

Date: 2023-07-25

Subject: **Short-Term Rental (STR) Accommodations Program and Business Licensing By-Law Update**

Contact: Mirella Palermo, Policy Planner, Integrated City Planning
Jeffrey Humble, Manager, Integrated City Planning

Report Number: Planning, Bld & Growth Mgt-2023-617

Recommendations:

1. That the report from Mirella Palermo, Policy Planner, Integrated City Planning to the Planning and Development Committee Meeting of August 28, 2023, re: **Short-Term Rental (STR) Accommodations Program and Business Licensing By-Law Update**, be received; and,
2. That the recommended amendments to the Short-Term Rental (STR) Business Licensing By-Law be approved.

Overview:

- The City's Short-Term Rental (STR) Business Licensing By-Law was adopted in July 2021 and came into effect on September 30, 2021.
- STR is defined as a rental accommodation where stays are less than 28 consecutive days with a maximum stay of 180 days per calendar year.
- The City's STRs are only permitted in a principal residence with a maximum of three (3) individual bedrooms being rented.
- Clerks have issued sixty-two (62) STR business licences as of July 2023.
- STR operators are required to renew their licence annually. The fee for the application and renewal is one-hundred and fifty dollars (\$150).

- **By-Law Enforcement has seen an increase in the number of complaints related to STRs, but find it difficult to enforce because of the lack of evidence proving they are being rented for this purpose.**
- **Staff are recommending minor amendments to the “definitions” and “licensing required” sections of the STR Licensing By-law to improve enforcement and ability to apply the Non-Parking Administrative Monetary Penalty System (AMPS) when necessary.**

Background:

Implementation of the Short-Term Rental By-Law

In June 2019 staff were directed to review the impacts Short-Term Rentals (STR) were having on the City. The increase in the number of STRs in the City resulted in an increased number of resident complaints ranging from noise, property maintenance, parking, and depletion of long-term rental stock, all of which are affecting the quality and character of neighbourhoods.

A recommendation report was brought forward in May 2021 following stakeholder consultation with various groups such as, Airbnb, Expedia, Greater Toronto Apartment Association, Fairbnb and the Ontario Restaurant Hotel and Motel Association. The report outlined the regulatory framework for the STR By-Law based on benchmarking of other municipalities, stakeholder consultation, and ‘*The Home Sharing Guide for Ontario Municipalities*’ published by the Ministry of Finance in 2018.

Staff prepared the City’s first STR Business Licensing By-Law to include the following requirements:

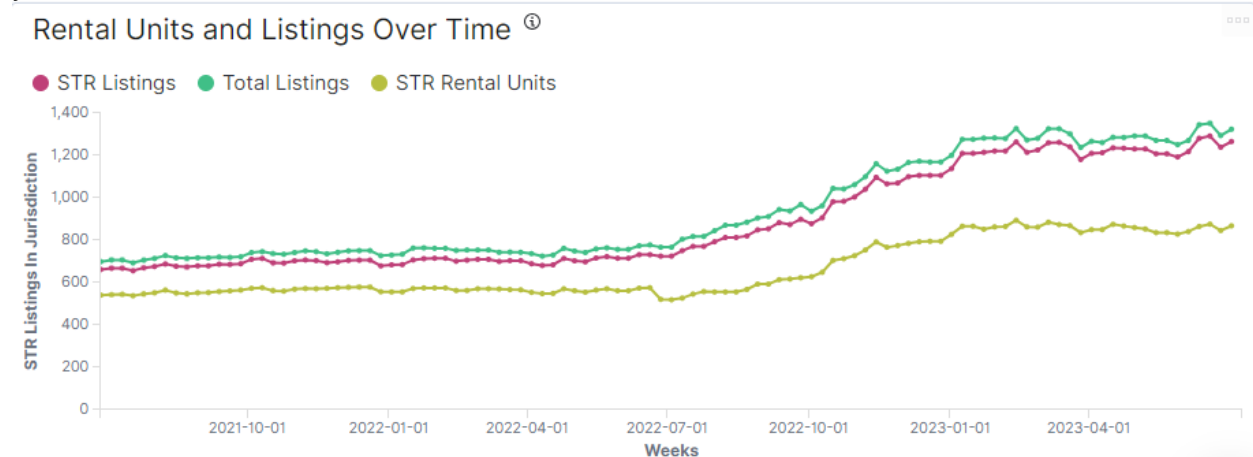
- STR permitted only in the principal residence;
- Defining STR as a stay of less than 28 consecutive days;
- Maximum stay of 180 nights per calendar year;
- A three (3) bedroom cap on the number of individual rooms that could be rented;
- Permitted in multi-unit dwellings (required to be a principal residence); and,
- Annual renewal with proof of liability insurance.

The [STR By-Law](#) was adopted in July 2021 and went into effect on September 30, 2021, requiring operators to register for a business licence and renew on an annual basis. A webpage was created for the program and staff participated in several radio interviews to promote and educate the public regarding the launch of the program. The STR program is administered by Clerks, and Enforcement continues to monitor complaints.

Current Situation:

Since the launch of the STR licensing program there have been sixty-two (62) STR business licences issued (as of July 10, 2023), which are set to expire on September 30, 2023, requiring renewal. According to data retrieved, the City has over three-hundred and sixty (360) unique STR properties currently operating across the City. This equates to approximately seventeen percent (17%) compliance with the City's STR business licencing. However, we currently do not have the data indicating how many of these properties are operating STRs in the principal residence.

The number of STRs operating in the City has steadily increased over the past two years, as shown below.



Clerks

Since the STR program launched in 2021, Clerks has administered the business licences. As of early July 2023, sixty-two (62) business licences have been issued with a few currently under review. Clerks has also completed a couple of mailings based on reports generated by Granicus (third-party cloud based technology provider), most recently, mailing out 360 STR licensing packages to improve compliance.

However, there have been a few challenges with the data, including access to MPAC information to improve accuracy of mailings (excluding motels and hotels) and investigations, along with operators continually changing status from active to non-active.

Enforcement

Since the implementation of the STR Business Licensing By-Law, Enforcement staff has seen a steady increase in the number of complaints related to operating without a licence.

2021	2022	2023
13	38	29

The challenge for Enforcement is being able to prove that the dwelling/unit is operating as an STR without a licence given how the by-law is currently written. By updating

various sections of the by-law, Enforcement will be able to prove the STR is operating without a licence and apply the Non-Parking Administrative Monetary Penalty System [By-Law](#).

On June 23rd, 2023, the Licensing Section of the Enforcement and By-Law Services Division commenced a new STR initiative by connecting with unlicensed STR homeowners. Enforcement officers are educating homeowners on the City's STR requirements and associated licensing application requirements, commencing any needed proactive investigations, and then monitoring the file for updates and compliance.

Recommended amendments to STR Business License By-Law

To improve STR compliance through enforcement, staff are recommending the following housekeeping amendments to the existing STR Business Licensing By-Law:

- Part II – DEFINITIONS:
 - Revising 'Short-Term Rental (STR)' to the following, "means all or part of a residence **offered or advertised to be** used to provide sleeping accommodations for any rental period that is less than twenty eight (28) consecutive days in exchange for payment, but does not include bed and breakfast, hotels, motels, or hospital, or other short-term rentals where there is no payment;"
 - Replacing 'Short-Term Rental Host' definition with the following, "**means any Person who is licensed under this By-Law**".
- Part III – LICENSING REQUIRED
 - Replacing number 3 with the following wording, '**No Person shall operate, advertise, broker, carry on the business of or permit the operation, advertising, brokering or carrying on the business of a Short-Term Rental Accommodation in the City unless the Person is licensed under this By-law**'

Corporate Implications:

Financial Implications:

There are no direct financial implications associated with this report.

Term of Council Priorities:

This report directly aligns with the Strategic Direction – Brampton is a City of Opportunities by proposing policies and zoning provisions that create complete

communities. Brampton's Housing Strategy examines opportunities to improve the availability of housing stock for all income levels, including the availability and affordability of rental housing stock.

Conclusion:

As the number of STRs operating in the City and resident complaints continues to increase, the need to enforce becomes a priority. Since the STR Business Licensing By-Law came into effect in September 2021, staff identified various challenges with compliance and enforcement by providing proof that the STR is operating without a licence. Therefore, staff are recommending minor amendments to the "definitions" and "licensing required" sections of the By-Law to improve enforcement measures and compliance.

Authored by:

Reviewed by:

Mirella Palermo
Policy Planner III, Integrated City
Planning

Henrik Zbogar, Director, Integrated City
Planning

Submitted by:

Approved by:

Steve Ganesh, Commissioner,
Planning, Building and Growth
Management

Marlon Kallideen, Chief Administrative
Officer