



**The Corporation of the City of Stratford
Planning and Heritage Committee
Open Session
AGENDA**

Date: Monday, February 24, 2020
Time: 7:05 P.M.
Location: Council Chamber, City Hall
Committee Present: Councillor Ingram - Chair Presiding, Councillor Ritsma - Vice Chair, Mayor Mathieson, Councillor Beatty, Councillor Bunting, Councillor Clifford, Councillor Gaffney, Councillor Henderson, Councillor Sebben, Councillor Vassilakos

Staff Present: Joan Thomson - Acting Chief Administrative Officer, Tatiana Dafoe - Acting Clerk, Ed Dujlovic - Director of Infrastructure and Development Services, Michael Humble - Director of Corporate Services, David St. Louis - Director of Community Services, Jacqueline Mockler - Director of Human Resources, Jeff Leunissen - Manager of Development Services, John Paradis - Fire Chief, Kim McElroy - Director of Social Services, Jodi Akins - Council Clerk Secretary

Pages

1. Call to Order

The Chair to call the Meeting to Order.

Councillor Burbach provided regrets for this meeting.

2. Disclosure of Pecuniary Interest and the General Nature Thereof

The *Municipal Conflict of Interest Act* requires any member of Council declaring a pecuniary interest and the general nature thereof, where the interest of a member of Council has not been disclosed by reason of the member's absence from the meeting, to disclose the interest at the first open meeting attended by the member of Council and otherwise comply with the *Act*.

Name, Item and General Nature of Pecuniary Interest

3. Sub-committee Minutes

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Sub-committee minutes are attached for background regarding the discussion held at the February 3, 2020 Sub-committee meeting.

4. Delegations

None scheduled.

5. Report of the Manager of Development Services

5.1 Possible approaches to regulate Short Term Rental Accommodations in the new Comprehensive Zoning By-law (PLA20-004)

15 - 25

Staff Recommendation: THAT this report titled Possible approaches to regulate Short Term Rental Accommodations in the new Comprehensive Zoning By-law be submitted for the consideration of Planning and Heritage Sub-committee.

Motion by _____

Sub-committee Recommendation: THAT Short Term Rentals be permitted in the City of Stratford in principal residences and/or one other dwelling unit within the City of Stratford;

AND THAT Short Term Rentals be limited to 120 days per calendar year.

Motion by _____

Sub-committee Recommendation: THAT the same safety inspections for bed and breakfasts be required for short term rentals as part of the licencing process.

6. For the Information of Committee

6.1 Project Update

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The Manager of Development Services provided a verbal update on ongoing projects in the City as a combination of the January and year end update.

The minutes for this item in their entirety can be viewed as part of the February 3, 2020 Planning and Heritage Committee minutes.

7. Adjournment

Meeting Start Time:

Meeting End Time:

Motion by _____

Committee Decision: THAT the Planning and Heritage Committee meeting adjourn.



The Corporation of the City of Stratford Planning and Heritage Sub-committee MINUTES

Date: February 3, 2020
 Time: 4:30 P.M.
 Location: Council Chamber, City Hall

Sub-committee Present: Councillor Ingram - Chair Presiding, Councillor Ritsma - Vice Chair, Councillor Bunting, Councillor Clifford, Councillor Vassilakos

Staff Present: Jeff Leunissen - Manager of Development Services, Jodi Akins - Council Clerk Secretary

Also present: Members of the public

1. Call to Order

The Chair called the meeting to Order.

2. Disclosure of Pecuniary Interest and the General Nature Thereof

The *Municipal Conflict of Interest Act* requires any member of Council declaring a pecuniary interest and the general nature thereof, where the interest of a member of Council has not been disclosed by reason of the member's absence from the meeting, to disclose the interest at the first open meeting attended by the member of Council and otherwise comply with the *Act*.

Name, Item and General Nature of Pecuniary Interest

No disclosures of pecuniary interest were made at the February 3, 2020 Planning and Heritage Sub-committee meeting.

3. Delegations

None scheduled.

4. Report of the Municipal By-law Enforcement Officer

4.1 Proposed exemption to Sign By-law 159-2004 – Section 12.0 – Address Fascia Sign (PLA20-001)

Staff Recommendation: THAT the request by Mr. Jim Strawbridge, for a Sign By-law exemption in order to erect two additional fascia address signs, measuring 2.1m² (23.25sq.ft) and 1.7m² (18.75sq.ft) at 93 St. Vincent Street South, be approved.

Sub-committee Discussion: The Manager of Development Services advised that the application is for two traditional address signs. Currently the by-law permits one.

There are multiple tenants in the building and the applicant is requesting a sign for each to allow for exposure to the street.

Staff have reviewed the sign variance request and believe that two additional fascia signs will not alter the character of the area and are recommending approval.

Motion by Councillor Clifford

Sub-committee Recommendation: THAT the request by Mr. Jim Strawbridge, for a Sign By-law exemption in order to erect two additional fascia address signs, measuring 2.1m² (23.25sq.ft) and 1.7m² (18.75sq.ft) at 93 St. Vincent Street South, be approved.

Carried

This item was listed for consideration at the February 10, 2020 Planning and Heritage Committee and Council Reconvene meetings.

5. Report of the Manager of Development Services

5.1 Possible approaches to regulate Short Term Rental Accommodations in the new Comprehensive Zoning By-law (PLA20-004)

A vibrant city, leading the way in community-driven excellence.

Staff Recommendation: THAT this report titled Possible approaches to regulate Short Term Rental Accommodations in the new Comprehensive Zoning By-law be submitted for the consideration of Planning and Heritage Sub-committee.

Sub-committee Discussion: The Manager of Development Services advised the intent of the report is to generate discussion on possible approaches to regulate short term rental accommodations in the new Comprehensive Zoning By-law and have Sub-committee provide direction.

At the previous meeting in which this item was discussed, Sub-committee requested further information on how the Toronto LPAT decision will affect what Stratford does and information on by-law enforcement resources and activities.

The LPAT decision upheld Toronto's by-law. The Manager provided information on what is permitted in the by-law and noted at the same time, a licencing by-law was also adopted. Background on what was included in the licensing by-law was also provided as outlined in the report.

With respect to by-law enforcement, there are two full-time by-law enforcement officers managed by the Chief Building Official and supported by the Development Services Clerk Secretary. Workload has been consistent for several years and consists of more than a dozen by-laws. Complaints take the most amount of staff time.

Staff prepared a number of options for consideration that would regulate short term rentals and those options were described by the Manager as outlined in the report with pros and cons listed for each.

Once Council adopts a by-law with regulations, there will be a learning curve that may require additional enforcement. The intent of this report is to generate discussion. Once Council chooses an approach, staff will bring back regulations specific to that option.

It was suggested by a member of Sub-committee that any option chosen will require additional enforcement. Support for the Toronto model was expressed as it is least likely to impact neighbours. Concern was noted with the commercialization of what was originally intended as home sharing, the impact on housing stock and its corresponding effect on the local economy.

Concern with the potential loss of affordable and attainable housing was expressed, noting that prices have been driven up from people moving here from bigger cities. Short term rentals should be regulated and licenced and undergo the same restrictions as bed and breakfasts. It was noted that short term rentals are a fast growing sector and caution was noted with restricting them too much as it may drive operators underground. It was suggested that regulations start off broad and be tightened as necessary.

A request was made that the options be considered separately. The Chair requested that when staff bring it back that it be brought in individual recommendations. The Manager explained that once an option is picked, staff will bring back regulations. They will be brought as a package which will implement the approach. Concern was expressed that if they are pieced out for voting and an element of the package is defeated, it would undermine the integrity of the whole approach.

In response to how principal residency would be defined, the Manager advised that there is a definition in the by-law and it requires government-issued identification to prove residency. This will help protect affordable housing.

As to whether it is easier to start with a tighter by-law or more flexible, the Manager stated that it depends on what the Sub-committee is more concerned about. Concerns about affordable housing should have a tighter by-law, but if the need for tourist accommodation is of priority, they could start broader.

It was suggested by a Sub-committee member that there is a need for short term accommodations and they were not in favour of boundary restrictions. He knows there are current operators who have spent a lot of money and been very successful. A suggestion was made that if the principal resident lives in Stratford that principal residency be expanded to include two residences within the City.

The need for a "Made in Stratford" approach was stated with the guiding principles of respect for current homeowner rights, the need to maintain affordable housing stock, support for tourism, respect the need for safe and affordable rentals and how this will stand up in a court challenge.

Concern was expressed for existing short term rentals that do not have a principal resident, as well as the need for more tourist accommodations and safety for renters and neighbours.

Further concern was expressed about the long term effects of affordable and attainable housing and rental stock. Support was expressed for the Toronto model of restricting to principal residence, but with one additional property within a specified short distance as it would still be part of that neighbourhood.

The Manager advised that he would need to discuss that option with the City Solicitor.

Discussion took place about parking rates in the by-law. The Manager advised it is based on bedrooms. A one-bedroom accommodation would require one space and a two or three bedroom would require at least two. If Sub-committee wanted to increase the parking rate, it could do so. Support was expressed with the parking rate, but that there should be very stringent criteria should a minor variance to reduce the rate come forward.

It was noted that adding a distance requirement for a second dwelling unit takes care of the neighbourhood problems, but not the loss of rental options.

It was suggested that instead of creating much more accommodation, that an expanded tourism season be promoted as there is a lot of pressure on restaurants and other businesses in July and August and they are struggling to meet the demand.

With respect to problems with parties and noise, it was suggested that those are not the types of tourists that are coming to Stratford. It was noted there are short term rentals that are already doing short term for 4-5 months and longer term for the rest of the year, and there is a need for that as well.

In response to a question about whether bed and breakfasts and hotels are included in the Airbnb stats, the Manager advised that Airbnb stats were used for the report as Airbnb was willing to send their statistics report for Stratford. He did not look for that information. Less than 10% of the operators on Airbnb are renting for more than 120 nights a year in

what is considered a more commercialized approach. The rest are principal residents.

With respect to how the 120 night restriction would be controlled, the Manager advised that it would be tracked through the provider, such as Airbnb, who would also collect the tax and pass it on to the City. The tax would be included as part of the licencing by-law, which will be brought forward after an approach is chosen.

A question was asked about how they would handle current short term rentals if they do not meet the restrictions chosen and have not had problems. The Manager advised that the approach taken when bed and breakfasts were implemented was that they could do a site-specific zoning by-law amendment and he believes that approach is still sound.

With respect to checking safety of short term rentals, the Manager expects they would be inspected by by-law enforcement and fire prevention staff as part of the licencing process.

Motion by Councillor Ritsma

Sub-committee Recommendation: THAT the same safety inspections for bed and breakfasts be required for short term rentals as part of the licencing process.

Carried

It was noted that sometimes people rent short term while they are gone for brief periods and if that is the case, there should be provision of contact information for someone who can be reached 24/7.

With respect to fines for operating without a licence, the Manager advised that it would be included as part of the licencing by-law. The Manager noted that when a public open house was held, there was broad support for inspections. The Toronto licencing by-law permits 180 days of short term rental and he believes the rationale is to accommodate "snowbirds" who are gone for the winter.

Discussion took place about the option of separation distances or percentage of streets being short term rentals so whole blocks are not turned into short term rentals.

Motion by Councillor Vassilakos

Sub-committee Recommendation: THAT short term rentals be restricted to principal residences as defined in the by-law.

Support was expressed for restricting short term rentals to a principal residence as there is a mechanism for people to purchase and operate additional units through site-specific zoning applications.

In response to how they would handle current short term rentals that do not meet the principal residence requirement, the Manager stated the bulk of operators that staff have become aware of, and been contacted by by-law enforcement, have changed their business practices to achieve compliance.

Discussion took place about the cost of zone change applications and staff's capacity to handle additional applications. It was noted that according to the Airbnb stats, there are less than 10% of current operators who would require site-specific zone changes. It was suggested that these are the people who have commercialized a second property and are making a lot of money.

As to whether short term rental operators are currently breaking the law, the Manager explained that currently they are not allowed in residential areas, however, the City does have zones for "inns" in the downtown area and short term rentals meet those requirements. Discussion took place about enforcement of properties operating outside of permitted areas. The Manager advised that all of those operators that staff are aware of have changed their practices so that staff can no longer confirm they are operating short term rentals. It was noted that operators who have second properties should be held to inn standards and pay commercial taxes, as they are operating commercially.

In response to what the charges, fines and costs for prosecuting would be for people operating illegally, the Manager advised that they would be in contravention of the Zoning By-law. He is unaware of what the fine would be. It would be completed by the City Solicitor through the court system and costs would depend on length and complexity of the matter. The process will become easier if required once a licencing by-law is adopted. There is a maximum fine under the *Planning Act* but it would be on a case by case basis. There is an option under the licencing by-law to go with a ticketing process with set fines.

It was questioned what the definition of an inn is and whether they could be rented every day of the year. The Manager advised that it is a commercial use permitted in mixed-use residential areas, such as parts of

Huron and Ontario Streets. It is considered a small hotel and there is no limit on the number of days.

The Manager confirmed that the number of short term rental days would be tracked through the agency, such as Airbnb and the unit could be rented for a longer term rental the rest of the year.

The question was called on the motion on the floor.

Defeated

Motion by Councillor Clifford

Sub-committee Recommendation: THAT Short Term Rentals be permitted in the City of Stratford in principal residences and/or one other dwelling unit within the City of Stratford;

AND THAT Short Term Rentals be limited to 120 days per calendar year.

Discussion took place to clarify the motion and discuss 120 days versus 180 days. It was asked that if the reports on number of days used for short term rental is coming from the provider, what stops them from switching to another provider, for example from Airbnb to VRBO. The Manager clarified that the operator will be issued a licence and whatever provider they use, they will need to use that licence number. In response to the concern that operators could get around that by booking privately, the Manager clarified that all financial arrangements are typically done through the provider's website.

It was noted that all short term rental operators will need to sign an application for a licence, which adds an element of legality.

Motion by Councillor Ritsma

Sub-committee Decision: THAT delegations regarding Short Term Rentals be heard.

Carried

Jessie Votary advised that with respect to enforcement, most operators want to participate appropriately, particularly those who are already established and operating at a very high level of standards and will comply with the 120 day limit.

The Chair asked the members of the public sitting in the gallery if anyone else wished to speak. No one else indicated that they wished to do so.

It was re-stated that if the City implements a 120 day limit, there is still a process through zoning amendments for a person to have more than one unit. Discussion took place regarding the definition of short term rental versus bed and breakfasts and how the 120 day limit applies.

The question was called on the motion on the floor.

Carried

*Councillor Vassilakos departed the meeting [6:12 p.m.]

6. Project Update

The Manager of Development Services provided a verbal update on ongoing projects in the City as a combination of the January and year end update.

The Project Update can be viewed in its entirety as part of the February 24, 2020 Planning and Heritage Committee agenda.

The Manager noted that based on the housing forecast, they should have 110 new units per year. The last few years have doubled that number.

*Councillor Vassilakos now present [6:15 p.m.]

A correction was made to the address of 60 St. Albert Street, noting it should be St. Andrew Street.

In response to what is happening behind Sobeys on O'Loane Avenue, the Manager confirmed that a residential subdivision application has been submitted.

There are no updates on the property at 230 Ontario Street. There was a site plan application but a minor variance was required to proceed and both are in the hands of the applicant.

With respect to the new subdivision on O'Loane, the Chair noted that the low visibility conditions were recently discussed at an Infrastructure, Transportation and Safety Sub-committee meeting and it was requested that staff make sure that does not happen.

The Chair also noted that the corner of Huron and O'Loane across from No Frills is proposed to be a second Home Hardware location, but with no lumber yard.

In response to a question about the Huron Perth Healthcare Alliance releasing an RFP for the Avoncrest site at the hospital, the Manager advised that they made a presentation to the Heritage Advisory Committee. The property is not designated but it is recognized that it does have heritage value.

It was suggested that there is City interest in what they are developing. The Manager advised that the property is currently zoned institutional and a zone change application would be required if any other use is wanted. The Chair clarified that the HPHA is retaining the land but uses were left wide open in the RFP. Should developers come in with residential or any other use, the developer would have to put forward the zone change application with the consent of the HPHA.

Discussion took place around intensification and height restrictions for condo or apartment buildings. The Manager confirmed that the rules currently permit more than four stories but they have not received any applications for higher than that. The policies encourage height but they just have not received it. He noted that in the last few years, six 4 story apartment buildings have been built and they are examples of intensification.

In response to how they can encourage higher developments, the Manager advised that they can consider minimum densities. A lot of development in recent years is considered medium-high density.

The number of stories currently permitted varies by area, with new residential capped at a maximum of 6 stories, however there are bonusing policies which could increase that to 9 stories. There are no height restrictions in the downtown core outside of the heritage conservation district.

Discussion took place regarding possible options and locations for high rise buildings.

7. Next Sub-committee Meeting

The next Planning and Heritage Sub-committee meeting is February 27, 2020 at 4:30 p.m. in the Council Chamber, City Hall.

8. **Adjournment**

Motion by Councillor Ritsma

Sub-committee Decision: THAT the Planning and Heritage Sub-committee meeting adjourn.

Carried

Meeting Start Time: 4:30 P.M.

Meeting End Time: 6:33 P.M.



MANAGEMENT REPORT

Date: January 30, 2020
To: Planning and Heritage Sub-committee
From: Jeff Leunissen, Manager of Development Services
Report#: PLA20-004
Attachments: None

Title: Possible approaches to regulate Short Term Rental Accommodations in the new Comprehensive Zoning By-law

Objective: To report to Planning and Heritage Sub-committee on the City of Toronto Local Planning Appeal Tribunal (LPAT) decision regarding short-term rentals, to present options on how to regulate short term rental accommodations in the proposed Comprehensive Zoning By-law and to report on By-law Enforcement workload.

Background: At the November 28, 2019 Planning and Heritage Sub-committee, the members resolved the following:

THAT staff look at the City of Toronto LPAT decision and bring back options related to that model to the Planning and Heritage Sub-committee;

AND THAT the effective area be expanded beyond the Heritage Area.

Also,

THAT staff bring back statistics on the workload of the by-law enforcement officers and a breakdown on the types of occurrences and the resolutions.

Toronto LPAT Decision

On November 17, 2019, the Local Planning Appeals Tribunal released a 39 page Decision on the appeal to the City of Toronto's passage of two Zoning By-law amendments to regulate short-term rental across the City of Toronto. The City's zoning by-law amendments permit short-term rentals (any rental that is less than 28 consecutive days) across the City in principal residences. Within their principal residences, people can rent up to three rooms or their entire home. The Licensing and Registration Of Short-Term Rentals

by-law also came into effect. We have recently been advised by the City Solicitor that the City of Toronto decision is being appealed to the courts.

The Licensing and Registration Of Short-Term Rentals by-law defines a short-term rental as 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 B&Bs but excludes hotels, motels and accommodations where there is no payment (for example, staying with friends and family, and couch-surfing).

A short-term rental company is any company facilitating or brokering short-term rental reservations online and receiving payment for this service. Short-term rental operators are people renting their homes or rooms on a short-term basis.

The key details on the applicable rules governing short-term rentals include:

- Short-term rentals are permitted across the city in all housing types in residential and the residential component of mixed-use zones.
- People can host short-term rentals in their principal residence only – both homeowners and tenants can participate.
- People can rent up to three bedrooms in a unit for an unlimited number of nights per year (up to a maximum of 28 days per stay) or their entire home for a maximum of 180 nights per year.
- People who live in secondary suites and laneway suites can also participate, as long as the secondary suite/laneway suite is their principal residence.

The City of Toronto Licensing and Registration Rules require that:

Short-term rental companies be licensed with the City of Toronto. A short-term rental company is defined as any company facilitating or brokering short-term rental reservations online and receiving payment for this service.

- Applicants will be required to pay a one-time licence application fee of \$5,000 and an ongoing fee of \$1.00 for every night booked through the company.
- Licensees will be required to ensure that all listings have valid registration numbers.
- Upon licensing, short-term rental companies will be required to provide a process for removal of listings that do not have valid registration numbers, and a procedure for dealing with problematic operators and responding to complaints.
- Short-term rental companies will be required to keep records of short-term rental activity and provide them to the City upon request.

Short-term rental operators (people renting their homes on a short-term basis) will be required to register with the City of Toronto.

- Operators will be required to pay registration fee of \$50 per year and post their City-issued registration number in all advertisements.
- People renting their homes on a short-term basis will be required to pay a 4 per cent Municipal Accommodation Tax (MAT) on all rentals that are less than 28 consecutive days.
- Operators will need to provide the City with information, including:
 - contact information and address
 - details of the short-term rental
 - name and telephone number of an emergency contact person who will be available 24 hours a day during rental periods.
- Government-issued identification is required to demonstrate that the short-term rental is the operator's principal residence and that they are over the age of 18.
- Operators will also be required to keep records of short-term rental activity and provide to the City upon request.

Appeals to the zone change were brought by short-term rental operators. Additional parties, both for and against the by-laws were added during the pre-hearing conferences. The central focus of the appeal was that short-term rentals were defined as "providing sleeping accommodation for any rental period less than 28 consecutive days" and "is the principal residence of the short-term rental operator."

The Tribunal heard evidence assessing the by-laws against the *Planning Act*, the Provincial Policy Statement, the Growth Plan, and the City of Toronto Official Plan. It also heard evidence about existing short term rental uses (non-conforming uses), how the by-laws affect secondary suites and impacts on the following: neighbourhood character, economic matters and supply of housing.

The Tribunal found that by definition, any rental period for longer than 28 days is not a short-term rental.

Short-term rentals span a spectrum of arrangements that have a relationship with intensity of use. At one end is home sharing (in Stratford often referred to as, and considered, a Bed & Breakfast) and the other end is a whole dwelling unit dedicated to short-term rentals on an annual basis. At the core of the dispute in the City of Toronto case was that at some point, short-term rentals become a commercial use and commercial uses exceed what is expected and appropriate in residential areas. The Tribunal stated that "dedicated short-term rentals bear a striking resemblance to a hotel".

The Tribunal came to the conclusion that each dedicated short-term rental unit displaces one permanent household. Toronto's residential areas are planned, designed and built to provide housing for residents. The by-laws did not prohibit short-term rentals but permitted and regulated such uses in a manner that did not displace households.

The Tribunal found the by-laws satisfied all the statutory tests; they had regard for provincial interests, were consistent with the Provincial Policy Statement, conformed to the

Growth Plan, implement the City of Toronto Official Plan and had regard for the decision of Council. The Tribunal concluded that the by-laws represent good planning and in the public interest. The Tribunal decision is being appealed to the Court.

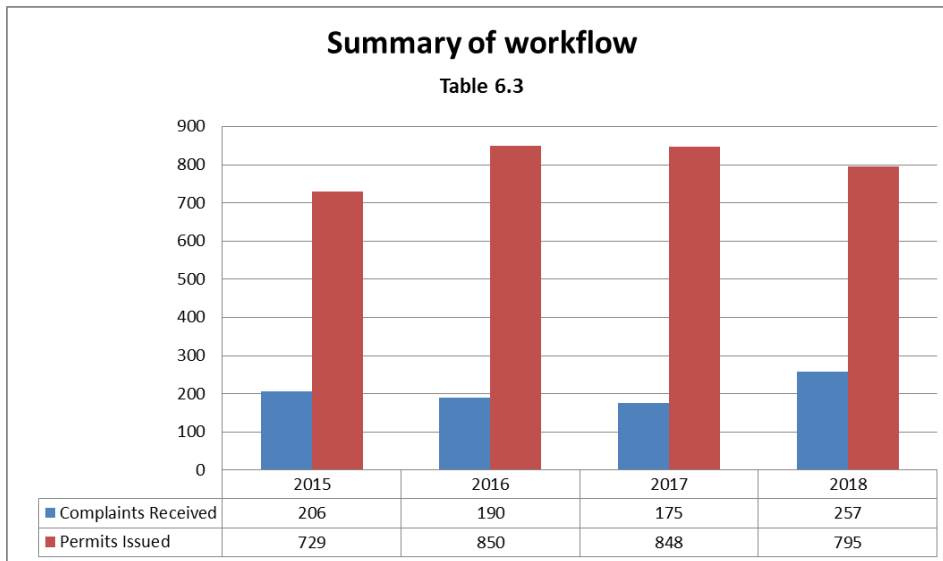
As a result, the short term rental, defined as a rental period of less than 28 days, of an entire dwelling unit is permitted in any residential zone or the residential component of a mixed-use zone in the City of Toronto up to a maximum of 180 nights per year provided it is operated by the principal resident.

By-law Enforcement Workload

The By-law Enforcement Section of the City of Stratford is involved in enforcing the following municipal by-laws:

- Cross Connection Control
- Lot Maintenance
- Property Standards
- Bed and Breakfast
- Zoning
- Sign
- Fence and Hedge (including residential swimming pools)
- Noise
- Trade Licensing
- Group Home
- Idling
- Awning
- Municipal Addressing
- Non-compliance with existing Site Plan Agreement

In 2018, By-law Enforcement staff processed 257 complaints and 795 sign, pool, cross-connection control, bed and breakfast establishment, group home and trade licensing permits/licenses. This activity is performed by two full time by-law enforcement officers who are managed by the Chief Building Official and supported by the Development Services Clerk Secretary. The number of complaints and permits is consistent with previous years (see below). Complaints can take a considerable amount of time to resolve as they often require several site visits and dialogue with both complainant and a property owner.



Strategic Priorities

On April 29, 2019 Council adopted Strategic Priorities for the 2018 to 2022 term of Stratford Council. The Strategic Priorities contain four strategic priorities: Mobility, Accessibility, and Design Excellence; Strengthening our Plans, Strategies, and Partnerships; Developing Our Resources; and Widening Our Economic Opportunities. For two priorities, success at the end of the term reference housing. Success in Developing Our Resources includes increasing affordable housing and Widening Our Economic Opportunities includes increasing the supply of affordable housing and increasing residential development at all levels of affordability.

Analysis: Staff has reviewed Tribunal Decision on the appeal to the City of Toronto Zoning By-law amendments relating to short term rentals. The City of Toronto zoning by-law amendments, combined with the accompanying Licensing by-law, allow short term rentals in all residential zones and the residential component of mixed-use zones for a maximum of 180 days per year provided it is operated by the principal resident

Municipal By-laws and the importance the tourism industry plays on the economy differ between the cities of Toronto and Stratford.

An LPAT decision is considered LPAT case law and persuasive for matters brought before the Tribunal having similar facts. A LPAT decision can be relied on by other jurisdictions to support a position or regulation. While the City of Toronto Decision may be used in other LPAT hearings on similar issues, the facts of the case may distinguish that matter from the City of Toronto case. This case is also currently being appealed to the court.

Web-Based Trends

Web-based services such as Airbnb, VRBO, kijiji, etc., advertise both traditional Bed and Breakfast Establishments and Short Term Rental Accommodation (STRA). Staff does not have comprehensive data on STRA in Stratford because such uses are not currently

permitted; however, in 2017 Airbnb reported 93 active listings with 73 hosts for Stratford. 77% of hosts rent out their unit/suite less than 60 nights per year with 9% of hosts renting out their unit/suite more than 120 days per year. The typical host rented out a unit/suite 34 nights per year. Airbnb also reported that 63% of listings are for an entire dwelling unit (STRA). A search of Airbnb for Stratford on December 12, 2019 generated 171 options, with the average price being \$141.

Strategic Priorities

Council has adopted Strategic Priorities for the 2018-2022 term and success in achieving the Strategic Priorities includes increasing the supply of affordable housing and increasing residential development at all levels of affordability. Housing Division has expressed concerns that increasing the supply of short term rental accommodations could negatively impact the already limited supply of long-term housing. When creating regulations for short term rental accommodations, consideration should be had to the potential impacts on the supply of long-term rental housing and supply of affordable housing.

City of Stratford Official Plan

It has been previously noted that the City's Comprehensive Zoning By-law is the principle tool to implement the City of Stratford Official Plan. When deciding which approach is best for the City of Stratford, the following Vision, Principals, Goals and Objectives of the City of Stratford Official Plan should be considered:

The City of Stratford Official Plan contains the following Vision Statement:

"To Be The Best Place To, Live, Work and Play".

Guiding Principles on which the policies are based include:

Complete Community – Minimize conflict between land uses, while encouraging a complete community which meets resident's needs for daily living throughout an entire lifetime.

Economic Development – Maintain a strong and diverse economy based on the most advanced available infrastructure, as well as a strong system of community services including education.

The Official Plan contains policies to enhance its economic strength that includes:

- Maintaining a strong and well diverse economy;
- Actively promoting Stratford as a cultural tourism destination; and
- Encouraging the upgrading of existing accommodation establishments (hotels, B&B operations) and promote the establishment of new accommodation establishments and facilities in order to provide the widest variety possible to meet the needs of all visitors to the City.

The Official Plan also contains housing policies that are intent on protecting the viability of neighbourhoods by ensuring that a full range of housing choices designed to meet

occupancy, health and safety standards, in terms of tenure, form and affordability for current and future residents. Specific policies require:

- Encouraging the integration of affordable housing within the wider housing market to achieve a balanced and social mix; and
- The preservation and rehabilitation of existing housing to maintain housing stock.

The Residential Area designation Goals and Objectives include the following:

- Maintaining in all residential areas, the essential neighbourhood qualities of quiet enjoyment, privacy, upkeep public health and safety;
- Achieve a mix of housing types in the development of new residential areas in order to provide diversity in housing stock and more affordable housing opportunities; and
- Allowing certain non-residential uses in residential areas which are complementary to, or compatible with, the neighbourhood or which the neighbourhood needs, and which do not individually or cumulatively undermine essential neighbourhood qualities.

The Vision, Principles, Goals and Objectives and policies of the Official Plan promote stable residential neighbourhoods, encourage maintaining rental housing stock, promote Stratford as a tourist destination and supporting the economy.

The Current City of Stratford Zoning By-law

Comprehensive Zoning By-law No. 201-2000 does not permit the short term rental of an entire dwelling. The By-law requires all dwelling units to be occupied by "a person as its principal residence" and principal residence is defined as "customary or usual place of residence of a person, which is most likely identified by that person as his or her place or residence for financial, legal or government related purposes."

In order to reflect current trends in the tourism industry and permit the short term rental of an entire dwelling, provisions must be included into the new Comprehensive Zoning By-law. Possible approaches to permit this activity/use are outlined below.

Possible Approaches to Regulating Short Term Rental Accommodations (STRA)

Staff have developed a list of general approaches that Council may adopt to regulate short term rental accommodations. Upon identification of a preferred approach, staff will prepare comprehensive zoning regulations and any licensing by-laws, if required. While it is possible for staff to prepare comprehensive zoning regulations for each approach, doing so would take a considerable amount of time and is not considered an effective use of staff resources or Sub-committee's time. Staff is looking for direction on the approach, if any, should be used to prepare comprehensive zoning regulations. With the exception of the alternative not to regulate short term rental accommodations, none of the approaches listed below will eliminate all non-compliant short term rental accommodations and some by-law enforcement will be required.

ALLOW STRA THROUGHOUT THE CITY AND RESTRICT TO PRINCIPAL RESIDENT

- This approach was adopted by the City of Toronto and upheld by the Tribunal as satisfying all statutory tests including regard for provincial interests, consistency with the PPS, conformity with the OP, having regard for the decision of Council and representing good planning. This approach as set out in the decision is currently being appealed.
- This approach would ensure the primary use of the dwelling unit remains residential.
- Some existing operations would not be able to satisfy this requirement.
- Allows for STRA and supports the tourism industry.

ALLOW STRA IN A SPECIFIC AREA(S) OF THE CITY Requires a boundary that can be justified based on planning grounds to be delineated.

- Sub-committee has expressed concerns with this approach.
- Can limit short term rental accommodations to tourist areas.
- Can limit the impact on rental housing stock.
- Allows for STRA and supports the tourism industry.

ALLOW STRA ON SPECIFIC STREETS OR STREET CLASSIFICATION (i.e. arterials and collectors)

- Requires the identification of streets, or part of streets, where short term rental accommodations may be permitted.
- Able to limit short term rental accommodation to streets which have lost some residential amenity because of traffic volumes.
- This approach was presented to the community and there was little support.
- Can limit the impact on rental housing stock.
- The streets where the uses would be permitted must be justified on planning grounds.
- Allows for STRA and supports the tourism industry.

ALLOW EXISTING STRA OPERATIONS ONLY

- Staff do not have a comprehensive list of existing operations
- It is unknown how many operations would be able to meet normal standards for: health and safety, parking, insurance, etc..
- May be seen as rewarding non-compliance with City By-laws.
- Minimal impact on tourists.
- Difficult to justify on planning grounds.
- Allows for STRA and supports the tourism industry.

REGULATE STRA THROUGH A MAXIMUM NUMBER OF LICENCES

- This approach is implemented through combination of zoning and licensing by-laws.
- Establishing a number that is too low will encourage illegal operations.
- Establishing a number that is too high and the regulation is essentially ineffective.
- Easy to increase the number in the future.
- Difficult to reduce the number in the future.

- Limits impacts on rental housing stock.
- No planning grounds to justify location.
- Allows for STRA and supports the tourism industry.

REQUIRE A MINIMUM SEPARATION DISTANCES BETWEEN STRA

- Requiring a separation distance can protect neighbourhoods from a cluster in any one area.
- Rewards first one to apply.
- Ontario Human Rights Commission has struck down this approach for certain uses (group homes), but if short term rental accommodations are considered a commercial use, this approach may withstand a challenge.
- Allows for STRA and supports the tourism industry.

ALLOW STRA THROUGHOUT THE ENTIRE CITY AND ENACT STRIDENT REGULATIONS THAT RESTRICT THE NUMBER OF STRA (For example 1 parking space per bedroom)

- It is difficult to predict how this will impact overall numbers.
- This approach is expected to impact bachelor and 1 bedroom dwelling units the most as each dwelling unit when constructed required either 1 or 1.5 parking spaces (1 space for a converted dwelling, 1.5 spaces for an apartment dwelling). Few two and three bedroom dwelling units have 2 or more legal parking spaces allocated to that unit.
- The greatest demand for rental and affordable housing is 1 bedroom apartments.
- This approach may be difficult to justify on planning grounds.
- Allows for STRA and supports the tourism industry.

NO RESTRICTIONS ON STRA

- It is difficult to see how this approach conforms to the Strategic Priorities and Official Plan as it has the potential to significantly impact rental and affordable housing stock. A small percentage of dwelling units being used for short term rental can have a big impact on the supply of rental housing and supply of affordable housing. For example, 1% of apartments (excluding apartments in buildings five storeys in height or greater) used for Short Term Rental Accommodation would mean 57 dwelling units removed from the housing market¹.
- In the early 2000's Council decided to regulate Bed and Breakfast Establishments to protect both residents and visitors to the City. This approach is not consistent with the previous decision of Council.
- Little, if any, city resources required for this approach.
- Allows for choice for tourist.
- May be health and safety concerns for some STRA.
- No regulation or oversight and difficult to justify on planning grounds.
- Allows for STRA and supports the tourism industry.

¹ Based on the 2016 Census.

PROHIBIT ALL STRA

- Preserves existing rental and affordable housing stock.
- Does not meet the needs of tourists or support the tourism industry.
- Does not meet the needs of performers coming to the City.
- Encourages illegal operations.
- Would require considerable municipal resources to enforce.
- Does not recognize current tourist accommodation trends.

Conclusion

Seven of the nine approaches noted-above allow short term rental accommodations with some type of restriction(s). In order to conform to the Strategic Priorities and the Vision, Principles, Goals, Objectives and policies of the Official Plan, it is recommended Council adopt regulations specific to short term rental accommodations with some restriction(s). Upon identification of a preferred approach, staff will prepare comprehensive regulations for consideration.

As with other regulations in the new Comprehensive Zoning By-law, or any municipal by-law, there will be instances where municipal resources are required to enforce the by-law, especially shortly after the adoption. If high demands on municipal staff continue long after adoption, staff will advise Council and present options on next steps.

This report was prepared with the assistance of the City's solicitor.

Financial Impact: It is not possible to predict the financial impact of each option. An appeal of the Comprehensive Zoning By-law will have a financial impact as the City will be required to defend its decision before the Local Planning Appeal Tribunal.

Staff Recommendation: **THAT this report titled Possible approaches to regulate Short Term Rental Accommodations in the new Comprehensive Zoning By-law be submitted for the consideration of Planning and Heritage Sub-committee.**



Jeff Leunissen, Manager of Development Services



Ed Dujlovic, Director of Infrastructure and Development Services



Joan Thomson, Acting Chief Administrative Officer

Project Update –January 2020

Recent Plan of Subdivision Applications

Revision to a draft approved plan (our File - 31T18-001A) to add lands, change single detached dwelling lots to duplex and semi-detached lots and establish eight easements.

Recent Zone Change Applications

None

Site Plan Applications Under Review

- SP01-20 – 38 Humber St – 190m² industrial addition
- SP02-20 – 609 Ontario St – 4-plex
- SP03-20 – 3194 Vivian Line 37 – 2 apartment buildings containing a total of 28 units

<u>Committee of Adjustment</u>	2020 (To Date)	2019	2018	2017	2016
Consents	1	19	11	23	6
Minor Variances	3	22	13	33	25

<u>Other Planning Applications</u>	2020 To Date	2019	2018	2017
Official Plan Amendment Applications	0	0	3	1
Zone Change Applications (Holding Provision Applications)	0	11	10 (1)	9 (2)
Plan of Subdivision Applications	0	1	3	1
Plan of Condominium Applications	0	4	1	1
Part Lot Control Applications	0	2	1	2
Site Plan Applications	3	17	26	22
LPAT Hearings	1	1	3	1
Formal Consultation Submissions	2	19	23	25

Ontario Municipal Board Hearings

- 265 St. David Street (File B06-17). Settlement hearing on January 23, 2020. The Appeal was allowed in part to allow for the creation of a new lot subject to conditions.

New Dwelling Unit Permits Issued

Dwelling Type	2020 To Date	2019 To Date	2019	2018	Five Year Average^{1 2}
Single detached dwellings	1	1	26	92	78
Duplex/Semi-Detached dwellings	0	0	2	8	9
Triplex/Quad Dwellings	0	0	7	0	3
Townhouse Dwelling	0	0	0	4	16
Apartment Dwelling	0	0	73	339	122
Other	0	0	6	4	4
Total	1	1	114	442	231
Total Number of Permits	28	25	459	531	541
Total Construction Value \$	1,153,000	1,719,000	97,071,273	191,017,531	106,293,699

¹Numbers rounded for convenience purposes.

²On average, 5 dwelling units are demolished each year

Significant Building Permits Issued in 2019

- 25 Oxford Street – 59 unit apartment building
- 220 Dunn Road – 6 798m² industrial addition
- 375 Wright Boulevard – 5 418 m² industrial addition
- 60 St. Andrew Street – alterations to a secondary school
- 619 Huron Street – 604 m² commercial building
- 305 Romeo Street South – 1 198 m² commercial building

Significant Building Permits Recently Issues or Currently Under Review

- 44 Linton Street – 474 m² industrial addition
- 533 Romeo Street South – conversion of warehouse to an athletic facility

Sign By-law Review

- Public Open House held December 10, 2019. Currently reviewing proposed amendments internally.

Comprehensive Zoning By-law Review

- Options to regulate short term rental accommodations submitted to Planning and Heritage Sub-committee February 3, 2020.

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