

Report to Community and Protective Services Committee

To: Chair and Members
Community and Protective Services Committee
From: Scott Mathers, MPA, P. Eng.
Deputy City Manager, Housing and Community Growth
Subject: Short-Term Rental Enforcement Fund
Date: March 17, 2025

Recommendation

That, on the recommendation of Deputy City Manager, Housing and Community Growth the attached proposed by-law attached as “Appendix A” **BE INTRODUCED** at the Municipal Council meeting to be held on April 1, 2025, to:

- (a) **RATIFY** the Short-Term Rental Enforcement Fund Agreement (“Agreement”) between the City and Canada (as represented by the Minister of Infrastructure and Communities), executed by the City Manager; and
- (b) **DELEGATE AUTHORITY** severally to the City Manager, Deputy City Manager, Housing and Community Growth, Deputy City Manager, Finance Supports to approve and execute amending agreements with Canada (as represented by the Minister of Infrastructure and Communities) (“Canada”) for the Short-Term Rental Enforcement Fund.

Executive Summary

In January 2024, the Federal Government released an Economic Statement announcing funding to support municipal enforcement of short-term rental regulations. This funding initiative aims to assist municipalities in enforcing existing by-laws that are designed to return short-term rentals to the long-term rental housing market. Civic Administration inquired about the funding and was advised that there would be initial consultations prior to the issuance of any further details.

In December 2024, the grant application was announced with applications due in January 2025. Municipal Compliance applied for this funding in January 2024 and in March 2025 received notification that enforcement funding totaling \$1,080,000 has been approved. The purpose of this report is to ratify the Short-Term Rental Enforcement Fund Agreement with the Federal Government.

Linkage to Strategic Plan

This report aligns directly with the Strategic Plan, focusing on increasing access to a range of quality, affordable, and supportive housing options.

Background

Business Licensing (Short-Term Accommodation Category)

An amendment to the Business Licensing By-law was passed by Council on June 14, 2022, and came into force on October 1, 2022. This amendment includes the licensing of short-term accommodation providers (hosts) and brokers (advertising platforms).

Short Term Accommodation Statistics

There are currently 189 active short-term Accommodation licenses, 24 new pending applications and 114 pending renewals from 2024. Since October 2022, a total of 203 Administrative Monetary Penalties (AMPs) have been issued (\$101,500).

Enforcement Funding

To qualify for the enforcement funding, all the following requirements had to be in place:

1. A strict short-term rental regulatory regime that is in force and effect.
2. An existing principal residence requirement, limiting short-term rental operations to principal residences.
3. A licensing system for short-term rental operators.
4. A licensing process that requires proof of consent from property owners.

On March 3, 2025, Civic Administration was advised that London's funding application has been approved. London will receive \$1,080,000, over the next 2 years, which will be allocated to support staff, including Municipal Law Enforcement Officers (MLEOs), support personnel, technology (i.e. upgrades to current accommodation and booking scanning software) and associated capital costs (vehicles).

Funding Agreement

For the funding agreement to be initiated, signatures are required by the City Manager, Deputy City Manager, Housing and Community Growth, and Deputy City Manager, Finance Supports on the Signing Officers Form. The City Manager will be granted the authority to oversee the allocation and utilization of these funds, ensuring that all initiatives are effectively executed and aligned with the goals of the Short-Term Rental Enforcement Fund Agreement.

Conclusion

The purpose of this report is to ratify the Short-Term Rental Enforcement Fund. The Short-Term Accommodation Enforcement Funding aims to support and enhance the current proactive and reactive enforcement protocol to address compliance regulations related to short term rentals. By enhancing enforcement and compliance measures, the city seeks to protect the availability of long-term housing units for residents, maintain neighborhood stability, and uphold community safety.

Prepared by:	Nicole Musicco Manager, Licensing, Policy & Special Operations
Reviewed & Concurred by:	Orest Katolyk, MPL, MLEO(C) Director, Municipal Compliance
Recommended by:	Scott Mathers, MPA, P. Eng. Deputy City Manager, Housing and Community Growth

“Appendix A”

Bill No. [no. inserted by Clerk’s Office]
2025

By-law No. [inserted by Clerk’s]

A by-law to ratify the Short-Term Rental
Enforcement Fund Agreement and to delegate
certain powers regarding its administration.

WHEREAS section 5(3) of the *Municipal Act, 2001* S.O. 2001, c.25, as amended, provides that a municipal power shall be exercised by by-law;

AND WHEREAS section 9 of the *Municipal Act, 2001* provides that a municipality has the capacity, rights, powers, and privileges of a natural person for the purpose of exercising its authority under this or any other Act;

AND WHEREAS subsection 10(1) of the *Municipal Act, 2001* provides that a municipality may provide any service or thing that the municipality considers necessary or desirable for the public;

AND WHEREAS subsection 10(2) of the *Municipal Act, 2001* provides that a municipality may pass by-laws respecting, among other things: (i) economic, social, and environmental well-being of the municipality; and (ii) health, safety, and well-being of persons;

AND WHEREAS section 23.1 of the *Municipal Act, 2001* authorizes a municipality to delegate its powers and duties under this or any other Act to a person or body subject to the restrictions set out in the *Municipal Act, 2001*;

AND WHEREAS the Municipal Council has deemed the delegations herein to be delegations of administrative power, and of a minor nature, having regard to the number of people, the size of the geographic area, and the time period affected by the delegation;

NOW THEREFORE the Municipal Council of The Corporation of the City of London enacts as follows:

1. Short-Term Rental Enforcement Fund Agreement – Ratified

- The Short-Term Rental Enforcement Fund Agreement, attached as Schedule 1, between the City and Canada (as represented by the Minister of Infrastructure and Communities) (“Agreement”), effective as of April 1, 2025, executed by the City Manager, is ratified.

Amending Agreements and Other Agreements – Approve

2. (a) The City Manager and the Deputy City Manager, Housing and Community Growth, are severally delegated the authority to approve and execute:
- (i) amending agreements with Canada for the Short-Term Rental Enforcement Fund (“STREF”) as of April 1, 2025 (“Agreement”); and
 - (ii) further agreements with Canada that relate to the Agreement and to STREF;

on the condition that they are consistent with the requirements contained in the Contribution Agreement or Service Provider Agreement, as the case may be, and that do not require additional funding or are provided for in the City’s current budget, and that do not increase the indebtedness or contingent liabilities of The Corporation of the City of London, subject to prior review and approval by the City Treasurer or a written designate of the City Treasurer.

Signed Agreements – Clerks Office

(b) The City Manager shall forward a copy of fully executed agreements under subsection 2(a) of this by-law to the City Clerk's office for record-keeping purposes.

Other Documents (not Agreements)

3. (a) The City Manager, the Deputy City Manager, Housing and Community Growth, or their written designates, are severally delegated the authority to approve and execute such further and other documents (not Agreements) that do not fall under section 1 or 2 above, that may be required in furtherance of The Corporation of the City of London's obligations under its Agreement with Canada, regarding the STREF, on the condition that they are consistent with the requirements contained in the Agreement, and that do not require additional funding or are provided for in the City's current budget, and that do not increase the indebtedness or contingent liabilities of The Corporation of the City of London, subject to prior review and approval by the City Treasurer.

This by-law comes into force and effect on the day it is passed.

PASSED in Open Council on April 1, 2025.

Josh Morgan
Mayor

Michael Schulthess
City Clerk

First Reading –
Second Reading –
Third Reading –