

REPORT

PLANNING AND DEVELOPMENT COUNCIL MEETING

MEETING DATE: MARCH 19, 2018

FROM: Planning Services, Legal Services and Municipal Enforcement
Departments

DATE: March 5, 2018

SUBJECT: **Recommendation Report - Licensing By-law 2018-045 and Town-initiated Zoning By-law Amendment for Short-Term Accommodations and Bed and Breakfast Establishments - By-law 2018-037 and By-law 2018-038 (Zoning By-law 2014-014 and Zoning By-law 2009-189) File No. 42.03.90**

LOCATION: Town wide

WARD: Town wide

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RECOMMENDATION:

1. That the proposed town-initiated zoning by-law amendments 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 approved on the basis that they are consistent with the Provincial Policy Statement, conform to all applicable Provincial Plans, the Region of Halton Official Plan and the Livable Oakville Plan, have regard for matters of Provincial interest, and represent good planning for the reasons set out in the report from the Planning Services department dated February 26, 2018;
2. That By-law 2018-037, a by-law to amend Zoning By-law 2014-014 to permit and regulate short-term accommodations and modify regulations for bed and breakfast establishments, be passed; and,
3. That By-law 2018-038, a by-law to amend Zoning By-law 2009-189 to permit and regulate short-term accommodations and modify regulations for bed and breakfast establishments, be passed; and,
4. That the respective notices of Council's decisions reflect that Council has fully considered all of the written and oral submissions relating to these matters and that those comments have been appropriately addressed; and,
5. That By-law 2018-045 attached as Appendix A to the March 5, 2018 report the Municipal Enforcement Services, Legal and Planning Services

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departments, to licence and regulate Short-Term Accommodation Companies and Operators, be passed and effective November 1, 2018;

6. That new licensing fees listed in Appendix B to the report from the Municipal Enforcement Services, Legal and Planning Services departments dated March 5, 2018 be approved, effective immediately, and such fees be included in the 2018 Rates and Fees schedules.

KEY FACTS:

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

- A draft Short-Term Accommodation by-law and proposed zoning changes were presented to Council in September of 2017
- Council directed staff to hold a Statutory Public Meeting under the *Planning Act* for zoning changes and prepare a final version of the Short-Term Accommodation by-law for presentation in the first quarter of 2018
- The recommended zoning by-law amendments would, if passed, permit short-term accommodations and bed and breakfast establishments across the town, subject to the applicable zoning regulations, obtaining a certificate of occupancy and a license to operate a short term accommodation or bed and breakfast establishment
- The zoning by-law amendments would align the town's zoning by-laws with the recommended by-law to licence, regulate and govern short-term accommodations
- The recommended licensing by-law to licence, regulate, and govern short-term accommodations would, if passed, put in place a framework which would require a licence to operate a short-term accommodation creating accountability in the home sharing market and permitting responsible home sharing

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.

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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.

On January 15, 2017, Planning and Development Council hosted a Statutory Public Meeting on the proposed zoning by-law amendments. One letter was received from the public as a result of the statutory public meeting and no oral delegations were made.

COMMENT/OPTIONS:

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

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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.

Since the Statutory Public Meeting held on January 15, 2018, no changes have been proposed to the recommended zoning by-law amendments, other than renumbering certain sections of the amendment to reflect previous housekeeping amendments which altered section numbering. The effect of the recommended zoning by-law amendments remain as follows:

Amendments to Zoning By-law 2014-014

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
 - 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)

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- 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%

Amendments to North Oakville Zoning By-law 2009-189

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:

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- 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

Provincial Policy Statement

The Provincial Policy Statement (2014) (hereinafter 'PPS') provides a policy led system, which recognizes that there are complex relationships 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

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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.

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,

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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 differing physical, social and economic needs" with objectives to, among others:

- make more efficient use of existing developed lands, housing stock and available services to increase the supply of housing while maintaining the physical character of existing neighbourhoods;
- meet housing needs through the provision of affordable housing;
- encourage local municipalities to develop innovative housing designs that stress flexibility in use, mix and compatible land uses, good environmental practices, public safety and security needs, cost-efficiency and affordability, among others; and,
- encourage local municipalities to maintain the quality of the existing housing stock.

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

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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 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.

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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 unit 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 assisted in the development of the draft zoning by-law amendments:

- 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;

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- 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.

Statutory Public Meeting - Comments

At the Statutory Public Meeting held by Planning and Development Council on January 15, 2018, staff received one written letter from a representative of Airbnb. The letter generally noted they were opposed to the proposed approach and that "the current proposal is extremely cumbersome for the modest host community who casually share their homes. It creates a litany of unnecessary barriers to participation in home sharing."

Staff note that the proposed zoning by-law amendment would permit short-term accommodation across all zones in the town that permit residential uses. Currently, short-term accommodations are interpreted as "hotels" and are not permitted in most of these zones, which is where short-term accommodations would typically locate. As such, the proposed framework represents a far less cumbersome approach and would actually legally permit responsible home sharing in the town.

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It is staff's opinion that fair and easy-to-follow rules and regulations have been crafted as part of the recommended zoning by-law amendments. As such, no modifications to the zoning by-law amendments have been made.

Other comments provided within the letter pertain to regulations proposed as part of the licensing by-law and are discussed in a following section of this report.

Planning Analysis

The document and policy review demonstrates that housing affordability, creating new residential units and accommodations, including rental options, is an objective. As such, it is staff's opinion that permitting short-term accommodation, as per the recommended zoning by-law amendments, would be supported from a policy perspective within the town's residential areas.

As part of the previous Statutory Public Meeting report, staff noted emerging municipal approaches which looked to restrict permitting short-term accommodations within second units (e.g. accessory dwellings) in an effort to ensure that second units are provided only as long-term rentals.

In order to create fairness and consistency, staff continue to suggest that a principle resident be permitted to rent a second unit on a short-term basis. This includes when the principle resident of the main dwelling unit owns or rents the entire building (which includes the second unit), and when the principle resident is a tenant living in a second unit.

When a principle resident of the main dwelling unit elects to rent their second unit short-term, subject to obtaining a licence, it enables oversight of the property by the principle resident and provides flexibility for the use of the second unit which may assist the principle resident (e.g. a current homeowner) in affording their home.

Further, permitting a principle resident (e.g. homeowners) to rent a second unit on a short-term basis may attract current homeowners to build second units within their homes, adding to the overall stock of second units, which is a key policy objective. Once these units are created and become part of the overall housing stock, they can then be rented out on a short-term or long-term basis, at the preference of the principle resident.

Also, by restricting short-term accommodations to a principle residence, it ensures that the principle land use of the property remains as residential, as required by the Official Plan.

LICENSING BY-LAW

A previous report on STA licensing was presented to Council in August of 2017 and is attached as Appendix C. Significant changes made to the proposed by-law subsequent to that report are discussed below and included in a red-lined version attached as Appendix D.

Definitions

1. *Bed and Breakfast Establishment* – the words “within a dwelling” have been added to the original definition for clarity
2. *Dwelling Unit* – the zoning definition of dwelling unit has been added for clarity when reading the definition of STA
3. *Licensing Commissioner* – has been updated to reflect corporate changes
4. *Local Contact* – has been update for clarity of purpose
5. *Principal Residence* – has been updated for clarity and enforcement purposes
6. *Renter’s Code* – has been updated to provide further clarity of purpose

Issuance of Licence and Grounds for Refusal

1. Section 4(1)(b)(iii) – reference to the demerit point system has been added to reflect the desire to have demerit points considered upon licence issuance/renewal
2. Section 10 – updated to reflect service of all notices and orders. Service has been updated to include posting on a property for all notices/orders and email service of orders

Schedule 1

1. Section 2(l) – added to reflect STA application requirements when received from long-term renters and not owners
2. Section 2(n) – added for enforcement purposes
3. Section 2(p) – “for the initial application” has been added to reflect the intent to only require an electrical safety inspection upon new application, not on renewal

Other changes including grammar, legislative reference and minor updates for clarification have been made but are not highlighted in this section.

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STA Regulation

Staff have reviewed information gathered during consultations, scans and past Council presentations and have prepared licensing regulations for STA Companies and Operators outlined in the STA by-law attached as Appendix A. The goals of the proposed licensing regulations include:

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

Licensing overview

STA companies (i.e. Airbnb, Expedia, VRBO, HomeAway) will be required to obtain a business licence to advertise STAs in Oakville. Each STA company will pay an annual licensing fee based on full recovery of costs related to administration and enforcement of the by-law.

Once licensed, STA companies will only be permitted to advertise STA operators that have also obtained appropriate licensing approvals. This process will help to ensure that both STA companies and STA operators obtain licenses to operate and comply with by-law regulations. STA companies that advertise unlicensed operators, will face escalating enforcement, ranging from compliance orders to *Provincial Offences Act* charges and may also result in licence suspension, conditions and eventually revocation. The draft by-law also makes use of administrative monetary penalties as an additional enforcement tool.

To increase the effectiveness of enforcement, STA companies will also be required to share information with the town. The specifics of information sharing will be determined as the enforcement program is developed and may include anonymized data for trending as well as incident specific data for enforcement purposes.

STA operators (i.e. owners or renters of the homes used as STAs) will also be required to obtain a licence to operate. This will allow the town to collect information needed for enforcement and safety purposes.

To reduce the impact of STAs on residential areas and respond to concerns heard at public consultation sessions, the by-law will include a principal residence regulation. This will allow an owner or renter of a property to operate an STA but the same person will not be able to operate multiple STAs. Requiring each STA operator to obtain a licence will allow staff to verify the principal resident prior to a licence being issued.

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Enforceability

At the Planning and Development Council meeting of January 15, 2018, Council requested general information on the STA by-law's enforceability and specific information on the night and year limits included in the regulations.

General enforcement

The addition of a STA by-law provides a new layer of enforcement that currently does not exist. Council's original request for STA licensing resulted from resident complaints about unkempt properties, noise and parking problems stemming from STAs. Without licensing, staff are unaware of locations until after complaints are registered. In addition, gathering evidence related to ownership, principal residency and renter identities may not be possible.

The introduction of STA regulations will assist by

- Requiring principal residence information at the beginning of the process
- Introducing early education of by-law requirements
- Establishing violations for advertising without a licence
- Applying demerit points

Once the by-law is in effect, perspective STA operators will be required to provide the town information that will enhance future enforcement and protect tenants.

Information required will include

- Applicant/Agent information (i.e. full name, municipal address, telephone number and email address)
- Corporate information
- Proof of principal residence and self-certification of compliance
- Criminal reference check
- Proof of \$2,000,000 liability insurance and identifies that a STA is being operated on the property
- Floor plan
- Parking management plan (i.e. how/where parking will be provided)
- Property management plan
- Electrical Safety Authority inspection
- HVAC certificate
- Local Contact (an agent or representative of the STA who is responsible for managing or addressing issues in relation to the STA)
- Renter's code
- Self-certification that the operator complies with all applicable law, including the *Building Code Act* and *Fire Code*

Through the application process, STA operators will be made aware of and acknowledge legal requirements – including zoning, parking, noise and property

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maintenance. An up-front acknowledgement will help to reduce the number of violations resulting from a lack of knowledge.

To more efficiently deal with non-licensed STAs, regulations also include a prohibition on advertising without a licence. Staff will monitor STA advertisements and gather evidence of violations. This evidence can be used to more quickly respond to complaints and engage the STA operator.

Finally, a demerit point system has been included for licensed STAs. Demerit points will be assessed for confirmed violations and if thresholds are exceeded, a licence can be suspended or revoked. Operating with a suspended or revoked licence will result in further legal action.

Overall, the introduction of the STA licensing by-law provides a new suite of enforcement tools staff can use to ensure compliance with regulations.

STA detection

If licensing regulations are approved, staff will contract a service, such as Host Compliance, to assist with the ongoing detection of STAs. This will reduce resource requirements on enforcement staff and allow for ongoing monitoring and trending of the STA market in Oakville.

Night and year limits

The introduction of caps (i.e. night caps - maximum continuous rental nights or yearly caps – maximum rental nights per year) are often included as part of an overall STA enforcement program. From an enforcement perspective, night caps or yearly caps are difficult to enforce, since the collection of evidence would require detailed and ongoing investigations (surveillance) that could span the entirety of the cap period. This means, if STA regulations cap the maximum rental days at 180 of 365, enforcement staff would be required to surveil a property for at least 185 days and up to 365 days, to determine if a violation existed. This level of surveillance is extensive – both in overall length and time per day (investigations will span many hours per day). From a resource perspective, this would be unsustainable.

By establishing a principal residence requirement, staff can achieve the overall goal of a cap by limiting commercialization of STAs. This is done by ensuring principal residents are only associated with one licensed property at a time. This not only eliminates the need for extended investigations but also captures required evidence, which is needed in the case of charges, upon application.

The draft by-law contains both principal resident requirements and a monthly night cap. Although the monthly night cap does add complexity to investigations, the

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benefits outweigh the possible resource implications associated with investigations. Both regulations have been included to enhance the suite of enforcement tools available to officers.

CONCLUSION:

Through the Short-Term Accommodation Review, staff have developed and recommend zoning by-law amendments and a licensing by-law that would, if passed, permit short-term accommodations and bed and breakfast establishments across the town, subject to the applicable zoning regulations, and obtaining a certificate of occupancy and a license to operate a short term accommodation or bed and breakfast establishment.

The zoning by-law amendments and licensing by-law put in place a framework that will create accountability in the home sharing market, permit responsible home sharing, and ensure community character is maintained.

CONSIDERATIONS:

(A) PUBLIC

The draft zoning by-law amendments and draft licensing by-law were first presented to the Community Service Committee on September 18, 2017, and received by Council on September 25, 2017. The zoning by-law amendments and licensing by-law have been available for public review and comment since that time.

A Statutory Public Meeting on the proposed zoning by-law amendments was held on January 15, 2018 at Planning and Development Council. Notice of the Statutory Public Meeting was published in the Oakville Beaver and on the town's webpage by December 21, 2017, being 20 days before the meeting. Notice was also provided to required agencies and associations, including members of the public who requested to be notified. One written submission was received.

The public notice regarding the recommended zoning by-law amendments and licensing by-law was published in the Oakville Beaver and on the town's webpage by February 22, 2018, being 20 days before the meeting. Notice was sent to those who requested to be notified.

(B) FINANCIAL

An STA licensing fee review was conducted. The review was based on full cost recovery of administrative, enforcement and overhead costs. Costs

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and revenues will be monitored to ensure cost recovery targets are achieved.

STA Fee Calculator			
Short-Term Accommodation Company		Short-Term Accommodation Operator	
Average cost per licence	\$44,500	Average cost per licence	\$237

(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

Zoning regulations for short-term accommodations and bed and breakfast establishments, including the requirement to obtain a licence to operate a short-term accommodation and bed and breakfast establishment, ensures the social and economic pillars of suitability are addressed.

Appendix A – Draft STA By-law 2018-045

Appendix B – Fee Schedule

Appendix C – August 25, 2017 Short-Term Accommodation Report

Appendix D – Red-lined Version of Draft STA By-law 2018-045

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