



## Report to Council

**To:** Mayor & Members of Council  
**From:** Adele Arbour, Temporary Manager of Building and Planning  
**Date:** December 1, 2020  
**Re:** Short Term Rental Licensing

### **Recommendation:**

**That** Council receive the report from the Temporary Manager, Building and Planning, on behalf of the Short Term Rental Working Group, addressing Short Term Rental Licensing for their information; and further

**That** Council direct staff to prepare a draft Short Term Rental (STR) Licensing By-Law and associated application forms for public consideration; and further

**That** staff develop a Public Consultation Process to receive input regarding the draft STR Licensing By-Law with the intent of staff bringing forward the Short Term Rental Licensing By-Law for approval at a Council Meeting in April 2021, with implementation May 1, 2021; and further

**That** staff review and update the existing relevant by-laws as outlined in this report and draft a Nuisance By-Law for Council's consideration; and further

**That** the STR Working Group be dissolved.

### **Financial Implications:**

The development of a Licensing By-Law will incur Municipal administrative processing and enforcement costs. It is anticipated that these costs can be recovered through the licensing fees. Currently, \$25,000 has been budgeted for by-law services in 2021. Any further costs cannot be determined at this time and can be provided at the time of presenting the draft rules and regulations of the Licensing By-Law to Council.

### **Background:**

At the September 1, 2020 Council Meeting, the following resolution was approved:

Resolution No. **R2020-463**

Moved by Mayor Clarkson

Seconded by Councillor Lambshead

Whereas Short Term Rentals are a growing challenge for Municipalities to manage; and

Whereas this is a complex issue with many types of short term rentals,

and negative impacts as well as positive benefits;

Therefore, Council directs the creation of a Working Group to investigate the issue in our Municipality; to understand the problems and the extent of them; to receive legal advice on enforceable options; to invite public input, including but not limited to, impacted ratepayers, commercial tourist establishments, and ratepayers who own short term rentals; to research best practices implemented by other like Municipalities; and to explore and recommend potential policies for Trent Lakes; and further That Council appoint Mayor Clarkson and Councillor Armstrong to serve on the Working Group with staff members as appointed by the CAO; and further

That the Working Group be tasked with presenting a report back to Council by year end.

Carried.

Staff assigned to the Working Group included Donna Teggart, CAO, Jessie Clark, Director of Corporate Services/Clerk, Adele Arbour, Planning Technician and John Eisinga, Chief Building Official.

### **Process:**

Initially the Working Group searched the web to understand how many Short Term Rentals (STRs) were in the Municipality and determined there were approximately 150 properties. Then a list was compiled and documentation obtained from those Municipalities that were either looking into STRs had looked at STRs or had implemented some form of guidelines. In addition, STR Licensing By-Laws were reviewed.

The Working Group developed a work plan, reviewed the various definitions of STRs, and listed all the issues with STRs and the jurisdictional authority responsible for management or control. The Working Group also developed a list of STR benefits and lastly developed a toolbox to deal with STRs, all to be found as Appendix "A" to this report.

The Working Group has been meeting once a week over the last several months and invited the following individuals to meet and provide input to the Working Group:

- Chris and Debbie Beggs and Jim Stasiuk, Ratepayers Impacted by STRs
- Steve Brockbank, Director of Emergency Services
- Dave Potter, Transfer Station Attendant
- Tracie Bertrand, Peterborough Kawarthas Economic Development
- Dave Reid, Chair Economic Development Committee
- John Ewart, Municipal Solicitor
- Louis Melizan, Owner of Three Castles Resort
- Leslie Clarkson, Manager of Scotsman Point Resort
- Constable Jason Clarke, OPP
- Dave Lavalley, Kawartha Guard Services
- Lynn Woodcroft, Real Estate Agent
- Jenn Brouwer, Short Term Rental Owner
- Marlys Kerkman, Buckhorn Ratepayers Association
- Christine Brickman, Crystal Lake Community Association

- Gary Jarosz, Cavendish Community Ratepayer Association
- James Henry, Vice President of Blue Mountain Resorts and Member of Blue Mountain's Committee to review STR By-Law
- Mike Rizzo and Tara Daniels, Short Term Rental Owner
- Jon Pople, Township of Ramara By-Law & Licensing Supervisor

The Working Group acknowledges that they have received input from a cross section of individuals and groups impacted by STRs, and that they were generally in support of the development of a STR Licensing By-Law. A summary of these submissions can be found in Appendix "B" to this report.

On November 12, 2020, based on all of the research, benchmarking and presentations, the Working Group considered a range of different options and reached agreement on a set of recommendations to be forwarded to Council for consideration.

### **Short Term Rental Overview**

Homeowners have always managed to rent out or share rooms in their residences. Traditionally, these transactions were local and limited in nature. With access to the internet and web platforms such as Airbnb.com and VRBO.com, now anyone can advertise and rent out their homes to complete strangers from far away with a few mouseclicks or taps on a smartphone screen. As a result, STRs are increasing rapidly. According to a study by McGill University, STRs in rural areas are growing twice as fast as in large cities. In addition, there is a trend toward STR properties being owned and managed by companies, rather than individual homeowners.

Most Municipalities are dealing with the emerging challenges presented by STRs. Problems associated with their operation are not unique to Trent Lakes. It is estimated that there are about 150 STR properties operating in the Municipality. This represents about 2.5% of all residential dwellings. While there were only 9 formally reported complaints specific to STRs in the summer of 2020, the concerns over STRs have been loud and growing.

Some of the common complaints about STRs include the following:

- Excessive noise
- Septic System under capacity for large groups
- Owner not available to address complaints
- Overflow parking onto fire routes, road allowances or other properties
- Fire hazards – bonfires, fireworks, etc.
- Lack of adherence to property standards
- On-site waste management
- Renters with no understanding of local rules, norms and processes
- Transformation of peaceful residential communities into communities of transients
- The intensity of a commercial-like use in a residential setting
- Impacts of STA rentals on established tourist accommodation businesses (e.g. Resorts)
- Lack of (tax) revenue to the municipality
- Impact on neighboring property values – both higher and lower

Conversely, there are some acknowledged benefits of STRs:

- Boosts tourism
- May bring incremental revenues for local businesses
- Allows some new home buyers to purchase, as they offset costs with rental income
- Increases the supply of vacation properties, and in different parts of the Municipality
- Offers a different kind of experience, compared to available commercial options

### **Considerations by the Working Group**

As a general principle, it was agreed that STRs should not adversely affect the residential character of neighbourhoods in Trent Lakes, nor should they be used in ways that unreasonably interfere with any person's enjoyment of their residence.

At the same time, it was agreed that there are no legal reason STRs cannot be operated out of a dwelling. The Working Group also agreed that any solution should focus on the public necessity and desirability to regulate the short-term rental of residential premises for reasons of health and safety; ensuring required essentials are provided, reducing the impact of rental properties to the surrounding neighbourhood while protecting residential amenity, character and stability of residential areas.

A zoning solution was considered, but recent court decisions have disallowed restriction of STRs in residentially zoned areas.

A purely educational solution was considered, but not supported by the Working Group because it provided no ability for the Municipality to manage STRs and communicate directly with owners to ensure compliance with safety and health regulations.

Strengthening existing by-laws and fines and augmenting enforcement was considered. This alone did not provide the unique benefits of a Licensing system. The Working Group reached the conclusion that a Licensing approach was the most suitable for managing STRs in Trent Lakes.

The key reasons for this are:

- A license allows for the Municipality to *inspect* the STR property and *ensure compliance* with health and safety regulations
- A license holds the *owner* accountable; whereas bylaws are enforced against the perpetrator i.e.; the renter
- Under a license system, Municipal Administrative Penalties levied against the *owner* may be added to that person's *tax bill*, and any challenges to penalties are heard by an Appeals Committee, *not* the court system.
- Several similar Municipalities have adopted the License approach, including Ramara, Blue Mountain, Prince Edward County, Niagara-on-the-Lake, and Fort Erie.

Further rationale supporting the recommendations are detailed in the Conclusions section.

### **Recommendations:**

The Working Group, subsequent to their thorough review, are recommending to Council that STRs be governed through a STR Licensing By-Law, to include an Administrative Penalty System, an Appeals Committee and a Demerit Points System.

In addition to licensing STRs, it became apparent that existing Municipal By-laws need to be reviewed and updated if necessary, and there needs to be an ability to enforce through a Municipal Administrative Penalty System. These By-laws include:

- Property Standards By-Law (B2014-095, B2017-099)
- Parking By-Law (B2016-048)
- Snow Clearing By-Law (B2018-015)
- Fireworks By-Law
- Burning By-Law (B2016-051)
- Noise By-Law (B2016-062)
- Licensing of Dogs and Kennels (B2018-079)

The Working Group also recommends that a Nuisance By-Law be developed for consideration by Council which may include infractions for frivolous complaints.

The list of recommendations discussed can be found as Appendix "C".

In summary, the recommendations are included below.

A proposed definition of a STR is 'a building or structure or any part thereof that operates or offers a place of temporary residence, lodging or occupancy by way of concession, permit, lease, licence, rental agreement or similar commercial arrangement for any period less than twenty-eight (28) consecutive calendar days, throughout all or any part of a calendar year. Short-term rental accommodation uses shall not mean or include a motel, hotel, bed and breakfast establishment, hospital, trailer parks, commercial resort unit or similar commercial or institutional use.'

A Licensing By-Law for STRs that:

- a) imposes health and safety requirements (compliance with Building Code, Fire Code, Burning By-Law and Property Standards), including restrictions and by-law compliance and involves property inspections;
- b) uses Municipal Administrative Penalties for violations of restrictions and By-Law infractions, with escalating fine amounts applied to the owner and failure to pay added to the tax roll;
- c) includes a Demerit Point System, including a threshold for revoking STR license;
- d) creates an Appeals Committee;
- e) promotes public education and marketing; and
- f) requires a license where there is an exchange of money.

Application requirements:

- a) owner information and contact information;
- b) name and contact information of person responsible who is located within 1 hour of STR property and available to respond to inquiries and complaints on a 24-hour basis, with complaints being rectified within 24 hours;
- c) compliance with Fire, Building, Health and Safety Codes;
- d) parking accommodation plan, interior floor plan, property maintenance plan, location of refuse and recycling containers and disposal plan, snow storage areas;
- e) copy of rental agreement, Code of Conduct and/or rental package;
- f) proof of liability insurance (\$2 million per property and bodily harm);
- g) confirm of no outstanding taxes;
- h) confirmation that the STR is not serviced by a holding tank;

- i) confirmation of cleaning protocols as may be prescribed by Peterborough Public Health;
- j) confirmation of current year burn permit;
- k) valid criminal background check;
- l) confirmation by PPH that the septic is in good working order and appropriate for the number of occupants;
- m) confirmation that the dwelling unit has potable water;
- n) a mandatory requirement that the owner notify the Municipality if there is a sale/change of ownership and the new owner must apply for a new license;
- o) acknowledgement that the STR license number is included in all advertising for the STR;
- p) acknowledgement of the STR submitting a renewal application annually in order to maintain the license and remain in good standing; and
- q) owner is to own any land that is necessary for the operation of the STR, which may include the shoreline road allowance and all lands identified for parking.

#### Restrictions:

- a) 2 guests per bedroom, with a maximum number of guests of 8;
- b) minimum length of stay is 2 nights;
- c) only one group of guests per rental;
- d) STRs not permitted in accessory structure i.e. garage, shed, recreational vehicle;
- e) Guest Cabins are exempt accessory structures and are permitted to be included as a licensed bedroom;
- f) one parking space per licensed bedroom; and
- g) no STRs in Trailer Parks.

#### Fees and Fines:

- a) license fee \$1,000.00 per property per year; and
- b) develop schedule of fines and escalating fines for repeat offenders to apply to property owner.

#### Demerit Point Schedule:

- a) assign 1 point to each infraction;
- b) after 3 demerit points, a license will be revoked; and
- c) if a license is revoked, the wait time to reapply is 2 years from the date the license is revoked.

#### Enforcement of STR By-Law:

- a) 311;
- b) By-Law Enforcement;
- c) OPP;
- d) Appeals Committee;
- e) Consideration of outside administrative support (ie. Granicus); and
- f) if the Municipality must rectify the violation it will be at the expense of the owner with such being added to the tax roll.

#### Appeals Committee:

- a) Composition – 5 members with 3 public and 2 Councillors.
- b) Public members preferred to have mediation or enforcement experience.

#### Supporting Documents to be Developed:

- a) STR By-Law – with all related forms
- b) Nuisance By-Law
- c) Revise relevant Municipal By-laws
- d) Benefits Brochure for STR owners
- e) Sample STR Code of Conduct
- f) Sample Short Term Rental Agreement
- g) Information Brochure for Renters
- h) Trent Lakes website listing of licensed STRs
- i) Annual Sticker to be placed in window of a rental property, indicating it is a Municipally licensed STR

#### Public Consultation/Engagement:

- a) Questionnaire/Survey on Website
- b) Public Notices in newspaper
- c) Signage at Waste Transfer Stations
- d) Notice in Tax Bill and Newsletter
- e) Public Meeting

In order for the public to provide input to a STR Licensing By-Law, the Working Group recommends that a draft by-law and relevant associated forms be made available for public review and comment. Staff anticipate as a result of the public consultation process there may be a need for some minor refinements to the draft STR Licensing By-Law and application forms.

A draft Licensing By-Law will be created using input from other similar municipal STR licensing By-laws. The Working Group favoured the Township of Ramara's STR Licensing By-Law.

#### **Conclusion:**

The licensing program will regulate the business of operating a short-term rental accommodation. Owners are held responsible for the operation of their business. The draft STR Licensing By-Law would apply to all properties within the Municipality of Trent Lakes that are rented for periods of less than twenty-eight (28) days and there is an exchange of money. Licensing would apply to all STRs regardless of the date created – grandfathering would not be applicable. Licensing will apply equally to existing STRs and proposed STRs and will require inspections to ensure safety is maintained. It is intended that this program will sustain itself. The proposed fees assume a model funded by short-term rental providers and not reliant on the general property tax base. This funding model will be reviewed yearly at Budget time.

A licensing program would introduce a management and control mechanism for the Municipality to specifically address the business of short-term rental accommodations. Gaining regular access to a property to ensure its safety is easier to obtain through the requirement of an inspection in order to acquire, renew or keep a license, than gaining entry in order to determine compliance under requirements such as those in the Building Code, Fire Code, the Municipality's Zoning By-Law and Property Standards By-Law.

The purpose of STR Licensing reinforces the Municipality's authority to pass by-laws respecting the health, safety and well-being of persons and the protection of persons and property.

Proposed regulations would require owners of STRs to meet specific conditions for providing and maintaining safe residential accommodations as a requirement of obtaining, continuing to hold, or renewing a license.

The Working Group recommends the passage of a STR Licensing By-Law for the following reasons:

- The Municipal Act provides authority to a municipality to govern its affairs as it considers appropriate and to enhance a municipality's ability to respond to municipal issues.
- The Municipality considers it necessary and desirable to regulate residential rental premises for the purpose of protecting the health and safety of persons residing in rental units by ensuring certain regulations are met; that the required essentials such as plumbing, heating and potable water are provided; that the residential rental premises do not create a nuisance to the surrounding properties and neighbourhood and; to protect the residential amenity, character and stability of the areas in which STRs are located.
- A licensing program would complement zoning regulations and enhance by-law enforcement efforts to address concerns expressed regarding the business of STRs.
- A licensing program would assist in addressing STR issues and overcomes the limitation of existing tools. It also addresses the business of rental housing, which would be funded by STR operators and not the taxpayer.
- The owners would be held accountable and responsible for the operation of their business.
- A licensing program promotes fairness in the STR market, requiring licensees to maintain the same rental standard.
- A licensing program levels the playing field as every STR is measured, based upon the same standards/requirements – owners are accountable and responsible for the operation of their rentals.
- A licensing program provides a healthy, quality and safe STR accommodation with substandard rental properties and non-compliant operators proactively identified.
- The community benefits through the promotion of quality and safe STR accommodations and compatibility with the surrounding neighbourhood community.
- Overall, STR Licensing is a win-win situation for all.

The Working Group considers it desirable to regulate STRs for reasons of health and safety, ensuring such properties do not create a nuisance to the surrounding properties and to protect the residential amenity areas, character and stability of the neighbourhood.

The Working Group is recommending that a draft STR Licensing By-Law with associated forms be developed in January 2021 and subsequent to Municipal solicitor's review, be presented to Council for consideration. The draft Licensing By-Law will be publicly available for community and stakeholder engagement during February and March 2021. It is anticipated that the STR Licensing By-Law be approved by Council April 2021 with implementation May 1, 2021.

Submitted by:

*Adele Arbour*

Adele Arbour MCIP, RPP  
Temporary Manager of Building and Planning

Approved by:

*Donna Teggart*

Donna Teggart  
CAO

Attach. Appendix "A" Working Group Work Plan  
Appendix "B" Summary of Presentations to Working Committee  
Appendix "C" List of Recommendations

## 2020 Work Plan – Short Term Rental Working Group

<b>Actions</b>	<b>* Lead **Support</b>	<b>Timing</b>	<b>Status</b>
Investigate size of STR problem in Trent Lakes by researching STR Websites for properties available for rent over 3 weeks	* Carol **Derek	Sept 11 – Sept 24	Carol completed and presented findings to group Sept 17. Roughly 128+ properties and Carol provided specifics on cost to book through various organizations and insurance coverage by each
Research Definitions involving STR to create the necessary foundation for future discussions	*Adele **Donna	Sept 11 – Sept 16	Adele completed and presented to group Sept 17
Create a list of problems via a flip chart and decide whose jurisdiction they fall under (e.g. parking, noise, zoning, enforcement, financial implications)	*Working Group	Sept 17	Group went over list produced by Adele
Group to create a list of stakeholders to be interviewed (e.g. Associations, Resort Owners, Renters, Emergency Services)	*Working Group	Sept 17	Group went over list of stakeholders. Donna directed to contact Insurer and Peterborough Public Health to see if they can offer input for future interviews
Interview stakeholder groups	*Working Group	Sept 25	Dave Potter & Steve Brockbank – 9:30-10:00 Dave Reid & Tracie Bertrand – 10:15 – 10:45
John Ewart to attend to discuss options available and legal ramifications of each. Discuss as a group tools available in toolbox and next steps for future meetings	*Working Group	Oct 1	Planned Work for October 1
Interview stakeholder groups	*Working Group	Oct 8	Resort Owners – 9:30 – 10:00 Jason Clarke OPP & Kawartha Guard – 10:15 – 10:45
Interview stakeholder groups	*Working Group	Oct 15	Mike Rizzo & Jenn Brouwer – 9:30 – 10:00 Marlys Kirkman – 10:15 – 10:45

Interview stakeholder groups	*Working Group	Oct 22	Gary Jarosz & Christine Brickman – 9:30 – 10:00
Perform an environmental scan of how other Municipalities in Ontario have addressed the issue of Short-Term Rentals and how successful they have been and implementation/ongoing costs of each. Discuss best way to do Public Consultation.	*Working Group	Oct 29	Carol, Derek and Adele have already compiled some information on this.

## **SHORT TERM RENTAL DEFINITIONS**

### **BLUE MOUNTAIN (By-Law NO. 2009-04)**

"SHORT TERM ACCOMMODATION (STA)" means a dwelling or structure or any part thereof that operates or offers a place of temporary residence, lodging or occupancy by way of concession, permit, lease, license, rental agreement or similar commercial arrangement for any period less than thirty (30) consecutive calendar days, throughout all or any part of a calendar year. Short term accommodation shall not mean or include a motel, hotel, bed and breakfast establishment, tourist cabin or cottage, hospital, commercial resort unit or similar commercial or institutional use.

### **NIAGARA-ON-THE-LAKE (By-Law NO. 4634-13)**

SHORT TERM RENTALS means the use of a building for overnight guest lodging for a period of not more than 28 days and includes Bed and Breakfast Establishment, Cottage Rentals, Villas, County Inns and Vacation Apartments.

### **TORONTO**

A short-term rental is all or part of a dwelling unit in the City of Toronto used to provide sleeping accommodations for any rental period that is less than 28 consecutive days in exchange for payment. This includes existing bed and breakfasts and excludes hotels and motels and accommodations where there is no payment.

### **VANCOUVER**

"A short-term rental (STR) is a home, or a room in a home, that is rented for less than 30 days at a time."

### **NEW ORLEANS**

"Short term residential rental" means a dwelling unit located within the city that is rented as, or held out as being used as, a shared housing unit, bed-and-breakfast establishment or vacation rental."

### **CHICAGO**

"Shared housing unit" means a dwelling unit containing 6 or fewer sleeping rooms that is rented, or any portion therein is rented, for transient occupancy by guests. The term "shared housing unit" shall not include: (1) single-room occupancy buildings; (2) hotels;

(3) corporate housing; (4) bed-and-breakfast establishments, (5) guest suites; or (6) vacation rentals.

#### PRINCE EDWARD COUNTY

Short-term accommodation rentals can be defined as all, or part, of a dwelling unit used to provide sleeping accommodation for vacationing members of the public, but may also include persons travelling for business or work purposes. Most commonly these types of accommodation are marketed through web-based services, such as Airbnb, CanadaStays, or VRBO-style organizations.

#### VILLAGE OF RADIUM HOT SPRINGS, BC

Short term rental means the commercial accommodation of guests in a private residence, which could include a room, apartment, secondary suite, or house, on a temporary basis, this being 30 consecutive days or less.

#### TOWN OF OAKVILLE

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.

#### TOWNSHIP OF SEVERN

Short Term Accommodation refers to the rental of a dwelling or dwelling unit to travellers for a period not exceeding 30 consecutive days. STAs do not include traditional commercial; accommodation such as hotels, motels, tourist establishments, and bed and breakfast establishments. Short term rental must be secondary to the use of the property as a residence and must be the principle residence of the owner/operator. Limited to three bedrooms for guests. Must have adequate parking and no traffic hazards.

#### KAWARTHA LAKES

Short Term Rentals are when you stay in a rental space for 30 days or less. This could include renting a private room in a home, an entire home, a seasonal property like a

cottage or other space. Short Term Rentals do not include established accommodations such as bed and breakfasts, hotels, trailer parks or campgrounds.

## FERNIE, BC

A Short-Term Rental (STR) refers to the rental of all, or a portion of, your home, for a period of less than 30 days. In the City of Fernie, you must have a license to operate a STR in your home.

## VAUGHAN

Short-Term Rentals (STRs) are considered a home or a portion of a home used to provide temporary accommodation for not more than 29 consecutive days.

## FORT ERIE (By-Law No. 113-2019)

Short-Term Rental means all or part of a dwelling unit, subject to licencing by the Town, to provide sleeping accommodation for any period of thirty (30) calendar days at a time or less in exchange for payment, but does not include any type of institutional dwelling, hotels, or other similar uses.

## HUNTSVILLE (By-Law No. 2019-122)

Short-term Rental Accommodation means the use of a single family dwelling, as defined in Comprehensive Zoning By-Law 2008-66P, as amended, or a single detached dwelling which is owner occupied and in which not more than two bedrooms are rented, and that operates or offers a place of temporary residence, lodging or occupancy by way of a concession, permit, lease, license, rental agreement or similar commercial arrangement for any period equal to or less than thirty (30) consecutive calendar days, throughout all or any part of the calendar year, unless otherwise prohibited by this by-law, or any other by-law of the Town of Huntsville. Short-term Rental Accommodation uses shall not include any other form of residential dwelling, a hotel, motel, motor hotel, nursing home, private or public hospital, a recreational vehicle park, a tent campground, or similar commercial or institutional use, as defined in Comprehensive Zoning By-Law 2008-66P, as amended.

## MINDEN HILLS

Short Term Rental or Short Term Accommodation typically describes residential dwellings which are rented over a short period of time (e.g. less than 30 days) for monetary gain. The use of the dwelling for a STR can take many forms ranging from a resident of the property who, from time to time, rent out the dwelling while on holiday themselves, to owners of property who continually rent the property out as an investment income.

## PRINCE EDWARD COUNTY

Short Term Accommodation Rentals can be defined as all or part of a dwelling unit used to provide sleeping accommodation for any rental period that is a short duration of approximately 30 consecutive days or less. Persons staying at a Short Term Accommodation Rental are usually a vacationing member of the public, but may also include persons travelling for business or work purposes.

## TOWNSHIP OF RAMARA (By-Law No. 2020.11)

Short-term rental accommodation means a building or structure or any part thereof that operates or offers a place of temporary residence, lodging or occupancy by way of concession, permit, lease, licence, rental agreement or similar commercial arrangement for any period less than twenty-eight (28) consecutive calendar days, throughout all or any part of a calendar year. Short-term rental accommodation uses shall not mean or include a motel, hotel, bed and breakfast establishment, hospital, commercial resort unit, village commercial resort unit or similar commercial or institutional use.

## ISSUES WITH STR

## JURISDICTION

Septic System (being used in accordance with designed capacity)

Peterborough Public Health

Safe potable water (water quality related to supply source and proper operating septic system) - testing

Peterborough Public Health

Parking (overflow parking on Fire Routes, Municipal and County Road Allowances)

Municipality, County, Road Associations

Excessive Noise

Municipality and OPP

Zoning

Municipality

Enforcement

Municipality and OPP

Financial Implications

Municipality

Ability to Contact Property Owner

Municipality

Fire Hazards and Fire Safety Standards/Emergency Services

Municipal Fire Department and EMS

Property Management/Maintenance Concerns

Municipality

Neighbourhood Concerns

Municipality

Road Association Concerns

Road Associations/Private

Public Safety Concerns

Municipality, Peterborough Public Health, OPP, Humane Society

Competition with Hospitality and Accommodation Industry (Resorts)

Federal Government Competition Bureau

Business with no Appropriate Taxation

Municipality, MPAC, CRA

Absentee Operators

Municipality

No limit to the number of persons renting or number of days/weeks rented

Municipality

Littering/Garbage/Recycling	Municipality
Animals/Dogs	Municipality/Humane Society
Fences	Municipality
Municipal Liabilities	Municipality and Legal Counsel
Potential Reduction in general supply of rental housing and Ownership	Municipality
Land Use Conflicts	Municipality
Declining Property Values(ability to sell)	
Lack of Enforcement	Municipality, OPPI
Should have Commercial Liability Insurance	Insurance Companies
Speculation and Purchase of Properties for STRs has driven up property prices	
Impact to businesses and industry's ability to attract skilled and specialized work force to the area	
No regulations enforced regarding Covid Protection	Peterborough Public Health

## **BENEFITS**

Boost Tourism

Economic Development Spin-offs – restaurants, attractions and local businesses

Economic Benefits to Property Owners that Choose to Participate

More Affordable than Hotels as Many Individuals can Split the Cost

More Unique experience

Expand Access to Buyers

## **TOOL BOX FOR SHORT TERM RENTALS**

1. Do Nothing
2. Licensing
3. Registry System
4. Review and Beef Up Municipal By-Laws i.e. Noise By-Law, Property Standards By-Law, etc. with increased fines
5. Implement a Transient Accommodation Tax (Hotel Tax) – on hold for 2021
6. New By-Law for STRs – restrict days or weeks to be rented, restrict guests to Primary Residents
7. Zoning By-Law Amendment to Restrict STRs along shoreline properties
8. Impose and increase fines to property owners for violations that have occurred by Renters
9. Education Approach – package of information for renters regarding garbage Disposal and recycling, noise by-law, etc.
10. Enforcement

## **Short Term Rental Working Group Background – Consultations**

### **Chris and Debbie Beggs, Jim Stasiuk – Ratepayers impacted by Short Term Rentals**

Debbie and Chris Beggs, as well as Jim Stasiuk, told similar stories of living next door to STR properties. The stories consisted of STR properties being rented to large groups of people ranging from 15-20+ people, noise, parking issues, garbage – all of which are resulting in a loss of enjoyment of their property. The main issue expressed was noise and the fact that renters are taking away the enjoyable use of their property. Renters are paying up to \$10,000/week and feel that this gives them the right to make as much noise as they want. There was also concern expressed about renters entering their property and their safety. They have called the OPP in the past but noise was not as bad when the OPP finally arrived although they did take statements.

### **Steve Brockbank, Director of Emergency Services**

Steve explained to the Working Group that the Fire Department doesn't typically know whether the calls they are responding to are renters or owners. Depending on the nature of the call, that type of information may be disclosed. Even if that information is collected through their department, it may not be able to be released to the Building/By-law Department. The Fire Code has regulations for more than ten (10) people sleeping in a structure.

### **Dave Potter, Transfer Station Attendant**

Dave Potter outlined concerns relating to waste management. In particular, he emphasized the discrepancies with black/clear bags and where recyclables go in Trent Lakes compared to their home municipalities and encourages the Municipality to urge the Province for consistency in the recycling streams. He also described unspent fireworks, ashes and sharps being a safety concern. Through the purchase of the cottage kits, the Transfer Station Attendants are able to provide education to renters/landlords.

### **Tracie Bertrand, PKED**

Tracie outlined the general position of traditional accommodators and visitors and owners with respect to short-term rentals. The traditional accommodators don't feel a sense of fairness whereas the visitors prefer choice and to be near to the town where they are vacationing and the owners are either supplementing their income or using properties solely for renting. In the PKED area, there is a shortage of commercial

accommodations and virtually no boutique accommodations. PKED has 19 accommodation partners in Trent Lakes. The number of short term rentals in rural areas is growing substantially. Tracie is supportive of licensing short term rentals, as this would also make them eligible to pay a Municipal Accommodation Tax should the Municipality implement it. Legislation from the Province would be beneficial in regulating short term rentals.

### **Dave Reid, Chair, Economic Development Advisory Committee**

Dave outlined current and potential impacts, both positive and negative. He raised the concern that if Trent Lakes does not implement some type of control over STRs, the Municipality will gain a reputation among owners as an “unregulated” place to locate and set up business. He was supportive of sharing the benefits with the short-term rentals. The Working Group discussed having Standards that short term rentals would be required to meet. PKED could provide guidelines in exchange for PKED promoting their business.

### **John Ewart, Municipal Solicitor**

John advised that through zoning, the Municipality can restrict the location of new short term rentals (STRs) to compatible areas, such as areas that permit residential use. Any existing STRs would be considered legal non-conforming. Should the Municipality licence STRs, legal non-conforming STRs would be compliant under the zoning, but the licensing would apply to all STRs. A statutory declaration would be required to confirm the legal non-conforming status.

John advised that any fees need to be reasonable in order to have buy-in from the owners. When considering the fee, it has to bear nexus to what you are providing and what is required to provide the service. The fee should not be used to generate revenue.

Through the Provincial Offences Act, there is a maximum fine that can be laid. Through an Administrative Monetary Penalty (AMP) system, the fees can go directly on the tax roll. This also avoids the lengthy process for a court proceeding. Fines through an AMP system would be through the property owners and any fines must fit the crime.

John recommended a ‘Renters’ Code of Conduct’ that would also contain contact information for the Owner.

John also described a demerit point system. The property owner would have the right to appeal to a quasi-judicial body demerit points or the revoking of a license.

The Municipal Act sets out that a by-law can be challenged if it is ‘unreasonable’ therefore any fees/fines must be appropriate.

John advised that the Municipality should only consider a by-law if they are willing to enforce it. Any by-law that the Municipality passes should be drafted to address the needs of the Municipality. Commercial operations would be exempt from the licencing requirement.

The Municipality could only impose the Municipal Accommodation Tax (MAT). Councillor Armstrong inquired about having the web platform collecting a tax to disperse to the Municipality. The Working Group also discussed having the MAT apply to only STRs. Because MPAC determines the property tax class, the Municipality cannot charge a different tax rate (ie. Commercial) for STR properties.

Any fees charged must be tied to reality. The act of renting out a house as an STR is not a criminal activity, however, if the Municipality passes a licencing by-law, operating without a license would be illegal.

Mayor Clarkson asked about restricting STRs in subdivisions. John referred the Working Group to a decision involving the Town of Puslinch that determined STRs were consistent with a residential use. Therefore, the Municipality would not be able to restrict STRs in any residential zoning.

John advised reviewing all applicable by-laws (noise, fireworks, etc.) to make sure they are complementary to a licencing by-law, not conflicting. A public nuisance by-law could address false complaints.

### **Louis Melizan, Owner of Three Castles Resort**

Louis explained to the working group the rules in place for resort owners to follow in order to operate, including registering for HST, collecting HST, water system inspections and testing, cleaning protocols, etc. He emphasized that there has been little money from the government provided to businesses to serve the growing need and expectations of these establishments.

### **Leslie Clarkson, Manager of Scotsman Point Resort**

Leslie agreed with Louis' points regarding the strict rules in place for resorts. She talked about the Municipal Accommodation Tax (MAT) and the effect that would have on resorts. She said the insurance options are diminishing as they are deemed to be high risk.

Louis and Leslie agreed that a MAT may only push people towards the use of STRs. They also agreed that licencing STRs would help level the playing field. They would like better communication with the local governments about how they can help the resorts grow their business.

### **Jason Clarke, O.P.P.**

Jason explained that the remoteness of some areas in Trent Lakes makes it difficult to respond to noise complaints as the noise may be gone when the O.P.P. are able to arrive. He explained that they generally try and resolve issues without enforcement. He said they respond to similar complaints in this area, especially in the summer, outside of STR properties.

### **Dave Lavallee, Kawartha Guard Services**

Dave provided some background information on the types of issues that are dealt with regarding STRs and that the main issue is a lack of respect. He said they typically get less than 12 complaints per year and they can range from noise, garbage, fire, property lines, fireworks, trailers or dogs. The majority of the complaints are minor in nature and are not serious. He would like to be able to have the contact information for the STR owners and have the owners post a quick reference guide to educate renters. He emphasized noise issues are rarely the main problem, there is typically another root issue.

### **Lynn Woodcroft, Real Estate Agent**

Lynn explained that there are cottage buyers who purchase a property for the sole purpose of an STR. She advised she gets questions from neighbours when she lists a house whether the house will turn into an STR. Lynn suggested going right to the Peterborough County Real Estate Board with any licencing information to make real estate agents aware when they go to buy/sell a property for an STR. Lynn advised the Group that the profile of prospective buyers that want to operate an STR is someone from the GTA who wants the STR to pay the taxes so they will rent out the residence when they are not there. She advised it is also common for people to rent to people they know.

### **Jenn Brouwer, Short Term Rental Owner**

Jenn emphasized that not all STR owners should be painted with the same brush, as each have different rules and regulations for their rentals. Jenn feels her STR creates a unique type of establishment that was missing in the accommodation market. She advised that renters are not the sole cause of problems – some families can be rowdy and she has had her renters complain about the neighbours. She outlined her disinfectant process due to COVID-19 and that any waste from her residences does not go to the Transfer Stations. She has a maximum amount of people per residence and then they are encouraged to get a secondary residence. She also finds out the number of cars and encourages car pooling or provides resources for a shuttle bus/van to

minimize parking impacts. She was supportive of a licensing model. She treats her renters as guests in her home and expects that when 'borrowing her home' they will have respect for the rules, and she takes a security deposit to enforce this. She discussed that she does not feel she is in competition with others in the accommodation market as she offers a unique experience that is not available at resorts/hotels/trailer parks.

### **Marlys Kerkman, Buckhorn Ratepayers Association**

Marlys provided an overview of responses from the Buckhorn Ratepayers Association. She advised the negatives to STRs were increased noise, traffic, ATVs, fireworks, litter, fishing, trespassing, excess wear and tear on the road, and the use of private property (ie. Canoes). The Association recognized that not all of these issues are only from STRs. One response was from a renter that uses a rental agency for their STR.

### **Christine Brickman, Crystal Lake Community Association**

Christine reviewed her presentation which gave an overview of the issues surrounding STRs. She also emphasized the need for a definition for a STR. She outlined different mechanisms which could be implemented to licence STRs and the enforcement techniques which could be used.

### **Gary Jarosz, Cavendish Community Ratepayer Association**

Gary had circulated the discussion topic of STRs to his Association and he received a full spectrum of responses that included both positives and negatives. He emphasized the need to focus on what the problem is that the Municipality is trying to address and focus on finding a solution that will address that problem. He explained that renting is going to happen whether the Municipality licences it or not, however, if a permit/licencing structure is in place, the possibility of getting caught will help to encourage owners to be compliant with the rules and serve as a deterrent. He also emphasized the need for the licence to benefit the STR operators and that the system can't just be punitive.

### **James Henry, Vice President of Blue Mountain Resorts and member of Blue Mountain's Committee to review their STR by-law**

James reviewed his presentation which outlined the planning process Blue Mountains went through to get their STR by-law passed, as well as positive and negatives from their experience. He talked about the focus for Trent Lakes going into detail about the operating parameters, management and enforcement.

### **Mike Rizzo and Tara Daniels, Short Term Rental Owner**

Mike and Tara gave a background of their rental history. They advised that their problems with renters only started occurring recently. Through their STR they promote local entrepreneurs and businesses and employ local people for cleaning and property maintenance. They discussed updating and enforcing by-laws for all residents, not just STRs, and that to avoid a burden on municipal resources, proof of violations should be fact-based and there should be consequences for frivolous complaints. They were supportive of the money collected from licencing being re-invested back into economic development for the community. They advised they take a security deposit and perform reference checks, have invested in two-way talk surveillance cameras with noise tracking, and have neighbours perform spot checks. Their rental contract must include the names of all individuals to be present and must be signed by someone over the age of thirty. They do not permit bachelor(ette) or birthday parties. Their rental contract stipulates times when noise and fires are permitted.

### **Jon Popple, Manager, Community Standards, Township of Ramara**

Jon provided background about the STR issue arising in 2017 in Ramara. An ad hoc committee was formed which presented a draft by-law, built off of the Blue Mountains model, for consideration in early 2019. The by-law was reviewed by the solicitor and eventually passed January 27, 2020. Ramara defines any STR as 28 days or less. Jon's original position was created to oversee the administration and enforcement of the by-law. The fee for the licence is \$1,000.00 annually and involves a complex application and pre-screening process. The applicant is required to provide a floor and site plan (which includes parking) and information on garbage/recycling, snow removal, well and septic, smoke and CO2 detectors. They also require \$2 million liability insurance, upon approval, and the taxes must be paid in full. After the application has been submitted and a preliminary review has been completed, it is circulated to all departments and a site inspection is conducted. The time period for approval is approximately 2-3 weeks. The licence restricts the STR to a maximum of 8 people and requires a person to be appointed and available to attend the property within 1 hour. This contact information is provided on the Ramara website which has resulted in reduced complaint volumes. The applicants are also required to develop a Code of Conduct which must contain certain required information and details on by-laws. Ramara currently has 3.5 by-law enforcement officers who are available 9:00 am – 4:40 pm 7 days a week. They are also considering additional enforcement through either a third-party contract or seasonal employees. Ramara has approximately 70 STRs, 23 have been licenced, 22 are in the process and 25 compliance notices have been issued with 15 receiving fines. They use a third-party to scrub the internet to look for STR properties. Their review of the by-law

recommends a higher fine, as well as a progressive fine system. The licence is valid for one year from the date of issuance and the owners are required to provide quarterly proof of insurance. If the property is sold, the new owner will have to apply for a new licence. They have also established an appeals committee for their demerit point system.

## Trent Lakes Short Term Rental Working Group – Discussion on Recommendations

### Solution Aspects I think we all agree with:

1. A License Program for Short Term Rentals that imposes prescribed health and safety requirements on properties and involves property inspections.
2. A set of restrictions for STRs, in addition to Bylaw compliance
3. Municipal Administrative Penalties for violation of restrictions and bylaw infractions – with escalating fine amounts. Added to tax bills.
4. A Demerit Point System and a threshold for revoking an STR license
5. Increased Enforcement resources????
6. A Committee of Appeals to address STR challenges to charges
7. ?? A way of dealing with nuisance complaints
8. Public Education and Marketing
9. OTHER???

### Questions to answer:

1. WHO needs to get a license?
  - Everyone
  - **Just those that rent out for greater than three (3) OR four (4) weeks per year ?**
  - Only those properties where the owner is in residence for less than 180 days?
  - Only those that advertise on line?
  - Other?
  - **EXCLUDES:** hotels, motels, resorts, cabins/cottages, trailers, campgrounds, b and bs, Other??
1. What are the Application requirements?
  - Owner information and contact information
  - Name and contact information of a responsible person located within 1 hour of property
  - Copy of their Rental Contract
  - Copy of their Code of Conduct and/or Rental Information Package
  - Proof of Insurance
  - Proof of adequate safety equipment for boating and water activities
  - Proof of paid up taxes and hydro bills
1. What inspections and approvals are required for License Approval?
  - Fire inspection
  - Septic inspection
  - Water inspection
  - Parking inspection
  - Building inspection (site plan and floor plan)
  - Adequate life jackets and boat safety equipment

2. What restrictions will be imposed on STRs??
  - # of Guests – 2 per bedroom? 2 Extra? **2 per bedroom and max of 8 total – children <10 not included (PEC)**
  - Minimum # of consecutive days that can be rented ? **5 day rentals?**
  - Permanent Residency Requirement? Owner must be there 180 days per year?
  - # of Vehicles? (minimum of 1 parking space per guest bedroom - Huntsville)
  - **NO commercial functions**
  - **NO party houses**
  - Pets???
  - **Recording of all renter information**
  
3. Fees and Fines
  - License Fee?? **Flat \$1,000??** \$500 per Bedroom?
  - **Schedule of fines and escalations\*\***
  - **Owner liable for fines and escalations**
  
4. Demerit Point Schedule and threshold for license revocation
  - # of Points per type of infraction\*\*
  - **# of Points for license to be revoked (OR 3 Bylaw notices to comply – PEC)\*\***
  - Wait time before a revoked licensee can reapply? **2 Years?**
  
5. Who will enforce STR Bylaws?
  - **311 > Bylaw Officers > OPP > Committee of Appeals**
  - More resources needed???
  
6. Committee of Appeals
  - **Composition – 5 members, 3 public, 2 Councillors**
  - **Public members with mediation , enforcement experience**
  
7. Handling of Frivolous complaints??? Consequences?
  - Need a Nuisance Bylaw?
  - Fines?
  
8. Supporting Documents to be Developed
  - STR Bylaw
  - (Nuisance Bylaw)
  - Revised Relevant Municipal Bylaws
  - “Benefits” brochure for STR owners
  - STR Code of Conduct
  - Sample STR Rental Agreement
  - Info Brochure for Renters in Trent Lakes
  - Website listing of Licensed STRs

**\*\* REFERENCE MUNICIPALITIES**

**Fernie**

Carrying on business without a licence	\$ 750.00
Advertisement of short-term rental without a licence	\$ 750.00
Failure to respond to a call from the City within 24 hours	\$ 500.00
Failure to provide two (2) parking stalls	\$ 500.00
Failure to clear snow and ice from parking spaces	\$ 250.00

**Ramara 15 points to revoke**

**Points**

Fire Protection and Prevention Act, FPPA I 2007/Fire Code Confirmed Order	5
Operating without a licence 3(1)	7
Building Code Act, 1992 BOA (construction without a permit)	7
Sleeping in excess of maximum 8 persons 5(4), 5(9)	5
Non-availability of responsible person 5(1 3)	7
Noise By-law infraction 5(20)	5
Not providing updated information 4(4)	3
Contravention of Site Plan Plan 5(9)	3
Notpostinglicence 5(11)	1
Property standards 5(20)	3
Long grass 5(20)	3
Waste/garbage collection 5(18)	3

**Prince Edward County Administrative Penalties**

- 1 Section 2.1 Operate STA without a licence. \$1000.00 \$2000.00 \$4000.00
- 2 Section 2.2 Advertise STA without a licence. \$500.00 \$1000.00 \$2000.00
- 3 Section 2.6 Fail to provide copies of required documentation. \$100.00 \$200.00 \$400.00
- 4 Section 2.10 Change or operate STA other than as approved. \$1000.00 \$2000.00 \$4000.00
- 5 Section 4.1g Hosting non-permitted events. \$500.00 \$1000.00 \$2000.00
- 6 Section 7.2 Refusing a By-Law Enforcement Officer entry for inspection. \$300.00 \$500.00 \$1000.00

**Huntsville**

- 1. Operate any Short-Term rental without a license 3.1 \$400.00
- 2. Advertise an unlicensed short-term rental 3.2 \$400.00
- 3. Violate the renters code of conduct 3.3 \$400.00
- 4. Licensee rent any room other than an approved room 3.5 \$500.00
- 5. Fail to permit an inspection of any land 8.3 \$500.00
- 6. Hinder or obstruct any person from 9.1 \$500.00 performing their duty
- 7. Licensee fail to provide contact information 9.2 \$350.00
- 8. Fail to comply with an order 10.7 \$500.00

