

## Committee of the Whole (1) Report

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**DATE:** Tuesday, November 05, 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

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**Purpose**

To address the public input received at the Statutory Public Hearing regarding amendments to Zoning By-law 1-88 with respect to Short-Term Rentals.

**Report Highlights**

- Currently there are no laws in place to stop or control short-term rentals
- Public consultation indicates that 70 per cent of respondents want the City to introduce new rules to govern short-term rentals
- Staff have prepared this report in response to input received at the Public Hearing on September 17, 2019
- Staff recommend that the Implementing Zoning By-law proceed to the next Council meeting for action

**Recommendation**

1. THAT the Committee of the Whole report for a city-wide Zoning By-law amendment for Short-Term Rental accommodations BE RECEIVED; and, that the Implementing Zoning By-law proceed to the next Council meeting for action.

## **Background**

A Statutory Public Hearing was held with respect to the subject Zoning By-law Amendment on September 17, 2019. Comments received from the public can generally be summarized as follows:

- Short-term rentals should only be permitted in owner occupied units
- Concerns for public safety/violence
- Matters related to property standards
- Short-term rentals being used as “Party Houses”
- Banning short-term rentals outright
- Prohibition of short-term rentals for under 30 days
- Distance separation from schools (eg. 1.5 kilometers)

## **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.

The Statutory Public Hearing for the proposed Zoning By-law Amendment was held on September 17, 2019. The staff report can be found at the following link:

<https://pub-vaughan.escribemeetings.com/Meeting.aspx?Id=8a43c990-0994-4128-adff-add69c035439&Agenda=Agenda&lang=English&Item=9>

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](http://www.vaughan.ca/shorttermrentals)

## **Analysis and Options**

***Public consultation indicates that 70 per cent of respondents want the City to introduce new rules to govern short-term rentals.***

The City of Vaughan has created a regulatory framework to govern short-term rentals based on ideas, insights and solutions from citizens and stakeholders. Their feedback was captured through a series of different opportunities, including surveys and public meetings, from November 2018 to April 2019. The results were clear, 70 per cent of respondents wanted the City to introduce new rules to govern short-term rentals. The City's regulatory framework helps ensure short-term rental businesses can operate responsibly while safeguarding the quality of life for residents.

***Currently there are no laws in place to stop or control short-term rentals.***

Before the City's regulatory framework can be introduced, short-term rentals need to be recognized in the City's Zoning By-law as a land use. The regulatory framework will assist in addressing the concerns expressed at the Public Hearing. For example, short-term rentals would only be permitted to operate in the principle residence of the owner. Furthermore, licensing short-term rentals would give the City enforcement powers and the ability to conduct criminal background checks. It would also provide the City with information about the owner which could be turned over to police.

Homeowners and brokers who do not obtain a license for their short-term rental or do not comply with all requirements will be subject to fines and other actions, including revoking or denying a license.

***The proposed Zoning By-law Amendment was drafted based on research and best practices.***

While most of the comments received will be dealt with through the City's regulations, there are some that could be regulated through zoning such as minimum distance separations from schools. Council has the option of directing staff to amend the provisions of the proposed Zoning By-law or to include additional provisions. It is important to note that once the Zoning By-law is enacted, it can be revised and amended if it is determined that there is a need to do so.

### **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 short-term rental accommodations. Enforcement of the City's new Zoning By-law regulations will be coordinated with administration and enforcement of the related Short-Term Rental Licensing By-law using existing staff resources, pending preparation of the 2020 Budget where an additional full-time enforcement officer position is being sought as identified within the May 6, 2019 staff report. Additionally, in 2018, Economic and Cultural Development commissioned a study, *Market Assessment of Municipal Accommodation Tax*, conducted by CBRE Limited Valuation and Advisory Services, their findings suggested that the short-term rental market will continue to grow, and that a 4% Municipal Accommodation Tax would likely generate at least \$120,000 in tax revenue.

### **Broader Regional Impacts/Considerations**

Short-term rental 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. As required, 50% of the expected Municipal Accommodation Tax revenues would also be used to promote Vaughan's tourist industry and business community; allowing for the additional 50% to be considered in off-setting expenses arising from short-term rentals.

### **Conclusion**

Council directed staff to amend the Zoning By-law to define and regulate short-term rentals on May 14, 2019. A Statutory Public Hearing was held on September 17, 2019 and the input received was considered and addressed in this report. It is therefore

recommended that the Implementing Zoning By-law proceed to the next Council meeting for action.

**For more information**, please contact: Fausto Filipetto, Manager of Long-Range Planning at, Ext. 8699.

### **Attachments**

None.

### **Prepared by:**

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