



## Report to Council

Department: Development Services  
Division: Planning  
Date: August 23, 2021  
Prepared by: Rita Jabbour, RPP, Manager, Planning Services  
Report Number: PLANNING2021-18  
Subject: Recommendations for the Regulation of Short Term Rentals (STRs)  
Number of Pages: 9 including Attachments

### Recommendation(s)

**That** Planning report PLANNING2021-18 entitled Recommendations for the Regulation of Short Term Rentals prepared by Rita Jabbour, RPP, Manager, Planning Services dated August 23, 2021 be received, and

**That** Council direct administration to implement the action items contained within this report.

### Purpose

To provide Council with proposed recommendations for the regulation of Short Term Rentals (STR) in specific zoning districts within the Town of Essex.

Council, under Section 34 (1.1) of the *Planning Act*, may pass bylaws to prohibit the use of land, for or except for such purposes as may be set out in the Bylaw within the Municipality or within any defined area or areas.

## Background and Discussion

Home-sharing comprises one of the fastest growing sectors in the sharing economy (an economic model in which goods and resources are shared between individuals and groups to earn profits from underutilized resources such as a dwelling). Home-sharing is most commonly associated with short term rental accommodation services and platforms such as AirBnB and Vrbo.

A short term rental (STR or STRU) is 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 period of time*. There may or may not be on-site supervision and varying performance standards. A STR may also be located on water (houseboat) or in other types of structures (ie. A treehouse).

**Note:** A STR is not a Second Dwelling Unit (SDU). The latter is intended to increase the supply and range of affordable rental accommodations to provide *long term independent living* for a person or persons.

STRs are not currently recognized in Comprehensive Zoning Bylaw 1037. A Bed and Breakfast dwelling is a permitted use in a single detached dwelling in select Agricultural, Residential and Commercial districts as a home occupation but they differ from a STR in that they must be carried on exclusively by the inhabitants of the dwelling; be located entirely within the main dwelling; and, have provisions for breakfast. An STR, in contrast, may not be the primary residence of the owner/operator; may be operated in an ancillary building or structure; and, does not make provisions for breakfast.

STRs promote and support economic and tourism development opportunities but may also impact on the character of local communities, the enjoyment of neighbouring residents, and the protection and supply of long term housing accommodations.

In 2020, ninety (90) STRs in the Town of Essex were listed on popular home-sharing platforms AirBnB and Vrbo alone. This comprised the second highest concentration of STRs in the County of Essex. Ninety-three percent (93%) of those listings were for STR accommodations in a dwelling. Any municipal regulations should seek to establish a balance between growth and economic development, and the preservation of local communities, neighbourhoods and the long term housing supply.

### Survey & Open House

Administration published a community survey to obtain public feedback and hosted a Virtual Open House on June 1, 2021 to explore the topic. The survey garnered 203 responses and 28 people attended the Open House. Open House participants included local business owners, STR owners and operators, impacted residents and those with a general interest in the topic.

### June 21 Public/Special Council Meeting

Following the Open House, a Public/Special Council meeting was held virtually on Monday June 21, 2021 to hear representations from the public in regards to the merits and concerns related to the proposed addition of new zoning by-law regulations for STRs. Three (3) delegates registered to speak at the June 21 meeting. **A copy of the Public/Special Council meeting presentation is attached to this report.**

### Summary

The main themes from the Survey, Open House, and Public meeting are categorized as STR Benefits, Concerns, and Mitigation Measures and are summarized in the table below:

STR Benefits	STR Concerns	STR Mitigation Measures
<ul style="list-style-type: none"> <li>• Beneficial to local tourism industry because there is a lack of hotel accommodations in the area</li> <li>• STRs provide unique tourism opportunities/stays</li> <li>• STRs promote the region and its amenities</li> <li>• STRs allow owners and operators to recoup expenses of home ownership</li> <li>• STRs provide more benefit to property owners rather than long term rentals (Landlord Tenant Act viewed as an obstacle)</li> </ul>	<ul style="list-style-type: none"> <li>• An STR oversaturation in some neighbourhoods/areas</li> <li>• Excessive noise and trespassing from STR guests</li> <li>• Lack of available onsite parking</li> <li>• Absentee landowners/hosts</li> <li>• Inability to contact landowners/hosts when issues arise</li> <li>• Allowances for STRs at the Colchester Harbour impacting residents and boaters</li> <li>• Negative Impact on availability of affordable housing for residents and seasonal workers</li> <li>• STR building safety/non-compliance with Building and Fire Code</li> </ul>	<ul style="list-style-type: none"> <li>• Implement regulations for all types of STRs</li> <li>• Support for business licensing system with a limit on number of STRs granted town wide or per street or neighbourhood</li> <li>• Review contract language for boat slips at Colchester Harbour</li> <li>• Enhance Bylaw Enforcement</li> <li>• Review existing municipal bylaws (ie. Noise bylaw, burn bylaws)</li> </ul>

Recommendations

In general, Council recognized the need for STRs but supported establishing regulations for STRs to mitigate the negative impacts on the quality of life for neighbouring property owners. It was determined that further discussion on the matter was necessary but the following questions and suggestions were posed by Council for consideration:

- **Can we zone to control density?**  
 Yes, by setting a separation requirement from another STR in the Comprehensive Zoning Bylaw. This is relevant for STRs in Residential districts, and may not be as necessary for Commercial, Green or Agricultural Districts where a concentration of dwellings is non-existent. However, this number (e.g. 200 metres between two STRs) would be somewhat arbitrary based on the perception of potential nuisances (i.e, noise).

- **Can we regulate by total numbers?**

Yes, through a licensing bylaw which other municipalities have done. The intent is to reduce potential nuisance but also to help maintain opportunities for full term rental accommodation. This helps to reduce land speculation and the creation of STRs strictly as commercial operations, as opposed to a dwelling used by a family with short term rental as a source of supplementary income to help cover the costs.

- **Can we freeze the total number of STRs temporarily while a new licensing bylaw and zoning regulations are put in place?**

The Town does not issue permits for STRs. Therefore, the Town does not have a record of STRs in existence nor has a system to prevent operators from establishing an STR. The best regulatory system for limiting STRs and regulating their use is through a licensing bylaw.

- **Can we implement a temporary licensing system that would become more refined and established at a later date to ease hosts and administration into the process?**

Yes. The Town currently operates a business registration system which is voluntary and free of charge. New business owners are encouraged to register their business with the Town for identification and marketing purposes. Business information including the owner/operators contact is required and the form is reviewed internally by Planning staff to determine compliance with the Comprehensive Zoning Bylaw.

- Council Suggestion: Implement a temporary registration system to collect information on the location of STRs and provide the Town and other authorities with information as to who to contact when issues arise.
- Council Suggestion: Require on-site signage to identify STR properties and how to get in contact with the owners

In order to establish zoning regulations and a regulatory system, Council must still provide direction on the following:

- What will constitute a STR:

- Dwelling
- Dwelling unit
- Water craft
- Cabins in Campgrounds
- Other structures (ie. Trees)
- Where to permit STRs:
  - Residential Districts
  - Commercial Districts
  - Agricultural Districts
  - Green Districts
  - Colchester Harbour
- If a numerical limit on STRs should be established
- If an STR should be owner occupied

To date, administration has received one (1) response from a Council member regarding the matters above. The following was recommended:

- STRs be permitted in all districts and wherever the creative mind allows, however, residential districts should be split into quadrants with defined limitations on numbers within neighbourhoods
- STRs need not be owner occupied
- STRs should be licensed with wording that highlights permissions may be revoked based on complaints by the public, OPP, and Bylaw Enforcement division and by the severity of the complaint/incident

In rendering a decision, Council should have consideration to the following:

- Amendments to Comprehensive Zoning Bylaw 1037 to recognize and regulate STRs must only be adopted in combination with a Licensing Bylaw. Without a licensing bylaw, there would be no means to enforce the Zoning Bylaw. A licensing bylaw is proposed for adoption in January 2022;

- At this time, the Town of Essex Official Plan does not have policies to support short term rental accommodations in Residential zoning districts, other than bed and breakfast dwellings as home occupations (owner occupied).
- At this time, a zoning bylaw amendment could therefore not be adopted with provisions to permit STRs in residential districts until an Official Plan Amendment is approved by the County of Essex. Council can either direct administration to initiate an Official Plan Amendment to consider STRs in residential districts at this time, or review these policies alternatively during the development of the New Official Plan, which will likely take over one year to complete.
- Administration will be proposing amendments to Comprehensive Zoning Bylaw 1037 to consider limited accommodations, other than Bed and breakfast dwellings, in agricultural districts as an agri-tourism use supplementary to an agricultural operation.

The following immediate actions are recommended:

- Fall/Winter 2021: Collect an inventory of existing STRs in the Town of Essex through a review of popular STR platforms. Inventory will help inform the location and number of STRs for the development of a future zoning bylaw amendment and licensing bylaw.
- Fall/Winter 2021: Encourage STR operators through a media campaign to register their business through submission of the existing Business Registration Form. **Attached is a copy of the Town of Essex Business Registration form.** The form will provide vital information regarding owner name and contact;
- Fall/Winter 2021: Encourage residents through a media campaign to report an issue with noise or other nuisances resulting from a STR to Bylaw Enforcement or the OPP
- Fall/winter 2021: Prepare a zoning bylaw amendment to include regulations for limited short term accommodations as agri-tourism uses supplementary to agricultural operations in agricultural districts
- Fall/winter 2021: liaise with the County of Essex on the feasibility of an Official Plan Amendment to permit STRs in residential districts that are not owner occupied.

The Town of Essex currently provides several opportunities in different zoning districts to allow residents and investors to establish unique accommodations for the travelling public (ie. A bed and breakfast dwelling in a residential district, or a hotel and motel in a commercial district). These recommendations are intended to be temporary measures so more information on the location and number of STRs in the Town can be gained, and until such time a licensing bylaw is crafted.

## **Financial Impact**

All administrative costs associated with the development of this report, subsequent bylaw amendments and the registration systems will be borne by the Town of Essex as this is a Town led initiative. There is no current fee for the submission and review of a business registration form. The business registration form is existing and no costs will be required to procure services for its development.

## **Consultations**

Doug Sweet, Director, Community Services, Deputy CAO

Robert Auger, Town Solicitor/Clerk

Kevin Carter, C.B.O/Manager, Building Services

Jeff Watson, Planner



## Link to Strategic Priorities

- Manage, invest and plan for sustainable municipal infrastructure which meets current and future needs of the municipality and its citizens.
- Create a safe, friendly and inclusive community which encourages healthy, active living for people of all ages and abilities.
- Provide a fiscal stewardship and value for tax dollars to ensure long-term financial health to the municipality.
- Manage responsible and viable growth while preserving and enhancing the unique rural and small town character of the community.
- Improve the experiences of individuals, as both citizens and customers, in their interactions with the Town of Essex.
- Improve the Town's capacity to meet the ongoing and future service needs of its citizens** while ensuring the corporation is resilient in the face of unanticipated changes or disruptions.

## Report Approval Details

Document Title:	Recommendations for the Regulation of Short Term Rentals .docx
Attachments:	- STRU Presentation Final.pdf - Business Registration Form.pdf
Final Approval Date:	Aug 17, 2021

This report and all of its attachments were approved and signed as outlined below:



**Lori Chadwick, Director, Development Services - Aug 12, 2021 - 4:58 PM**



**Chris Nepszy, Chief Administrative Officer - Aug 17, 2021 - 10:59 AM**