

 <p>GRAVENHURST GATEWAY TO MUSKOKA</p>	THE CORPORATION OF THE TOWN OF GRAVENHURST	
	To:	Committee of the Whole
	From:	Melissa Halford, Director of Development Services
	Date:	November 16, 2021
	Subject:	Short-Term Rental Survey Results and Proposed Approach Report No. CGD 2021-90

RECOMMENDATIONS

The Director of Community Growth & Development recommends:

THAT Report No. CGD 2021-90 re: Short-Term Rental Survey Results and Proposed Approach be received for information;

AND THAT based on public consultation Committee direct Administration to develop a licensing program and associated by-law as it relates to Short-Term Rentals (STRs);

AND THAT this licensing program is implemented in 2022.

PURPOSE

The purpose of the Short-Term Rental Survey Results and Proposed Approach Report is to report back to Committee regarding the public consultation process undertaken by Administration, provide an update on how other municipalities are approaching this topic and to provide a recommendation related to next steps as it relates to regulation and licensing of Short-Term Rentals (STRs).

BACKGROUND

Over the past several months in Council, a number of delegations have been made from members of the public who have expressed concerns with dwellings being used as STRs. Following direction provided to Administration at the Committee of the Whole meeting on [November 17, 2020](#) a number of processes were undertaken.

Good Neighbour Approach

In line with recommendation from staff contained in the Report presented on November 17, 2020, a full educational program was developed. This program included both print and digital

work targeted at three distinct groups: Short Term Rental Owners, Neighbours of STR Properties and guests of STRs. This information was housed on www.gravenhurst.ca/goodneighbour. A media release was provided to local media outlets about this information. On the website, users were able to request a print or digital copy of the Good Neighbour pamphlet for owners to provide directly to their STR users. At the time of writing, 24 hard copies have been provided by request. This website will continue to be updated as additional information becomes available.

Public Consultation Process

August 26, 2020 saw the release of a public consultation process aimed at understanding the public's opinion on Short Term Rentals. Using www.engagegravenhurst.ca a survey was released that closed on September 30, 2021. This survey was marketed in many ways ranging from media releases, to the Town website, a significant social media campaign and direct stakeholder emails. The survey was also shared by STR companies. Users who were not able to access the survey were accommodated and provided with a physical copy of the survey. An analysis of this data is included in the following section. In addition to the survey, individual consultation was undertaken with online rental platforms and local cottage rental agencies.

ANALYSIS

Over the last number of years Administration has continued to research and monitor trends related to STR programs across the country. It is clear that every municipality has a unique approach to STRs. Initial conversations have occurred with municipalities both inside and outside the region and have found that most of these projects are new with impacts to be determined.

Since the [November 2020 report](#), there has been minimal changes to programs being developed. Regionally, the Township of Lake of Bays has recently approved a licensing program for STRs, and the Town of Huntsville continues to make small adjustments to their licensing process. Based on conversations with municipal staff, the Township of Muskoka Lakes continues to rely on their Code of Conduct and the Town of Bracebridge is working on a public consultation process report.

Summary of Public Consultation

The STR Engagement page on www.engagegravenhurst.ca received 925 unique visits. The survey received 343 responses and 3 independent questions were asked.

The initial survey question asked respondents to identify their relationship as it relates to the Town of Gravenhurst (i.e. year-round resident, business owner, landlord etc). Respondents were able to select all that best described them as shown below:

- 207 Year-round residents
- 128 Seasonal residents
- 90 Neighbours of a STR
- 75 Property owners (landlord)
- 18 Business owners
- 9 Short Term Renters/visitors

The data is representative of the municipality; however, owners of STRs are underrepresented in this data. Out of 205 year-round residents, 23 of those own a STR within the Town of Gravenhurst. These STR locations were identified as 10 within the waterfront area, 8 in the urban centre and 4 in the rural area (non-waterfront). Of those 23 year-round Short Term Rental owners, 13 individuals have been renting their property for 3-5 years, 4 for less than one year, 3 for 1-2 years, 2 for greater than 10 years and 1 for 6-10 years. During a STR, 10 owners will stay on their property during the rental, while 13 owners will not. The three most common length of rentals within this respondent group were 2-night rentals, no minimum night stay and 7-to-29-night stays. The most preferred time of year to rent these properties were July and August, followed by June and year-round evenly selected.

Of the 343 responses to the survey, 67 respondents expressed concerns about STRs. The table below outlines what these concerns were:

Concern	# of respondents concerned	Enforcement Jurisdiction
Fire Safety and Fireworks	17	Town (Burning By-Law)
Excessive Noise and Partying	25	Town (Noise By-Law), OPP
Water Safety and Boating Concerns	17	OPP
Trespassing and Property Damage Issues	3	OPP
Garbage Concerns	6	District of Muskoka
Light Pollution	2	Town (Dark Sky By-Law)
Issues related to speeding and parking	7	OPP (Speeding) Town (Parking)
Unknown People in the area/safety concerns	9	OPP
Environmental Impact	7	Town, Ministry of Natural Resources (Septic only)

Concern	# of respondents concerned	Enforcement Jurisdiction
STR impact on permanent housing supply	6	N/A
Property Standards Concerns	1	Town (Property Standards By-Law)
Impact on neighbour properties value	2	N/A

Many respondents expressed multiple concerns, as a result the numbers above do not equal 67.

Respondents were asked what actions they believed were needed for STRs and were able to select all that applied from a list. Users had the opportunity to select multiple options, as such multiple options have a higher level of impact. The results are outlined below:

Potential Action	# of respondents that support it
Educate Residents and Property Owners	184
License STR Operations, but restrict their location	92
License STR Operations	91
Prohibit the operation of STR in the Town	70
Take no action, rely on existing by-laws	56
No Opinion	5

The survey collected a large amount of additional data that will be useful for the next steps of the initiative. The full results of the consultation can be reviewed in Appendix A. Overall the data shows a divided opinion on STRs with licensing and education being preferred approach.

Secondary Consultations

In addition to the engagement process undertaken through www.engagegravenhurst.ca administration undertook direct consultation with businesses who currently work in the STR space. These companies, including large online rental sites, unanimously support the development of a license program.

Recommended Approach

Due to the unique nature of each municipality's regulation process, it is recommended that a multi-divisional working group be formed to develop a licensing process unique to Gravenhurst that considers direction received from Committee, municipal structure, and feedback from the public consultation survey. It should be noted at this time there are several unknowns in the

process including the actual number of STRs in the Municipality and the number of STR applications that can be processed in a year.

The Municipal Act, 2001 provides municipalities with the authorization to license, regulate and govern any business, wholly or partly carried on within the municipality. Section 10 of the Municipal Act states that a municipality has the authority to implement business licensing in the interest of health and safety, wellbeing of persons, consumer protection and nuisance control. A licensing bylaw would allow for fees and charges, administrative penalties, inspections for compliance and allow the municipality to make orders on users contravening the by-law.

A STR licensing program would allow the regulation of the entire operation, with a focus on the following areas: identification/licensing, inspection, monitoring, and enforcement.

Licensing Considerations

Each municipality has a different approach to licensing STRs. There are several options to consider during a licensing process including:

- Proof of insurance (liability)
- Parking management plans
- Septic information
- STR annual application fee
- Fire Code/Building Code inspections
- Demerit point system or set fine system
- Renter's Code of Conduct
- Classification system based on size and user
- Internal Capacity to manage
- Integration with any Municipal Accommodation Tax (MAT) process

Licensing Process

A typical licensing process involves several steps, managed by Administration or through an agreement with a third party. These steps include:

1. Identification of STR Addresses
2. Registration and Licensing
3. Inspection of STR premises
4. Activity and Compliance monitoring
5. Enforcement

Should Committee decide to proceed with investigating the use of a licensing program to manage STRs, Administration will provide additional details on this matter.

Options

Based on the feedback received during the public consultation process there are several options to consider. With Administrations review of the policy process and considering other work currently being undertaken, Administration currently recommends Option 1.

Option 1 – Implement a licensing program for STRs across the municipality. (Recommended, as outlined above)

Option 2 – Implement a licensing program and make Town wide amendments to the Comprehensive Zoning By-law to include a Definition of STRs, permit STRs only in certain area/situations and require a license.

Option 3 – Maintain the status quo with no change to how the Town currently manages STRs and continue to promote the “Good Neighbour” program.

CONSULTATION

The following individuals / community groups were consulted:

- Manager of By-Law Services
- Marketing and Community Engagement Coordinator
- Neighboring municipalities.

CORPORATE FINANCIAL IMPACT

Approval of this Report will not have a direct corporate financial impact. Once a licensing program has been developed, it is expected that there will be costs and revenues associated with this program. At this point, the quantum has not yet been fully determined, though it is worth noting that at this point, Administration has not found a program that operates in a revenue neutral way.

COMMUNICATIONS

This Report and subsequent video link will be added to the Engage Gravenhurst page. Additionally, an email will be sent to all participants informing them of the results of the exercise to date.

FUTURE CONSULTATIONS

It is anticipated that a future report will be presented to Committee that includes a full draft licensing program, the associated by-law, and estimated costs to implement.

CONCLUSIONS

Administration concludes that providing direction to begin a licensing program will meet the goals set out by Committee in November 2020 and is informed by the representative data collected through the community consultation.

CLIMATE CHANGE IMPLICATIONS

This Report does not contribute to meeting the intentions of the Climate Change Declaration.

RELATION TO STRATEGIC PLAN

This Report does not directly advance or support the Town of Gravenhurst Strategic Plan.

RELATION TO OTHER MUNICIPAL REPORTS, PLANS OR APPLICABLE LEGISLATION

This Report related to other municipal reports, plans or applicable legislation including:

1. Municipal Act, 2001

ATTACHMENTS

1. Attachment A – Full Community Consultation Results

RESPECTFULLY SUBMITTED BY:

Author: Jeff Loney, Manager of Economic Development, Marketing and Tourism

Approved by: Melissa Halford, Director of Development Services

Approved by: Scott Lucas, Chief Administrative Officer