



OAKVILLE

## REPORT

PLANNING AND DEVELOPMENT COUNCIL MEETING

MEETING DATE: JANUARY 15, 2018

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**FROM:** Planning Services Department

**DATE:** December 15, 2017

**SUBJECT:** **Public Meeting Report - Town-initiated Zoning By-law Amendment: Short-Term Accommodations and Bed and Breakfast Establishments (Zoning By-law 2009-189, and Zoning By-law 2014-014) File No. 42.03.90**

**LOCATION:** Town wide

**WARD:** Town wide

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### RECOMMENDATION:

That comments from the public with respect to the town-initiated zoning by-law amendment to Zoning By-law 2014-014 and Zoning By-law 2009-189, regarding short-term accommodations and bed and breakfast establishments (File No. 42.03.90), be received.

### KEY FACTS:

The following are key points for consideration with respect to this report:

- On September 25, 2017, Council directed staff to hold a statutory public meeting under the *Planning Act* to bring forward draft zoning by-law amendments for short-term accommodations and bed and breakfasts, as appended to the staff report dated August 25, 2017 titled "Short-Term Accommodation By-law" from the Municipal Enforcement Services department.
- The purpose of the draft zoning by-law amendments is to align the town's zoning by-laws with the proposed by-law to licence, regulate and govern short-term accommodations.
- The purpose of the public meeting at Planning and Development Council is for Council to hear public delegations on the proposed zoning by-law amendments, ask questions of clarification and identify planning matters to be considered.

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## **BACKGROUND:**

### **Short-Term Accommodation Review**

Short-term accommodations are typically described as a rental accommodation provided for a short period of time (e.g. less than one month). Over the past decade there has been an increase in the use of short-term accommodations with the growing popularity of web-based companies (e.g. Airbnb) that connect people with available short-term accommodations. As a result, concerns about the impact of short-term accommodation rental activity in Oakville has been identified.

On October 17, 2016, Council directed staff to “report back to Council on licensing for Airbnb [short-term accommodation] in Oakville.”

With Council direction, staff studied the issue of short-term accommodation in Oakville and how other municipalities are regulating or licensing this form of accommodation. The review of short-term accommodations was led by the Municipal Enforcement Services department and informed by a cross-departmental team including staff from the Clerks, Fire, Building, Planning, Enforcement Services and Legal departments.

On September 18, 2017, the Community Service Committee received a report from the Municipal Enforcement Services department titled “[Short-Term Accommodation By-law](#)”. The report provided a detailed review including an examination of short-term accommodations within Oakville, public consultation and input, best practice review, issues identification, and key findings.

The report highlights that amendments to the zoning by-law are needed to recognize short-term accommodations as a land use. Currently, short-term accommodations are interpreted as “hotels” for the purpose of the town’s zoning by-laws, which means that they are not permitted in any residential zone where short-term accommodations would typically be located.

The review resulted in a draft licensing by-law and draft zoning by-law amendments, which were appended to the staff report, providing a draft regime to licence and regulate short-term accommodations in Oakville.

On September 25, 2017, Council directed staff to hold a statutory public meeting under the *Planning Act* to consider the appended draft zoning by-law amendments for short-term accommodations and bed and breakfasts.

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## COMMENT/OPTIONS:

This report brings forward the town-initiated zoning by-law amendments related to the Short-Term Accommodation Review. The purpose of the draft amendments is to create a zoning framework for short-term accommodation which will align the town's zoning by-laws with the proposed licensing by-law to licence, regulate and govern short-term accommodations.

The statutory public meeting, required by the *Planning Act*, provides Council the opportunity to hear public delegations on the proposed zoning by-law amendments, ask questions of clarification and identify planning matters to be considered prior to a final recommendation being made. The draft zoning by-law amendments are attached as **Appendix A** and **Appendix B**.

The report also presents an overview of documents that have been reviewed to assist in the formulation of the draft amendment.

### **Draft Zoning By-law Amendments**

The draft zoning by-law amendments would add provisions to the town's zoning by-laws to permit and regulate short-term accommodations and modify regulations for bed and breakfast establishments. The amendments would allow for the implementation of the proposed licensing by-law to licence, regulate and govern short-term accommodations and bed and breakfast establishments.

The following zoning by-laws would be amended:

- Zoning By-law 2014-014, which pertains to the Livable Oakville Planning Area south of Dundas Street and north of Hwy 407; and,
- Zoning By-law 2009-189, which pertains to the North Oakville Secondary Planning Area north of Dundas Street and south of Hwy 407,

The effect of the draft zoning by-law amendments is as follows:

#### **Amendments to Zoning By-law 2014-014 – Appendix A**

##### **Short Term Accommodation**

- Adds a definition for “short-term accommodation” as follows:

“**Short-Term Accommodation** means the provision of a dwelling unit which is used for the temporary lodging of the travelling public for a rental period not greater than 28 consecutive days.”

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- Adds regulations for short-term accommodations including:
  - Requiring that a short-term accommodation be operated by the person or persons whose principal residence is the dwelling in which the short-term accommodation is located
  - Requiring that one additional off-street parking space be provided unless it can be accommodated within an existing visitor parking space
  - Requiring that a certificate of occupancy be obtained to operate a short-term accommodation (already required for bed and breakfasts)
- Permits short-term accommodations, subject to obtaining a licence, within:
  - Residential low zones (e.g. single and semi-detached dwellings)
  - Residential uptown core zone (e.g. many dwelling types)
  - Residential medium zones (e.g. multiple attached dwellings)
  - Residential high zones (e.g. apartments)
  - Mixed use zones (e.g. apartments)
  - Accessory dwellings (e.g. second units or basement apartments)
- Prohibits short-term accommodations within the same dwelling as a bed and breakfast establishment, a lodging house, private home day care, and day care.

**Bed and Breakfast Establishments**

- Amends the definition of “bed and breakfast establishment” to insert the words “within a dwelling” within the definition as follows:

**“*Bed and Breakfast Establishment* means the provision of *lodging units* within a *dwelling* with or without meals for the temporary lodging of the traveling public.”**

- Amends the definition of “lodging unit” to insert the words “and may contain bathroom facilities” within the definition as follows:

**“*Lodging Unit* means a room provided for rent or hire, which is *used* or designed to be *used* as a sleeping accommodation and may contain bathroom facilities.”**

- Amends the regulations for bed and breakfast establishments to:
  - Permit three lodging units within a bed and breakfast establishment, which is an increase from the current permission of two lodging units
  - Permit a total residential floor area of 30% to be occupied by lodging units within a dwelling, which is an increase from the current permission of 25%

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Amendments to North Oakville Zoning By-law 2009-189 – Appendix B

**Short Term Accommodation**

- Adds a definition for “short-term accommodation” as follows:

**“Short-Term Accommodation** means the provision of a *dwelling unit* which is used for the temporary lodging of the travelling public for a rental period not greater than 28 consecutive days.

- Adds regulations for short-term accommodations including:
  - Requiring that a short-term accommodation be operated by the person or persons whose principal residence is the dwelling in which the short-term accommodation is located
  - Prohibiting short-term accommodations within the same dwelling as a bed and breakfast establishment, a lodging house, private home day care, and day care
  - Requiring that one additional off-street parking space be provided unless it can be accommodated within an existing visitor parking space
  - Requiring that a certificate of occupancy be obtained to operate a short-term accommodation (already required for bed and breakfasts)
- Permits short-term accommodations, subject to obtaining a licence, within:
  - Urban Core (TUC, DUC, NUC) zones
  - Neighbourhood Centre (NC) zone
  - General Urban (GU) zone
  - Sub-urban (S) zone
  - High Density Residential (HDR) zone
  - Secondary suites (e.g. accessory dwellings or basement apartments)

**Bed and Breakfast Establishments**

- Amends the regulations for bed and breakfast establishments to:
  - Permit three rooms or suites within a bed and breakfast establishment, which is an increase from the current permission of two suites
  - Permit a total residential floor area of 30% to be occupied by the rooms or suites for the bed and breakfast establishment within a dwelling, which is an increase from the current permission of 25%

**Document Review**

A review of the following documents have assisted in the development of the draft zoning by-law amendments.

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### Provincial Policy Statement

The Provincial Policy Statement (2014) (hereinafter 'PPS') provides a policy led system, which recognizes that there are complex relationship among environmental, economic and social factors in land use planning. The PPS provides direction on matters of provincial interest related to land use planning and development, setting the foundation for regulating the development and use of land.

On February 24, 2014, the Ministry of Municipal Affairs issued a new PPS under Section 3 of the Planning Act. The new PPS replaced the 2005 statement and came into effect April 30, 2014. All planning decisions must be consistent with the PPS.

The PPS encourages the wise management of land to achieve efficient development and land use patterns by directing growth to settlement areas and by providing a compact development form. In doing this, the PPS recognizes that healthy, livable and safe communities are sustained by, among other matters, accommodating an appropriate range and mix of residential uses, including second units, affordable housing and housing for older persons, to meet long-term needs.

Planning authorities are to provide for an appropriate range and mix of housing types and densities to meet projected requirements of the regional market area. This includes:

- Permitting and facilitating all forms of housing required to meet the social, health and well-being requirements of current and future residents;
- Permitting and facilitating all forms of residential intensification, including second units, in appropriate locations taking into account existing building stock or areas; and,
- Establishing development standards for residential intensification which minimize the cost of housing and facilitate compact urban form, while maintaining appropriate levels of public health and safety.

The PPS defines residential intensification to mean intensification of a property, site or area which results in a net increase in residential units or accommodation and includes the conversion or expansion of existing residential buildings to create new residential units or accommodation, including accessory apartments, second suites and rooming houses.

The draft zoning by-law amendments are consistent with the PPS.

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### Growth Plan for the Greater Golden Horseshoe (2017)

On May 18, 2017 the Growth Plan for the Greater Golden Horseshoe, 2017 (hereinafter 'Growth Plan') was released and it came into effect on July 1, 2017, replacing the Growth Plan for the Greater Golden Horseshoe, 2006. The Growth Plan is a long-term plan that works together with the Greenbelt Plan to, among other matters, manage growth, build complete communities, improve access to transit, support a range and mix of housing options (including second units and affordable housing), and curb sprawl.

All decisions made on or after July 1, 2017 in respect of the exercise of any authority that affects a planning matter are required to conform to the Growth Plan (2017).

The Growth Plan identifies that issues of housing affordability are facing many communities in the Greater Golden Horseshoe, primarily driven by sustained population growth and socio-economic factors. In response, the Growth Plan provides direction for municipalities to plan for a range and mix of housing options, including second units and affordable housing and, in particular, higher density housing options that can accommodate a range of household sizes, to address affordability concerns.

The Growth Plan directs upper-tier municipalities, in consultation with lower-tier municipalities, to develop a housing strategy to achieve the policies of the Growth Plan which identifies a range and mix of housing options and densities, includes second units and affordable housing to meet projected needs of current and future residents, establishes targets for affordable ownership and rental housing, and supports complete communities by, among other matters, planning to diversify the overall housing stock across the municipality.

The draft zoning by-law amendments conform to the Growth Plan.

### Region of Halton Official Plan

The Ontario Municipal Board has issued a series of decisions regarding the partial approval of Regional Official Plan Amendment (ROPA) 38 to the Halton Region's Official Plan. The policies of ROPA 38 to Halton Region's Official Plan are in force with the exception of site-specific and policy-specific matters unrelated to short-term accommodations.

In regard to housing, the goal of the Halton Region Official Plan is "to supply the people of Halton with an adequate mix and variety of housing to satisfy the different physical, social and economic needs" with objective to make more efficient use of existing developed lands, housing stock and available services; to increase the

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supply of housing while maintaining the physical character of existing neighbourhoods, and to meet housing needs through the provision of affordable housing. The Regional official plan commits the region to track the supply, demand and need for housing throughout the Region of Halton.

The Regional official plan requires that local municipalities permit second residential units within existing dwellings in residential neighbourhoods and provides a number of supporting policies to encourage an increase in affordable housing supply and rental housing. The plan requires that local municipalities use a rental housing vacancy rate of three percent as the minimum threshold to permit the conversion of existing rental housing to ownership tenure or other uses or the demolition of such housing.

The draft zoning by-law amendments conform to the Regional Official Plan.

#### Region of Halton State of Housing Report

The Region of Halton State of Housing Report provides an annual review of housing supply and demand in Halton Region, and monitors the implementation of Halton's vision for housing as set out in the Halton Region Official Plan. The 2016 State of Housing Report provides a detailed review of many segments of the housing continuum including rental housing (private-market).

The report states that vacancy rates are an important measure to assess the health of the rental market. According to Canada Mortgage Housing Corporation (CMHC), a vacancy rate of at least three per cent is considered necessary for adequate competition and housing options. Since 2012, Halton Region has had a vacancy rate less than three percent and it continues to decrease. In 2016, the vacancy rate for Halton Region was 1.3%, with Oakville having a vacancy rate of 1.7%.

The report notes that Halton Region has the lowest rental vacancy rate and the highest monthly rents when compared to other Regional Municipalities in the GTA for purpose built rental townhouses and apartments.

#### Livable Oakville Plan

Livable Oakville is the town's official plan for the lands south of Dundas Street and north of Highway 407. It provides land use designations and policies to guide development to the year 2031. The Plan was adopted by Council in June 2009 and approved by Halton Region in November 2009, with modifications, as it was deemed to conform to the 2006 Growth Plan and the Region's Official Plan, as amended, and to be consistent with the 2005 Provincial Policy Statement. A number of parties appealed the Region's decision to the Ontario Municipal Board. The Board



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subsequently adjudicated the majority of the appeals and approved the Plan, with further modifications, in May 2011.

In regard to residential areas, the Livable Oakville Plan notes that it is the town's objective to encourage an appropriate mix of housing types, densities, and tenures; promote housing initiatives to facilitate revitalization, compact urban form and an increased variety of housing alternatives; and promote innovative housing types and forms to ensure accessible, affordable, adequate and appropriate housing for all socio-economic groups.

The plan discourages the conversion of existing rental accommodations to condominium or other forms of ownership. The plan also provides guidance to the zoning by-law to permit and regulate second units and bed and breakfast establishments throughout the residential area in accordance with zoning regulations and any other applicable by-laws or requirements.

The draft zoning by-law amendments conform to the Livable Oakville Plan.

#### North Oakville Secondary Plans

The North Oakville East Secondary Plan (NOESP) and the North Oakville West Secondary Plans (NOWSP), known collectively as the "North Oakville Secondary Plans," provide a planning framework for the lands north of Dundas Street and south of Highway 407. The NOESP was approved by the Ontario Municipal Board in January 2008, and the NOWSP was approved as Amendment 289 to the Town's 2006 Official Plan, in May 2009. The North Oakville Secondary Plans are not part of the Livable Oakville Plan but endure as amendments to the town's 2006 Official Plan.

The general development objectives for residential areas promote a variety of residential densities and units types throughout the planning area, responding to the varied needs of the future population. The plans permit a range of residential opportunities to occur throughout the secondary planning area, including accessory apartment in accordance with the North Oakville Zoning By-law.

The draft zoning by-law amendments conform to North Oakville Secondary Plans.

#### Short Term Accommodation Review

The Short Term Accommodation Review received by Council on September 25, 2017, provided the following findings which have assisted in the development of the draft zoning by-law amendments:

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- Public input indicated general support toward the notion of short-term accommodations as well as support for this type of accommodation within multiple dwelling types;
- Public input identified mixed sentiment toward limiting short-term accommodations, such as limiting the number of nights a short-term accommodation can be occupied, indicating that some type of limitation, such as a principal residence policy, may be necessary to address community needs and concerns;
- Public input indicated that parking should be considered;
- The best practice review indicated that a 'principal residence' requirement is common amongst many municipal jurisdictions looking to regulate short-term accommodation, which, from an enforcement perspective, can limit commercial operators and be confirmed prior to a licence being issued;
- Bed and breakfast operators indicated that if regulations were to be introduced for short-term accommodations, the lodging unit (bedrooms) regulation for bed and breakfasts should be increased from two to three lodging units to create more equity in the market between short-term accommodations and bed and breakfasts;
- Short-term accommodation companies were split in support of a principal residence requirement (although Airbnb was in support of such a regulation), and they suggested that second suites be included;
- The company Host Compliance in partnership with iCompass, which provides a paid service to identify short-term accommodations within municipalities, identified that:
  - There are approximately 201 short-term accommodations in Oakville;
  - There has been a 100% growth trend from 2016 to 2017 over which the number of short term accommodations grew from approximately 100 to 200; and,
  - Short-term accommodations are being provided across the town in all neighbourhoods.

### **Analysis**

The document review demonstrates that housing affordability and creating new residential units (e.g. second units) for the purpose of increasing housing choice,

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including rental options is an objective. Short-term accommodations would generally be supported from a policy perspective within the town's residential areas.

Staff note that since the time Council directed staff to host a statutory public meeting on the draft zoning by-law amendment as received by Council, area municipalities including the City of Toronto and the City of Mississauga, both of which are conducting a review to regulate short-term accommodations, have moved to restrict the permissions of short-term accommodations within second units (e.g. accessory dwelling). This restriction is in an effort to ensure that second units are provided for long-term rentals, and the overall supply of long-term rental units is not eroded by permitting short-term accommodations within them.

Given the limited rental supply in Halton Region and Oakville, and the underlying objectives to encourage and provide second units as additional housing choice in the rental market as a long-term rental housing option, staff may consider this approach as part of a future recommendation to Council.

Staff note that the zoning by-law and associated licensing by-law must be carefully crafted and balanced to ensure that, should the town permit short-term accommodations, other community goals and objectives, such as increasing affordable and long-term rental housing options, continue to be upheld.

## **CONCLUSION:**

Using information gathered during the consultation and review phase for short-term accommodations, Municipal Enforcement staff prepared licensing regulations for short-term accommodation companies and operators which were received by Council on September 25, 2017. The goals of the proposed licensing regulations included:

1. Maintaining community character
2. Creating accountability in the home sharing market
3. Permitting responsible home sharing

In addition, corresponding changes to the town's zoning by-laws were also drafted as part of that staff report, and are provided here again as per Council's direction to host a statutory public meeting under the *Planning Act*. Zoning amendments are needed to address short-term accommodations as a land use. Currently, they are interpreted as "hotels" for the purposes of the town's zoning by-laws, which means that they are not permitted in any residential zone.

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**CONSIDERATIONS:**

**(A) PUBLIC**

The draft zoning by-law amendments were made available for review on the town’s website being appended to the Short Term Accommodation staff report presented to the Community Services Committee on September 18, 2017 and received by Council on September 25, 2017. Further, the zoning by-law amendments have been posted for review and comment and made available in the Planning Services Department since that time, and have been directly posted to the webpage since December 21, 2017, being 20 days before the statutory public meeting.

Notice of the statutory public meeting was published in the Oakville Beaver on December 21, 2017. Additional notices were mailed to persons who signed in at open houses for the Short-Term Accommodation Review.

**(B) FINANCIAL**

There are no financial implications which arise from this report.

**(C) IMPACT ON OTHER DEPARTMENTS & USERS**

Multiple departments including Fire, Planning, Building, Enforcement Services, Legal, and Clerk’s have been, and will continue to be, involved in the licensing and zoning review process.

**(D) CORPORATE AND/OR DEPARTMENT STRATEGIC GOALS**

This report addresses the corporate strategic goal to:

- continuously improve our programs and services
- be innovative in everything we do
- be the most livable town in Canada

**(E) COMMUNITY SUSTAINABILITY**

By ensuring appropriate regulations are provided for short-term accommodations, bed and breakfast establishments and lodging houses, the social and economic pillars of suitability are addressed.

**APPENDICES:**

**APPENDIX A** – Draft Zoning By-law Amendment to Zoning By-law 2014-014

**APPENDIX B** – Draft Zoning By-law Amendment to Zoning By-law 2009-189

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