

**COMMUNITY & DEVELOPMENT SERVICES  
STAFF REPORT**

**CDS-001/2023**

**TO:** Mayor Grant & Members of Council

**FROM:** Lindsay Earl, Manager of Community & Development Services

**DATE OF MEETING:** February 21, 2023

**SUBJECT:** **Short-Term Rental Licensing By-law**

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**RECOMMENDATION(S):**

**THAT** Community & Development Services Staff Report CDS-001/2023 be received as information; and

**THAT** the draft Short-Term Rental Licensing By-law appended to this report be presented to Council for adoption at the next available meeting.

**EXECUTIVE SUMMARY:**

Given the continued expansion of the STR industry, it is envisioned that the number of STR's in the Township will continue to increase. As such, Council has identified a need for further regulation of short-term rental accommodations through the implementation of a new licensing system.

Staff are looking for Council's direction in order to finalize the Township's approach to STR's in a timely manner.

**BACKGROUND:**

Township Council has identified a need for further regulation of short-term rental accommodations. For reference, pertinent dates and related staff reports are outlined below:

- August 4, 2020 through resolution, Council directed staff to investigate and report on the policy considerations of regulating short-term housing uses in the Township.
- April 20, 2021 Report ASR-010/2021- Initial Short Term Rental report, outlining options and recommending a licensing by-law.
- October 26, 2021 Report PSR-011/2021- The draft licensing by-law was brought forward for Council's information.
- December 23, 2021 date in which public commenting period opened.
- January 18, 2022 date of the Virtual Public Open House.
- February 4, 2022 date in which public commenting period closed.
- May 10, 2022 Report CDS-002/2022 – Report to provide Council with a summary of the public comments received on the draft licensing by-law.

- June 7, 2022 through resolution Council directed staff to prepare a report to outline the framework for Planning Act regulation of short-term rentals in the Township of Wainfleet.
- June 21, 2022 Report CDS-003/2022 – Report seeking Council’s direction. Council passed an Interim Control By-law to prohibit the establishment of any new Short-Term Rental units in the Township for a period of one year (June 21, 2023).

As Council is aware, implementing a new licensing system has proven to be an onerous task. Given the continued expansion of the STR industry, it is envisioned that the number of STR’s in the Township will continue to increase, which is evident in recent advertisements for property sales listed as “STR potential” mainly within the Lakeshore area. In an effort to move the program forward, this report provides Council with an updated draft STR Licensing By-law for consideration and direction.

### **OPTIONS/DISCUSSION:**

#### **Option A: Licence Only (Currently Underway)**

The Licensing By-law currently in draft form will make licensing short-term rentals mandatory, aims to ensure compliance with Fire Code, Building Code, other applicable law and Township By-laws, and establishes a system of demerit points for violations including noise, nuisance, parking and safety which will encourage short-term rental owners into supplying a safe, responsible, and respectful accommodation.

As noted, additional staff resources would be required to both set up and maintain the program. Staff do not believe that the “Licensing only” option would require any changes to the Township’s zoning by-law or any other land use document, as it would provide the Township with broader authority than the Planning Act controls. Unlike other Options, all existing and future STR operations would be subject to Municipal Act licensing.

#### **Option B: Status Quo with Advocacy**

Status Quo would have the Township’s Official Plan and Zoning By-law continue to be silent on the issue of STR’s and have no licensing occur. Interpretations have been that STR’s are allowed where residential uses are permitted in the municipality and not subject to any regulatory provisions.

In this scenario, no licensing would occur and behaviours on properties would continue to be regulated through existing by-laws (i.e. noise, fireworks, open air burning, parking, etc.) and existing regulations under the Ontario Building Code (OBC). Based on the recent changes Council has made to the Township’s by-laws (i.e. new noise by-law), maintaining status quo is a viable option at the current time. Costs for this option would be limited to staff time and resources spent on enforcement of complaints received and updating applicable by-laws as necessary.

Alternative Options Previously Presented to Council for Consideration:

- a) Prohibit STR's in the Township's Zoning By-law;
- b) Regulate through Official Plan and/or Zoning By-law Amendments;
- c) A combination approach. Council may wish to combine any of the above options as a preferred approach (i.e. Alternative Option a or b- Zoning plus Licensing etc.); or
- d) Council may choose to provide alternative direction to staff.

**FINANCIAL CONSIDERATIONS:**

Licensing short-term rentals will allow for the collection of fees to offset some the costs of administration for the licensing program. However, the program will significantly increase administrative staff time and resources needed to monitor and regulate the program, including (multiple departments such as planning, building, by-law and fire) administrative time in reviewing and processing applications as well as enforcement through conducting inspections and investigating complaints. Currently, we do not have sufficient staff resources to implement and enforce the proposed licensing by-law.

A new full-time position will need to be created (By-law division) to be responsible for the administration, inspection and enforcement of the STR program. The position will need to have alternative hours of work (afternoons, evenings, weekends and holidays) during peak season. The collection of application fees may not fully offset additional costs to the Township through licensing alone. However, costing implications have been reviewed along with an annual recommended fee schedule as follows:

Township of Wainfleet annual Short-Term Rental licence fees (recommended):

1-2 Bedrooms	\$750
3+ Bedrooms	\$1,000

Staff suspect that should the municipality receive an average of 100 applications annually, the majority of licensing fees will offset the additional staffing salary as needed. These fees remain consistent with other local Municipal fees for the Short-Term Rental Applications (annually). It is timely that Council direct staff on the implementation of this By-law and licensing program so that the appropriate costs and expenditures can be allocated for in the 2023 Budget along with the updates needed to the Fees & Charges By-law.

**OTHERS CONSULTED:**

- 1) Township In-house Solicitor
- 2) Strategic Leadership Team

**ATTACHMENTS:**

- 1) Appendix "A"- Draft By-law to License and Regulate Short-Term Rentals in the Township of Wainfleet

Respectfully submitted by,

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Lindsay Earl, MES, MCIP, RPP  
Manager of Community and Development Services

Approved by,

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William J. Kolasa  
Chief Administrative Officer

## **APPENDIX "A"**

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