



The Corporation of the Town of Milton

Report To: Council

From: Jill Hogan, Acting Commissioner, Development Services
Meaghen Reid, Director, Legislative & Legal Services/Town Clerk

Date: February 7, 2022

Report No: DS-008-22

Subject: Short-Term Rentals Directions Report

Recommendation: THAT Council endorse in principle the recommendation to implement a Short-Term Rental Licensing By-law;

THAT Staff be directed to consult with Halton Regional Police Services, Milton Fire Department and additional internal departments;

THAT Staff be directed to report back to Council with further implementation details including the projected financial implications, and user fees, as well as the required implementing By-laws.

EXECUTIVE SUMMARY

This report recommends an approach to regulate Short-Term Rentals that includes:

- Developing a By-law to govern the operation of Short-Term Rentals in Milton, including licensing requirements.
- Updating definitions in the Town's Zoning By-laws to recognize Short-Term Rentals.
- Including a resource page for residents regarding Short-Term Rentals on the Town's website.
- Re-evaluating Town policies on a regular basis in response to the quickly evolving nature of online industries.

REPORT

Background

In 2020, Milton Council passed a resolution requesting that Staff explore options to regulate Short-Term Rentals in a way that supports the community's goals and needs.

Staff has undertaken a review of the available literature and a "recent practice review" for Council's information.

In June 2021, Staff presented, through Staff Report [DS-054-21](#), a summary of options available to manage how Short-Term Rentals operated within the Town of Milton. Since that time, Staff held online engagement with the community, held meetings with Short-Term Rental operators and further evaluated other municipalities' implementation strategies to address Short-Term Rentals.

This report presents a recommended approach, and seeks direction to return to Council with the implementation tools for approval.

Discussion

A Short-Term Rental, also known as home-sharing, is considered a type of accommodation where an individual rents out a residence or a portion of a residence for a short period of time, typically recognized as less than 30 days, and generally through internet platforms such as, but not limited to, AirBNB, VRBO and HomeAway.

Short Term Rental is not defined or regulated by an upper level policy framework, such as the provincial or regional policy. Therefore, some municipalities have worked to develop zoning provisions and licensing requirements for short term rentals to address this evolving industry in their respective communities.

Throughout the summer of 2021, Town staff engaged the community regarding short-term rental operations and met with representatives of the operating platforms. The Town's digital engagement platform, Let's Talk Milton, was used for this project. An online survey was conducted from July 22 to Aug. 6, 2021, and was advertised on social media, in the local newspaper, on the website and through the Town's newsletter list. The project page had 337 visitors, of which 112 filled out the survey. Concerns were raised by residents including, community safety, impacts on housing affordability, noise, parking, littering, and "party houses". It is evident through survey responses and community engagement that there is support for Town oversight and restrictions to help mitigate the issues raised in the community.

Discussion

It is recommended that the Town Staff proceed with the following approach to manage Short-Term Rentals. These recommendations address concerns raised and are aligned with best practices observed in other municipalities. The measures noted below represent Staff's current recommendation. As Staff continue to consult with neighbouring municipalities and other agencies, there may be modifications or refinements to the recommended measures based on the level of success of these measures elsewhere or to strengthen the implementation and enforcement of the By-law.

1. Implementing a Short-Term Rental Licensing By-law which may include:

- A formal definition for a short-term rental - i.e. a rental in a residential property for 28 days or less.
- A license and fee.
- A requirement that short-term rentals only operate in principal residences.
- A maximum number of guests per unit.
- A limit of operation as short-term rental to maximum number of days per year.
- A valid certificate of occupancy (zoning certificate).
- Violations of the Short-Term Rental By-law may result in revocation of the operator's license.

It is critical that operators of short-term rentals register for a license and agree to the terms of the Licensing By-law. The License will also ensure that the Town has a record of contact for the applicant. The By-law would include the requirement that short-term rentals may only operate in a dwelling where the owner/ operator is the principal resident. This would mean that units purchased solely for the purposes of being a short-term rental would not be permitted and that housing stock should not be impacted as a result. Limiting the number of guests permitted per unit would ensure that the rental is being operated as intended - as a place to stay and not a "party house". Limiting the operation of a short-term rental to a maximum number of days rented per year would prevent the operation of a commercial-like use. At the time of obtaining a license, the owner/ operator would be required to validate that they meet Fire Code, Building Code and Town Zoning requirements. Violations of the Short-Term Rental By-law may result in the revocation of the operator's license and prohibit the property from operating as a short-term rental.

1. Zoning By-law Amendment

It is recommended that Short-Term Rental be a defined term in the Town's Zoning By-laws; and that other definitions be updated as necessary, in order to provide clarity in the Zoning By-law and to support enforcement of applicable zoning provisions. This amendment would also recognize that Short-Term rentals would be permitted in zones where residential uses are permitted. The Zoning By-law will also be amended to require a certificate of occupancy for Short-Term Rental uses. A minimum parking requirement for

Discussion

Short-Term Rentals will also be added that will be required to be provided on private property.

2. Creating a Resident Resource Webpage

It is recommended that a short-term rental resource page be added to the Town's website. This would provide streamlined information to residents about regulations and provide an easier connection for anyone with concerns about the operation of a Short-Term Rental in their neighborhood. This webpage should also include links to resources provided by licensed brokers (known platforms) that operate within the Town, such as Airbnb.

It is not recommended that the Town ban Short-Term Rentals for the following reasons:

- They provide homeowners an opportunity to generate additional income from their home that may assist in housing affordability.
- They can also be a way of providing a larger variety of accommodation options for communities, sometimes providing more affordable options to make travel to a municipality more feasible.
- Having Short-Term Rentals available can be a way of supporting tourism-related economic activity.

In addition to the points above, it is also likely that the operation of short-term rentals would continue in the community despite any prohibition of this activity.

Establishing a licensing program for short-term rentals would appropriately integrate this use into the community and would provide additional enforcement regulations, above and beyond the existing powers of by-law enforcement (i.e. noise and parking).

Town policies regarding Short-Term Rentals should be re-evaluated regularly given the rapidly evolving nature of this industry.

Impact on Town Resources

Short-Term Rentals is a fast growing industry and enforcement of their operation will continue to be required. This growth has initiated a new enforcement need that was not previously required 5 -10 years ago. Staffing requirements will be further assessed through the development of the Licensing By-law, along with cost recovery opportunities.

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Renting Residential Amenities

A new area that has emerged as a growing concern is websites seeking to rent out residential amenities such as swimming pools and tennis courts independent of the dwelling unit (such as hourly rentals of a swimming pool). This is not permitted by Town zoning and it is not intended that rental of residential amenities would be permitted by the Short-Term Rental By-law discussed in this report. The Short-Term Rental By-law and Zoning By-law definition would capture short-term overnight accommodation rentals in residential properties. The hourly or daily rental of an amenity space would not be considered a part of the residential use in the same way.

Existing Online Resources

In lieu of having a dedicated resource page at this time, if residents are experiencing issues with short-term rentals in their neighbourhoods they should reach out to Milton By-law staff with one of the contact methods on this webpage: <https://www.milton.ca/en/town-hall/by-law-enforcement.aspx>

The following links can also be used to contact some of the short-term rental platforms that operate in Milton directly:

Airbnb: <https://www.airbnb.ca/neighbors>

VRBO/Homeaway: <https://homeaway.secure.force.com/helpcenter/StayNeighborly>

Next Steps

Following the endorsement of the directions in this report, Town Staff will begin implementation of the recommendations in this report by drafting a Short-Term Rentals By-law and a Zoning By-law amendment to include the definition of Short-Term Rentals that will be consistent with the Town By-law. Staff will begin an internal working group to manage issues related to Short-Term Rentals.

Once staff receive the necessary Council endorsement of the implementation plan, they will begin bringing forward the required policy modifications, beginning with a Statutory Public Meeting under the Planning Act. Staff plan to have policies and by-laws presented to Council for consideration in Q2/Q3 of 2022 to allow for legal review and to incorporate public feedback obtained through the public meeting process.



Recognition of Traditional Lands

The Town of Milton resides on the Treaty Lands and Territory of the Mississaugas of the Credit First Nation. We also recognize the traditional territory of the Huron-Wendat and Haudenosaunee people. The Town of Milton shares this land and the responsibility for the water, food and resources. We stand as allies with the First Nations as stewards of these lands.