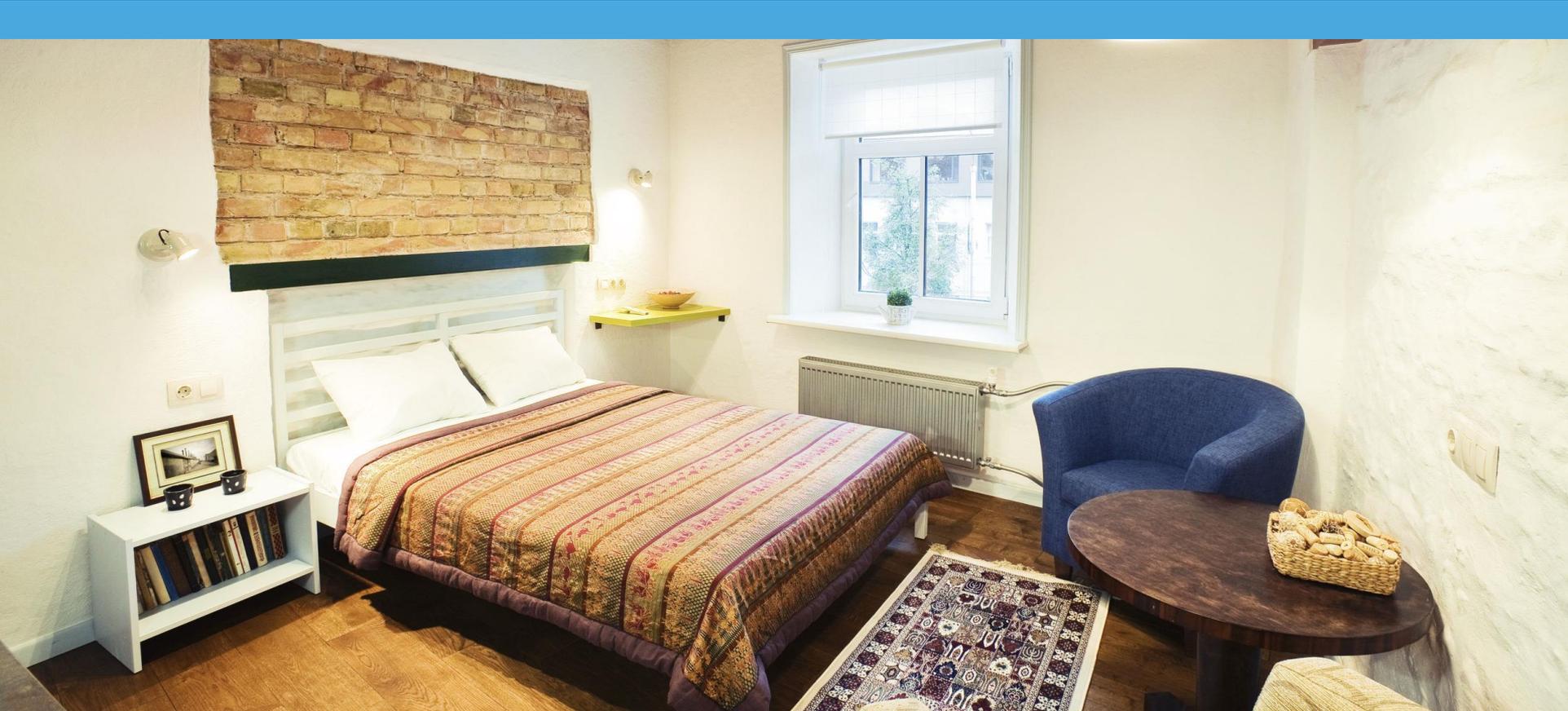


Regulating Vacation Rentals and Bed & Breakfasts

Second Community Engagement



March 7, 2018

Vacation Rental Units



- A vacation rental unit is a dwelling or dwelling unit rented out to a group of travelers for a period of less than 28 days.
- Vacation rental units are not permitted in any zone in the City but have been permitted on a total of 16 properties in the City through site specific amendments.

Bed & Breakfasts



- A bed and breakfast is a dwelling that is licensed to provide lodging to the travelling and vacationing public and is the principal dwelling of the proprietor.
- Bed and breakfasts are permitted as of right under the term Tourist Home in the Tourist Commercial zone and in the River Road area (between Rainbow Bridge and downtown). Outside of this area, a number of site specific zoning by-laws permit bed and breakfasts.

What We Have Heard



- Previous Community Engagement Session held on September 11 was attended by over 180 persons
- 28 persons spoke at the Engagement Session
- Received 340 responses in on line/paper survey conducted last fall
- In addition, 27 written submissions were received

What We Have Heard (cont.)

- **4 options were presented to the public with regulating vacation rental units and bed and breakfasts as follows (with results):**
 - Prohibit these uses unless currently legally established (17%)
 - Permit these uses in tourist commercial areas only (27%)
 - Permit these uses on a site by site basis through a zoning by-law amendment (12%)
 - Permit these uses as of right in residential, commercial and rural areas (45%)

What We Have Heard (cont.)



- Most participants (88%) thought bed and breakfasts were beneficial for the City.
- Fewer participants (59%) thought vacation rental units were beneficial for the City.
- Support for permitting these uses in tourist areas (69%)

What We Have Heard (cont.)



- Some results point to potential negative impacts on neighborhoods by vacation rental units.
 - 39% stated they reduce safety in buildings and neighbourhoods
 - 41% stated that they increased noise and property damage.

What We Have Heard (cont.)

- **Restricting the size and establishing zoning regulations for these uses were strongly supported as follows:**
 - 91% of respondents state vacation rental units and bed and breakfasts should be limited to 4 bedrooms or less
 - 78% of respondents state guest parking should be limited to what can be accommodated on site
 - 51% of respondents support requiring the principal dwelling unit to be owner occupied if a secondary unit is used as a vacation rental unit:

What We Have Heard (cont.)



Establishing regulations for vacation rental units was also supported as follows:

- 78% of respondents support requiring guests sign a code of conduct
- 62% of respondents support publishing of all licensed properties and contact information for the operator on the City's website

What We Have Heard (cont.)

- Written submissions had differing opinions on these uses
- Concerns were raised with respect to vacation rental units, citing noise and disruption from guests, over-occupancy, absentee owners, parking impacts
- Submissions supporting vacation rentals and bed and breakfasts noted that this use represents a growing trend in tourism, an opportunity for homeowners to supplement income
- Regardless of opinion, there was support for seeing the uses properly regulated

What Other Municipalities Have Done

City of Toronto:

- Permits the rental of a principal residence as vacation rental for up to 180 days a year or as a bed and breakfast with up to 3 guest rooms

Town of Niagara on the Lake:

- Permits vacation rentals and bed and breakfasts, with up to 3 bedrooms or guest rooms, in residential, commercial and rural designated lands

Town of Blue Mountains:

- Restricts vacation rentals with up to 9 persons occupancy to a Resort Commercial zone and areas where multiple unit dwellings are permitted.

What Other Municipalities Have Done (cont)

City of St. Catharines:

- Permits bed and breakfasts, with up to 4 guest rooms, accessory to a dwelling.
- Vacation rentals are considered a hotel/motel use and not permitted in residential areas

City of Welland:

- Permits bed and breakfasts, with up to 3 guest rooms, accessory to a single detached dwelling

Issues

- About 200 vacation rental units and rooms for rent, listed on short term rental websites such as airbnb.com, were identified by City staff. Many of these uses appear to be on properties not zoned or licensed for these.
- Issues with respect to vacation rental units include noise and partying from large groups, on-street parking impacts and garbage.
- Illegal bed and breakfasts have not generated as many complaints, however unlicensed and unregulated rooms being rented out to tourists has the potential for impacts.
- The Sharing Economy is expected to keep growing and as such, these uses are not going to go away.

What Needs to be Changed?

To address these uses the City needs to consider:

- **Changes to the City's Official Plan:**
 - To guide where these uses generally may be permitted
 - The size of such uses
 - The roles of the zoning and licensing by-laws.
- **Changes to the zoning by-laws:**
 - To define these uses
 - To identify the zones which these uses may be permitted in
 - To identify the size (i.e. number of bedrooms)
 - To establish parking requirements.

What Needs to be Changed?



- **Updates to the requirements for these uses in the City's Licensing By-law to:**
 - Effectively control their operation
 - Effectively control noise and garbage
 - Contain sufficient penalties to deter disruptions to neighbours
 - Address adequate licensing fees to cover operational costs
 - Institute administrative penalties for violating regulations and accommodation taxes.

Approaches the City Could Take



- The City has identified and refined 4 approaches that could be taken to regulate vacation rental units and bed and breakfasts.
- Each approach has its advantages and drawbacks.

Approaches the City Could Take (cont.)

- The City may modify or adopt one or more of these approaches
- As bed and breakfasts and vacation rental units are distinctive uses and may have different impacts, different approaches may be approved for these uses
- Regardless of the approach adopted, either uses will be subject to the Licensing By-law, requiring an application for a license

Approaches

Approach No. 1 (Permit and Regulate):

Permit vacation rental units or bed and breakfasts, or both as of right, in zoning by-laws subject to regulating their size

Advantages:

- The Official Plan considers bed and breakfasts as accessory to a residential dwelling. Therefore permitting proprietor occupied bed and breakfasts in residential areas is not a major departure from the current policy scheme.
- Regulating the size of these uses and ensuring proper zoning regulations are implemented will assist in keeping these uses at a physical scale with adjacent uses

Approaches

Approach No. 1 (Permit and Regulate):

Advantages:

- Operational aspects of either use, and impacts on abutting land uses can be regulated by an effective licensing and enforcement scheme.

Disadvantages:

- Permitting either use as of right in residential areas will allow an uncontrolled number of operations in residential neighbourhoods. This is of concern with vacation rental units. Large scale conversions of dwellings to vacation rental units may reduce the number of housing options for residents. A large concentration of vacation rental units may also impact the character of neighbourhoods

Approaches

Approach No. 2 (Site by Site Basis):

Permit either vacation rental units and bed and breakfasts, or both, on a site basis only through a zoning by-law amendment initiated by the applicant.

Advantages:

- The public will be provided with an opportunity for input on any such proposals.

Disadvantages:

- Unnecessary time and expense will be added to the processing of proposals that do not have an impact on surrounding land uses.

Approaches

Approach Number 3 (Time Limits for Rental, Vacation Rental Units Only):

Permit the rental of only the proprietor's principal residence or a secondary dwelling unit only for a specified period of each year).

Advantages:

- This approach would limit the proliferation of vacation rental units owned by absentee landlords and “ghost hotels” (condominium buildings that have been largely converted to vacation rental units)

Disadvantages:

- Extensive policing of vacation rental units will be needed to ensure vacation rental units do not exceed the required time limits.

Approaches

Approach No. 4 (Geographical):

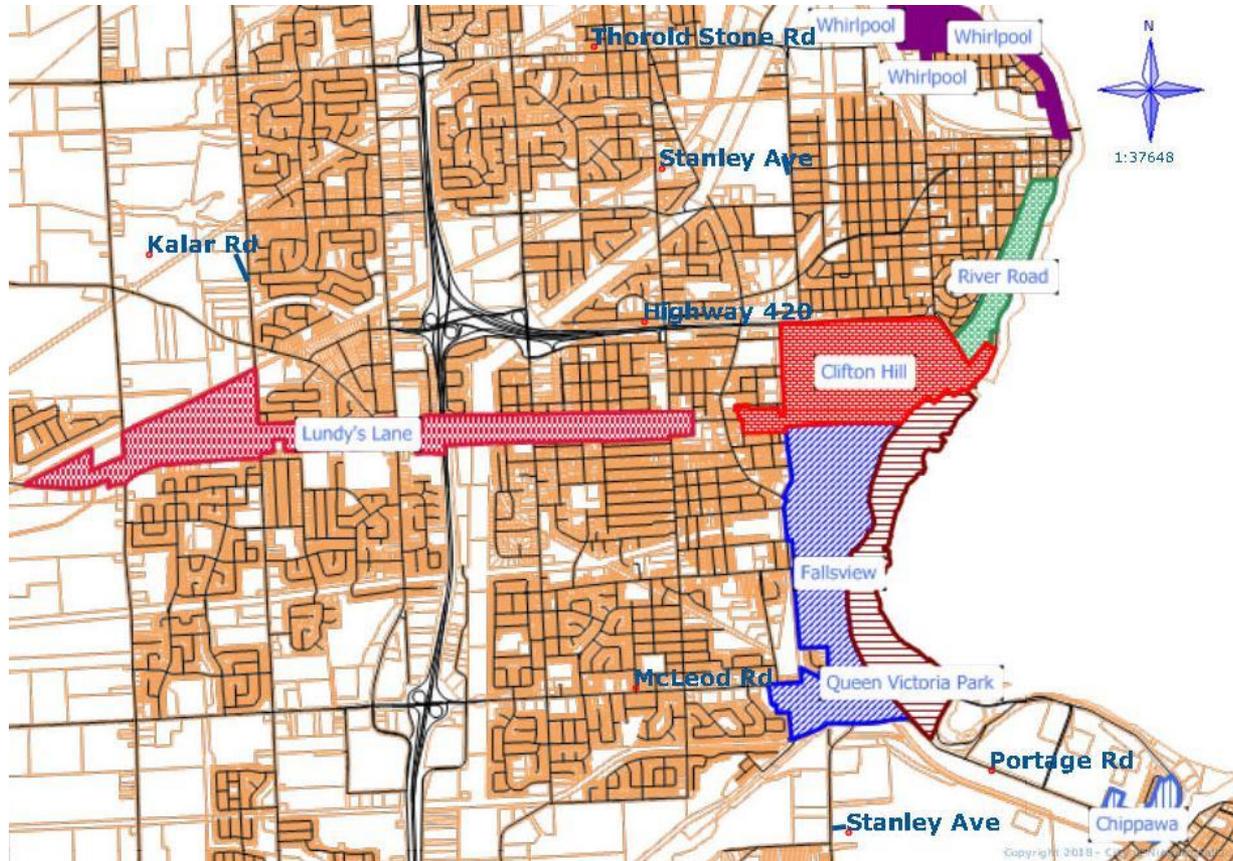
Permit either vacation rental dwellings or bed and breakfasts, or both only in specific areas such as tourist areas, the downtown or in commercial clusters

Advantages:

- These uses would be directed to areas where accommodations normally locate, or where neighbouring uses are often commercial uses that would not be impacted by accommodating the travelling public
- May support local businesses if they locate in the Downtown or Historic Drummondville Areas

Approaches

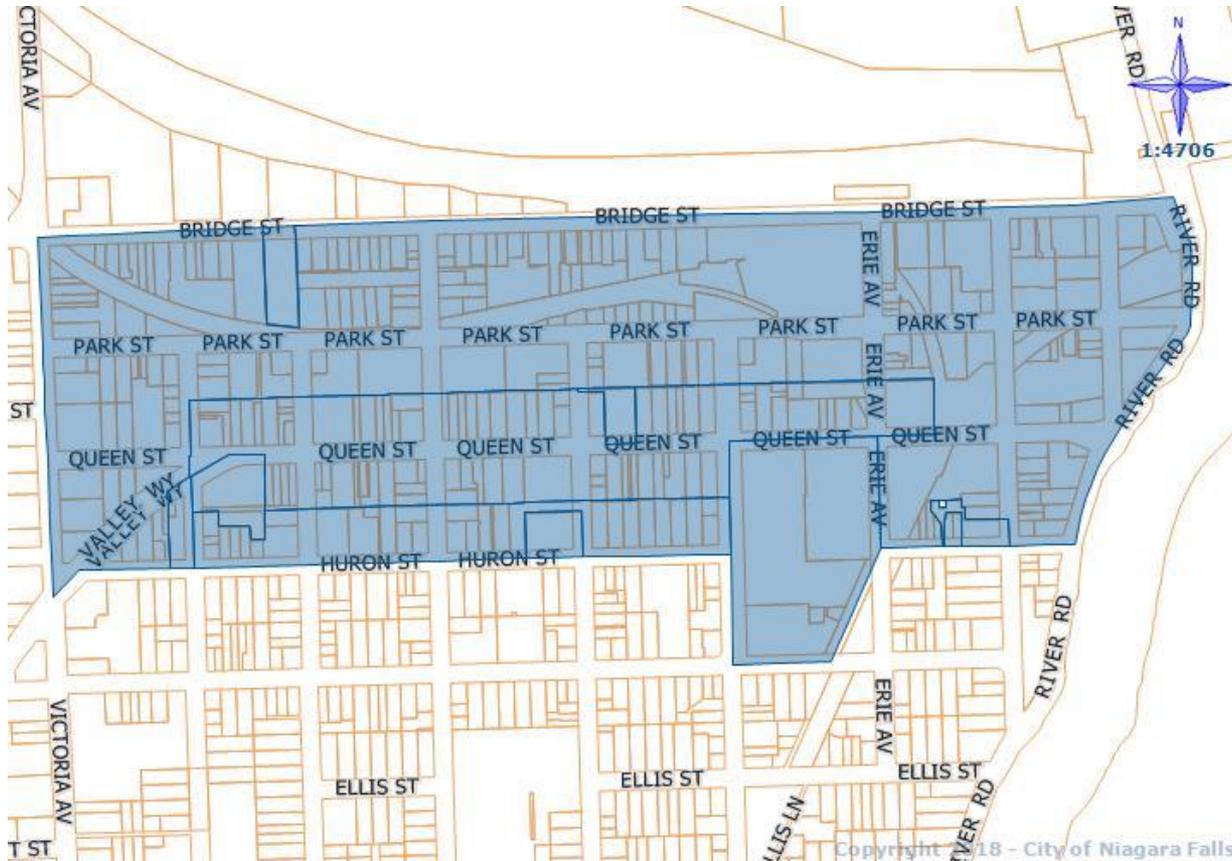
Tourist Commercial Designated Areas



Vacation Rentals and Bed & Breakfasts

Approaches

Downtown (Central Business District)



Vacation Rentals and Bed & Breakfasts

Approaches

Approach No. 4 (Geographical):

Permit either vacation rental dwellings or bed and breakfasts, or both only in specific areas such as tourist areas, the downtown or in commercial clusters

Disadvantages:

- There are housing units in commercial areas that could be displaced by converting them to vacation rental units

Other Zoning Matters

Regardless of the option implemented, to minimize land use conflicts vacation rental units and bed and breakfasts will need to conform to a set of zoning regulations.

Regulations may include the following:

- Limits on the number of bedrooms in a vacation rental dwelling and the number of guest rooms in a bed and breakfasts. The Town of Niagara on the Lake and the City of Toronto allow up to 3 bedrooms/guest rooms for rent
- Parking requirements. Current requirements for a bed and breakfast are 1 space plus 1 space for each guest room. Required parking spaces are to be accessed independently from a street or aisle (side by side as opposed to tandem)
- Landscaping requirements – typically up to 60% or 9 metres of the frontage of a single detached lot can be used for parking, the rest is to be landscaped

Licensing By-law

Currently vacation rental units and bed and breakfasts are required to be licensed under the City's Licensing By-law to operate. The Licensing By-law needs to be updated to effectively regulate these uses.

The following regulations are being explored:

- Publishing licensed vacation rental units and bed and breakfasts on the City website, including the name and phone number of the proprietor
- A code of conduct to be signed by all renters/guests – they would be required to acknowledge regulations such as the maximum occupancy permitted, the noise by-law, parking and property standards measures
- Revoke, suspend or do not renew license after 3 recorded violations of any municipal by-law or non-compliance with any matters in the licensing by-law
- Payment of an administrative penalty for any contravention of the by-law (Similar to what has been imposed in the Town of Blue Mountains)
- Proof of insurance

Fees/Taxes

- Current annual license fees are \$65 for a bed and breakfast and \$40 plus \$5 per guest room for a vacation rental unit.
- License fees need to be reviewed to better reflect costs of administration and enforcement and will be reported on in the Council staff report
- In addition, Provincial legislation allows municipalities to impose a tax on various forms of accommodation. For example, the City of Toronto has recently imposed a 4% tax on short term rentals
- Taxation uses will need to be explored in context of taxation for accommodations as a whole

Questions/Comments

For more information or to provide further comments, you can:



- 1. Provide feedback via email or phone:**

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- 2. Provide feedback online:**

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