

Municipality of Lakeshore - Report to Council

Strategic & Legal Affairs

Civic Affairs



To: Mayor & Members of Council
From: Brianna Coughlin, Division Leader – Civic Affairs
Date: August 4, 2021
Subject: Short-term Accommodation Rentals – Results of Public Consultation Process

Recommendation

Direct Administration to include a provision in the upcoming Zoning By-law Update to restrict short-term rental accommodations to primary residences only; and

Direct Administration to include resources in the 2022 Budget for education and enforcement relating to noise, parking and property standards by-laws, particularly relating to short-term rental accommodations, as presented at the September 28, 2021 Council meeting.

Background

Council received a petition on July 28th 2020 with a request to restrict daily vacation rentals in residential areas. Following the presentation of the petition, Council passed resolution #252-07-2020:

Direct Administration to prepare a report for the first meeting in September regarding prohibiting short-term accommodation rentals.

Following this direction, Administration presented a report at the September 1, 2020 meeting (attached as Appendix A). Council considered the report and passed resolution #292-09-2020:

Direct Administration to proceed with Option #1 – public consultation in 2021, as described in the report by the Manager of Legislative Services and Manager of Development Services, presented September 1, 2020.

Comments

As directed, Administration undertook a public engagement process for short-term rental accommodations in the spring of 2021.

Administration met with members of the public virtually for two separate information sessions relating to short-term rental accommodations. An online survey was also conducted through Placespeak and advertised on the Municipality's website and social media.

Stakeholder Meeting

On April 14, 2021, a stakeholder session was held with local lodging providers and tourism groups. Participants included owners or operators of short-term rental accommodations, bed & breakfasts, motels and hotels, as well as representatives of tourism, business or recreation groups.

The comments received through the stakeholder meeting were overwhelmingly positive in favour of allowing short-term rentals to operate in Lakeshore. While some concern was expressed regarding neighbourhood fit or absentee owners, most participants expressed support of short-term rentals as a way to increase tourism and business to the area.

Most of the participants supported the regulation of short-term rentals, while a majority supported a licensing program.

Public Information Session

Following the stakeholder meeting, a public information session was conducted April 28, 2021. Fifteen people participated in the meeting, with 7 speaking in favour of short-term rentals and 8 against.

For those individuals that spoke in opposition of short-term rentals in Lakeshore, the most common concerns were noise, parties, parking, lack of enjoyment of their own properties (no longer peaceful), do not want to police their neighbours.

The most common benefits identified were tourism, local economic benefits, promotion of local businesses and increased property standards (to attract renters).

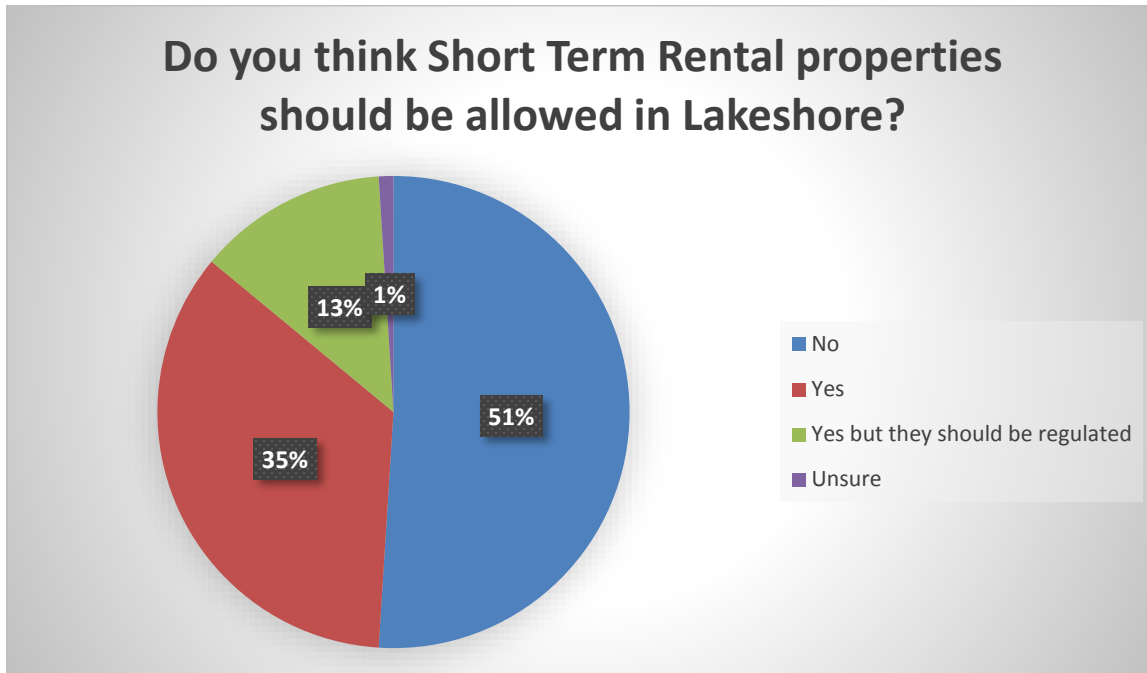
Survey

As part of the consultation process, Administration drafted a survey to gather feedback from members of the public regarding specific questions relating to short-term rental accommodations. This survey was published on Placespeak for 30 days.

Two hundred and fifty-three surveys were submitted through Placespeak and 6 hard copy surveys were submitted. Twenty-two respondents self-identified as STR providers,

while 83 respondents self-identified as STR users (primarily renting entire units rather than individual rooms).

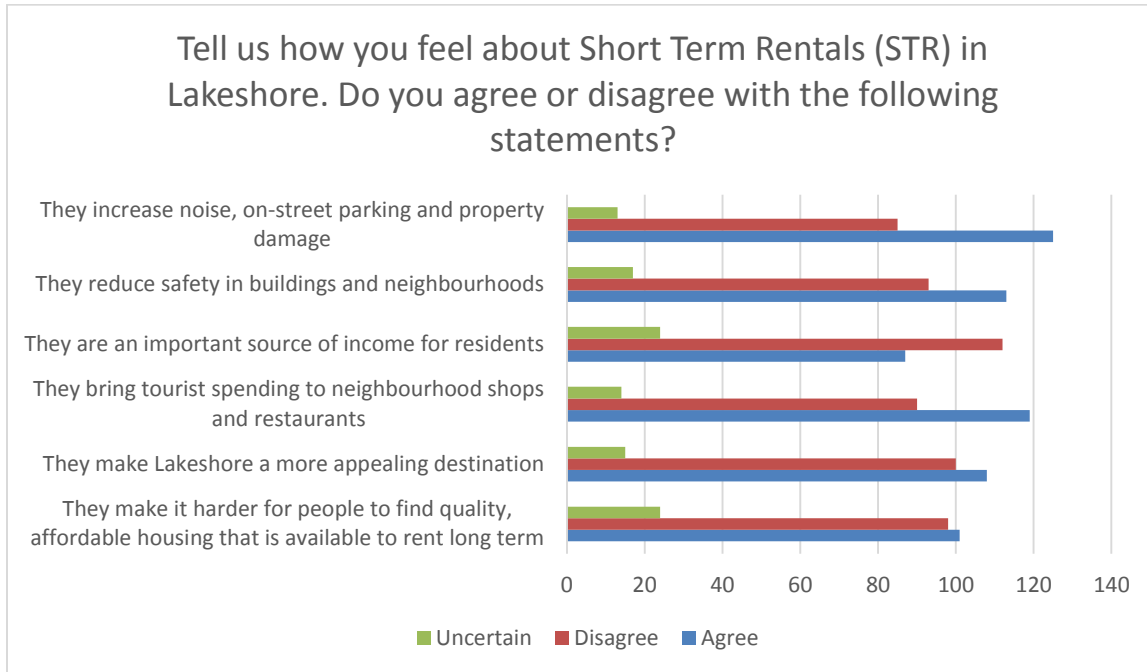
Overall, there was not an overwhelming response for or against short-term rental accommodations. The response to the first question “Do you think Short Term Rental properties should be allowed in Lakeshore?” was split approximately in half between no and yes (included yes with regulation).



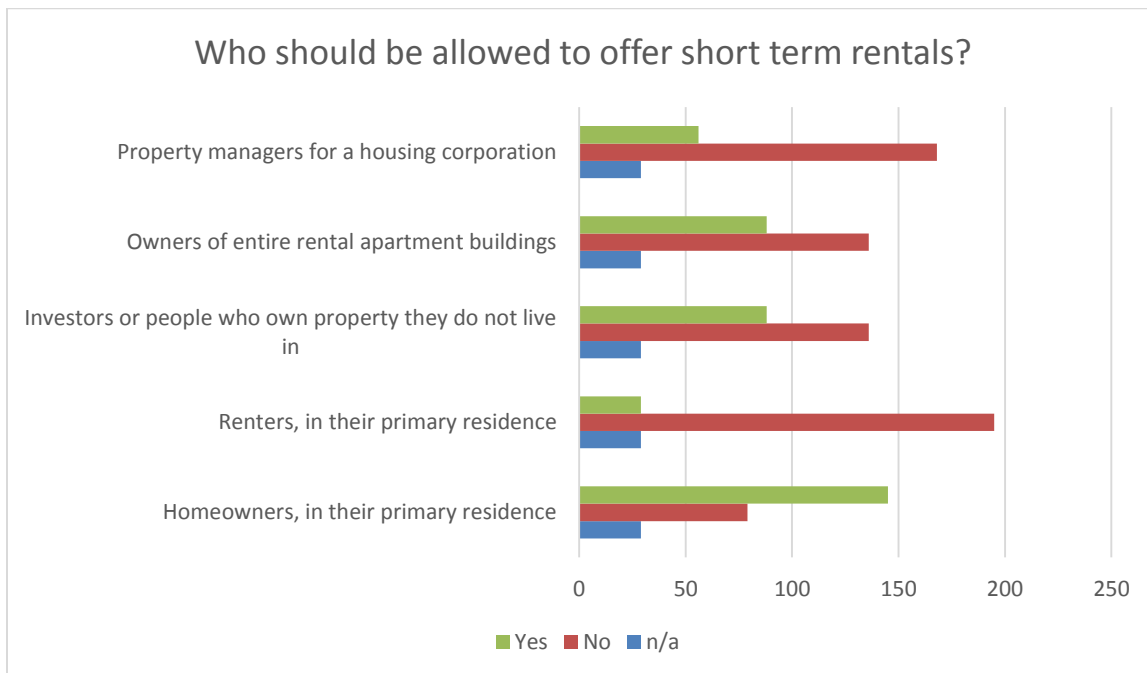
As previously reported to Council, short-term rental accommodations are not currently prohibited or expressly permitted by the Zoning By-law, with the exception of bed & breakfast establishments which are expressly permitted.

It is the opinion of Administration that the results of the public consultation process do not demonstrate an overwhelming public safety concern that cannot already be addressed through the Noise By-law, Property Standards By-law or criminal enforcement measures and with some further minor Zoning By-law amendment.

However, should Council wish to consider prohibiting or regulating short-term rental accommodations, there are some insights from the survey that may help in providing direction to Administration.



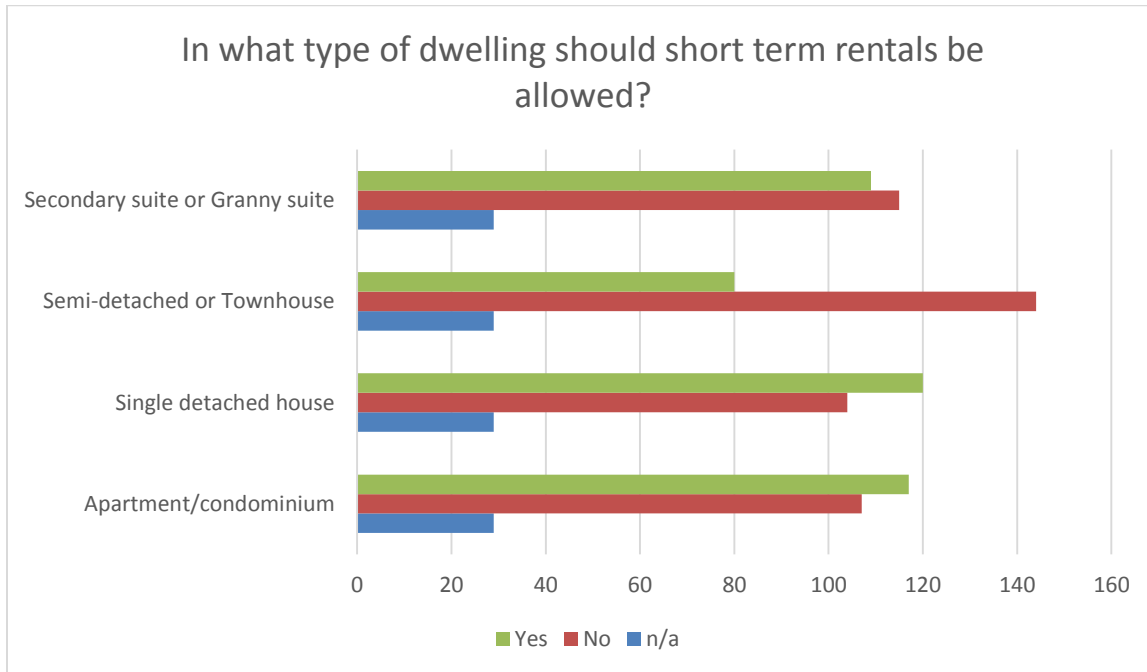
Similar to the public information session, the responses received through the survey identify concerns relating to noise and property while also noting the tourism benefits.



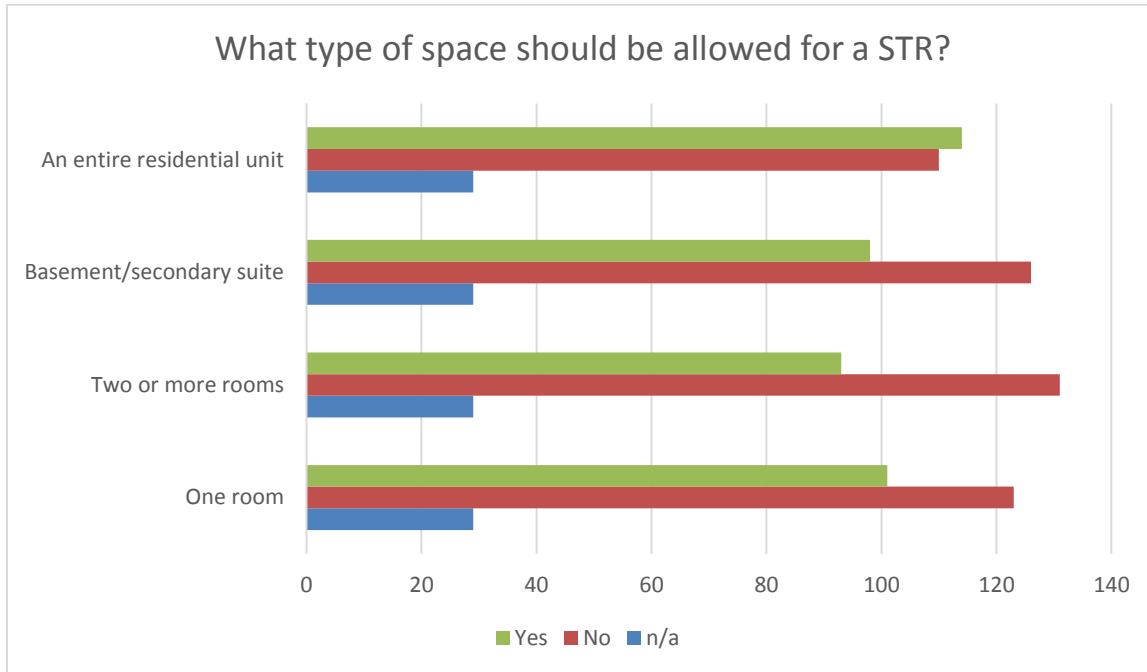
Of all the responses received through the survey, this question provides the most agreement, noting their preference that homeowners could rent their primary residence. Should Council wish to regulate this item, it could be included as part of the update to the Zoning By-law.

Restricting short-term accommodation rentals to primary residences only would mean that individuals or corporations would not purchase multiple properties for the sole purpose of short-term rentals. This may have the effect of discouraging the purchase of affordable housing for rental purposes, however many short-term accommodations are higher-end homes in desirable locations.

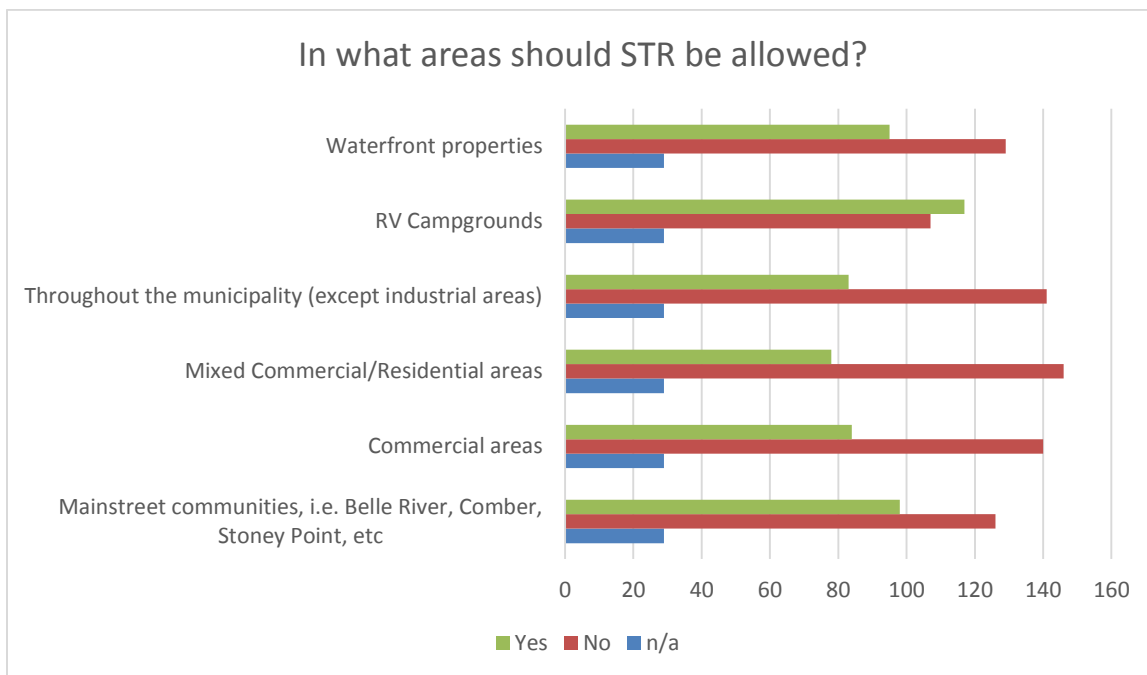
It is important to note that restricting short-term rentals to primary residences only would not prohibit purchasing a property for long-term rentals over 30 days.



The responses received through the survey do not show a marked preference for any type of dwelling, however do indicate a slight resistance relating to semi-detached or townhouse dwellings.

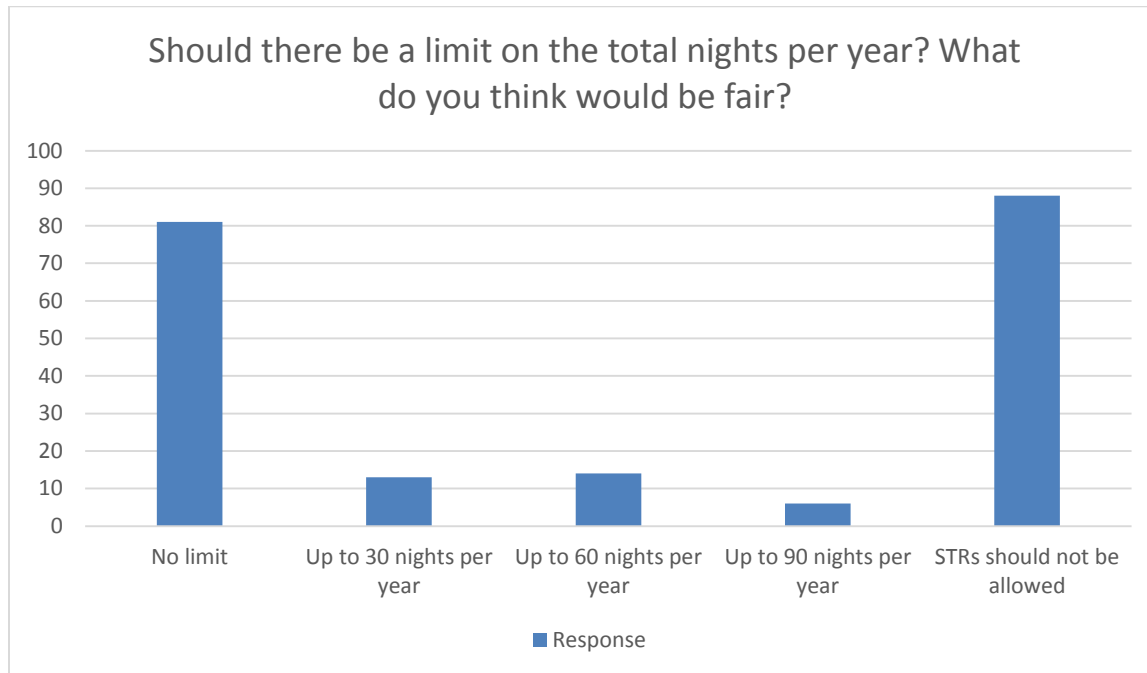


The responses indicate a preference to allowing the rental of entire residential units versus individual or multiple rooms. While a requirement for renting entire units is an option Council could consider, it is not recommended by Administration as it is more difficult to observe and enforce.



The responses show a preference for renting in RV Campgrounds, which is already an established use. Interestingly, there is less preference for allowing rentals in commercial

or mixed commercial/residential areas which tend to accommodate additional parking and noise.



In addition to the questions identified above, the survey also allowed for respondents to provide additional comments. The comments are anonymized and condensed below.

Opposed to Short-term Rental Accommodations:

- Opposed to any rental less than a month
- Do not want a commercial venture near or in the residentially zoned area
- Visitors should go to motels/hotels
- Tenants can mistreat property and cause disturbances to neighbours
- Should not be allowed during COVID-19 pandemic
- Lakeshore does not have the resources to deal with complaints and bylaw issues
- Do not want rentals in high-tax or waterfront areas
- Concern with renters trespassing onto neighbouring properties
- Concern with abuse of alcohol/drugs, vulgar language, domestic fights
- Can't relax in own yard with renters next door
- Should not be used as a commercial enterprise
- Should not be allowed unless all neighbours approve a variance
- Should encourage more hotels to be built instead
- Should not allow in areas that need infrastructure improvement
- Will devalue properties
- Should not be allowed in dense areas where houses are close together
- Inflates the price of homes and reduces affordable housing

In Favour of Short-term Rental Accommodations:

- Will bring additional tourists who will buy our groceries, eat at our restaurants, and buy at our local shops
- Need accommodation for family visits
- Opportunities for people to start small business for the seasonal visitors
- Should not compare short-term rentals (general) with Airbnb
- Small communities benefit from short-term rentals
- OPP can control if there are problems
- Should be allowed in main street commercial areas where there is already noise
- Should be allowed subject to site plan restrictions
- Should be classified as a business restricted to commercial areas
- Should have the same regulations as bed & breakfast
- Should be allowed everywhere in Lakeshore, with or without guidelines
- Generates income for owner and small businesses
- Should be allowed at RV campgrounds that have management on site
- Waterfront rentals provide relaxation for tourists and families
- Should limit room rentals to one week
- Should allow up to 60 days per year
- Should allow up to 200 nights per year
- Should be allowed in all seasons
- Preferred rental option for workers coming to the area
- Municipality should licence rentals and host a STR rental website
- There should be regulations and fines for non-compliance
- Supports reinvestment into properties
- Should impose visitor parking passes
- Can help with accommodation and bring special events to Lakeshore

In addition to the STR questions, the survey asked respondents the following question:

A Municipal Accommodations Tax (MAT) is a 4% tax applied to the cost of the room rental on any short term accommodation including hotels, motels, bed and breakfasts, or online booked short term rentals for stays under 30 days. If imposed, revenues from the MAT would go directly to supporting tourism development in Lakeshore and the surrounding region. The imposition of MAT is quite commonplace as most cities in Ontario charge a MAT to visitors. These cities include, but are not limited to: London, Sarnia, Toronto, Ottawa, Sudbury, and many more. Additionally, smaller Municipalities such as Prince Edward County, Kenora, the Town of Marathon and Huntsville also charge a MAT to visitors. Do you think that Lakeshore should impose this MAT on tourists/visitors to our Municipality to help support additional tourism into our area?

One hundred and sixteen responses were received in favour of a MAT and 82 respondents were opposed.

Financial Impacts

Should Council wish to restrict short-term accommodation rentals to primary residences only, it is recommended that this be included in the upcoming Zoning By-law update. There would be no additional cost.

As noted throughout this report, many of the concerns relating to short-term rental accommodations relate to neighbourhood impacts such as noise and parking. It is recommended that Council direct Administration to include resources for public education relating to these by-laws in the 2022 Budget.

Attachment

Appendix A – Short-term Accommodation Rentals report presented September 1, 2020

Report Approval Details

Document Title:	Short-term Accommodation Rentals - Results of Public Consultation Process.docx
Attachments:	- Appendix A Short term Accommodation Rentals.pdf
Final Approval Date:	Sep 23, 2021

This report and all of its attachments were approved and signed as outlined below:

Kristen Newman

Jessica Gaspard

Truper McBride