site inspection. During this time the Fire Inspector began working collaboratively with the Junior Building Official conducting follow up emails and calls on their behalf. The Fire Inspector provided applicants with deadlines to correct and submit application revisions to move the process forward.

In early 2023 the on-site fire inspections of STR applications began. We have had to conduct **134** follow-ups to ensure compliance, meaning there was some sort of deficiency during our initial inspection. Deficiencies encountered thus far range from missing, expired, not functional, or miss located smoke and or carbon monoxide alarms, fire extinguishers missing, not mounted or of the wrong size and type, damaged dryer vents, propane stored indoors, accumulation of combustible

materials in service rooms. All deficiencies that we have found have since been rectified. Of the inspections completed thus far we have encountered 141 properties that had not been keeping logs for the testing and inspection of smoke and carbon monoxide alarms and or fire extinguishers. These properties were provided sample logs and educated on how and when to complete these mandatory logs.

As we begin to anticipate the renewal process and the annual inspection requirements, we are putting plans in place to determine a schedule that meets the needs of licensees and our scheduling capabilities. As we found out at the beginning of this year some of the STR owners are not available during some of the winter months as their properties are seasonal and not rented during the winter months, owners were not here so making appointments to inspect was challenging.

By-law Department Implication - Licensing Officer:

The initial Licensing Officer Job Posting was posted with a closing date of September 30, 2022 and did not produce a good pool of applicants with the skills desired for this new role. The job description was re-worked and re-evaluated from a salary stand point.

The new Job Posting was posted with a closing date of January 9, 2023. Following a review of the resumes and interviews taking place, Cayla Nelson was the selected candidate for the position and commenced work on February 21, 2023. Immediately upon her hire staff went through in-depth training and meetings to set her up for success which has proven to be very beneficial. Mrs. Nelson has quickly adapted to this position and has been an integral part of the project's success thus far.

The Licensing Officer position carries out the following tasks: answer phones, emails, general inquiries, public education, assist with licensing process and applicants, monitor Granicus program and coordinate next steps, provide reporting and analysis of activities, issue licenses and tracks Demerit Points. In general, the main point of contact for all Short-Term Rental licensing activities.

The Licensing Officers part of the process includes reviewing the following:

- Application details (name, address, email, phone numbers, etc);
- Attestation Form;
- Residential/Commercial Owner Affidavit;
- Proof of Ownership documentation;
- Certificate of Insurance;
- Licensee Code of Conduct and Acknowledgment Form;
- Electrical Inspection documentation;
- HVAC Inspection documentation;
- Wood Energy Technical Transfer Report (WETT);
- Chimney Sweep Inspection Report;
- Property Taxes.

Through the Licensing Officer review process the applications were scrutinized and identified a number of missing pieces of information. The Licensing Officer worked with applicants to fill in the gaps and below are four of the examples:

1. Electrical Inspection Report (every 5 years):

The by-law requires applicants to submit an electrical general inspection report completed by a licenced Electrician and dated less than 5 years old. As a result of the initial inspection, issues may have been identified and corrected prior to the Township receiving the inspection report indicating all is in good working order and safe. However, in at least 22 situations corrections were necessary such

as: exposed live wires, GFI's, bonding/ grounding, new covers and boxes, corrosion in the main panel, etc. Repair costs range between \$225 - \$2,629 (total of \$7,777) that we are aware of.

2. HVAC Inspection Report (annual):

The by-law requires applicants to submit an HVAC Inspection Report on an annual basis. This is consistent with typical manufacturer instructions that the device(s) be inspected annually. Same as above, issues may have been identified and corrected prior to the report issuance. However, in at least 17 situations corrections were necessary such as: thermostat replacement, replacement of cracked venter motor, new shut off and replacement burner for fireplaces, etc. Repair costs range between \$130 - \$4,878 (total of \$11,573) that we are aware of.

3. WETT Inspection Report (every 5 years):

Same as above, issues may have been identified and corrected prior to the report issuance. However, in at least 13 situations corrections were necessary such as: additional fasteners, and removal of combustible material/trim to close, and in 6 situations the device was decommissioned.

4. Certificate of Insurance (annually):

In 189 situations changes or corrections were necessary to address items such as: policies without correct names, policies with wrong addresses, coverage of \$2 Million, policy not specify STR coverage, etc.

Since the October 4, 2022 launch of the Application process going live, the Township has received 294 Applications for review and processing. The Township has not yet reached the 300 Licence limit established by Section 3.5 of the STR By-law. Therefore, it was necessary to implement a Waitlist process to determine the priority in which new applications will be received and processed. There is an annual fee of \$150 to secure the position on the waitlist until a Licence becomes available. The fee is currently waived until the Township reaches the 300 Licence limit.

The Licensing Officer continues to proactively educate individuals to ensure the by-law requirements are met including advertisement requirements such as displaying the Licence Number, advertising a greater number of renters than permitted, and advertising less than 6 consecutive days between April 15 - October 15.

The Licensing Officer will be gearing up for the renewal process commencing on November 1st as mentioned further in this report.

By-law Department Implication - By-law Enforcement:

As identified in the August 11, 2022 Municipal Law Enforcement Report, staff anticipated increased enforcement of the new by-law rules, increased enforcement coverage, increased time in investigations, and respond to public concerns with sufficient enforcement. This was based on our typical complaint activities and Staff are recommending 2 seasonal staff be hired (1 Shift Supervisor and 1 Officer) to provide coverage and response to these complaints during the summer months.

However, upon the launch of the complaints system concerned citizens immediately initiated complaints which permanent staff responded to as the summer enforcement officers had not commenced work. These additional complaints caused other areas of departmental activities to take longer as permanent staff absorbed this extra workload.

Given the significant profile of the project and the complexity of the investigations, the permanent Municipal Law Enforcement Officers dedicated significant time to this project, investigations and charges.

Future Staff Reports will focus on the implementation of an Administrative Monetary Penalty System (AMPS) system, nuisance complaints policy and additional staffing to better respond to STR-related complaints in the future.

Appeal Committee (Section 10):

As part of the By-law implementation, a new Committee was to be appointed by Council to hear the Appeals of the Licensing By-law. As our primary focus was on getting the staff into position and the program up and running this Committee was delayed as there was no need for their services at the onset of the project. At a future meeting in 2023, a Terms of Reference would be presented to Council for consideration and direction to proceed with the necessary advertisement for applicants.

Prosecution, Legal and Contingency:

Staff anticipated a need for these services and contingency costs. As reported in Municipal Law Enforcement Reports, a number of charges have been issued and more charges are pending in the court system. As mentioned previously, the implementation of an AMPS system is anticipated in 2024 which will reduce court prosecutions.

TOTAL IMPLEMENTATION AND STAFFING COSTS:

At the August 11, 2022 Council Meeting, the Licence Fee was set at \$1,500/year with 294 Applications received so far generating a Revenue of \$441,000. From an Expense perspective, it would appear that the staff estimated costs appear to be as anticipated and on track to be breakeven. However, more time is needed to review actual revenue and expenses to ensure assumptions are correct.

Licensing Fees:

As mentioned above, the Licence Fee, Revenue and Expenses will be reviewed in greater detail through a future report to better determine if the fee(s) need to be adjusted for the 2025 Licence renewal.

Implementation Plan and Timelines:

As discussed at the May 11th, 2022 special meeting and further approved at the August 11, 2022 Special Council meeting, existing properties operating before the by-law passage as a Short-Term Rental could to Apply for a License. All property owners applying for a license will be allowed to continue operations with the expectation that they will follow the Township By-laws and diligently complete the application/inspection process and obtain a License.

A number of STR Applicants did follow this process and obtained a Licence and Green symbol on the map as promptly as possible. However, a number of applicants have not promptly supplied information and are the subject of additional actions. In some situations, it would appear they were taking advantage of the above-expected cooperation and delaying steps but in some situations, there were delays because of building department records, inspections, approvals regarding Open Building Permits or lack of building permits for new bedrooms or decks, all requiring additional follow up.

As we continue to move forward into 2024 and future years, STR applicants will only be permitted to operate once all associated paperwork, approvals and Licence has been issued. This will mean that existing Applicants who still have a Yellow symbol and have not completed all approvals will be

prohibited from operating for 2024, will be charged if they do so and will now need to apply to be on the waitlist and when an opportunity becomes available they will be in line with other interested applicants.

2024 Licence Renewal Process:

Section 5. establishes the TERM OF LICENCE and further that Subsection 5.1 states:

A Licence that has been issued pursuant to this By-law shall expire upon the earliest of the follow events: a) December 31st of the year issued;

The renewal process has been designed to be much easier as a number of documents can be reused and resubmitted for the renewal process. Those with Approved Licences (Green Symbol) will need to confirm and resubmit a number of the same Approved documents (NC- means no charge):

- Submit applicant details such as name(s), phone number, email, etc, NC;
- Submit a new Attestation Form NC;
- Submit a new Residential/Commercial Owner Affidavit, \$15 at the Township Office;
- Submit a current Insurance Policy or Certificate of Insurance, NC;
- Submit a new Code of Conduct & Acknowledgment Form, NC;
- Submit the Guest Register (Smoke & CO Alarm test log), NC;
- Submit the Monthly Fire Extinguisher Inspection Report, NC;
- Resubmit the Electrical 5-year Inspection report, NC;
- Resubmit the WETT 5-year Inspection report, NC;
- Resubmit the Annual Chimney sweep (if dated less than a year), NC;
- Resubmit the Annual HVAC report (if dated less than a year), NC;
- Resubmit a copy of their proof of ownership (tax bill or deed), NC;
- Resubmit a copy of their Approved Site Plan NC;
- Resubmit a copy of their Approved Floor Plan NC;
- Pay the Annual Licence Fee currently set at \$1,500.

Those properties with Yellow Symbols are encouraged to complete the remaining approvals to receive an Approved Licence (Green Symbol) and take advantage of the renewal process outline above. Alternatively, they will need to apply to be on the Waitlist and complete the full process from the beginning as a new applicant and not be permitted to advertise or operate until receiving an Approved Licence (Green Symbol).

Options/Alternatives

None associated with this update.

Financial Implications

None associated with this update.

Conclusion

Staff continues with the implementation of the Short-Term Rental Accommodation By-law #22-017, as amended, and will be providing future reports on this subject as we continue to progress.

Appendices

[Appendix 1 - Municipal Law Enforcement Report MLE-013-22 dated August 11, 2022](#)

[Appendix 2 - Resolution to proceed with STR Program dated August 11, 2022](#)

Haley Leblond, Director of
Corporate Services/Deputy CAO
Robert Lamb, Chief Administrative
Officer

Approved - 28 Sep 2023

Approved - 29 Sep 2023



To: Mayor Cornell and Members of Council

From: Steve Harvey, Chief Municipal Law Enforcement Officer
By-law Department

Shawn Persaud, Director of Planning and Development
Planning & Development Department

Dave Flewelling, Director of Emergency Services/Fire Chief
Fire & Emergency Services Department

Report Number: MLE-013-22

Meeting Date: 11 Aug 2022

Subject: **Draft Short-Term Rental Licensing By-law, staffing implications and implementation plan**
Our File No:

Recommendation

THAT Municipal Law Enforcement Report MLE-013-22 regarding the Draft Short-Term Rental Licensing By-law, staffing implications and implementation plan be received;

AND THAT staff be directed to proceed as outlined in the report and as follows:

- to proceed with the Application for Short Form Wording and Set Fines as outlined in the report;
- to report back on a Terms of Reference for the Appeal Committee;
- to proceed with the hiring of a Building Official;
- to proceed with the hiring of a Fire Inspector;
- to proceed with the hiring of a Licensing Officer;
- to proceed with the hiring of a By-law Enforcement;
- to proceed with the Implementation Plan and Timelines section outlined in the report.

AND THAT By-law #22-017, be considered at the August 11, 2022 Special Meeting of Council for formal approval and passage.

AND THAT By-law #22-064, be considered at the August 11, 2022 Special Meeting of Council for formal approval and passage.

Background/Analysis

At the May 11th, 2022 Special Committee of the Whole meeting Council received various Deputations, public feedback, Presentations regarding the Short-Term Rental Accommodation Task Force, draft by-laws for Short-Term Rental Accommodation Licensing By-law, Zoning By-law and Official Plan amendments. Subsequently, Council Approved various Recommendations and the Resolution attached (Appendix 1) including:

THAT staff be directed to proceed as follows:

1. Prepare a report on the implementation of a short-term rental accommodation licensing program including additional staff costs for consideration at the June 8, 2022 Committee of the Whole Meeting.
2. Enter into an agreement with Granicus as part of the implementation program.
3. Revise proposed By-law 22-017, a By-law to License, Regulate and Govern Short-Term Rental Accommodations, for further consideration as follows:
 - a. set the maximum number of licenses issued at 300 [s. 3.5 of By-law]
 - b. set the occupancy capacity at ten people per short-term rental accommodation or less as sewage system permits
4. Obtain a legal opinion on the implementation of a blackout

The focus of this staff report is to provide a recommended implementation plan for the Short-Term Rental Accommodation licensing program including additional staff costs for Council consideration. Following the May 11th, 2022 special meeting, staff signed the Granicus Agreement and have been actively working on the necessary steps to get the system up and running as soon as possible as requested. Through that process, there were some unanticipated delays that required additional legal review and resolution to move forward. A workaround solution has been implemented to resolve the challenge and the Granicus timetable was adjusted to establish a successful launch date as further outlined in the report.

Short-Term Rental Licensing By-law changes since May 11, 2022:

Attached as Appendix 2 is the updated Short-Term Rental Accommodation Licensing By-law 22-017 based on the directions provided at the May 11th, 2022 special meeting and further legal review by Sarah Hahn, Barriston Law to ensure Definitions, terms, capitalization was consistent and correct. Additionally, language was removed requiring a Licensee to be 18 years of age or older as this is already a requirement to own property in Ontario.

Section 3.5 - As discussed and approved by Council at the May 11th, 2022 special meeting, Sarah Hahn has removed the highlighting from Section 3.5 to set the maximum number of licenses issued at 300.

Section 4.3 f) - As Council will recall, one of the key provisions requiring Council Direction outlined in MLE-006-22, Page 2, (Appendix 3) *maximum rental of a premise for 92 days per year*. At the May 11th special meeting significant discussion took place and the concept of a Blackout period was proposed. Staff was directed to obtain a Legal Opinion on this matter. At the June 8th, 2022 Committee of the Whole meeting, Council received a Legal Opinion from Sarah Hahn, Barriston Law, dated May 27th, 2022 (Appendix 4). Council briefly discussed the subject and decided that a full discussion on this specific item should take place at the next special meeting as part of the full Licensing By-law review.

Council has the following options regarding the number of days per year:

1. Remain at the 92 days per year as currently proposed in the draft by-law Section 4.3 f); or
2. Set another number of maximum days per year that Council deems appropriate: or
3. Set another number of maximum days per year, including a Blackout period (Section 4.3 g) as deemed appropriate.

Section 4.9 - Additionally, a new section was created to set the occupancy capacity at ten (10) people per Short-Term Rental Accommodation as indicated in Section 4.9

Section 5.4 - Sarah Hahn has added a new provision that states: A License may only be issued to the Owner of the Premises.

Section 6.1 (c) - Sarah Hahn has changed the provision that now states: Every application for a new License, or the renewal of an existing License, shall include a statutory declaration signed by each and every Owner stating that the Premises is used primarily for residential purposes and that each and every Owner understands their responsibilities as a Licensee;

Section 6.1 d) - Sarah Hahn has changed the provision that now states: Every application for a new License, or the renewal of an existing License, shall include, in the case where the owner is a corporation, an article of incorporation or other incorporating document, and a list of the names and addresses of all shareholders and officers of the corporation.

Section 6.6 - During our implementation discussions with Granicus it was also recommended a new section be created to deal with advertisements etc. Sarah Hahn has created a new section which states: A Licensee must ensure that any listing, advertisement, etc. of the Premises includes the corresponding License number issued by the Township.

Section 14 - Penalty Section:

No changes were made but following the passage of By-law 22-017, the By-law Department would apply for Short Form Wording and Set Fines for \$300 Part I Ticket for violation of any provision of the by-law. Additionally, staff would recommend applying for a Set Fine of \$1,000 for violations of Section 4.1 requiring a person to obtain a License to operate a Short-Term Rental Accommodation. This is the maximum amount that can be approved by the Court for Part I tickets/offences, each day, and would be a significant deterrent to those considering operating without a license.

Section 17.1 - Short-Term Rental Accommodation Licensing By-law 22-017 passage:

In anticipation of the Licensing By-law 22-017 being passed at the August 11, 2022 Special Meeting of Council, Section 17.1 has been updated so that the By-law will come into force and effect on October 4th, 2022. This is so that staff has time to implement the Council approved directions, the Granicus system to be finalized and the go-live date for Applications to be received.

Options for passing the Licensing By-Law:

1. Pass the draft Short-Term Rental Accommodation Licensing By-law 22-017 as proposed in this report (Appendix 2) at the August 11th, 2022 Special Council Meeting; or
2. Make modifications to the draft Short-Term Rental Accommodation Licensing By-law 22-017 as deemed appropriate and pass the amended By-law at the August 11th, 2022 Council Meeting; or
3. Direct staff to further research a matter and report back at a future meeting.

Staffing implications and costs:

There are a number of staffing implications and costs associated with a project of this size and scope. The following section breaks them down by:

- Software Solution,
- Building Official,
- Fire Inspector,
- Licensing Officer,
- By-law Enforcement,
- Appeals Committee,
- Prosecution, Legal, Contingency.

Software Solution (Granicus) \$45,000:

As previously discussed at the May 11th special meeting a software solution is necessary to successfully implement this project. As approved by Council, the necessary Agreement was signed and Granicus continues to build the necessary registration fields etc to align with our draft licensing by-law and requirements. As outlined in the May 11th, 2022 Agenda the cost for this system is \$39,824 (incl. tax \$45,000).

Planning and Development Department Implications and Costs \$55,500:

The draft Short-Term Rental Licensing By-law includes regulations for confirming compliance with the Ontario Building Code (OBC) and violations related to non-compliance.

The list of tasks required to enforce and confirm OBC compliance is provided below. It is understood that the Township would not issue a license for a short-term rental accommodation without these items being approved.

- Confirm that there are no outstanding OBC Orders or complaints.
- Confirm that there are no outstanding inspections on open permits.
- Confirm that the proposed number of bedrooms matches the sewage system records on file.

If there are 300 or more applications, staff are estimating 1/4 or more could have compliance issues. In order to review, diagnose and resolve an OBC issue, there is typically a lot of additional correspondence and discussion with the owner/applicant including a site inspection, plus possible remedial action. Considering the current workload in the Building Department and Tatham Engineering, there is no capacity to add this amount of additional work to the existing employee compliment.

The qualifications needed for the person who is reviewing the Short-Term Rental applications for OBC compliance is an entry level Building Official dedicated to this project to do both the administration, site inspections and follow up. Staff believe that a two year contract Building Official for this project would get the Township through the initial intake of applications, processing and follow up. Once the initial application has gone through the review process and a license has been issued, renewals will not be staff time intensive. For this reason, it is being proposed that a two year contract would be needed for this project, following which the maintenance and renewal portion of the workload would be absorbed by the current staffing level including Building Department students.

The cost for a Building Official is estimated at \$74,050 which includes the base salary and 22% employment benefits.

The position would be funded by both the STR revenue and partially through the Building reserve. The thought is that although the driver of this workload is the STR program, some of the remedial work would fall within the Building Department mandate. If the split of the cost of the position was 75/25, that would amount to an approximately \$55,500 annual cost for the first two years under the STR program that would be funded by the STR application fees. The other \$18,500 would come out of the Building reserves and also funded through the cost of additional inspections.

This new contract position would cover both the Building and Sewage side of the OBC as these elements of the review can be combined.

Emergency Services Implications and Costs \$102,090:

The draft Short-Term Rental Accommodation Licensing By-law includes regulations confirming compliance with the Ontario Fire Code (OFC) and violations related to non-compliance.

The list of tasks required to implement, enforce, and confirm compliance with the OFC and the Short-Term Rental Licensing By-law is provided below for both an initial licensing application and renewal application.

Initial Licensing Application:

- Creation of a property inspection file.
- Creation/modification of a property inspection file within our fire department software program.
- Licensing application review (our areas of responsibility).
- Site inspection (booking, travel time, inspection, data entry/filing, fire extinguisher annual inspection/servicing records, education regarding smoke/CO alarm requirements and test/inspection logs).
- Updating Granicus

Renewal License Application:

- Renewal licensing paperwork review (more time consuming than initial licensing due to co-referencing smoke/CO test/inspection records to tenant log).
- Site inspection.
- Inspection logged into fire department software and filing to property inspection file.
- Updating Granicus.

Any deficiencies or circumstances that require a re-inspection of the property will consume more staff time and will be charged at the rate specified as per the Township Fee Schedule By-law.

It is anticipated that this licensing process could potentially have 300 or more applications that would equate to approximately a 150% increase in the number of fire inspections (if only 300). If there are 300 or more applications, staff are estimating 25% or more could have compliance issues. Considering the current workload in the Emergency Services Department there is no capacity to add this amount of additional work to the current staff complement.

The minimum qualifications required for the person who will be conducting the fire inspections for OFC compliance will be NFPA 1031 Fire Inspector I. This newly created position would be a Fire Inspector and would be dedicated to this project to do both the administration, site inspections, filing and follow up. This position would be funded by the Short-Term Rental licensing revenue. Staff would suggest that initially this position be a two-year contract and during this two-year period a further review would be conducted to validate this position becoming permanent.

The cost for a Fire Inspector is estimated at \$92,590 which includes the base salary and 22% employment benefits.

Additional estimated annual costs per year for the Fire Inspector would be \$9,500. These costs would include the following:

	Annual Costs
Vehicle (50,000 Total)	\$ 5,000 *Funded by Reserves
Vehicle Maintenance	\$ 2,000
Computer & Software (\$5000 Total)	\$ 500 *Funded by Reserves

Office Space & Misc.	\$ 2,000
Total	\$ 9,500

It should be noted that the cost for the purchase of a vehicle will be taken from the Fire Capital Reserve with a payback from the Short-Term Rental revenues annually over 10 years to replenish these funds.

By-law Department Implications and Costs - Licensing Officer \$79,190:

The Short-Term Rental Accommodation Licensing By-law has a number of provisions to be carried out by the Licensing Officer. This position is necessary to carry out the following tasks: answer phones, emails, general inquiries, public education, assist with licensing process and applicants, monitor Granicus program and coordinate next steps, provide reporting and analysis of activities, issue licenses, track demerit points, and coordinate Appeals. In general, the main point of contact for all Short-Term Rental licensing activities.

For this reason, it is proposed that a new permanent position be established for this purpose. The cost for a Licensing Officer is estimated at \$78,690 which includes the base salary and 22% employment benefits. Additional costs for the position include \$5,000 for a computer and software, which will be paid for by reserves with an annual payment back to reserves over 10 years at a cost of \$500/year.

By-law Department Implications and Costs - Part-time By-Law Officer(s) \$73,720:

The Short-Term Rental Accommodation Licensing By-law and other municipal by-laws have a number of provisions that staff anticipates increased enforcement of the new by-law rules, increased enforcement coverage, increased time in investigations and address public concerns with sufficient enforcement. Based on our typical complaint activities and the 92 Maximum days per year provision staff anticipates the majority of these complaints will be during the months of April to October (28 Weeks). Staff are recommending 2 seasonal staff be hired (1 Shift Supervisor and 1 Officer) to provide coverage and response to these complaints. During the summer months, additional staffing would be scheduled for evenings to respond to related complaints.

The cost for a By-law Officers (28 Weeks) is estimated at \$57,120 which includes the base salary and 12% employment benefits.

Additional estimated annual costs per year for the By-law Officers would be \$16,600. These costs would include the following:

Item	Annual Cost
Computer, Software, Misc. (\$5,000 Total)	\$500 * Funded by Reserves
Rental vehicle (\$1,300/month)(7 months)	\$9,100
Fuel (\$1,000/month)(7 months)	\$7,000
TOTAL	16,600

Appeal Committee (Section 10) \$5,000:

As part of the By-law implementation, a new Committee must be appointed by Council to hear Appeals of the licensing by-law. Staff have reviewed our existing committee structure and do not recommend these Appeals be assigned to any current committees due to the unique nature and existing committee workloads. Staff is proposing the creation of a new STR Appeal Committee to be made up of 3 members with one representation from Council, STR operator and STR neighbour (similar to the STR Task Force). Staff is seeking Council discussion and direction on the membership of the Committee.

Staff is anticipating this committee would meet on a monthly basis, as needed, and propose a modest budget of \$5,000 to cover the cost of Training and Remuneration similar to the Property Standards/Fence Viewers Committee which also deals with Appeals. Additionally, staff would recommend a \$500 Fee be established to be paid by the Appellant for this service.

At a future meeting in 2023, a Terms of Reference would be presented to Council for consideration and direction to proceed with the necessary advertisement for applicants.

Prosecution, Legal and Contingency \$20,000:

Staff anticipates a need for these services or contingency costs over the next year. Staff is recommending a budget of \$20,000 to cover these costs associated with the Short-Term Rental project and implementation.

TOTAL IMPLEMENTATION AND STAFFING COSTS - \$380,500:

Based on the above staff recommendations, annual expenses are anticipated to be \$380,500 until the end of 2023. Staff also recommend that these costs should be covered by the Licensing Fee and not be funded by reserves or funded by the general tax revenues. Reserve Funds would be used for the one-time purchase of items such as computers, software and vehicle with an annual pay back into the reserves over a 10 year period to replenish the reserves. Staff estimates the total funds to be utilized from reserves at \$65,000 which is an annual repayment back into reserves of \$6,500.

Licensing Fees:

Staff have reviewed the typical fees charged by several area municipalities including Hunstville, Ramara, Georgina and the Town of the Blue mountains. Through this review staff determined that there is no common fee structure as each municipality has tailored its fees to suit its respective municipality and its specific Short-term Rental Licensing By-law provisions. However, annual license fees range between \$500 to \$1,430.

In order for staff to make recommendations on a potential Licensing Fee a number of factors were considered such as: the implementation costs identified above, Granicus identified 399 Short-Term Rentals currently operating, previous discussions with Granicus regarding the typical rates and fees charged, and the municipalities mentioned above. Staff does not know how many actual operators there are currently other than the quantity of 399 reported by Granicus. Council has also set a maximum limit of 300 licenses per year. There are significant variables and a number of assumptions for Council to consider. The below table provides a fee range for discussion based on anticipated expenses and a potential number of licenses in the first year. This fee is anticipated to recover the costs associated with this project and its implementation. Staff is seeking Council direction on the proposed fee.

Estimated Total Annual Licensing Program Expenses	Number of potential licenses	Breakeven Annual Licensing fee amount
\$380,500	399	\$954
\$380,500	300	\$1,268

Following Council discussion on this subject, the Township Fee Schedule By-law requires amendment. Therefore attached is the necessary Amendment By-law 22-064 (Appendix 5). This by-law is intended to be passed at the August 11th, 2022 Special Council meeting, along with the Licensing By-law, so that staff is able to proceed with the project timelines.

Implementation Plan and Timelines:

As briefly discussed at the May 11th, 2022 special meeting, staff recommends that once Granicus goes live with its system, applications can begin to be processed a 6 week date range be established or a "window" for those existing properties currently operating a Short-Term Rental to Apply for License. All property owners applying for a license will be allowed to continue operations with the expectation that they will follow the Township By-laws and diligently complete the application/inspection process and obtain a License.

Once the "Window" is closed on November 16th, 2022 no new Applications will be received until the existing number of operators reaches the 300 maximum limit as set out in Section 3.5. Any person that has not applied for a license or is operating without a license after November 16th, 2022 will be investigated and charged pursuant to Section 4.1.

Staff anticipates the following timeline based on the details provide above within this report:

- August 11, 2022 - MLE-013-22 Report received and direction provided. Short-Term Rental By-law 22-017 passed by Council at Special Council Meeting;
- August 12-19, 2022 - Press Release issued that the Township of Tiny has passed a Short-Term Rental Accommodation By-law and next steps;
- August 12+, 2022 - Staffing Advertisement(s);
- October 4, 2022 - Short-Term Rental Accommodation Licensing By-law goes into effect;
- October 4, 2022 to November 15, 2022 - Granicus system goes live and Applications to be received;
- November 16, 2022 - No new Applications to be received and those operating after this date will be illegal as per Section 4.1
- October 5, 2022+ - Applications begin to be processed.
- January 2023 - Committee of the Whole meeting - Staff Report on Appeal Committee Terms of Reference and membership Advertisement;

Reviewed By Other Departments

n/a

Options/Alternatives

Option #1

THAT Municipal Law Enforcement Report MLE-013-22 regarding the Draft Short-Term Rental Licensing By-law, staffing implications and implementation plan be received;

AND THAT staff be directed to proceed as outlined in the report and as follows:

- to proceed with the Application for Short Form Wording and Set Fines as outlined in the report;
- to report back on a Terms of Reference for the Appeal Committee;
- to proceed with the hiring of a Building Official;
- to proceed with the hiring of a Fire Inspector;
- to proceed with the hiring of a Licensing Officer;
- to proceed with the hiring of a By-law Enforcement;

- to proceed with the Implementation Plan and Timelines section outlined in the report.

AND THAT By-law #22-017, be considered at the August 11, 2022 Special Meeting of Council for formal approval and passage.

AND THAT By-law #22-064, be considered at the August 11, 2022 Special Meeting of Council for formal approval and passage.

Option #2

THAT Municipal Law Enforcement Report MLE-013-22 regarding Draft Short-Term Rental Licensing By-law, staffing implications and implementation plan be received and that Council direct staff accordingly.

Financial Implications

Option #1

Implementation and staffing costs have been outlined in the report and are estimated at \$380,500. It is anticipated that an Annual Licensing Fee would generate sufficient revenue to offset the identified expenses with no impact on the general tax base. Some costs such as vehicles, computers and software will need to be funded by Reserves with an annual contribution to replenish the reserves which have been captured in the total estimated annual costs of the licensing program.

Option #2

Any other direction from Council will require Staff to report back on the financial implications of such direction.

Relationship to Strategic Plan

- Deliver Exceptional Municipal Services
- Build Economic Prosperity & Opportunity
- Promote Environmental Responsibility & Stewardship
- Support Community Health, Safety & Well-Being
- Create an Engaged, Informed & Connected Community

Conclusion

Staff is seeking Council direction on the matters contained within the staff report.

Appendices

[Appendix 1 - May 11th, 2022 Recommendations and Resolution](#)

[Appendix 2 - Short-Term Rental Accommodation Licensing By-law 22-017](#)

[Appendix 3 - Municipal Law Enforcement Report MLE-006-22 dated May 11, 2022](#)

[Appendix 4 - Legal Opinion of Sarah Hahn, Barriston Law LLP dated May 27th, 2022](#)

[Appendix 5 - Township Fee Schedule By-law Amendment 22-064](#)

Haley Leblond, Director of
Finance/Treasurer

Approved - 02 Aug 2022

Robert Lamb, Chief Administrative
Officer

Approved - 02 Aug 2022

Resolution



The Corporation of the Township of Tiny

Meeting Date: August 11, 2022

Moved by: Walma Carried: 5-0
 Seconded by: Buyant Defeated: _____
 Signed: [Signature]

THAT Municipal Law Enforcement Report MLE-013-22 regarding the Draft Short-Term Rental Licensing By-law, Staffing Implications and Implementation plan be received;

AND THAT staff be directed to proceed as outlined in the report and as follows:

- to proceed with the Application for Short Form Wording and Set Fines as outlined in the report;
- to report back on a Terms of Reference for the Appeal Committee;
- to proceed with the hiring of a Building Official;
- to proceed with the hiring of a Fire Inspector;
- to proceed with the hiring of a Licensing Officer;
- to proceed with the hiring of a By-law Enforcement;
- to proceed with the Implementation Plan and Timelines section outlined in the report.

AND THAT By-law 22-017 being a By-law to Licence, Regulate and Govern Short-Term Rental Accommodations, as amended, be read a first, second and third time and passed this 11th day of August 2022;

AND FURTHER THAT By-law 22-064, being a By-law to amend the Township's Fee By-law 21-031 in relation to short-term rental application and appeal fees, as amended, be read a first, second and third time and passed this 11th day of August 2022.

AND FURTHER THAT staff be directed to develop a density policy for Council's future consideration.

Recommendation



The Corporation of the Township of Tiny

Meeting Date: October 11, 2023

Moved by: C. WALMAN Carried: 5-0

Seconded by: M. BLANK Defeated: _____

Signed: M

THAT the following consent item(s) under Section F - Staff Reports, be received as information:

- Official Plan Appeal Status - Correspondence from Sarah Hahn, Barriston Law
- MLE-010-23 - Short-Term Rental Licensing Update
- County Council Update/Highlights

