



Planning and Development Services

Prepared for	Council-in-Committee	Report No.	PDS-49-2022
Agenda Date	July 11, 2022	File No.	110102

Subject

**PROPOSED AMENDMENTS TO THE SHORT-TERM RENTAL PROGRAM -
ADVERTISING A SHORT-TERM RENTAL IN THE TOWN OF FORT ERIE AND
OPERATING A SHORT-TERM RENTAL WITHOUT A LICENCE**

Recommendations

- THAT** Council authorizes and approves proposed amendments to the Short-Term Rental Program and to address advertising a Short-Term Rental in the Town of Fort Erie; and further
- THAT** Council authorizes and approves proposed amendments to the Short-Term Rental Program to address Operating a Short-Term Rental without a licence; and further
- THAT** Council directs that a By-law be submitted to amend Business Licencing By-law No. 217-05 – Schedule “13”, accordingly.

Relation to Council's 2018-2022 Corporate Strategic Plan

Priority: 4 Promoting Business, Economic Growth and Employment Opportunities
Goal: 4.5 Promote Service Excellence and Efficiency/Effectiveness
Initiative: N/A

List of Stakeholders

- Town of Fort Erie Property Owners and Rate Payers
- Short-Term Rental Operators
- Neighbours of Short-Term Rentals
- Local Businesses and Service Providers
- Business Improvement Areas (BIA's)

Prepared by:	Prepared by:	Submitted by:	Approved by:
ORIGINAL SIGNED	ORIGINAL SIGNED	ORIGINAL SIGNED	ORIGINAL SIGNED
Bryce Bailey, MLEO Municipal Law Enforcement Officer, Planning and Development Services	Jennifer Stirton Town Solicitor	Alex Herlovitch, MCIP, RPP Director, Planning and Development Services	Chris McQueen, MBA Chief Administrative Officer

Purpose of Report

The purpose of this report is to provide Council with proposed recommendations on administrative improvements to the Short-Term Rental Program based on feedback provided by Town staff.

Background

In 2020, the Town of Fort Erie launched the Short-Term Rental Pilot Program. There have been significant changes to the program over the last three years.

For the 2022 season, the Council of the Town of Fort Erie implemented a number of changes to the Short-Term Rental Program, including:

- The number of Short-Term Rental licences issued shall be limited to 250 in any given year with 2021 licence holders being provided the first opportunity to renew a licence by March 31st, 2022 provided the licence holder has complied with all rules (meaning 5 demerit points or less) during the previous year.
- The maximum occupant limits in a Short-Term Rental shall be as follows:
 - 1 bedroom = maximum 4 people
 - 2 bedrooms = maximum 6 people
 - 3 bedrooms = maximum 8 people
- The maximum number of bedrooms in a Short-Term Rental shall be limited to 3.
- Short-Term Rentals with more than 3 bedrooms are allowed to operate and additional bedrooms shall be closed off with appropriate signage posted on the door(s). Maximum occupancy is 8 persons.
- Annual fire and building inspections shall be carried out for each Short-Term Rental premise.

- The time limit for guests visiting Short-Term Rentals shall be 11:00pm each day.
- The 2022 Short-Term Rental Application Fee shall be as follows:
 - 1 or 2 Bedrooms = \$750.00
 - 3 Bedrooms = \$1,250.00

The aforementioned changes have been implemented as of January 4, 2022.

The Council of the Town of Fort Erie has also decided to hold a moratorium on new Short-Term Rental Applications while they conduct a planning review on Short-Term Rentals in the municipality. It is anticipated that the planning review will be completed by the end of 2022.

Analysis

As a result of Short-Term Rental owners and/or operators advertising without a valid Short-Term Rental licence on various platforms (i.e. Airbnb, VRBO, VacationRentals, etc.) and there is no provision in the By-law to issue penalties for these infractions, Town staff suggest the following penalties and associated demerit points for Council's consideration:

- Advertise a Short-Term Rental without a licence issued by the Town of Fort Erie (\$1,000.00 and 10 demerit points);
- Advertise a Short-Term Rental without including the licence number issued by the Town of Fort Erie (\$75.00 and 3 demerit points);
- Advertise a Short-Term Rental contrary to Section 5.1(r) and/or (s) (\$1,000.00 and 10 demerit points).

Section 5.1(r) currently refers to exceeding the maximum amount of 3 bedrooms. Additionally, Section 5.1(s) refers to exceeding maximum occupancy as prescribed by the amount of bedrooms.

In addition, the By-law presently provides that if the total demerit points in effect respecting a Short-Term Rental is fifteen (15) or more, a hearing is required to determine if the Short-Term Rental licence should be revoked and that where the total demerit points are fifteen (15) or more as a result of the owner being issued a Penalty Notice for operating without a licence, the Coordinator shall issue a licence and immediately suspend it pending the decision of the Hearing Officer.

In order to simplify enforcement of the By-law for operating a Short-Term Rental without a licence, Town staff suggest the following amendments for Council's consideration:

- Remove Short-Term Rentals operating without a licence from the demerit point system, which will eliminate the need to issue a licence solely for the purpose of proceeding to a hearing;
- Prohibit owners that are issued a Penalty Notice for operating without a licence from applying for a Short-Term Rental licence for a period of one (1) year from the date on

which the first Penalty Notice is issued;

- Provide for an extension of the prohibition period for owners that continue to operate a Short-Term Rental without a licence after having been issued a Penalty Notice for operating without a licence;
- Establish a process by which owners that are issued a Penalty Notice for operating without a licence and are prohibited from applying for a Short-Term Rental licence for a period of one (1) year from the date on which the Penalty Notice is issued may request a review of and/or appeal from the Penalty Notice and/or the prohibition; and
- Implement escalating Administrative Penalties for repeated contraventions of the Short-Term Rental licence requirement.

Financial/Staffing Implications

The administrative amendments will be completed internally by staff.

Policies Affecting Proposal

The *Municipal Act, 2001*, provides municipalities with powers for licensing businesses, and for the imposition of an Administrative Monetary Penalty System to assist the municipality in promoting compliance with its by-laws,

By-law No. 217-05, as amended, provides for the licencing and regulating of various businesses in the Town of Fort Erie, and in particular, Schedule “13” regarding the licensing of Short-Term Rentals.

By-law No. 111-2019, as amended, establishes a system for Administrative Penalties.

Comments from Relevant Departments/Community and Corporate Partners

All relevant departments have been consulted and their comments have been incorporated into this report.

Communicating Results

Staff will communicate any amendments to Schedule “13” accordingly. More specifically, Short-Term Rental owners and/or operators will be notified by direct email, through the Town’s social media platforms (i.e. Facebook, Instagram and Twitter) and through the Let’s Talk Fort Erie engagement platform.

Alternatives

Council may wish to make determinations other than those proposed by staff. In addition, following the Short-Term Rental land use study, further amendments or changes may need to be considered at that time.

Conclusion

This report identifies outstanding matters relative to the Short-Term Rental program.

Attachments

None.