



TO:	COMMUNITY AND PROTECTIVE SERVICES COMMITTEE MAY 1, 2018
FROM:	G. KOTSIFAS, P. ENG. MANAGING DIRECTOR OF DEVELOPMENT AND COMPLIANCE SERVICES AND CHIEF BUILDING OFFICIAL
SUBJECT:	SHORT TERM ACCOMODATIONS

RECOMMENDATION

That on the Recommendation of the Managing Director, Development and Compliance Services and Chief Building Official, the following actions be taken with respect to Short Term Accommodations:

- A) This report **BE RECEIVED** for information purposes;
- B) Civic Administration **BE DIRECTED** to hold a public participation meeting before the Community and Protective Services Committee on draft by-law amendments to a number of by-laws, to address licensing, zoning and taxation issues with a focus on the municipal purposes of health / safety and residential stability.

PREVIOUS REPORTS

April 25, 2017 – CPSC – Short Term Accommodations – Information Report

BACKGROUND

Civic Administration was directed to report back at a future meeting of CPSC, with respect to short term rentals to address zoning, licensing and taxation.

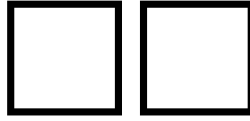
The term short-term accommodation (STA) has been used to describe the use of all or part of a dwelling unit for sleeping and lodging accommodations for a short period of time. Traditionally, hotels, motels, hostels and bed/breakfasts only offered these services. Short-term rentals now occur in a variety of dwelling types including: detached houses, townhouses, and apartment buildings. STAs are operated by owner occupants, tenants, property investors and management companies.

STAs are often listed on internet platforms such as Airbnb, Homeaway, Vacation Rentals by Owner (VRBO), Craigslist and Kijiji. Civic Administration has consulted with Airbnb and the following London specific data was provided for 2017:

- 400 active hosts
- 540 active listings
- 47% of the listings are entire homes, 51% private rooms, 2% are shared rooms
- Average host age: 41
- Typical nights hosted: 73
- Average length of stay per guest: 4 nights
- Typical annual host earnings: \$4,200 (CAD) annually

In order to seek input from Londoners, including short term accommodation users and property owners, an online survey was posted on the City’s getinvolved.london.ca portal. A total of 811 responses were received. The survey results are illustrated in Appendix A. The following are some key survey observations:

- ¾ of the respondents are home owners
- 19% live near a STA
- 55% have stayed at a STA
- 14% have operated a STA



- 80% feel that property owners should be permitted to operate a STA
- 12 % feel that STAs should not be permitted
- 72% feel the entire home should be permitted as a STA
- Property maintenance and personal safety was ranked as a very important element
- Traffic and loss of rental units was ranked as least important

In terms of regulations, the survey results indicated:

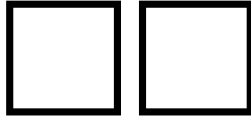
- 6 out of 10 respondents supported regulating STAs
- 40% supported licensing individual rental properties
- 34% supported licensing rental platforms
- 35% supported limiting STAs to principal residences only

The survey also provided an open comment field. The following is a sampling of the remarks:

- Subject to same taxes, safety regs, garbage provisions, etc. as any other hotel.
- There are many positive outcomes, such as supplemental income for the renter and more customers for small businesses in neighbourhoods.
- It is the cause of shortage of places to rent for long period of time and affecting Londoners.
- London needs a full range of options available to people who are coming to this city and that we need more choices at all price points.
- The onus of responsibility needs to be with the property owner and all neighbours should be able to obtain the contact information for any property that is a rental so that issues can be addressed quickly and efficiently.
- Short-term rentals should be subject to the same licensing restrictions and requirements as rental properties.
- Online platforms for short term rental are extremely transparent with public reviews of both renters and providers.
- I believe that no investment property should be used as a short term rental. You should be residing in the residence so that the homeowner can be responsible for cleaning up and maintaining the property.
- Short term rentals increase tourism in the city and often offer a more affordable option vs hotels allowing more visitors to visit the city, which also brings outside dollars to our communities.
- Modernize by making short-term rentals available yet safe, and not intrusive for current residents. No short-term investment properties in residential areas/communities.
- It should be owner occupied units only, and totally exclude high rise units to prevent the type of issues arising in Toronto.
- Definition of short term...1 day to 10 month??? What constitutes short term? Furnished vs unfurnished? What is a boarder? What is a billet? Before you can get accurate answers to your survey you need to define some terms.
- Important to ensure short term rentals meet basic safety requirements such as smoke and CO detectors. Fire extinguishers etc.
- Lack of respect for property and neighbourhood. Could increase likelihood of students renting for party purposes.
- Loss of the sense of neighbourhood, with transient occupants not being part of the fabric of the community.
- Having a short term rental in my home has made it possible for my family to afford to own a home and build equity for our future retirement.

As evident from the selection of open-ended comments, the issue of STAs is one which requires a recognition of the “sharing economy” coupled with the municipal role of public safety and residential stability.

Civic Administration previously reported that in 2016/early 2017 there have been very few complaints related to STAs. Since that time, complaints have slightly increased. Complaint intake does not categorize by property occupancy, therefore it is not possible to determine if in fact a complaint is directly related to a STA. However, Municipal Law Enforcement Officers have confirmed through site inspections and background research an increase in noise and zoning violations related to STAs.



In Ontario, home-sharing is one of the fastest growing sectors in the sharing economy. The growth of home-sharing globally has been driven by consumers looking for greater choices, flexibility and lower costs, and hosts looking for the opportunity to earn extra income.

Through recent consultations, in which City of London staff participated, the Government of Ontario received local feedback that home-sharing is a priority sector in the sharing economy for municipalities. The province also heard that local flexibility is key to address home-sharing in ways that allow municipalities to achieve local objectives (e.g., protecting long-term housing stock, attracting tourism, etc.). As a result, the province has developed a Home-sharing Guide for Ontario Municipalities as a resource when considering regulating home-sharing locally.

There have been several Ontario municipalities which have addressed the STA issue (Toronto, Niagara on the Lake, Blue Mountains) . Although there are no proven historical best-practices established at this time, the following is a sample of regulations for consideration:

- License platforms - Municipalities may license platforms (similar to licensing transportation network companies as part of the vehicle for hire regime). Conditions may be placed on the licensees such as advertising regulations and data sharing;
- License operators - Municipalities may license hosts/operators or utilize existing licensing regimes (i.e. rental housing) to ensure compliance with the municipality's community safety by-laws;
- Principal residences - Several municipalities have imposed restrictions on income properties as STAs to protect the availability of long-term rental stock;
- Consecutive days of rental - Municipalities have explored the regulatory option of establishing a cap on the number of consecutive days a unit can be rented in order to distinguish short-term rentals from long-term rentals;
- Maximum number of days - Municipalities have considered the regulation of restricting the number of days per year a unit can be rented out on a short term basis. This regulation is directly related to the use of properties as principal residences;
- Maximum number of guests - Municipalities have deliberated on restricting the number of permitted guests. The purpose of this regulation is to address "party houses".

Based on a review of recently approved by-laws and the applicability of current London by-laws, Civic Administration recommend that the following regulatory approach be given consideration:

- Amend the Residential Rental Units Licensing by-law to create a new class of a rental licence to allow for STAs
- Amend the Zoning by-law to clarify the definitions of STAs
- Amend the Business Licensing by-law to licence platforms who provide for STAs

In the 2017 Provincial Budget, the Government of Ontario announced that it would provide all single-tier and lower-tier municipalities in Ontario with the authority to levy a tax on transient accommodation commonly referred to as a "hotel tax". Legislative amendments to the Municipal Act came into force on December 1, 2017. Under these amendments, municipalities have the flexibility to decide whether or not to implement a hotel tax, and also have the ability to determine the types of transient accommodation to which the tax would apply, the rate that would be charged, and other details about the tax. A municipality would be responsible for setting out the application of the tax in a municipal by-law. A municipality may choose to apply a municipal hotel tax to home-sharing arrangements, and may determine the applicable tax rate.

In January 2018, Municipal Council endorsed the implementation of a transient accommodation tax and directed Civic Administration to report back with the necessary implementation documentation. For purposes of fairness, Civic Administration recommend that the following taxation approach be given consideration:

- Include STAs as part of a transient accommodation taxation regime.

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CONCLUSION

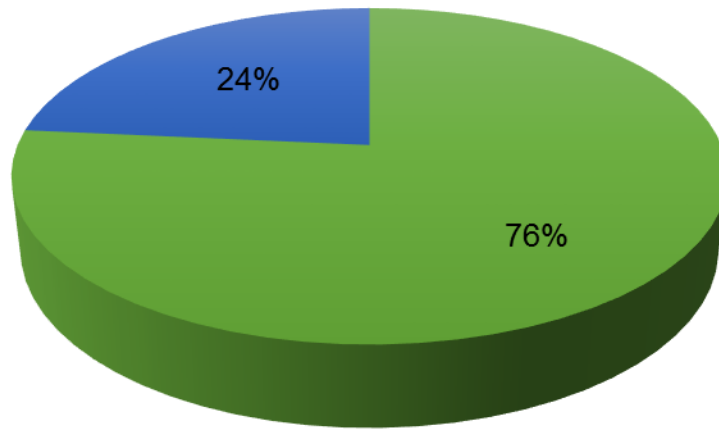
Civic Administration recognize that STAs are one of the fastest growing sectors of the sharing economy. Municipalities play a key role in ensuring public safety and residential stability. Civic Administration recommends that a public participation meeting be held to receive public comments on draft by-law amendments to a number of by-laws, to address licensing, zoning and taxation issues.

PREPARED BY:	SUBMITTED BY:
O. KATOLYK, MLEO (C) RPP CHIEF, MUNICIPAL LAW ENFORCEMENT OFFICER	G. KOTSIFAS, P. ENG. MANAGING DIRECTOR OF DEVELOPMENT AND COMPLIANCE SERVICES AND CHIEF BUILDING OFFICIAL

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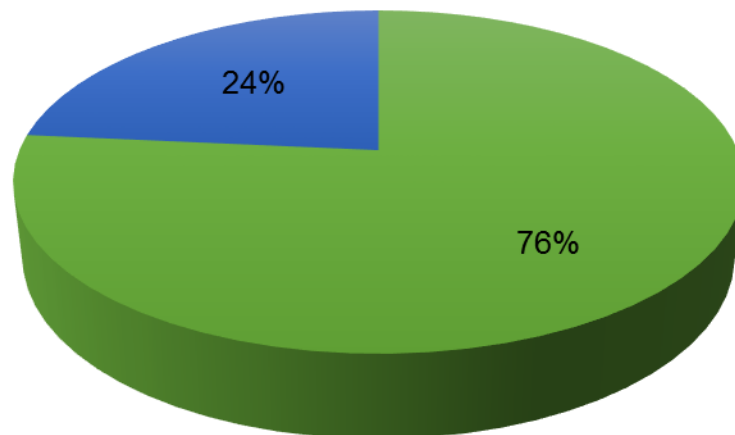
Appendix A
STA Survey Results

Residential Occupancy

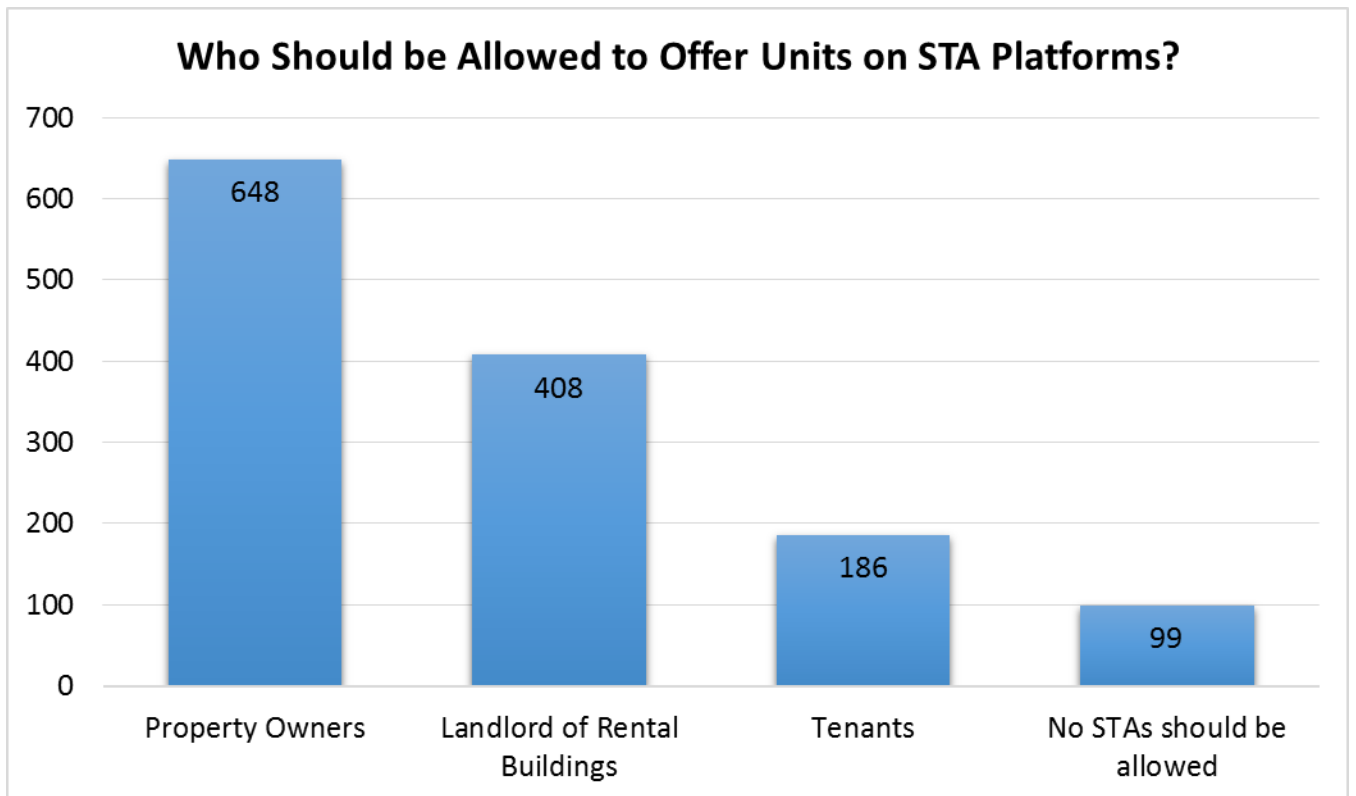
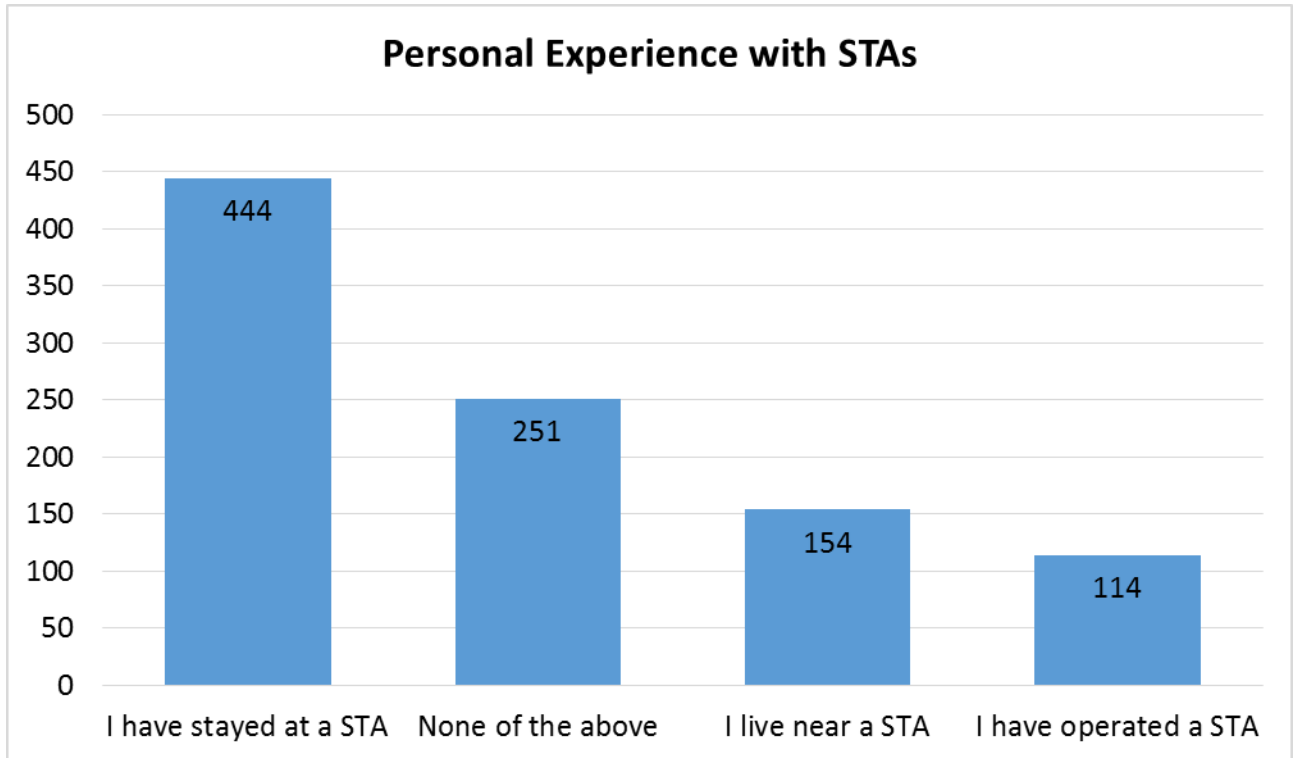
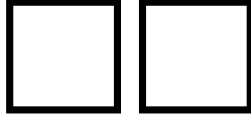


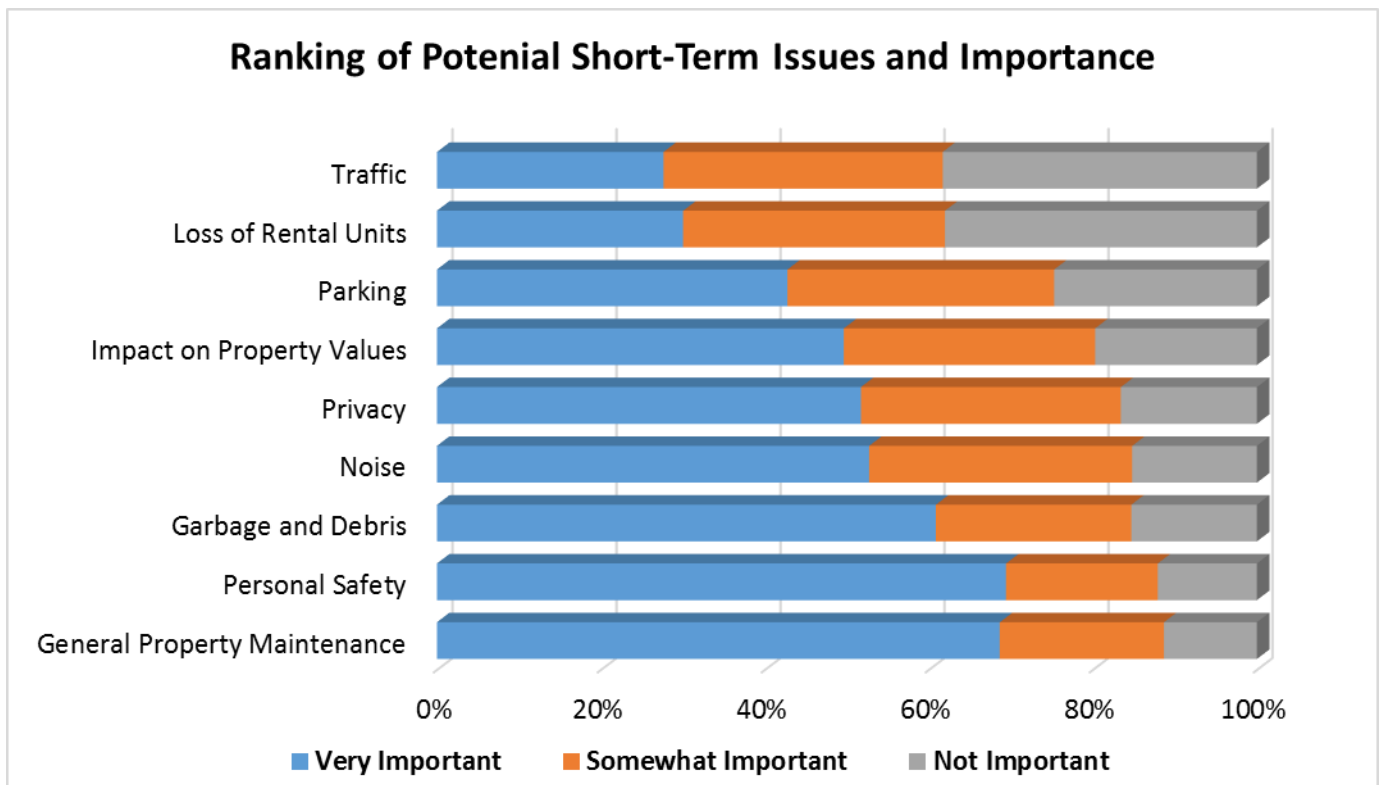
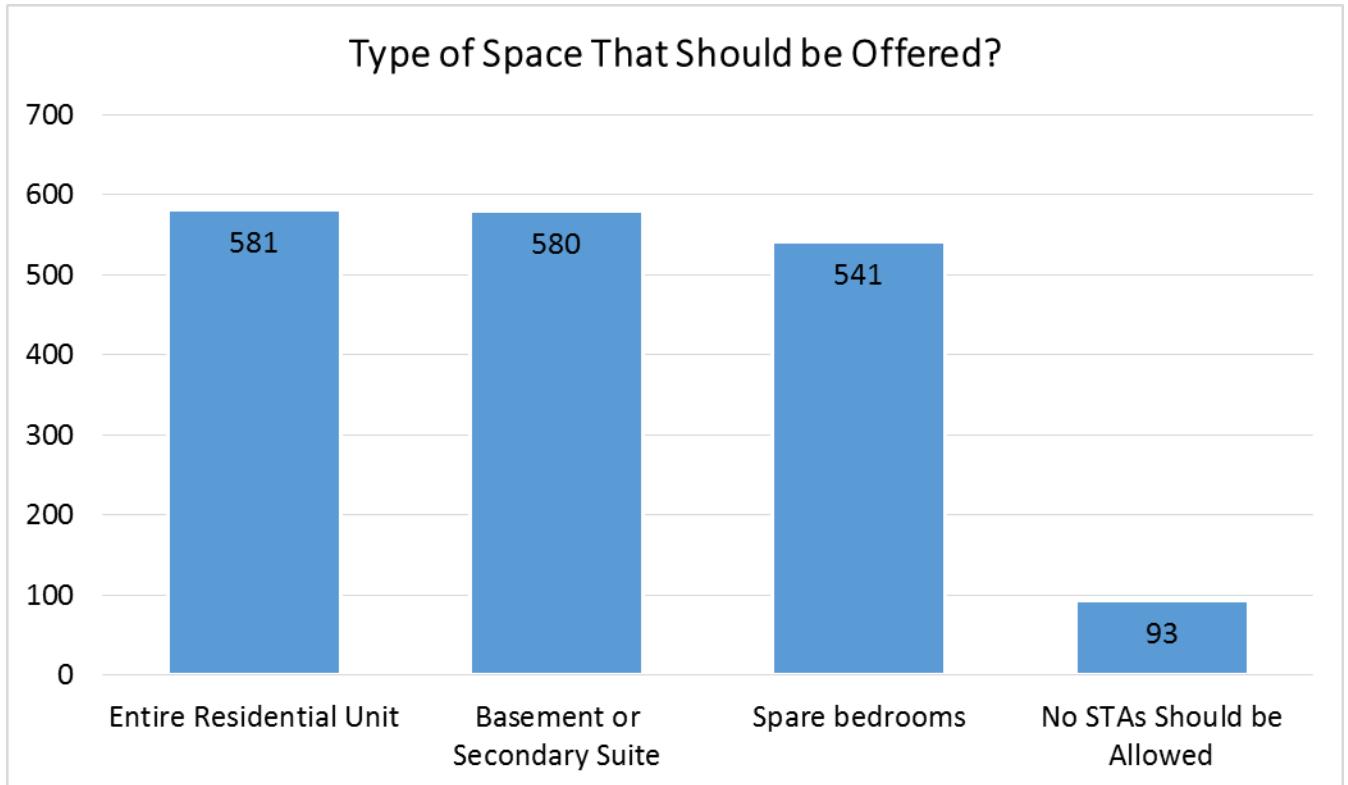
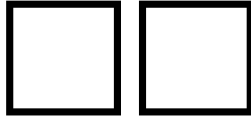
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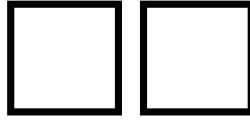
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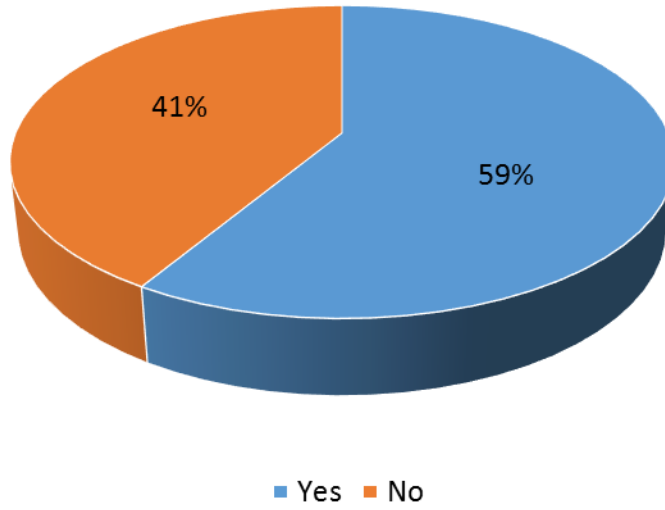
■ Own ■ Rent







Should City Council Consider Adopting Regulations Addressing STAs?



Which of the Following Should By-Law Regulations Address?

