



Public Meeting

Amendments to the Town of
Essex Zoning Bylaw 1037 to
Regulate and License Short
Term Rental Units (STRU)

March 7, 2022



Introduction

Purpose of Meeting

At this statutory Public Meeting, Council hears representations from the Public regarding the merits and concerns related to the proposed amendments to the Zoning Bylaw and adoption of a new Licensing System to regulate Short Term Rental Units (STRU).

Council does not make a decision at this time.

Short Term Rental Units (STRUs)

- Commonly a *dwelling or dwelling unit*, found in a *residential area or complex*, with or without full housekeeping facilities, used in full or in part for *short term accommodation* by a person or persons for a *limited time period*



Short Term Rental Units (STRU)

- There may or may not be on-site supervision and varying performance standards
- May be located on water or in other structures



Short Term Rental Units (STRUs)

- A STRU is **not** a Second dwelling Unit (SDU)

Short Term Rental	Second Dwelling Unit
<ul style="list-style-type: none">• Intended to be used for short term accommodation for a limited period of time for primarily the travelling public	<ul style="list-style-type: none">• Intended to increase the supply and range of affordable rental accommodations to provide long term independent living for a person or persons

Current Zoning Regulations

Current Zoning Regulations

- STRUs are **not** recognized in the Town of Essex Official Plan or Zoning Bylaw 1037
- Bed and Breakfast dwellings **are** permitted in a single detached dwelling in select agricultural, residential and Commercial Districts as a home occupation in the form of overnight accommodation and a breakfast

Current Zoning Regulations

- Residential District 1.5 (R1.5) permits a grouping of single detached dwellings on one lot used for short term or seasonal accommodation



Current Zoning Regulations

Type of Accommodation	Characteristics	Districts Permitted
Hotel	<ul style="list-style-type: none">• Minimum of 5 guestrooms• Rooms accessible only from interior of building• No self contained cooking facilities in rooms	<ul style="list-style-type: none">• Commercial District 2.1• Commercial District 2.2• Commercial District 3.1• Commercial District 3.3
Motel	<ul style="list-style-type: none">• Minimum of 5 guestrooms• Rooms accessible from exterior and interior of building• No self contained cooking facilities in rooms	<ul style="list-style-type: none">• Commercial District 3.1• Commercial District 3.3
Campgrounds	<ul style="list-style-type: none">• Seasonal accommodation of recreational vehicles, tent or travel trailers only	<ul style="list-style-type: none">• Green District 1.2• Green District 1.5
Lodging Houses	<ul style="list-style-type: none">• Lodging for hire• Minimum of six persons	<ul style="list-style-type: none">• Residential District 3.1• Residential District 3.2

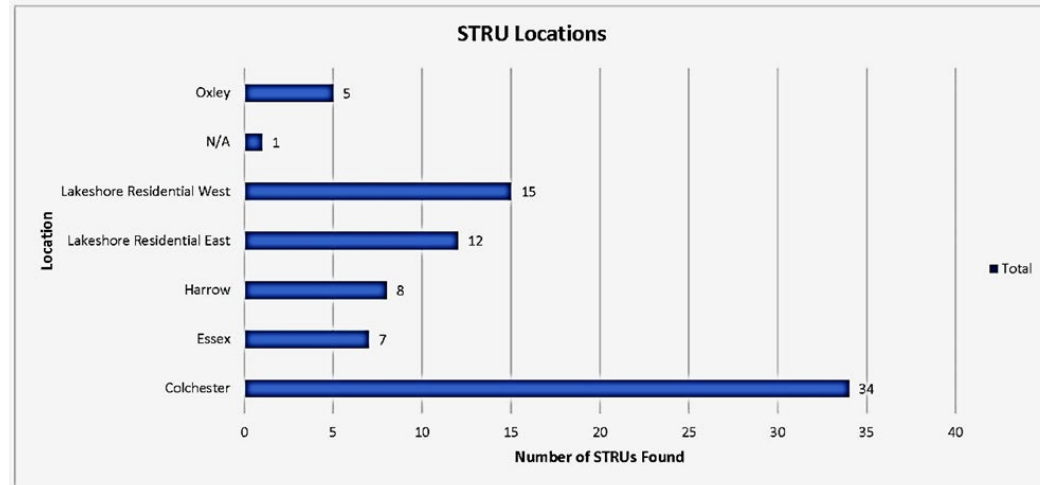
2021 Public Consultation and Policy Recommendations

2021 Public Consultation

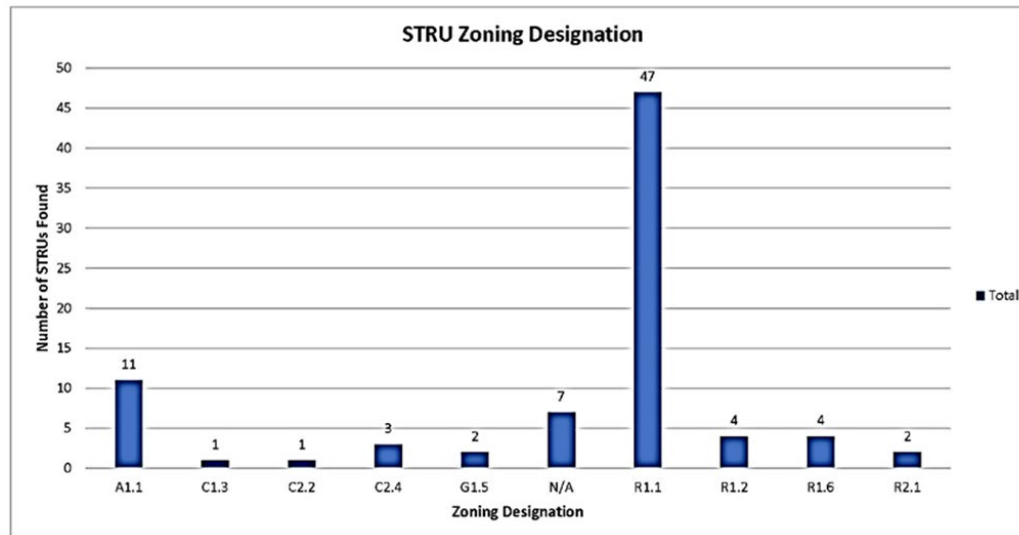
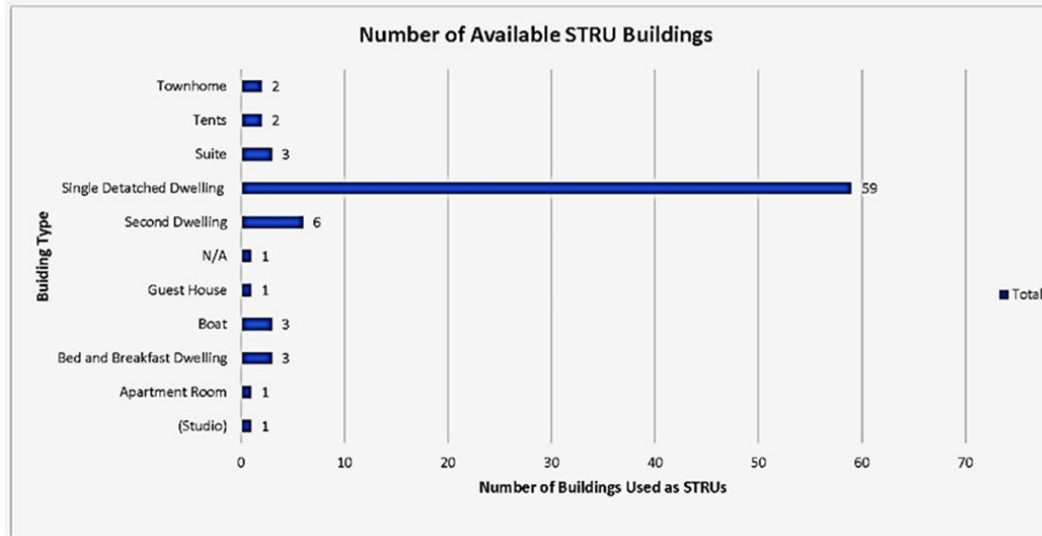
What we learned from 2021 Open House:

- All groups supported a business licensing system to regulate STRUs
- There were concerns with saturation (i.e. the number of STRUs operating in any one neighbourhood or area). It was suggested that the number of STRUs be limited through licensing
- Impacted residents reported issues with noise and trespassing and recommended a review of applicable bylaws
- A business owner reported they were unable to find housing for seasonal workers because available accommodations are short term only
- It was noted that there isn't any method to contact the owners and operators when issues arose because there was no contact information on file
- STRU operators supported regulations that are strong and enforceable yet minimal. They did not want to see regulation that limited STRUs to only owner-occupied dwellings
- STRU operators felt enforcement of existing bylaws was necessary for violators and that STR operators are generally held to a high standard depending on the home sharing platform
- There were concerns with STRUs at the harbour and suggested review of current contracts language

2021 Policy Recommendations



2021 Policy Recommendations



2021 Policy Recommendations

- On December 6, Council directed administration to prepare a zoning bylaw amendment and Licensing System to permit one (1) STRU in:
 - A main single detached dwelling in any Residential Zoning District subject to licensing with no requirement for owner occupancy
 - A dwelling unit in any Commercial District subject to licensing
 - A single detached dwelling in an Agricultural district subject to licensing and no requirement for owner-occupancy

Proposed Zoning Amendments

Proposed Zoning Amendments

Zoning Bylaw to be amended to:

- Add a new definition and regulations for STRUs
- Add a new definition for Cabin
- Revise the definition of Bed and Breakfast Dwelling and Campground

Proposed Zoning Amendments

- **Short Term Rental Unit** to be defined as a *dwelling or dwelling unit*, exclusive of a bed and breakfast dwelling, used, *with or without supervision*, for *rental accommodation of a person or persons for a period of twenty-eight (28) consecutive days or less* and licensed

Proposed Zoning Amendments

To permit:

- One (1) STRU in a single detached dwelling in a Residential or Agricultural District, and,
- One (1) STRU in a single detached dwelling or dwelling unit in a Commercial District, and,
- In a cabin in Green District 1.2 and 1.5

Proposed Zoning Amendments

An STRU MUST:

- Be licensed by the Town of Essex, and,
- Be a minimum of 100 metres from another property on which a STRU is located when in a residential district, and,
- Provide one (1) on-site parking space for each two bedrooms, and,
- Not be in a Second Dwelling Unit (SDU).

Proposed Zoning Amendments

- Amend the definition of “**Bed and Breakfast Dwelling**” to refer to its use as a “Home Occupation” and require Bed and Breakfast dwellings to be licensed;
- Amend the definition of “**Campground**” to allow accommodations in cabins and year-round operations;
- Add definition of “**Cabin**” to mean a fully enclosed building with housekeeping facilities (bedrooms, kitchen, washrooms) and a maximum gross floor area of 70 square metres (750 square feet)

Proposed Licensing System for STRUs

What is STRU Licensing?

A system that regulates short term rental units by requiring owners to operate their properties according to prescribed standards necessary for both consumer protection and to protect the character of existing neighborhoods and properties.

Licensing seeks to balance the tourism and economic development benefits of STRUs with the right of residents to enjoy their properties without disturbances.

Licensing Authority

The **Municipal Act** authorizes a municipality to provide for a system of licenses with respect to businesses wholly or partly carried on within a municipality even if the business is being carried on from a location outside the municipality.

Numerous municipalities in Ontario have used this authority to pass licensing by-laws for Short Term Rentals Units (STRUs). At this time, the City of Windsor is the only local municipality to have enacted such licensing.

Potential Advantages

- Address illegal units or units that fall below property standards
- Ensure proper and ongoing maintenance of rental properties over time
- Provide early and proactive notice of licensing requirements to allow proactive, cooperative compliance efforts rather than reactive enforcement measures
- Provide enhanced consumer protection
- Create a level playing field for STRU operators
- Allow for responsible STRU accommodations

Potential Limitations

- Increased administrative costs to the Town
- Increased costs to STRU owners/operators
- Increased strain on by-law enforcement resources
- May be a barrier to STRU operations
- May discourage new STRUs from operating in the Town which may decrease tourism

Key Indicators of Successful Licensing

- A decline over time in the number of illegal units operating
- A decline over time in property-based complaints (such as property standards, noise, yards, garbage)
- Reduced neighbourhood complaints related to quality of life and enjoyment of property
- Performing annual evaluations of the licensing system to measure effectiveness and propose any necessary amendments in consultation with stakeholders

Zoning Compliance

It is proposed that licences will only be issued to STRs that follow the Zoning By-Law and its regulations (i.e. zoning district, separation, and parking requirements).

However, if satisfactory proof of the operation of the STR prior to the enactment of the licensing/zoning regulations can be provided (i.e. rental receipts, advertisements), licenses may be issued despite non-compliance with the zoning regulations.

Proposed Licensing Requirements

1. A complete application form with supporting documents.
2. Payment of the applicable licensing fee.
3. Proof of insurance.
4. A sketched floor plan and a sketched site plan, depicting:
 - Entrances and exits to and from the building
 - The use of each room, including proposed occupancy
 - The location of smoke alarms, fire extinguishers, carbon monoxide detectors, and early warning devices.
 - Related site amenities including other structures and campfire location.
 - Parking requirements and location, in accordance with Zoning By-Law.
5. Proof of fire inspection.
6. Any other requirements as may be reasonable and necessary

Terms of Licence

Licences granted are proposed to be valid for up to **three (3) years** from the date of its issuance unless revoked or suspended in accordance with the Licensing By-Law.

Those wishing to renew their STR licence would then be required to complete a new application form and submit the supporting documentation and requirements therein.

Licensing Fee

Licensing fees are intended to recover administrative costs incurred as a result of processing an application.

A fee based on administrative cost recovery will be presented to Council with the STR Licensing By-Law.

Proposed STR Licensing Fee for Discussion: **\$180**

Current Fire Inspection Fee: **\$130.50**

Proposed Regulation

- Prohibited to operate or advertising a STRU without holding a valid licence from the municipality.
- The operator must keep a record of the renters and confirmation that each renter has received and signed a copy of the Renter's Code of Conduct.
- The owner/operator shall ensure a local contact is available to attend the STRU within one hour from contact.

Proposed Regulation

- A sign shall be displayed within the **interior** of the STR depicting the address, licence number, effective and expiry date of the licence, the contact information of the owner and local contact, and a copy of the site plan and floor plan.
- A sign shall be displayed on the **exterior** of the STRU which depicts the address, licence number, and the effective date and expiry date of the licence.

Proposed Demerit Point System

The proposed demerit point system will encourage compliance through a penalty system for owners/operators of STRUs when contraventions of applicable by-laws and other legislation occur at the licensed premises.

A particular number of demerit points will be assessed for each contravention that occurs at the premises.

Sample Demerit Point System Chart

Infraction	Type	Demerit Points
Violation of Fire Code or Building Code	Order not complied with	3
	Part I or Part III	7
Violation of Open Air Burning By-Law	Cost incurred for illegal fire	2
	Part I or Part III	4
Violation of Noise Control By-Law	Observed by an Officer	1
	Part I or Part III	4
Violation of Property Standards By-Law	Order not complied with	2
	Part I or Part III	4
Violation of Fireworks By-Law	Observed by an Officer	1
	Part I or Part III	4
Local Contact does not respond within one (1) hour pursuant to STR Licensing	Observed by an Officer	1
	Order not complied with	2
	Part I or Part III	4
Violation of Renter's Code of Conduct pursuant to STR Licensing By-Law	Observed by an Officer	1
	Order not complied with	2
	Part I or Part III	4

Enforcement –Demerit Point System

Demerit points will remain in effect for **2 years** from the date they were assessed.

A licence will be **suspended** for 6 months if the total of all demerit points in effect for a premises reaches **7**.

A licence will be **revoked** if the total of all demerit points in effect for a premises reaches **15**.

Enforcement

Administrative Penalties are an emerging approach authorized by the Municipal Act to deal with minor by-law infractions in a manner that is fair, effective and efficient.

The use of Administrative Penalties transfers by-law disputes from the courtroom to the municipality using an appeals process that can modify, cancel, or affirm penalties.

Fines will still be able to be issued through the standard court and Provincial Offences Act process.

Enforcement Commencement

It is important to note that once the Short Term Rental Licensing By-Law is enacted by Council, **enforcement will not commence immediately.**

A reasonable and sufficient period of time will be provided to allow sufficient time for:

- Owners/operators of STRs to apply for a licence and such applications to be processed and issued by Administration

2022 Public and Agency Consultation

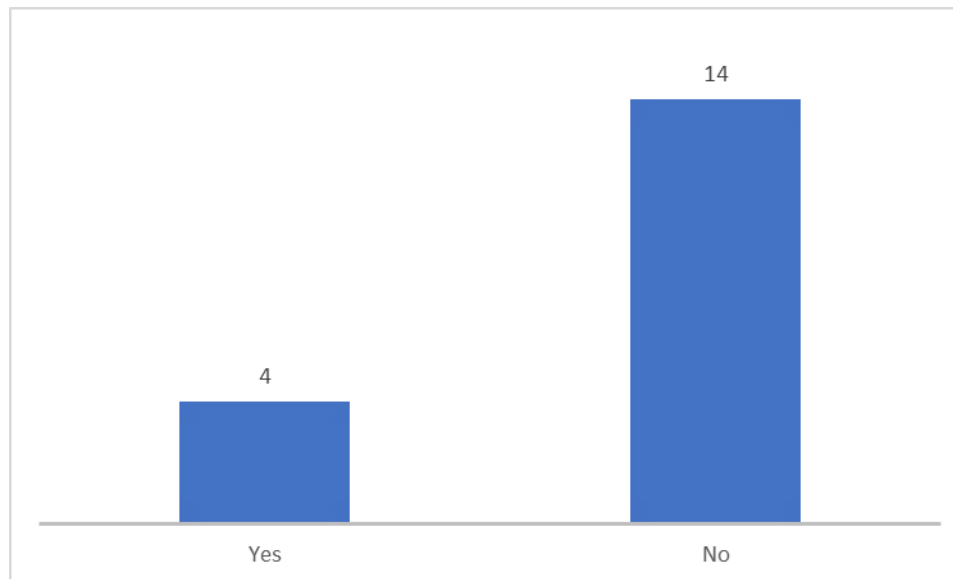
2022 Public and Agency Consultation

What we did in 2022:

1. Created a Survey on STRU to garner public feedback on proposed zoning amendment and licensing system
2. Sent notice directly to **150+** interested persons
3. Advertised notice of March 7th Public Meeting in both local newspapers (Harrow News and Essex Free Press)
4. Published multiple posts to Town of Essex Facebook and Twitter pages

2022 Public and Agency Consultation

Do you Support the Proposed Zoning Regulations?



2022 Public and Agency Consultation

Main Concerns with Zoning Regulations:

- **100-metre distance requirement**
 - How will this impact existing STRUs within 100 metres of another STRU
 - Distance requirement not applicable for STRUs in Agricultural, Green and Commercial Districts
- **28-day time period**
 - Some STRUs are available for longer duration
- **Limiting STRUs to Single Detached Dwellings**
 - Some STRUs in Town are located within other types of dwellings or structures

2022 Public and Agency Consultation

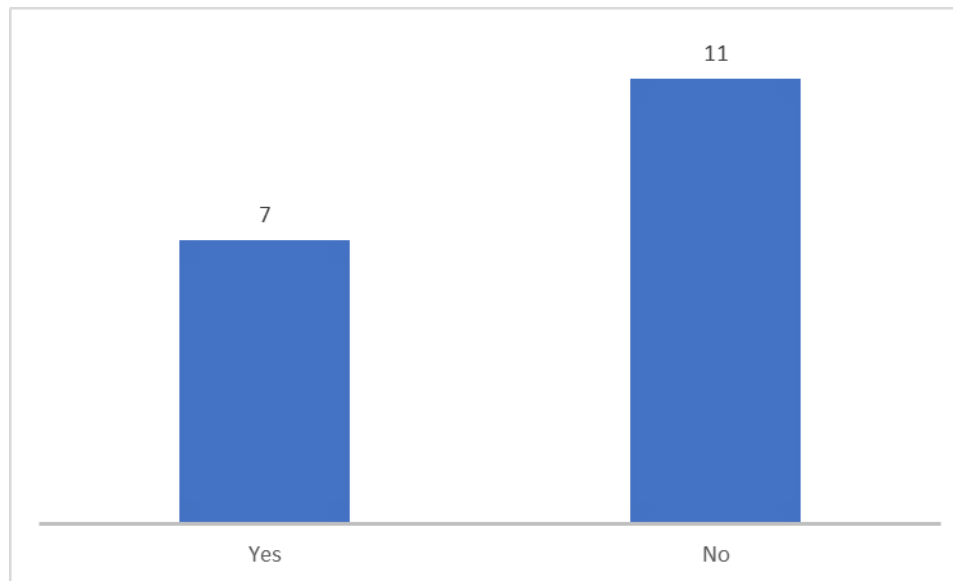
Main Concerns with Zoning Regulations:

Essex Region Conservation Authority (ERCA)

- STRU **should not be** permitted in areas rendered inaccessible to people and vehicles during times of flooding hazards, unless it has been demonstrated that the site has safe access appropriate for the nature of the development and the natural hazard.
- The ERCA **cannot support** a “blanket” zoning by-law amendment, in the zones specified, in the draft by-law, to allow STRU in designated flood-prone / hazard land, areas, as, the ERCA’s focus, is on safety and giving additional permitted uses to hazard or flood-prone properties, is not good practice.

2022 Public and Agency Consultation

Do you Support the Proposed Licensing System?



2022 Public and Agency Consultation

Generally, the licensing system was supported but the following concerns and suggestions were raised:

- More information required on the cost of licence and inspections
- Renter's Code may be a deterrent for renters
- Language too vague or not easily understood

Next Steps

ZBA-01-22: Next Steps

Administration will consider all feedback received and prepare a report to Council with the proposed Zoning Amendment and Licensing Bylaw for decision in Spring 2021 (April/May)

Additional feedback on the proposed Zoning and licensing system for Short Term Rentals can be provided to the following no later than **Friday April 1, 2022**:

Planning Services

519-776-7336 ext. 1128

essexplanning@essex.ca

Legal and Legislative Services (Clerk's Office)

519-776-7336 ext. 1100 or 1101

clerks@essex.ca





Thank You for Listening!