



The Corporation of the City of Stratford
Planning and Heritage Committee
Open Session
AGENDA

Date: Monday, February 22, 2021
Time: 3:20 P.M.
Location: Electronic Meeting
Committee Present: Councillor Ritsma - Vice Chair Presiding, Councillor Ingram - Chair, Mayor Mathieson, Councillor Beatty, Councillor Bunting, Councillor Burbach, Councillor Clifford, Councillor Gaffney, Councillor Henderson, Councillor Sebben, Councillor Vassilakos
Staff Present: Joan Thomson - Chief Administrative Officer, Tatiana Dafoe - City Clerk, Ed Dujlovic - Director of Infrastructure and Development Services, David St. Louis - Director of Community Services, John Paradis - Fire Chief, Kim McElroy - Director of Social Services, Alyssa Bridge - Manager of Planning, Jodi Akins - Council Clerk Secretary, Chris Bantock - Deputy Clerk, Jeff Bannon - Planner

To watch the Council meeting live, please click the following link: <https://stratford-ca.zoom.us/j/84355168443?pwd=dTUyQTVPTHd6WDY0YURjL2Y0YWsvUT09>
A video recording of the meeting will also be available through a link on the City's website at <https://www.stratford.ca/en/index.aspx> following the meeting.

Pages

1. Call to Order

The Vice-Chair to call the Meeting to Order.

2. Disclosure of Pecuniary Interest and the General Nature Thereof

The *Municipal Conflict of Interest Act* requires any member of Council declaring a pecuniary interest and the general nature thereof, where the interest of a member of Council has not been disclosed by reason of the member's absence

from the meeting, to disclose the interest at the first open meeting attended by the member of Council and otherwise comply with the *Act*.

Name, Item and General Nature of Pecuniary Interest

-

3. Delegations

None scheduled.

4. Report of the Manager of Planning

4.1. Update on Proposed Short-Term Rental Accommodations (STRA) Regulations (PLA21-006)

3 - 14

Motion by _____

Staff Recommendation: THAT the report regarding consultation with Destination Stratford on proposed Short Term Rental Accommodation regulations in the new Comprehensive Zoning By-law (PLA21-006) be received for information.

5. Adjournment

Meeting Start Time:

Meeting End Time:

Motion by _____

Committee Decision: THAT the Planning and Heritage Committee meeting adjourn.



MANAGEMENT REPORT

Date: February 22, 2021
To: Chair and Members of Planning and Heritage Committee
From: Alyssa Bridge, Manager of Planning
Report#: PLA21-006
Attachments: Response from Destination Stratford

Title: Update on Proposed Short-Term Rental Accommodations (STRA) Regulations

Objective: To inform Council on the discussions with Destination Stratford regarding proposed Short-Term Rental Accommodation regulations in the Comprehensive Zoning By-law Review.

Background: At the January 11, 2021 Planning and Heritage Committee, the Committee adopted the following resolution:

THAT Section 5.4.3 a) and b) of the draft Comprehensive Zoning By-law be amended to increase the size of Type B accessible parking spaces from 2.4 meter wide to 2.8 meter wide.

-and-

THAT Council receive for information this report on Comprehensive Zoning By-law Review (PLA21-001);

AND THAT staff send Notice of Consideration to consider adoption of a new Comprehensive Zoning By-law to all those who requested receiving such notice.

During the discussion at the Planning and Heritage Committee on January 11, 2021, members of the Committee requested staff consult with Destination Stratford regarding the proposed short term rental accommodation (STRA) regulations.

On January 25, 2021, Council adopted the resolution of the Planning and Committee. Members of Council have also requested additional information on vacancy rates from Niagara-on-the-Lake and Prince Edward County, where they currently have a short term rental accommodation regulation in place.

Staff consulted with Mr. Zac Gribble, Executive Director of Destination Stratford on January 11 and 20, 2021 regarding the STRA regulations proposed for the new Comprehensive Zoning By-law. During the January 20, 2021 discussion, staff provided additional information regarding the Zoning By-law regulations for “Inns”. “Inns”, as defined, can include an entire dwelling unit and do not restrict occupancy to the principal resident, are permitted as of right in the current and proposed Mixed Use Residential MUR Zones and the Central Commercial C3 Zones. In addition, property owners can also make an application for an Official Plan Amendment and Zoning Change Amendment for an “Inn” outside of the MUR and C3 zones.

Stratford’s regulations regarding “Inns” are similar to Niagara-on-the-Lake’s regulations for “vacation apartments”: both can be rented for a short period of time and both permit occupancy to individuals other than the principal resident. Both an Inn and Vacation Apartments provide another type of accommodation option. Following the January 20, 2021 discussion, Mr. Gribble submitted the letter attached to this report.

Analysis: Several of Destination Stratford’s proposed recommendations for short term rental accommodations incorporate components of Niagara-on-the-Lake and Prince Edward County’s STRA Licensing By-laws, for example, prohibiting any newly constructed dwelling from operating as a short term rental accommodation for a period of four years and/or placing a maximum number of the short term rental accommodations that can operate within the municipality. Both recommendations are beyond the scope of what is permitted in a Zoning By-law under Section 34 of the *Planning Act*. These type of restrictions can only be regulated by the City under the Municipal Act, 2001 through the implementation of a licensing By-law. Should Council choose, a licensing by-law under the provisions of the *Municipal Act, 2001* governing short term rentals can be adopted by Council.

Notwithstanding the above, there are elements of the Destination Stratford recommendations that relate to zoning and could be incorporated into a Zoning By-law. One such element is Destination Stratford’s recommendation that STRA not be restricted to the principal resident.

This approach is contrary to the December 21, 2020, Council resolution that directed staff prepare the STRA provisions to limit short term rental accommodations to the principal resident. In adopting this resolution, Council considered a number of options, summarized below:

ALLOW STRA THROUGHOUT THE CITY, RESTRICT TO PRINCIPAL RESIDENT AND ALLOW OPERATOR TO OPERATE ONE OTHER DWELLING UNIT

- This approach recognized existing uses and operations in Stratford.
- Restricting STRA to principal resident was adopted by City of Toronto and upheld by the Local Planning Appeal Tribunal (LPAT) as satisfying all statutory tests including regard for provincial interests, consistency with the PPS, conformity with the OP, having regard for the decision of Council and representing good

planning. This approach as set out in the decision is currently appealed to the court.

- Allowing the operator of a STRA to operate another STRA would be difficult to regulate as other properties may be held in different legal names. Further, a dwelling unit used as a short term rental accommodation by a person other than the principal resident would be considered a commercial use. The City has no ability to impose residency requirements on commercial uses.

ALLOW STRA THROUGHOUT THE CITY AND RESTRICT TO PRINCIPAL RESIDENT

- This approach was adopted by the City of Toronto and upheld by the Local Planning Appeal Tribunal as satisfying all statutory tests including regard for provincial interests, consistency with the PPS, conformity with the OP, having regard for the decision of Council and representing good planning. This approach as set out in the decision is currently appealed to the court.
- This approach would ensure the primary use of the dwelling unit remains residential.
- Some existing operations would not be able to satisfy this requirement.
- Allows for STRA and supports the tourism industry.

ALLOW STRA IN A SPECIFIC AREA(S) OF THE CITY

- Requires a boundary that can be justified based on planning grounds to be delineated.
- Sub-committee has expressed concerns with this approach.
- Can limit short term rental accommodations to tourist areas.
- Can limit the impact on rental housing stock.
- Allows for STRA and supports the tourism industry.

ALLOW STRA ON SPECIFIC STREETS OR STREET CLASSIFICATION (i.e. arterials and collectors)

- Requires the identification of streets, or part of streets, where short term rental accommodations may be permitted.
- Able to limit short term rental accommodation to streets that have lost some residential amenity because of traffic volumes.
- This approach was presented to the community and there was little support.
- Can limit the impact on rental housing stock.
- The streets where the uses would be permitted must be justified on planning grounds.
- Allows for STRA and supports the tourism industry.

ALLOW EXISTING STRA OPERATIONS ONLY

- Staff do not have a comprehensive list of existing STRA operations
- It is unknown how many operations would be able to meet the applicable standards for: health and safety, parking, insurance, etc.
- May be seen as rewarding non-compliance with City By-laws.

- Minimal impact on tourists.
- Difficult to justify on planning grounds.
- Allows for STRA and supports the tourism industry.

REGULATE STRA THROUGH A MAXIMUM NUMBER OF LICENCES

- This approach is implemented through combination of zoning (*Planning Act*) and licensing (*Municipal Act, 2001*) by-laws.
- Establishing a number that is too low will encourage illegal operations.
- Establishing a number that is too high results in the regulation being ineffective.
- Easy to increase the number in the future.
- Difficult to reduce the number in the future.
- Limits impacts on rental housing stock.
- No planning grounds to justify location.
- Allows for STRA and supports the tourism industry.

REQUIRE A MINIMUM SEPARATION DISTANCES BETWEEN STRA

- Requiring a separation distance can protect neighbourhoods from a cluster of STRAs in any one area.
- Rewards first one to apply.
- Ontario Human Rights Commission has struck down this approach for certain uses (group homes), but if short term rental accommodations are considered a commercial use, this approach may withstand a challenge but that has not yet been determined.
- Allows for STRA and supports the tourism industry.

ALLOW STRA THROUGHOUT THE ENTIRE CITY AND ENACT STRIDENT REGULATIONS THAT RESTRICT THE NUMBER OF STRA (For example 1 parking space per bedroom)

- It is difficult to predict how this will impact overall numbers.
- This approach is expected to impact bachelor and 1 bedroom dwelling units the most as each dwelling unit when constructed required either 1 or 1.5 parking spaces (1 space for a converted dwelling, 1.5 spaces for an apartment dwelling). Few two and three bedroom dwelling units have 2 or more legal parking spaces allocated to that unit.
- The greatest demand for rental and affordable housing is 1 bedroom apartments.
- This approach may be difficult to justify on planning grounds.
- Allows for STRA and supports the tourism industry.

NO RESTRICTIONS ON STRA

- It is difficult to see how this approach conforms to the Strategic Priorities and Official Plan as it has the potential to significantly impact rental and affordable housing stock. A small percentage of dwelling units being used for short term rentals can have a considerable impact on the supply of rental housing and supply of affordable housing. For example, 1% of apartments (excluding apartments in buildings five storeys in height or greater) used for Short Term

Rental Accommodation would mean 57 dwelling units removed from the housing market¹.

- In the early 2000's Council decided to regulate Bed and Breakfast Establishments to protect both residents and visitors to the City. This approach is not consistent with the previous decision of Council.
- Little, if any, city resources required for this approach.
- Allows for choice for tourist.
- May be health and safety concerns for some STRA.
- No regulation or oversight and difficult to justify on planning grounds.
- Allows for STRA and supports the tourism industry.

PROHIBIT ALL STRA

- Preserves existing rental and affordable housing stock.
- Does not meet the needs of tourists nor does it support the tourism industry.
- Does not meet the needs of performers coming to the City in need of short term accommodation.
- Encourages illegal operations.
- Would require considerable municipal resources to enforce.

Staff has inquired with both Niagara-on-the-Lake and Prince Edward County regarding the impact of STRA on vacancy rates within their respective municipality. Niagara-on-the-Lake does not track vacancy rates and inquiries with Prince Edward County have, unfortunately, not been returned.

During our review, it was also discovered that Niagara-on-the-Lake is in the midst of undertaking a review of their short-term accommodation regulations. In January 2020, Niagara-on-the-Lake Council directed staff consult with a neighbourhood group (The Glendale Working Group) regarding changes to the Short-Term Rental By-law. This review has been initiated in response to several concerns that have been raised regarding their current Short-Term Rental By-law, including noise, parking and the concentration of short-term rentals in certain areas.

On June 15, 2020, Niagara-on-the-Lake Council resolved that a larger working group be established to consider changes to the Short-Term Rental Licensing By-law. On December 14, 2020 staff submitted a report to Council recommending changes to the Short-Term Rental By-law. One of the changes being recommended is that the Town transition short-term rentals to be operated from principal residences only by January 1, 2024. Several members of the public spoke in opposition to this provision. Town Council referred this item to a new Short-Term Rental Advisory Committee and directed that the Committee report back in April 2021.

The proposed approach by Destination Stratford is similar to options on STRA that Council has previously considered and subsequently resolved to limit STRA to principal

¹ Based on the 2016 Census.

residences for a maximum of 180 days and to incorporate safety inspections as part of the City's licensing process of short term rentals. No further changes to the STRA approach for the Comprehensive Zoning By-law are recommended as a result of the consultation with Destination Stratford.

Next Steps

Staff are in the process of finalizing the Comprehensive Zoning By-law to bring forward for Council's consideration. In accordance with Council Policy on changes to the Zoning By-law, a Notice of Consideration shall be circulated to individuals who requested to be kept up to date on the matter 14 days in advance of any meeting to consider the matter. The next steps for the Comprehensive By-law project are as follows

- Schedule a special meeting of Council to receive a report recommending adoption of the new Comprehensive Zoning By-law, (expected in mid-2021); and,
- Send out Notice of Consideration to the ±180 individuals/organizations who requested to received notice when the By-law would be submitted for adoption.

Financial Impact: None.

Note: any appeals of the Comprehensive Zoning By-law will have a financial impact as the City will be required to defend its decision before the Local Planning Appeal Tribunal.

Alignment with Strategic Priorities:

Strengthening our Plans, Strategies and Partnerships

Partnering with the community to make plans for our collective priorities in arts, culture, heritage and more. Communicating clearly with the public around our plans and activities.

Developing our Resources

Optimizing Stratford's physical assets and digital resources. Planning a sustainable future for Stratford's resources and environment.

Widening our Economic Opportunities

Strengthening Stratford's economy by developing, attracting and retaining a diversity of businesses and talent.

Staff Recommendation: THAT the report regarding consultation with Destination Stratford on proposed Short Term Rental Accommodation regulations in the new Comprehensive Zoning By-law (PLA21-006) be received for information.



Jeff Leunissen, Planner



Alyssa Bridge, Manager of Planning



Joan Thomson, Chief Administrative Officer



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Short-Term Rentals By-Law Report

January 20, 2021 | version 3.0

Background

Stratford City Council is preparing to conclude a lengthy process of reviewing and updating the existing Short-Term Rental by-law. The current proposed solution for (residential) Private Short-Term Rentals is that they must be owner-occupied. This is the Short-Term Rental by-law solution adopted in Toronto, which is a significantly different scenario than Stratford, and has resulted in Expedia's VRBO exiting the Toronto market. Other Ontario locations with similar tourism goals to Stratford have taken a different approach, in particular Niagara-on-the-Lake and Prince Edward County. This report is based on active Short-Term Rental by-laws from these jurisdictions as well as interviews/feedback from local short-term accommodators, hoteliers, SABBA, and a variety of tourism stakeholders.

Objective

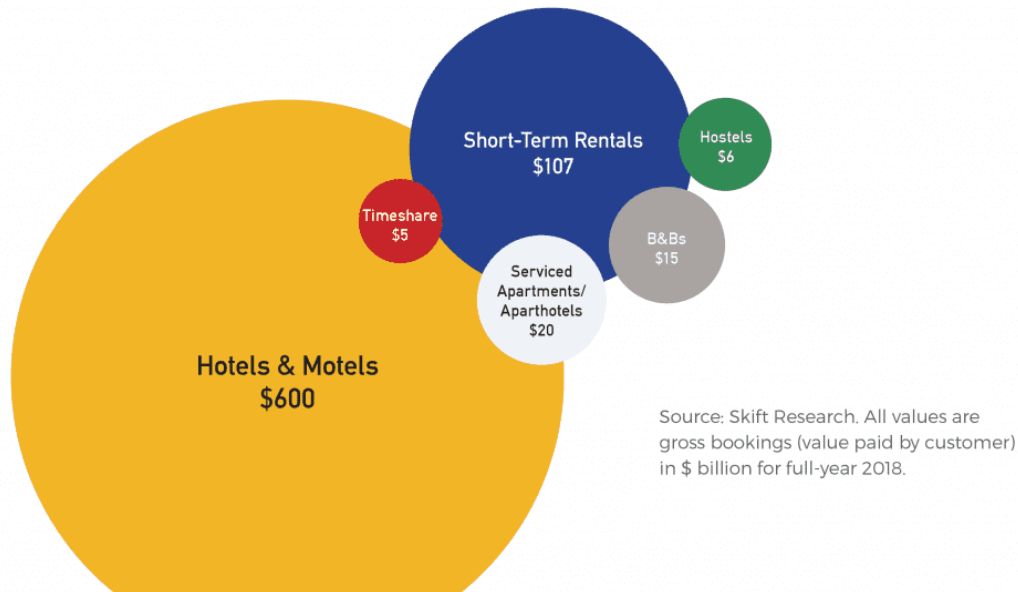
To provide an alternate option to the current proposed Short-Term Rental by-law that meets the needs of both the regional tourism sector and the City's long-term housing goals and that provides an even playing field across all accommodation types, with sensible regulations, licensing and safeguards key to the future prosperity of the community and region.

Rationale

Recent catastrophic economic events to the tourism industry brought on by the COVID-19 pandemic justify a fresh look at the current proposed by-law. Many existing Short-Term Rentals will not survive this economic disaster, and several have already been converted/sold as private residences and 2nd homes. Stratford will need to maintain its inventory of accommodations, across all types, as the local tourism economy recovers and rebounds.

The fastest growing segment of tourism accommodation type is private short-term, and in particular the entire home/apartment:

Global Market Size (\$B) of Travel Accommodation Sectors 2018



Total revenue of the private short-term accommodation market, by province and territory, 2015 to 2018

	2015	2016	2017	2018
	thousands of dollars			
Canada	265,190	814,164	1,930,292	2,760,023
Ontario	93,967	257,200	628,405	909,421
Note: Numbers may not add up to totals due to rounding.				
The values are expressed in current dollars.				
Source: Statistics Canada, special tabulation, 2019.				

The following table outlines the breakdown of listing types within private Short-Term Rentals within Canada:



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Breakdown of listing types in Canada, 2015 to 2017

	2015		2016		2017	
	Total listings	Total revenue	Total listings	Total revenue	Total listings	Total revenue
	%					
Listing type						
Entire home/apartment	64.5	84.6	62.3	85.3	63.7	86.3
Private room	33.5	14.9	35.7	14.2	34.7	13.4
Shared room	2.0	0.6	2.0	0.4	1.7	0.3
Source: Statistics Canada, special tabulation, 2019.						

The current proposed by-law precludes Stratford from offering this critically important high-growth accommodation type of private home/apartment being demanded by visitors, which results in Stratford being less competitive than other tourism destinations such as Niagara-on-the-Lake and Prince Edward County. It also encourages private home/apartment rentals to go “underground” and operate illegally, an unfair scenario for existing licensed and inspected accommodations, especially since the City is unlikely to have the resources to enforce via staff and legal means.

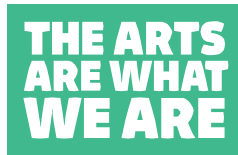
The majority of existing private short-term rentals within Stratford are marketed and priced towards the high-end of the market, and these properties are unlikely to be well-suited for affordable housing purposes.

Furthermore, private short-term rentals are essential for medium-term rental scenarios including for health care workers, families in quarantine, women’s shelter overflow, medium-term professional job contracts, Chefs School students, those recently separated/divorced.... The current supply of private short-term rentals serve many functions beyond high season tourism.

Recommendation

In order to achieve an appropriate mix of Short-Term Rental options necessary for supporting a robust local and regional tourism sector while also respecting the need for a variety of long-term housing needs for the community including affordable housing, the following by-law amendments are recommended:

1. Prevent new housing units from being solely for Short-Term Rentals. Niagara-on-the-Lake included the following section within their by-law:



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Only buildings that have been occupied as a single detached dwelling for a minimum of four (4) years shall be eligible for a license. Any additions or extensions to the building that expand the number of rooms will not allow the Licensee to apply to increase the number of guest rooms available for rent until that portion of the addition or extension has been occupied for four (4) years. *For greater clarity, this requirement does not apply to Vacation Apartments.*

NOTE: Stratford currently defines short-term rental apartments within mixed-use / commercial zoning as “Inns” which in the example above is the same as “Vacation Apartments”. These would be exempt from the requirement.

2. Place a cap on the total number of Short-Term Rentals allowable within residential zones / neighbourhoods. Prince Edward County created a custom by-law to suit their unique situation and included the following to control the total number of dwelling units permissible for Short-Term Rentals:

The total number of Short-Term Accommodations is limited to a maximum density of 15% of existing dwelling units:

- **As measured within a 120 metre radius in settlement areas on full services;**
- **In the Hamlet/Residential Zone, a 220-metre radius;**
- **In other zones/areas, a 500-metre radius.**

Maximum densities do not apply to Short-Term Accommodations that are also used as principal residences (e.g. bed and breakfasts).

NOTE: This requirement would not apply to “Vacation Apartments”.

The above 2 recommendations can be dialled and fine-tuned for a sensible made-in-Stratford approach that allows for tourism economic recovery towards a viable year-round tourism sector. In addition, the following sections from other jurisdictions provide further safeguards:

- **No person shall advertise or list a Short-Term Rental without a license.**
- **All Short-Term Rentals are required to be inspected annually and are required to pay any applicable user charge for the inspection as per the Fire Department annual user fees and charges.**
- **The license to operate a Short-Term Rental may be revoked, suspended or made subject to special conditions, by the City Clerk for:**
 - **Any breach of the provisions of this by-law; or**
 - **Any breach of the provisions of any other City by-law or regulations; or**
 - **Refusal to comply with any notice of violation within 72 hours**
- **“Good Neighbour Agreement” – a document which acknowledges the commitment between the operator and the City that the operator will make every effort to work with**



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the City and its departments to resolve all concerns and conflicts. It outlines the owner's responsibility to address the conduct of their guests.

- "Renter's Code of Conduct" – a document that sets out the roles and responsibilities of the renter, including behavioral expectations as they relate to non-disturbance; which provides a warning related to the making of a disturbance; and, which identifies applicable City by-laws that the renter must comply with including the provisions of this by-law as they relate to, amongst other things, noise, property standards and parking management.
- "Bed and Breakfast Establishment" means a single-detached dwelling with no more than four (4) guest bedrooms for overnight guest lodging, where only breakfast may be included, for the temporary accommodation of the traveling or vacationing public and includes the living accommodation of the residents of the dwelling. The principal use of the dwelling unit shall be for residential purposes and the bed and breakfast establishment shall be an ancillary use to the main residential use.
- If the Short-Term Rental is not occupied by the licensee while managing guests, each Licensee shall provide contact information of the property manager that will be available to attend to the Short-Term Rental at all times within a period of no greater than forty-five minutes from the time of contact by way of telephone or e-mail.
- The maximum number of occupants within a Short-Term Rental shall not exceed a total number based upon two (2) persons per bedroom plus an additional (2) persons. Children aged 13 and under are not included in the requirement.

Additionally, following general feedback was received:

- By-law should specifically define the various accommodation types including hotel, motel, inn, bed & breakfast and vacation apartment.
- "Regarding inspections: Could there be a publishable list of what is expected for compliance? There is no such list so one can prepare which may be a deterrent to those who wish to, and should be enforced to, comply."
- "The **BIG** change we've seen is our guests who used to travel as a couple or with another couple started to bring their family to Stratford. In our case it is mainly that they wanted to have their grandkids experience live theatre in a safe environment." ... "The short-term rental of a whole home as opposed to a B&B make this possible."
- "Current operations who have out-buildings on their principal residence properties should be allowable as STRA's (especially, if they are LICENCED B&Bs)."

Submitted on behalf of Destination Stratford.

Zac Gribble, Executive Director
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