

Committee of the Whole (Public Hearing) Report

DATE: Tuesday, September 17, 2019

WARDS: ALL

**TITLE: SHORT-TERM RENTAL ACCOMMODATIONS, AMENDMENTS
TO ZONING BY-LAW 1-88**

FROM:

Jason Schmidt-Shoukri, Deputy City Manager, Planning and Growth Management

ACTION: DECISION

Purpose

To receive comments from the public and the Committee of the Whole on proposed amendments to the City of Vaughan By-law 1-88, as it relates to regulating Short-Term Rental accommodations. In addition, to provide Committee with background information and the consultation process that has taken place to date.

Report Highlights

- To receive input from the public and Committee of the Whole regarding proposed amendments to Zoning By-law 1-88 that are required to regulate the approved Short-Term Rental accommodations strategy in Vaughan
- The recommended Zoning By-law amendment will complement the proposed companion Short-Term Rental accommodation licensing regulations
- The proposed city-wide Zoning By-law regulations regarding Short-Term Rental accommodations are based on best practices research and extensive public feedback
- A Public Hearing is required prior to the adoption of an amendment to Zoning By-law 1-88, to meet the requirements of the *Planning Act*
- A technical report will be prepared by staff and considered at a future Committee of the Whole meeting

Recommendation

1. THAT the Public Hearing report for a city-wide Zoning By-law amendment for Short-Term Rental accommodations BE RECEIVED; and, that any issues identified be addressed by staff in a comprehensive report to the Committee of the Whole.

Background

Public Notice was provided in accordance with the Planning Act and Vaughan Council's Notification Protocol

The Notice of Public Hearing was published in the August 22, 2019 edition of the Vaughan Citizen and Liberal newspapers and posted to the website for the newspapers.

Additional notification of the meeting was provided through the following methods:

- On August 22, 2019 the Notice was sent to all interested parties who had actively participated as part of the first component of the Short-Term Rental review, as well as to community and ratepayers' associations citywide.
- Notification was also provided on the City Update, Council eNews and via corporate social media accounts.
- The Notice of Public Hearing was also posted on the City's website at:
 - www.vaughan.ca/shorttermrentals
 - http://www.vaughan.ca/news/city_page_online/Pages/Public-Hearing-Notices.aspx
 - http://www.vaughan.ca/services/business/public_hearings/Pages/default.aspx

Any written comments received will be forwarded to the Office of the City Clerk to be distributed to the Committee of the Whole as a Communication. All written comments that are received will be reviewed by city staff as input in the review process and will be addressed in a technical report at a future Committee of the Whole meeting.

Previous Reports/Authority

On May 6, 2019, Finance, Administration and Audit Committee considered a staff report and received public submissions on a proposed Short-Term Rental Licensing By-law and other regulatory changes to address Short-Term Rental accommodations. On May 14, 2019, Vaughan City Council ratified the Committee's recommendations. The staff report can be found at the following link:

<https://pub-vaughan.escribemeetings.com/filestream.ashx?DocumentId=15844>

Contained in the staff report were a number of specific recommendations related to Zoning By-law 1-88. The first general recommendation included “That staff be authorized to undertake any other actions required to implement the recommendations of this report, including implementing the proposed new by-laws and making any consequential amendments to related by-laws, subject to the approval of City Legal Services.”

Specifically related to Zoning By-law 1-88, the following recommendations were adopted by Council:

To amend Zoning By-law 1-88, as amended, to:

- a. Define Short-Term Rentals as, “All or part of a dwelling unit used to provide sleeping accommodations for any rental period that is 29 consecutive nights or less in exchange for payment, but does not include Bed-and-Breakfasts, as defined in the Short-Term Rentals By-law or its successor by-law”;
- b. Amend the definition of “Bed and Breakfast Establishment” to mean “an establishment within part of a single family detached dwelling that provides sleeping accommodation for guests, and may include meals, services, facilities and amenities for the exclusive use of guests, but excludes a hotel, motel, or Short-Term Rental”;
- c. Allow Short-Term Rentals in areas where residential use is permitted;
- d. Limit the number of the Short-Term Rentals to one rental booking per dwelling unit at any given time; and
- e. Any other consequential requirements as prescribed by the amending by-law.

In addition to the staff report, a Short-Term Rental accommodations web section and Frequently Asked Questions web page were created, which can be accessed at the following link: www.vaughan.ca/shorttermrentals

Analysis and Options

What are Short-Term Rental accommodations and are they an issue in Vaughan?

The renting of a home or part of a home, or any dwelling unit (single, semi-detached, townhouse, multiple or apartment) for a short duration, and “home-sharing” where people exchange housing accommodations while on vacation or away from their homes for other reasons, is not new to the tourism industry. The advent and popularity of online platforms, such as Airbnb, HomeAway, and VRBO (Vacation Rentals by Owner),

Flipkey, Homestay, Go With Oh, OneFineStay or Booking.com has contributed to the availability and ease of short-term home rentals in cities across the world. This type of rental is referred to as “Short-Term Rental” (“STR”) accommodations and are generally understood to refer to private individuals renting out all or part of their residences for short periods of time in exchange for a fee.

A number of Vaughan residents are renting either some or all of their residence(s) to others using an internet platform such as Airbnb or VRBO. While the prevalence of STR accommodations in Vaughan is relatively low, as identified in Attachment #2, there is potential the number of STR accommodations may grow in the future given their growth in other jurisdictions.

How has the City responded to Short-Term Rental accommodations?

A staff team was convened in 2018 to review the regulatory and community implications of STR accommodations in close consultation with the public. The staff team concluded that Vaughan’s Zoning By-law 1-88 does not regulate STR accommodations, hence the need for the proposed zoning amendment that is appended as Attachment 1. The staff team also recommended complementary licensing to ensure there is a desirable level of regulation. Lastly, the staff team recommended applying a Municipal Accommodation Tax (“MAT”) to STR accommodations to be consistent with Vaughan’s taxation approaches to other tourist and business accommodations.

A fulsome Public Engagement Process was initiated by City staff in 2018 to understand and determine how Short-Term Rental accommodations affect the City of Vaughan

This public meeting is the culmination of almost two years of research and public involvement regarding the STR accommodations issue. Advantages and disadvantages of STR accommodations were identified through the multi-phased public consultation process. Many respondents supported the regulation of STR accommodations on the basis there would be a level of oversight from the City. Attachment #2, appended to this report, provides a full description of the previous public consultation process on STR accommodations.

Proposed City-wide Zoning Amendments to address Short-Term Rental accommodations have been considered to provide greater clarity

Attachment #1, appended to this report, reflects a proposed draft by-law that sets out the definitions and regulations, as identified by Council’s resolution, to permit STR accommodations in residential dwellings throughout the City of Vaughan.

The draft by-law defines STR accommodations as “a dwelling unit or part of a dwelling unit used to provide temporary accommodation for a rental period of not more than 29 consecutive days and shall not include a Hotel, Motel or Bed and Breakfast Establishment”.

The proposed zoning amendment also includes a clause that states, “a maximum of one (1) Short-Term Rental is permitted per dwelling unit” and a revised definition for Bed and Breakfast Establishment to clearly distinguish a traditional Bed and Breakfast from a Short-Term Rental accommodation.

What is the relationship of Short-Term Rental accommodations to the City’s Comprehensive Zoning Review

The City of Vaughan is undertaking a Comprehensive Review of Zoning By-law 1-88. Council has directed that the STR accommodation regulation be put in place in advance of the completion of the comprehensive zoning by-law review.

A Public Hearing is required prior to the adoption of the Zoning By-law amendment in order to meet the requirements of the Planning Act

Although Vaughan Council ratified the Committee’s recommendations that staff be authorized to undertake any action required to implement the proposed new by-laws, and amending Zoning By-law 1-88, a Public Hearing is required under Section 34 of the *Planning Act*. Section 34, subsection (12) prescribes that “before passing a by-law under this section ... (a) the Council shall ensure that:

- (i) At least one public meeting is held for the purpose of giving the public an opportunity to make representations in respect of the proposed by-law”.

Financial Impact

There are no anticipated financial implications directly associated with the proposed City-wide zoning amendment to Zoning By-law 1-88 to regulate STR accommodations. Enforcement of the City’s new Zoning By-law regulations will be coordinated with administration and enforcement of the related STR Licensing By-law using existing staff resources, pending preparation of the 2020 Budget.

Broader Regional Impacts/Considerations

STR accommodations would provide alternative tourist accommodations that could support local and regional businesses and institutions while allowing Vaughan residents to derive revenues from their housing units. The expected MAT revenues would also be used to promote Vaughan’s tourist industry and business community.

Conclusion

The Council recommendations resulting from its meeting of May 14, 2019, as they relate to STR accommodations, identified in this report and any other issues identified through the Public Hearing process will be considered in the technical review of the Zoning By-law amendment report. This will be considered together with the comments from the public and Vaughan Council expressed at the Public Hearing, or in writing, and will be addressed in a comprehensive report to a future Committee of the Whole meeting.

For more information, please contact: Bill Kiru, Director of Policy Planning and Environmental Sustainability, Ext. 8633

Attachments

1. Draft Zoning By-law Amendment to By-law 1-88
2. Short-Term Rental Public Participation Process

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