

The Corporation of the City of Kawartha Lakes

Council Report

Report Number LIC2017-001

Date: September 26, 2017

Time: 2:00 p.m.

Place: Council Chambers

Ward Community Identifier: All

Subject: Licensing of Short Term Residential Rentals

Author Name and Title: Alix Hick, Senior Licensing Officer

Recommendation(s):

RESOLVED THAT Report LIC2017-001, **Licensing of Short Term Residential Rentals**, be received; and

THAT no further action be taken to regulate Short Term Residential Rentals in the City of Kawartha Lakes.

Department Head:

Corporate Services Director / Other:

Chief Administrative Officer:

Background:

At the Council Meeting of July 11, 2017 Council adopted the following resolution:

RESOLVED THAT the June 15, 2017 correspondence from Rolling Hills Estates Homeowners Association, regarding short term property rentals, be received; and
THAT the Rolling Hills Estates Homeowners Association correspondence be referred to staff for review and report back on alternatives and implications by the end of Q1, 2018.

CR2017-636

At the Council Meeting of August 22, 2018, Council adopted the following resolution:

RESOLVED THAT the petition submitted by Carol Aird, Sandy Clayton, Jean Paton regarding the Regulation of Short Term Property Rentals in the City of Kawartha Lakes including View Lake, be received and forwarded to staff for inclusion in the report on this issue requested by a previous Council direction.

CR2017-706

This report addresses those directions.

Rationale:

In response to the above noted resolutions, staff researched the issue of short term residential rentals, being rentals of 30 days or less, and reviewed the regulatory frameworks implemented by other municipalities. This report will outline the responses from other municipalities, provide an overview of the situation locally, and make recommendations on how to proceed.

Municipalities across the country are taking steps to regulate short term residential rentals. In large urban centres, such as Toronto and Vancouver, short term residential rentals are being regulated as a means to ensure adequate and affordable housing in inflated and understocked rental markets. In municipalities that enjoy a large tourism industry, such as Blue Mountains and Whistler, BC, short term residential rentals are regulated from more of a nuisance prevention and consumer protection standpoint.

Both rationales for regulation are valid, however it is staffs opinion that the issues are not pervasive enough in the City of Kawartha Lakes to warrant the implementation of a costly regulatory framework.

Documentation provided to the City from Airbnb indicates there are 130 active Airbnb short term residential rental listings City of Kawartha Lakes. This is

compared to more than 300 listings in the municipality of Blue Mountains which has a regulatory by-law.

Although the City is currently experiencing a less than 1% vacancy rate for rental housing, the properties being offered as short term residential rentals are not suited or desirable for individuals seeking long term housing options as they are either seasonal properties or too costly. Therefore, regulating short term residential rentals would not assist in increasing the number of year-round residential rental units that are available in the City.

As the issue of regulating residential short term rentals is relatively new, Municipal Law Enforcement has not been actively tracking nuisance calls caused specifically by individuals using short term residential rentals. In the current year, Enforcement has received a total of 6 inquiry calls specifically regarding short term residential rentals and approximately 1 call per week regarding by-law violations at rental cottages. The complaints resulting from activities at short term residential rentals are valid and investigated as per department policy however the call volume is not significant when compared to call volume for other activities regulated through municipal by-laws.

From a zoning perspective, the regulation of short term residential rentals creates numerous and complex challenges. First, if the municipality were to elect to regulate short term residential rentals through zoning, amendments would be required to all the zoning by-laws within the City. Second, there would either have to be a distinction between short term rentals and long term residential rentals or a blanket regulation for all rentals as there are no regulations under licensing or zoning by-laws for long term residential rentals.

The two requests that prompted this report request that by-laws regulating short term residential rentals be implemented in “certain areas of the city”. From a policy and enforcement perspective, this is not recommended as regulating activities in one area may open up the City to requests to specifically regulate other areas which would result in irregular or inconsistent regulation. Such a patchwork of regulatory areas that would lead to inefficiencies in monitoring and enforcement and could also be perceived as targeting certain areas as being deserving or undeserving of regulation over others.

Short term residential rentals areas are not new. For as long as people have been travelling, particularly to cottage areas, short term rentals of residential and recreational properties have been occurring. Access to short term residential rentals has increased as technological platforms such as Airbnb have been developed to facilitate the rental process. Many owners rent their properties as a means of generating income to maintain the properties and keep them in their families for generations, strengthening ties to Kawartha Lakes.

In areas such as the City of Kawartha Lakes, short term residential rentals are a vital part of our tourism economy. The existence of short term residential rentals

is a clear indication that there are not enough traditional traveler accommodations, such as motels, hotels, and bed and breakfasts, to meet the growing demands of the tourism industry and they therefore play a vital role in encouraging tourism and economic development in our area.

Other Alternatives Considered:

Any regulatory by-law would need to be applied to the entire City, not just specific areas. If Council were to elect to regulate short term residential rentals through a licensing by-law, they would have the option of a strict regulatory by-law or a registry system. Examples of provisions that could be built-in to a regulatory by-law include minimum distance separations between short term residential rental units and minimum length of stay regulations. Other municipalities who have implemented short term residential licensing by-laws are using complex point and demerit point system to determine eligibility for initial and renewal licences where demerit points are given for infractions and/or complaints.

The type of by-law would depend on the amount of funds Council wishes to allocate to increased staff time to effectively enforce a by-law. The implementation of a pro-active, regulatory by-law for only short term rentals would require an additional seasonal, full time enforcement staff member to be hired.

If a by-law were to be implemented, there would need to be considerable consultation with stakeholders including cottage associations, individual owners, and tourism industry stakeholders to ensure all parties are able to provide input on any legislation. Additionally, considerable consultation would have to be undertaken with the City's Planning department to make the necessary amendments to the zoning by-laws.

Financial/ Operation Impacts:

In order for a by-law and regulatory framework to be effective, the legislation must be enforceable. If a by-law were to be passed regulating short term residential rentals, there would be a need for additional staff resources in order to properly implement and enforce the by-law. Licensing fees are based on a cost recovery model and given that more staff would be needed for enforcement, the licensing fees have the potential to be prohibitively costly for most short term residential rental property owners.

Relationship of Recommendation(s) To The 2016-2019 Strategic Plan:

N/A

Review of Accessibility Implications of Any Development or Policy:

N/A

Servicing Implications:

N/A

Consultations:

Manager Municipal Law Enforcement
Manager Policy Planning
Manager Economic Development
Housing Manager

Attachments:

Appendix A – Airbnb Statistics



Appendix B – Rolling Hills Appeal Letter



Appendix C – View Lake Petition



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Department Head: Ron Taylor