



The County[™]
PRINCE EDWARD COUNTY ♦ ONTARIO

Short Term Accommodation

Ontario East Municipal Conference
September 12, 2019

Why Regulate STAs?

- The County is one of Ontario's most popular tourist destinations
 - Visitors like to stay at Inns and B&Bs but we don't have enough of them
- The proliferation of home sharing are services that allow homeowners to rent out rooms and houses
 - 400 unique listings in late 2016
 - 900 - 1,200 unique lists in 2018
- How to address these new kinds of uses in residential neighbourhoods is a challenge many municipalities are facing

Engagement on the Issue

- Studied literature, regional, national and international best practices.
- Held an online public survey received nearly 1,500 responses in Spring 2018 and another 75 responses from the STA/B&B industry
- Two public open houses in July 2018, in Picton and Wellington, with 200 attendees and approximately 100 questionnaires and letters completed

What We Heard

- The County has had STAs for a long time
 - different types and in different locations
- STA's contribute to the local economy
 - creating jobs, bringing visitors, circulating income
- STA's provide an income stream for homeowners
- Many visitors don't want traditional accommodations
- However, concerns have been raised:
 - Noise, parking & garbage complaints on the rise
 - Health & Safety concerns – fire code, insurance, etc.
 - Dark Neighbourhoods – losing “community”
 - Impacts in the off-season – schools, business
 - Effect on availability and affordability of housing
 - STA's should pay their fair share, including taxes

Issues we Considered

- Tools available include Official Plan Amendment, Zoning By-Law Amendment, and Licensing By-law
 - Licensing can, generally, assist in mitigating many of the issues
- Where should we allow or not allow STA rentals?
- What kinds of regulations do we need, if any?
- What lessons can we learn from others?
- How are the County's needs unique?
- How do we balance the needs of supporting neighbourhoods and supporting tourism?

County-Based Solution

- Comprehensive regulatory framework including OPA, ZBLA and Licensing By-law
- Official Plan and Zoning By-law Amendment introduces a new definition for Short Term Accommodation
- Official Plan Amendment also introduces definition for STA Amenity Area

County-Based Solution

Official Plan Amendment

- Permit STAs in:
 - Urban Centre, Village, Hamlet and Shore Land designations
 - May be permitted in Prime Agricultural and Rural areas, subject to site specific zoning amendments
- Must obtain a license
- Ensure STAs are regulated to mitigate impacts to adjacent residential uses through landscaping, screening, and other measures as determined by the County
- Consider compatibility with surrounding uses regarding density, parking, buffering

County-Based Solution Zoning By-law Amendment

- Permit STAs in specific zones
 - Larger STAs (five bedrooms) restricted to *LSR* zones
 - STAs in excess of five bedrooms will be subject to a site-specific Zoning By-law amendment
- One parking space required per guest room as well as a defined amount of amenity space
- STAs are required to have appropriate landscaping/screening, road access, and servicing

STA Regulations Stage 1 ...

What was introduced?

- Maximum densities (15%) for whole-home STAs
- Principle residence STAs not subject to density restrictions (i.e. B&Bs)
- Specific zones where new STAs are permitted
- Site-specific zoning required for STAs with 5+ guest rooms
- Introduced STA occupancy limits, parking, landscaping and amenity space requirements

These are in force NOW (effective October 9, 2018)

Legal Non-conforming Status

(Grandfathered STAs)

- Pre-existing, legal STAs are generally considered legal non-conforming – In other words, they do not need to comply with the new zoning by-law.

However:

- Permitted STA use means the property is ELIGIBLE for a license.
- **All STAs still need to obtain a licence.**

Licensing

Four (4) tools needed to implement licensing:

1. NEW STA Licensing By-Law
2. NEW Administrative Penalties By-Law
3. Property Standards By-Law AMENDMENTS
4. Fees & Charges By-Law AMENDMENTS

County-Based Solution

Licensing By-law

- All STAs required to obtain licenses, where most operational requirements are established
 - Occupancy loads (e.g. max 2 people per bedroom)
 - Density (e.g. only 15% of units on a street can be STAs)
 - Details about parking, liability, etc.
 - Fees and requirements for obtaining license
 - Fines and/or demerit points
 - Requirement for new owner to apply for new STA license if property is sold

Licenses & Fees at a Glance

- Separate license for each property
- Non-transferable
- Licenses must be renewed annually
- Two types of Licenses
 1. Primary Residence (B&B)
 2. Non-Owner Occupied (Whole Home)

Licenses & Fees at a Glance

- Lower fee for Primary Residence (B&B) licenses
- Fees levied per guestroom
- Inspections required:
 - Ever two (2) years for non-owner occupied STAs (whole home)
 - Every four (4) years for Primary Residence STAs (B&Bs)
- Signed affidavit accepted in non-inspection years
- Fees reduced in non-inspection years

Licenses & Fees at a Glance

- License fees are non-refundable
- Licenses valid for one (1) year from date of issuance
 - Allows for rolling renewals and manageable workload

Estimated # of Rooms and Licenses

	AirDNA Statistics: # Properties	Projected # of Properties	# Units per Property	B&B %	Non-Owner Occupied %	Total B&B Guest Rooms	Total Non-Owner Occupied Guest Rooms	Total Guest Rooms
Studio	27	27	1.0	0%	100%	-	27	27
One-Bedroom	143	144	1.0	20%	80%	29	115	144
Two- Bedroom	214	216	2.0	20%	80%	86	346	432
Three-Bedroom	286	288	3.0	20%	80%	173	691	864
Four-Bedroom	143	144	4.0	20%	80%	115	461	576
Five+ Bedrooms	80	81	6.0	0%	100%	-	486	486
Totals	893	900				403	2,126	2,529

Proposed License Fee Structure

Fee Schedule (per guest room)	Annual Fee	%
Bed & Breakfast Inspection	\$175.00	100%
Bed & Breakfast Renewal	\$105.00	60%
STA Inspection	\$250.00	100%
STA Renewal	\$150.00	60%
Annual CPI Adjustment	1.5%	

Proposed License Fee Structure

Fees: Per Property (2019)	Primary Residence (B&B)		Whole Home STA	
	Inspection	Renewal	Inspection	Renewal
Studio	\$ 175	\$ 105	\$ 250	\$ 150
One-Bedroom	\$ 175	\$ 105	\$ 250	\$ 150
Two- Bedroom	\$ 350	\$ 210	\$ 500	\$ 300
Three-Bedroom	\$ 525	\$ 315	\$ 750	\$ 450
Four-Bedroom	\$ 700	\$ 420	\$ 1,000	\$ 600
Five+ Bedrooms	\$ 1,050	\$ 630	\$ 1,500	\$ 900

License Requirements

Must be available for review in the unit:

- ✓ Copy of license
 - ✓ Floor plans/Fire escape route
 - ✓ Parking requirements
 - ✓ Noise By-Law
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- Fire extinguishers on each floor as required
 - Landowner contact info required; Alternate contact can also be provided
 - Must be able to meet minimum response times
 - Property taxes/ future Municipal Accommodations taxes/water billing must not be in arrears

License Requirements

Must be in compliance with the following:

- Ontario Fire Code
- Ontario Building Code
- Property Standards By-Law
- Zoning By-Law
- Any other applicable By-laws

License Application Process

Applications must identify:

- Civic Address
- Number of guest rooms
- Registered owner and contact information
- Responsible person and contact information
- Other STA licence numbers (if applicable)
- Copies of STA advertisements for the property
- Photo of front of property

License Application Process

Must submit a site drawing with clear dimensions showing:

- Floor plan
 - Location of building and setbacks
 - Location and dimensions of parking spaces
 - Location and dimensions of outdoor amenity space
 - Fencing, landscaping or other required buffering
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- Must submit proof of insurance with appropriate STA coverage (not necessarily CGL)

Administrative Penalties vs. Provincial Offences Fines

Why not Part 1 offences under Provincial Offences Act?

- Easier to establish and amend
- Guidelines for setting penalty amounts
- Penalties not limited (Provincial Offences max \$500 fine)
- Can transfer outstanding penalties to property taxes
- Appeals not subject to Prov. Offences Court and related costs
 - Administrative penalties involve appointment of a Hearing Officer for appeals (Third Party); Appeals are final

Administrative Penalties

- ❖ Separate Administrative Penalties By-Law and Fees & Charges By-Law amendments required
- Initial penalties range from \$100 to \$1,000
- Penalties can increase with each infraction or if original infraction is not remedied
- Penalties scale up to promote compliance without being punitive: \$500, \$1,000, \$2,000, \$4,000
- For “frequent flyers” charges can be filed under Part 3 of the Provincial Offences Act to a max fine of \$100,000

Preexisting STAs

To be considered legal non-conforming, the use must have been legal prior to passing of the by-laws, and:

- Preexisting STA owners must submit evidence of STA use prior to October 9, 2018 passing of OPA/ZBLA.
- Examples of suitable evidence will be provided but not listed in Licensing By-Law
- Sworn affidavit required

Licensing Program Costs

Initial Human Resources Required in 2019/20:

- Administrative Clerk (1)
- By-Law/Building Inspector (2)
- Existing Fire Prevention Officer (1)
- Existing Planner (0.75)

❖ Planner and FPO allocation reduced in 2021

Licensing Program Costs

Other Resources Required:

Capital

- Software - \$47,500
- Vehicles - \$105,000

Annual

- Office overhead - \$45,000
- Other Departments - \$45,000
- Legal - \$23,000

Licensing Program Pro Forma

- Revenues fluctuate between \$630,000 and \$400,000 annually based on license renewal periods
- Estimates ~\$30,000 annually in administrative penalties
- Beginning 2021, annual operating expenses of ~\$450,000
- Annual transfers to reserve offset future capital expenses
- Revenues and expenses indexed annually at 1.5% for CPI

Next Steps

- Official Plan Amendment and Zoning By-Law Amendment
 - Ratification by Council October 2018
- New Licensing and Administrative Penalties By-Law, Property Standards and Fees & Charges By-Law AMENDMENTS
 - Ratification by Council June 2019
- Application window opens
 - October / November 2019
- Inspection period begins
 - December 2019
- Enforcement target
 - End of Q1 2020

Questions?

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