

ATTACHMENT #2

Short-Term Rental Public Participation Process

Stakeholder Engagement and Research

The City of Vaughan (COV) values the opinions of all citizens and stakeholders. Staff have undertaken an extensive internal and external stakeholder engagement process to develop a fulsome understanding of the current situation, including the challenges and benefits associated with STRs in Vaughan. Staff have engaged extensively with members of the public, businesses, interest groups and STR companies. A comprehensive stakeholder mapping exercise identified the following stakeholder groups:

- Ratepayers' Associations
- Homeowners in the City of Vaughan
- Renters in the City of Vaughan
- The general City of Vaughan public
- Neighbours (people living in areas/communities where short-term rentals are being operated)
- Condominium Boards in the City of Vaughan
- Hotel and motel owners and operators in the City of Vaughan (12)
- Fairbnb (national coalition of homeowners, tenants, tourism businesses and labour organizations)
- City of Vaughan staff
- Airbnb
- The Regional Municipality of York
- Vaughan Chamber of Commerce
- Building Industry and Land Development Association (BILD)
- Greater Toronto Hotel Association
- Ontario Restaurant Hotel and Motel Association
- Expedia
- Greater Toronto Apartment Association
- Insurance Bureau of Canada
- Travel Industry Council of Ontario (TICO)
- Toronto Real Estate Board
- Municipal Property Assessment (MPAC)
- Federation of Ontario Bed and Breakfast Accommodation

Vaughan's previous public engagement process included three phases:

Phase 1: Initial Consultation

An online survey was launched on November 1 and ran until December 31, 2018. It was promoted on all of the City's corporate channels including Facebook, Twitter, Instagram, the City Update eNewsletter, Vaughan TV and community centre TV screens, digital signs, the website homepage and in Council eNews. A public service announcement, which was published on November 5, 2018, also promoted the online survey and was distributed to media outlets. The Vaughan Citizen picked up the story and published it online on November 6, 2018 and in print on November 16, 2018. Citizens who called in to Access Vaughan from November 26 to December 7, 2018 were also asked to answer select survey questions regarding short-term rentals. An email address, shorttermrentals@vaughan.ca, was also created to receive and respond to questions and comments about STRs.

A total of **830 surveys** were completed: **425** through the online survey and **405** completed over the phone with an Access Vaughan citizen service representative. A total of **133 open-ended comments** were received via the online survey. A total of **203 email addresses** were collected from respondents who indicated interest in receiving information from the City, as it becomes available, related to short-term rentals in Vaughan, including future consultation opportunities.

Phase 2: Public and Stakeholder Meetings

A public consultation meeting was held in each of the five wards in Vaughan in February and March 2019. The public meetings were attended by a total of 45 residents. The meeting format included a background presentation on STRs, including information about the current prevalence of STRs in Vaughan, as well as a question-and-answer period and a handout for participants to respond to two key questions:

1. What are the concerns surrounding short-term rentals in Vaughan?
2. What benefits and opportunities do short-term rentals represent for our communities?

The Corporate and Strategic Communications department implemented a comprehensive communications approach to promote the public meetings. There was also outreach to the approximately 200 citizens who provided their email addresses during phase one who expressed their desire to be informed on future consultation opportunities, as well as industry stakeholders who were also engaged in Phase 1.

Numerous meetings and discussions were held with various interest groups and STR companies, such as the Toronto Real Estate Board and Vaughan Chamber of Commerce and Airbnb, and as well, staff conducted a review of Fairbnb online media, an advocacy group which has shared concerns with respect to STRs and their impact on affordable *housing* and resident safety.

Phase 3: Validation

As part of phase three consultations, staff updated the website with information about the recommended regulatory framework for STRs, including the proposed technical amendments to the City's Zoning By-law, creation of a new by-law for STRs licensing and a Municipal Accommodation Tax (MAT) STR By-law. The STR's email address, shorttermrentals@vaughan.ca, remained open to receive additional comments and questions about the recommended regulatory framework.

Staff also sent follow up emails to the original industry stakeholder list created as part of Phase One. Follow up communications with these groups included notifying them of the City's recommended regulatory framework and notice that the public report would be presented at a Finance, Administration and Audit Committee Meeting, and that the public could attend to provide further comment.

2018 Citizen Satisfaction Survey

To assess citizen satisfaction with existing programs and services provided by the City of Vaughan and to prioritize issues to improve and focus municipal service delivery, the City has routinely conducted citizen satisfaction surveys since 2007. Through the most recent 2018 survey, the information gathered was intended to assist the City in identifying key trends and issues of importance as we continue to strive for service excellence.

Administered by research firm Ipsos-Reid, the 2018 survey was conducted among 806 respondents 18 years of age and older living in the city of Vaughan. The margin of error of the completed interviews was +/- 3.5 per cent, 19 times out of 20. The results of the survey were weighted based on age, gender and sub-region within Vaughan to match the demographic profile of residents based on 2016 census data. The survey ran from June 18 to July 15, 2018. Of note, the survey asked the following question: *In your view, as a resident of the City of Vaughan, what is the most important issue facing your community, that is the one issue you feel should receive the greatest attention from your Mayor and Members of Council?*

This was an unprompted question, meaning citizens were not given a list of issues to choose from, rather, they were encouraged to proactively provide their own ideas. Staff requested that Ipsos-Reid review citizen responses to determine if any specific references to STRs or Airbnb were made. They found there were no mentions of either, indicating that STRs is not an important top-of-mind issue compared to other issues. Based on this fulsome engagement, staff have identified key information and trends in public sentiment with respect to STRs, summarized below.

Short-Term Rentals in Vaughan

Staff used complaint information and stakeholder input to gain a better understanding of the nature and extent of the issues that STRs have created in Vaughan.

Airbnb in Vaughan

Staff engaged the popular STR company Airbnb, who advised that they hold 80% of the STR market share in Vaughan, which by their present estimates means that they offer

320 of the current 400 STRs offered in the City. The company provided the following information:

- on February 12, 2019, there were 320 STR hosts in Vaughan, though they explained that this number fluctuates regularly;
- Vaughan STR hosts typically earn \$6,700 per year on average;
- a typical STR rental is for 4.1 nights at a time;
- typical STR hosts rent their home/room for 49 nights annually; and
- 49% of Vaughan STR hosts typically rent their entire home, while 48% typically rent a private room within their home, which in a pool of 320 STRs, equates to 157 entire homes rented and 154 homes renting a private room.

Prevalence and distribution of Short-Term Rentals

The City's Planning department has reviewed the distribution of STRs, finding that they are found throughout the City, with greater concentrations in some areas which may vary by season, such as areas surrounding Canada's Wonderland during the summer season.

Based on 2016 StatsCan data with respect to numbers of households considered in tandem with data from Airbnb, we can estimate that approximately 400 of the total 94,217 households in Vaughan are likely hosting STRs at any given time.

What we heard about short-term rentals

Vaughan residents, through a series of consultations across the city's five wards, shared their experiences, concerns and suggestions with respect to short-term rentals.

Input from York Regional Police

In reviewing their activity related to STRs, York Regional Police ("YRP") advised that in 2018, there were several criminal and non-criminal complaints investigated, such as assaults, sexual assaults, disputes, identity fraud and property damage. YRP suggested that STR applications should require a greater breadth of information, including insurance and key contact information, and that processes for lodging complaints related to STRs should be clear and accessible to the public.

Support for city regulation

As mentioned above, in the telephone and online surveys, staff heard from 830 respondents; more than three quarters indicated that they were Vaughan home-owners, but as well, respondents included other organizations, such as condominium board members, a short-term rental platform company, a tourism organization and various ratepayers' association members. Two key results were that:

- 473 of respondents advised that STRs are not an issue in Vaughan; and
- 581 of respondents believed that the City should regulate STRs.

As such, while more than half of respondents did not believe that STRs were an issue in Vaughan, the great majority of respondents believed that the City should have a regulatory framework in place to govern them.

Concerns about Short-Term Rentals

Staff heard the following concerns from stakeholders and complaints:

- **Homes being used as party houses:** A number of residents reported living in close proximity to STR houses being used to host parties on the weekends. They described these parties as often having loud music until late hours of the night, many parked vehicles which frequently obstructed the flow of traffic and, in some cases, houses had hired security guards manning the door, similar to a night club. In a few recent incidents in Vaughan, there have been incidents of criminal matters occurring at these parties, prompting the attention of YRP.
- **Poor upkeep of properties:** Some residents complained of STR properties being poorly maintained, with renters sometimes damaging property and leaving behind excessive amounts of trash, all contributing to a general concern over how these nuisances might impact property values.
- **Fire and access safety:** Some residents expressed concern that STRs in homes may not have the proper life-safety measures, such as smoke and carbon monoxide alarms, and that the owners may not be providing the proper emergency information to their renters, potentially creating a serious hazard.
- **Condominium residents:** Some condominium residents expressed concern that having STR renters leads to overuse and excessive wear-and-tear of common/shared areas, ultimately resulting in higher condo fees, and concern about their homes feeling like hotels, with a changing influx of different STR renters having access to their buildings.
- **Hotels, motels, other accommodation venues and the Municipal Accommodation Tax:** These venues expressed concern over unfair competition from STRs, who are not subject to the same taxes and often provide accommodation at lower costs. As of April 1, 2019, as per By-law 029-2019, guests at Vaughan hotels, motels, campgrounds and bed-and-breakfasts have been required to pay the Municipal Accommodation Tax (MAT), a 4% charge for paid overnight accommodations.
- **Impact on affordable housing:** One concern that surfaced in almost every municipality is that homeowners/occupants may choose to offer available rooms or suites as STRs instead of as long-term affordable housing, with the underlying motivation being able to earn more money as an STR provider, while avoiding stricter landlord-tenant regulations associated with long-term rentals. Many municipalities have attempted to protect the long-term affordable housing supply by limiting the number of nights that an STR can be rented to be between 28 and 30 nights, with an additional limit on the total number of days that an STR can be rented in a given year.

Positives of Short-Term Rentals

Staff also heard from stakeholders about the positive impacts of STRs:

- **Additional supplementary income:** Some stakeholders expressed interest in becoming STR operators as a way to supplement their income and have greater housing stability.
- **Affordable travel options for tourists, families and those caring for loved ones:** Some residents expressed that they enjoyed using STRs to travel and found them to be an enjoyable and more affordable option for accommodation, especially for large families. STRs also were seen as more economical and convenient alternatives for those with relatives who may be staying in the City for various other reasons, such as required medical care.
- **Support to Vaughan business community:** Some suggested that STRs contributed to ancillary industries, economic stability and greater business success for restaurants and other industries that benefit from, and cater to, visitors.
- **Increased accessibility to housing options through technology:** Some stakeholders indicated that STR platforms made it easier to find accommodation within an area, providing an opportunity to lodge in a desired area while looking for permanent accommodations within that same area and to create greater rental-housing competition within an area, putting a downward pressure on rental housing prices generally in that area.

Delegations to Vaughan Finance and Administration Committee and City Council

The City of Vaughan Finance and Administration Committee held an open meeting on May 6, 2018 to consider a staff report and receive public submissions and to make recommendations to Council on proposed Licensing By-law and other regulatory changes to control Short Term Rentals. On May 14, 2019, Vaughan City Council approved recommendations to undertake the steps necessary to regulate Short Term Rentals under the City's Licensing and Zoning By-laws.

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