



Planning and Development Services

Prepared for: Regular Council

Report: PDS-82-2023

Meeting Date: December 18, 2023

File: 310201

1. Title

Recommendation Report on Proposed Official Plan and Zoning Bylaw Amendments for the Implementation of Land Use Policies and Regulations regarding Short Term Rentals in the Town of Fort Erie

2. Recommendations

That: Council approves the amendment to the Town's Official Plan and Zoning By-law 129-90, as amended, as detailed in Report Number PDS-82-2023, and further

That: Council directs Staff to submit the necessary By-laws; and further

That: Council directs Staff to submit a report on proposed changes to the Business Licensing Bylaw 217-05, Schedule "13" as amended (Short-Term Rentals).

3. Relation to Council's Corporate Strategic Plan

Priority: Comprehensive housing options

Initiative: 6.1 Update Town Planning and Policy documents to reflect community core housing needs (adequacy, suitability and affordability), proper housing mix and housing options.

Priority: Economic prosperity and diversification

Initiative: 4.6 Balance visitor accommodation options that support economic development and diversification

4. List of Stakeholders

Corporation of the Town of Fort Erie

Short-Term Rental Owners, Operators and related Industry Associations

Fort Erie Residents

Visitors to Fort Erie

BIAs and Business Owners

Short Term Rental Community Focus Group

5. Purpose of Report

The purpose of this report is to provide information and a staff recommendation to Council

regarding proposed Official Plan and Zoning Bylaw amendments to incorporate land use policies and regulations pertaining to short term rentals (STRs) and to provide next steps in terms of a future report outlining proposed changes to the Town's licensing bylaw including the STR license cap and current waitlist.

6. Analysis

Background

On December 13, 2021, Council accepted staff Report No. PDS-106-2021, which authorized staff to hire a consultant to undertake a study on STRs in the municipality with a focus on land use and where STRs should be a permitted use. This was in response to an increasing number of by-law enforcement related complaints regarding STRs within the Town. On August 22, 2022, WSP Canada Inc. was retained to complete the three-phase project which included:

1. Background Analysis, including best practice and legal review
2. Land Use Options and Recommendations
3. Official Plan and Zoning Bylaw Amendments

A 21-member community focus group was also appointed by Council in October 2022 to provide feedback from a variety of perspectives and stakeholder groups.

In May of 2023, the completed land use study prepared by WSP Canada Inc. was presented to Council within Report No. PDS-41-2023. The report was accepted by Council as well as recommendations to proceed with initiating formal amendments to the Town's Official Plan and Zoning By-law to implement the study's recommendations. Additionally, Council provided direction to staff to amend By-law 98-2022, the STR licensing by-law, to incorporate new definitions. The full review and analysis of the STR Land Use Study is outlined in Report No. PDS-41-2023.

On September 11, 2023, a draft Official Plan and Zoning Bylaw amendment was presented to the public and members of Council as part of a statutory public meeting. A number of public and council submissions were made as part of the public consultation process. The Town's consultant and Town planning staff have reviewed the comments received to date and have revised the draft amendments accordingly. The draft Official Plan Amendment can be found in Appendix 1 and the draft Zoning Bylaw Amendment can be found in Appendix 2. A summary of the changes can be found below:

Draft Official Plan Changes

Based on the STR Land Use Study completed by WSP Group and the comments received as part of the public consultation process Planning staff have revised the draft Official Plan Amendment, which can be found in Appendix 1. No changes have been made to the proposed Official Plan Amendment since the Public Meeting.

If approved by Council, the Official Plan Amendment would generally permit Owner Occupied STRs throughout the Town where residential uses are permitted, while limiting Dedicated STRs

to areas of Crystal Beach and commercial areas. Staff have also presented Council with the option of including waterfront areas. The purpose of presenting the option for the waterfront areas is that some members of Council and the Public expressed an interest in support of Legacy STRs, which are homes and cottages predominantly along the waterfront which have historically been rented on a short-term basis. The inclusion of waterfront areas has not been fully studied in the work completed by the Town's consultant, but it is acknowledged that there are a number of currently licensed STRs within these waterfront zones and more on the waiting list to receive a license.

Draft Zoning Bylaw Amendment Changes

Since the public meeting there have been a number of proposed changes to the draft zoning bylaw. These include:

- Reduction to the number of required parking spaces for STRs
- Removal of the limit of 3 bedrooms (still limited through licensing bylaw)

There were a number of public comments raised about the addition of an STR type that would allow for a limited period of short term rentals every year for homes that have a legacy of cottage rentals. Town Staff have explored this option but have concluded that this would result in significant licencing and enforcement challenges. Further discussion on Legacy STRs can be found in Section 9 of this report. As an alternative to the addition of a third STR type, staff are presenting an alternative option to allow Dedicated STRs within waterfront zones (16 – Waterfront Residential & 16A Waterfront Rural Residential), which could capture many of these Legacy cottage rentals.

Planning Context

The [WSP Short Term Rental Land Use Study](#) provides a fulsome review of the applicable planning policy context for STRs in Ontario. A summary of the planning policy context is found below:

Provincial Policy Statement (2020) and A Place to Grow: Growth Plan for the Greater Golden Horseshoe (2019)

The Provincial Policy Statement does not speak directly to STRs but does provide high level support for the provision of affordable housing required to meet the needs of current and future residents (Section 1.4.3) as well as the support for long-term economic prosperity by providing opportunities for sustainable tourism development.

In alignment with the Provincial Policy Statement, the Growth Plan provides support for complete communities contributing to high quality of life and human health, providing a balance of jobs and housing. The municipality needs to support a diverse range of housing types and establish goals for affordable housing.

Staff believe that the Official Plan Amendment and Zoning Bylaw Amendment found in Appendix 1 and 2 are in alignment with the Provincial Policy Statement and Growth Plan as they provide a balance between the need to provide housing to the Town's current and future residents as well as providing limited short-term rental opportunities to support the local tourism economy.

Niagara Official Plan, 2022

Similar to the PPS and Growth Plan, the Niagara Official Plan does not speak directly on STRs but does provide support for a mix and range of housing options and tourism related economic development. The proposed Official Plan and Zoning Amendment implementing STR policy and regulations are in alignment with the Niagara Official Plan.

Town of Fort Erie Official Plan, 2011

The Town's Official Plan currently has no policies specifically regarding STRs, however, it does contain policies in support of a diversified economy including tourism, and strong, livable and healthy communities providing a full range of housing options. The Official Plan also places value on having a variety of housing tenures including home ownership and long-term rental options. STRs do have an impact on these two types of housing options reducing the overall housing stock, however, planning staff have presented an Official Plan and Zoning Amendment, which, together with license controls, can strike a balance between supporting tourism and providing housing. The draft Official Plan amendment can be found in Appendix 1.

Town of Fort Erie Zoning Bylaw 129-90

The Town's Zoning Bylaw does not currently have any regulations or definitions regarding STRs. The proposed zoning amendment would add new definitions for STR including Owner Occupied STR and Dedicated STR. The amendment would permit these STRs within permitted dwelling units, secondary units and accessory dwelling units. Owner Occupied units would only be permitted within zones that allow for both a principle dwelling unit and an accessory dwelling unit to allow for one unit for the owner and one for the rental. The draft zoning bylaw amendment can be found in Appendix 2.

7. Financial, Staffing and Accessibility (AODA) Implications

The STR Land Use Study Project being completed by WSP Group has been budgeted within the Town's Operating Budget. There are no costs associated with implementing the proposed Official Plan and Zoning Amendments unless appealed to the Ontario Land Tribunal (OLT). There may be financial and staffing implications associated with changes to the Licensing Bylaw. If Council were to increase the number of licenses issued under the Town's licensing bylaw, additional staffing resources in EDTS, Bylaw, Fire, Planning, and Building may be required to receive, process, and issue licences along with conduct inspections.

There are no AODA implications.

8. Policies Affecting Proposal

In addition to the proposed Official Plan and Zoning By-law Amendments, Licensing By-Law 217-05, Schedule “13”, as amended will require an amendment to align with the definitions within the Official Plan and Zoning Bylaw Amendments. In addition to new definitions, the cap on STR licenses will need to be reviewed to determine if they should be increased based on new policy and regulations. The amendments to the licensing bylaw be brought forward to Council in a future report following approval of the Official Plan and Zoning Amendments. This timing takes into consideration the possibilities of appeal to the planning amendments which may have an impact on changes to the licensing bylaw.

9. Comments from Departments, Community and Corporate Partners

Comments received prior to the September 11th public meeting can be found within Report No. PDS-41-2023.

A number of comments were raised by members of the public and Council during the statutory public meeting held on September 11th. A summary of these comments and staff’s response can be found below:

Owner Occupied SRT requires Owner present at time of rental

Comments were raised by a member of the public stating that in the previous work presented to Council and the public there was no requirement for the Owner to be present at the time of rental. The member of the public requested that consideration be given for the owner not being present at the time of rental.

The Land Use Study completed by WSP and presented as part of PDS-41-2023 in May of 2023 provided to the Town provided a number of recommendations. The first recommendation was to create two new definitions for STRs. The Recommendation states:

“Add two definitions for STRs in the OP and the ZBL that reflect the definition used in the licensing By-law. One of these definitions should apply to STRs that are a principle use (vacant and only used as a STR) and the other definition should apply to STRs that are owner-occupied (where the owner is present at all times).”

The proposed definition for Owner Occupied STR in the draft bylaw remains consistent with the WSP recommendation. Owner Occupied STRs are proposed to be permitted in all zones of the Town where a principal dwelling and an accessory dwelling unit are permitted as there is general agreement that if the Owner is present at the time of rental, there is a lower potential for various licencing by-law violations (ie. noise, nuisance etc).

Legacy STR

During the Public Meeting comments were raised regarding the addition of a new category of STR which would allow for dwellings that have been historically used as cottage rentals and generationally owned to be permitted to rent for a limited period of time.

Planning Staff have investigated this option and have discussed how this option could be implemented with other departments including EDTS, Building, Fire and Bylaw. Staff have also discussed this approach with other municipalities that have adopted similar approaches, including Prince Edward County. Although allowing a primary dwelling unit to be used as an STR for only a portion of the year may address some of the concerns from the public and Council, it would create challenges in terms of licensing and enforcement. From a licensing perspective it would create a two-tiered system of permit fees and scheduling requiring significant staff time. Enforcement would be complicated by the temporal nature of the STR as well based on discussions with other municipalities that allow similar types of STR's to operate 45 days out of the year.

Planning staff have included as an alternative option permitting Dedicated STRs within waterfront zones, to capture many of these Legacy STRs.

Parking

The first draft of the proposed zoning bylaw presented a parking space requirement of one space per bedroom for a short-term rental. Members of Council and the Public noted that this requirement may be too restrictive. Staff have reviewed this concern and are recommending a lower parking requirement of one space for 1-2 bedrooms, and two spaces for three or more rooms. This is to recognize that under the Town's licensing bylaw, there can be up to six occupants of a 2-bedroom STR, which could fit within one vehicle, but a 3-bedroom STR could accommodate up to 8 people, which could not fit in within typical vehicles.

While a parking space requirement based on number of rooms is not typical in terms of zoning regulations, for the purposes of STR's they can be appropriate as STR users in Fort Erie will generally require private vehicles to visit the unit.

Number of Rooms

There was a concern raised regarding the proposed cap of three bedrooms for a STR within the zoning bylaw. The three-bedroom cap is already established within the licensing bylaw, however, for simplicity it has been removed from the draft STR Zoning Bylaw.

Non-Conforming/Grandfathering

In Planning [Report PDS-59-2023](#), which was presented to Council on September 11th, 2023, planning staff provided previous Town legal Council opinion regarding the grandfathering of existing licensed STRs. A member of the public raised concern with this opinion in that these STRs should not be given legal non-conforming status. Council provided direction to staff to obtain a second legal opinion regarding STRs.

Mr. Callum Shedden from Daniel and Partners LLP provided a second legal opinion dated November 29th, 2023. Mr. Shedden agrees with the original legal opinion of Ms. Stirton regarding the legal non-conforming status of the STR after any Zoning Bylaw Amendment may

come into effect. STRs legally operating under the current zoning by-law would be able to continue as legal non-conforming uses and would remain eligible for license renewal. The Town does not have the authority to deny a license renewal based on the location of the STR alone.

In summary, based on the two legal opinions obtained by the Town, currently licensed STRs would become legal non-conforming if they did not conform to the proposed zoning bylaw amendment. The Town would not have the ability to deny a license renewal to these STRs if the only reason for that denial was based on its zoning (or location).

History of Cottage Rental or Unique Business Opportunity – OPA

A member of the public questioned the intent of the Official Plan policy which allows consideration of STRs within areas not permitted in the proposed Zoning Bylaw if the STR has a history of cottage rental or represented a unique business opportunity.

Recognizing that there is a long history of STRs in the Town and that not all of these STRs would be located within a permitted zone, the consultant and staff would want to allow flexibility in the Official Plan policy to permit these through a zoning bylaw amendment or minor variance. This would help address the concerns regarding Legacy STRs by providing Official Plan policy that supports long standing STRs.

Streamlined Process

A streamlined process was presented as a recommendation within the STR Land Use study prepared by WSP. If Council supports the Official Plan Amendment and Zoning Amendment as proposed, the following options would be available to land owners who are not located within a zone that would permit an STR:

- Zoning Bylaw Amendment (Major)
 - Applications come before Council for consideration and decision
 - 2023 Fee: \$9,359.00
 - Larger public consultation process and greater appeal rights
 - Lengthy process that can take up to 90 days
- Zoning Bylaw Amendment (Minor)
 - Applications come before Council for consideration and decision
 - 2023 Fee: \$3,743.00
 - Larger public consultation process and greater appeal rights
 - Combined public meeting and recommendation report could result in a shorter approval timeline than major amendments.
- Minor Variance
 - Applications come before Committee of Adjustment for consideration and decision
 - 2023 Fee: \$1,334.00
 - Less public consultation and no appeal rights for neighbours

- Most expedient process at 30 to 40 days to decision from application
- Not typically used to permit new uses

Planning staff could direct most applications for new STR's through a Minor Zoning Bylaw Amendment process if this is the direction Council wishes staff to take as it would combine both the information report, public meeting and recommendation report all within one Council meeting. This allows Council to remain the approval authority while processing applications quicker than a standard zoning amendment. In some cases, such as where a new STR is being proposed adjacent to an area that permits STR's as of right, staff could also consider minor variance applications.

Waterfront

Allowing STR's within waterfront zones has been provided as an alternative option in the last two reports to Council. The STR land use policy did not specifically review the impacts of Dedicated STRs within waterfront zones and therefore did not include waterfront zones as permitted zones for dedicated STRs. Under the proposed Official Plan and Zoning Amendment, Owner Occupied STRs would be permitted in waterfront zones. Planning Staff have an alternative option to include Dedicated STRs within waterfront zones which may address some of the concerns regarding Legacy STRs as well as a number of STRs currently licensed and on the waiting list within those zones.

Legislative Context

Over the last few months the topic of STRs has become a national issue due to its impact on housing availability primarily in large cities and its impact on the hotel industry. STRs do have an impact on available housing by reducing the availability of houses for permanent residents and longer-term rentals. Many municipalities have reduced or prohibited new dedicated STRs to protect housing stock while continuing to allow for Owner-Occupied STRs. There have been recent announcements in other Provinces, such as British Columbia restricting dedicated STRs, and at a federal level removing tax incentives.

Planning staff believe that the licensing bylaw and cap on the number of Dedicated STRs will play an important part in regulating the number of STRs in the Town, while the proposed Official Plan and Zoning Bylaw will identify the appropriate locations and zoning regulations for STRs.

Licensing Bylaw

During the public meeting there was discussion regarding the need to review the Town's STR licensing bylaw, specifically the current cap on STR licenses. The Town currently has a cap of 250 STR licenses, the majority of which are dedicated STRs. Some comments were raised that there was an intent to raise the number of licenses following the completion of the land use planning amendments. EDTS staff will bring forward a future report on the options for changing the current license cap, including staffing and financial implications, following the final approval of any amendments. This timing allows for staff to have a better understanding of Council's

direction in terms of the waterfront area, and allows time to see if there are any appeals to the planning bylaws.

If the draft amendments are approved, at a minimum the licensing bylaw will need to be updated to align with the new STR definitions including Dedicated and Owner Occupied.

EDTS staff plans to receive, process and issue STR licence renewals for 2024 under the current rules and regulations set out in By-law No. [217-05](#), Schedule 13, as amended. STR licences will expire on December 31, 2023.

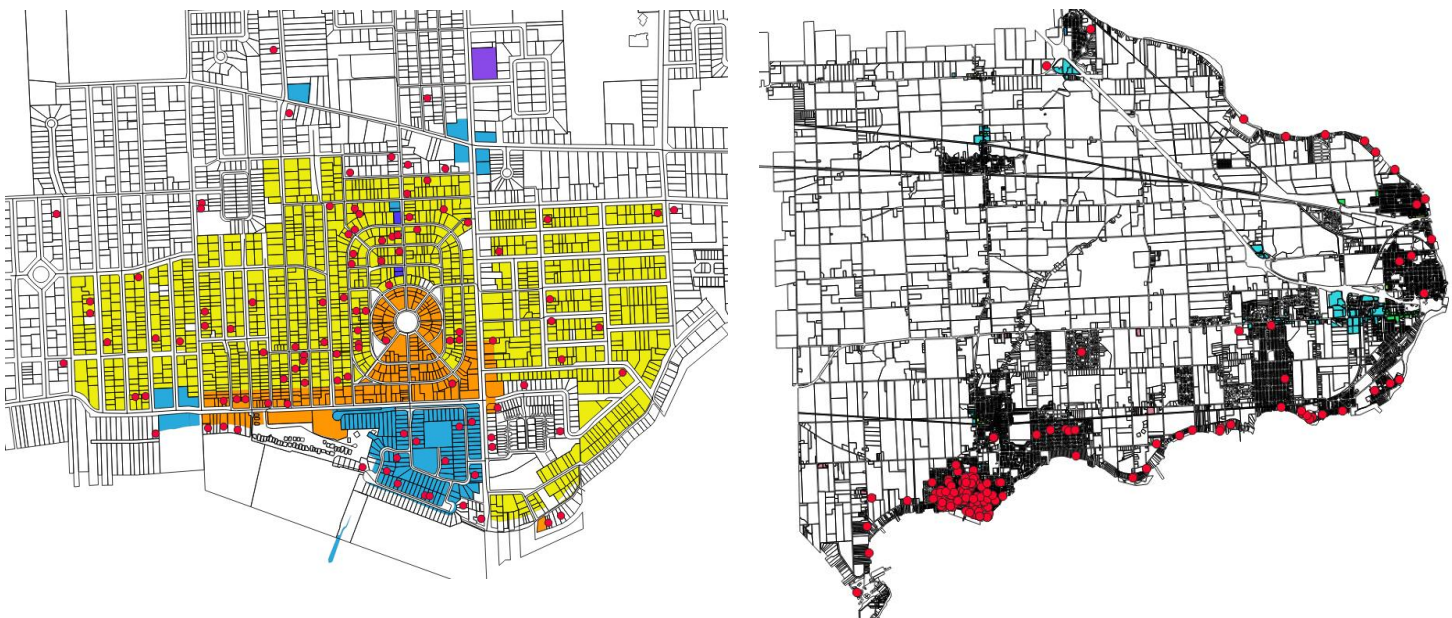
EDTS will only accept renewal applications and issue renewal licences.

The CAO and other relevant staff members have been consulted on the plan to receive, process and issue STR licence renewals in accordance with the rules and regulations. This will allow the continuation of licence renewals and inspections without creating delays and/or potential backlogs pending the land use planning amendments and subsequent appeal period if approved by Council.

10. Alternatives

Allowing dedicated STRs within the waterfront zones has been listed as an alternative option on the two previous staff reports, however no direction has been provided by Council. Council could consider permitting Dedicated STRs within both the Waterfront Residential Zone (16) and Waterfront Rural Residential Zone (16A), however, this option has not been studied by the Town's consultant.

The two maps below show the location of licensed STRs in Crystal Beach and in the Town as a whole.



Below is a map that shows where Dedicated STRs would be permitted to be located based on the draft zoning bylaw in Appendix 2, as blue areas. The waterfront residential and waterfront rural

residential zones are shown in red.



While staff have not recommended the addition of waterfront zones based on it not being fully studied through the STR Land Use Study completed by WSP, there are a number of factors that could support this alternative including:

- The history of cottage rentals along the waterfront,
- The large number of currently licensed STRs within the waterfront zones and those on the license waiting list,
- Minimizing instances of STR legal non-conformance.

If Council were to move forward with this alternative, the draft Official Plan and Zoning Bylaw Amendments in Appendix 1 and 2 would need to be revised to add the following:

Official Plan Amendment

“2. IV. Dedicated STRs are generally permitted within commercial areas, tourist areas, select areas of the historic Crystal Beach neighbourhood **and waterfront areas.**”

Zoning Bylaw Amendment

“4. That Sections 12B, **16, 16A** 19, 20, 21, 22, 26, 26A, 26B, 26C, 26D and 26F be amended to include “Short-Term Rental, Dedicated” as a permitted use.”

Properties that are not zoned to permit Dedicated STRs could still apply for a minor zoning bylaw amendment. Planning staff could process these applications under a streamlined approvals process as noted earlier in this report. A proper planning review process would still occur to ensure that amendments to permit STRs conform to the Town's Official Plan policies.

The alternative options would have impacts to the licensing bylaw and caps, which would be reported on by EDTS in a future report following passage without appeal of the bylaw.

11. Communicating Results

The Town has provided regular updates regarding the STR land use study to the public through the use of the 'Let's Talk' webpage. The draft Official Plan and Zoning Bylaw found in Appendix 1 and 2 have been posted on the website for public review. If Council approves the amendments, a newspaper notice would be published in the local newspaper as well as on the Town's website.

12. Conclusion

Planning staff have completed their review of the WSP Land Use Study on STRs in the Town of Fort Erie, as well as the applicable planning policy and public comments received to date. Planning staff are recommending approval of the draft Official Plan and Zoning Bylaw Amendments found in Appendix 1 and 2, with the option of permitting Dedicated STRs within the waterfront areas.

Should Council approve the attached amendments, Economic Development and Tourism Staff would provide a further report regarding changes to the Licensing bylaw, following final approval of the amendments.

13. Report Approval

Prepared by:
Gerrit Boerema, MCIP, RPP
Manager of Policy and Community Planning

Submitted by:
Anamika Dilwaria, MCIP, RPP
Director of Planning and Development Services

Approved by:
Chris McQueen, MBA
Chief Administrative Officer

14. Attachments

Appendix 1 – Draft Official Plan Amendment
Appendix 2 – Draft Zoning Bylaw Amendment
Appendix 3 – Public Meeting Submissions

AMENDMENT NO. XX
TO THE OFFICIAL PLAN FOR
THE TOWN OF FORT ERIE
December 18, 2023

THE CORPORATION OF THE TOWN OF FORT ERIE

BY-LAW NO. xxx-XXXX

A By-law to adopt Amendment No. XXX to the Official Plan for the Town of Fort Erie

WHEREAS the Council of the Corporation of the Town of Fort Erie, in accordance with the provisions of the *Planning Act*, R.S.O. 1990, as amended, HEREBY ENACTS AS FOLLOWS:

1. Amendment No. XX to the Official Plan for the Town of Fort Erie shall be and is hereby adopted.

Read three times and finally passed in open Council this xxth day of xxxx, xxxx

Mayor

Clerk

THE CONSTITUTIONAL STATEMENT

PART A - THE PREAMBLE - does not constitute part of this amendment.

PART B - THE AMENDMENT - consisting of the following text constitutes Amendment No. xxx of the Town of Fort Erie Official Plan.

DRAFT

AMENDMENT NO. XX

OF THE TOWN OF FORT ERIE OFFICIAL PLAN

PART A - THE PREAMBLE

Purpose of the Amendment:

The purpose of this Amendment is to amend Section 4 and Appendix A of the Town of Fort Erie Official Plan to implement recommendations from the Land Use Study on Short Term Rentals in the Town.

Location:

The lands subject to this Amendment are all lands in the Town of Fort Erie.

Basis:

The basis for this Amendment is contained in the report titled "Short-Term Rental Land Use Study" PDS-41-2023, as adopted by Council on May 29, 2023. The Town has initiated an amendment to the Town of Fort Erie Official Plan to implement the recommendations to address the emergence of Short-Term Rentals (STRs) within the Town. The amendment defines three types of STRs, outlines general policy goals and identifies where STRs are generally permitted. The OPA is part of a comprehensive land use framework being established by the Town to guide STRs, which includes amendments to the Zoning By-law.

PART B - THE AMENDMENT

This part of the document, entitled "Part B - The Amendment", and consisting of the following changes to the text and Schedules, constitutes Amendment No. XX of the Town of Fort Erie Official Plan.

Details of the Amendment

The Town of Fort Erie Official Plan is amended as follows:

1. **Appendix A – Glossary of Terms** is amended by adding the following additional terms and definitions, in alphabetical order:

Short-Term Rental (STR)

Means all or part of a dwelling unit, either dedicated or owner-occupied as defined below, subject to licencing by the Town, to provide sleeping accommodation for any period of thirty (30) calendar days at a time or less in exchange for payment, but does not include any type of institutional dwelling, hotels, or other similar uses.

Short Term Rental, Dedicated

Means a STR that is located on a property where the Owner is not a full-time resident.

Short Term Rental, Owner-Occupied

Means a STR that is located on a property where the Owner is a full-time resident occupying the property on a full-time basis, including the duration of the rental term.

2. **Section 4.0 – LAND USE PLAN AND POLICIES** is amended by adding the following additional section after Section 4.21:

“4.22 SHORT TERM RENTALS

- I. The two forms of Short-Term Rental (STR) recognized and defined by this Plan are Dedicated Short-Term Rentals and Owner-Occupied Short-Term Rentals.
- II. The Town’s goals and objectives related to Short Term Rentals (STRs) are as follows:
 - a. STRs shall be regulated as a commercial use and shall generally respect the character, amenity and quality of the neighbourhoods in which they are situated.
 - b. To support tourism uses as well as supporting people with temporary and sometimes unforeseeable temporary accommodation needs.
 - c. To mitigate conflicts with neighbouring residential uses and to provide land use controls in addition to the Town’s STR Licensing By-law.
 - d. To recognize the long history of short-term cottage rentals in the Town while balancing the need for longer term rental and permanent housing for residents.
- III. Owner Occupied STRs are generally permitted in any designation that permits residential uses subject to the provisions of the Zoning By-law and may be located within the principal or accessory dwelling unit.
- IV. Dedicated STRs are generally permitted within commercial areas, tourist areas, and select areas of the historic Crystal Beach neighbourhood.

- V. The Town may establish, through the Comprehensive Zoning By-law and/or a municipal licensing framework, appropriate provisions related to the nature and location of STRs appropriate and compatible with surrounding land uses, such as:
- a. Maximum size and/or maximum number of bedrooms;
 - b. On-site parking requirements;
 - c. On-site signage;
 - d. Landscaping, screening and buffering;
 - e. Appropriate on-site amenity area;
 - f. Adequate water and waste water services capable of handling the demand of the STR;
 - g. Operational fire and safety plans;
 - h. Suitable enclosed waste disposal area;
 - i. Types of buildings which are permitted to accommodate a STR; and,
 - j. Density or concentration requirements.
- VI. The Town may establish appropriate provisions related to the scale and density of STRs, occupancy loads, parking requirements, and buffering, all of which shall be considered appropriate and compatible with surrounding uses and may be considered in the licensing framework prior to a license being provided.
- VII. The Town may, on an area-specific or case-by-case basis, prohibit STRs in areas that are not considered to be consistent with the OP.
- VIII. Where STR's are not permitted within the Town Zoning Bylaw, STR's may be considered through a planning application where the following criteria are satisfied:
- a. There will be minimal or no disruption to neighbouring properties and uses as determined by Sections V and X;
 - b. There is a compelling reason to permit an STR use, such as it can be demonstrated that the dwelling has a history of use as a vacation cottage rental, or it is part of a unique business opportunity; and,
 - c. The applicant is eligible to obtain an STR licence upon zoning approval.

- IX. The Town may limit the number of STR licenses through the licensing bylaw to ensure that there remains a suitable number of dwelling units available for residents of the Town, providing for a mix of housing types and affordability.
- X. In addition to zoning and licensing, and any agreements associated thereto, STR uses may be subject to other municipal by-laws including but not limited to parking, noise, property standards and fire and safety regulations.”

DRAFT

THE CORPORATION OF THE TOWN OF FORT ERIE
BY-LAW NO. xxx-XXXX
DECEMBER 18, 2023

Being a by-law to amend Comprehensive Zoning By-law 129-90, as amended, with respect to the Short-Term Rental Land Use Study for the Town of Fort Erie.

WHEREAS Section 34 of the *Planning Act*, as amended, permits the councils of municipalities to pass zoning by-laws for prohibiting the use of land or the erecting, locating or using of buildings or structures for or except for such purposes as may be set out in the by-law;

AND WHEREAS the Council of the Corporation of the Town of Fort Erie considers it desirable to amend Zoning By-law 129-90 to implement the policies of Official Plan Amendment No. XXX with respect to the Short-Term Rental Land Use Study for the Town of Fort Erie.

NOW THEREFORE the Council of the Corporation of the Town of Fort Erie enacts that By-law 129-90, as amended, being the Comprehensive Zoning By-law for the Town of Fort Erie, shall be and is hereby amended as follows:

1. That Section 5 be amended by adding new definitions as follows:

“SHORT-TERM RENTAL (STR)” means the use of all or part of a Dwelling Unit, either dedicated or owner-occupied as defined below, subject to licensing by the Town, to provide sleeping accommodation for any period of thirty (30) calendar days at a time or less in exchange for payment but does not include any type of institutional dwelling, hotels, or other similar uses.

“SHORT-TERM RENTAL, DEDICATED” means a STR that is located on a property where the Owner is not a full-time resident.

“SHORT-TERM RENTAL, OWNER OCCUPIED” means a STR that is located on a property where the Owner is a full-time resident occupying the property on a full-time basis, including the duration of the rental term where the owner is present.”

2. That a new Section 6.57 be added as follows:

“6.57 SHORT TERM RENTALS

a) General Regulations for Short Term Rentals

- (i) A Short-Term Rental shall meet the requirements of the Town's Business Licensing Bylaw, as amended from time to time.
- (ii) A Short-Term Rental shall be operated within a permitted dwelling unit.
- (iii) All dwelling units on the property, including units containing Short-Term Rentals, must comply with applicable zoning and building standards for dwelling units.
- (iv) Short-Term Rentals shall meet the parking requirements of Section 6.20.

b) Owner Occupied Short-Term Rentals

An Owner-Occupied Short-Term Rental is permitted as a secondary use subject to the following additional requirements:

- (i) A maximum of one (1) Owner-Occupied Short-Term Rental may be operated on a property so long as the owner is a full-time resident within a separate dwelling unit on the property and present at the time of rental.
- (ii) Owner-Occupied Short-Term Rentals shall only be permitted as a secondary use within, or accessory to, a permitted single detached dwelling, semi-detached dwelling, Duplex, Triplex.

c) Dedicated Short-Term Rentals

- (i) Within permitted residential zones, a maximum of one dwelling unit shall be permitted to be used as a Dedicated Short-Term Rental on a property.
- (ii) Within permitted residential zones, a Dedicated Short-Term Rental shall only be permitted within a single detached dwelling or within a detached accessory dwelling unit.
- (iii) Notwithstanding the general provisions for Short Term Rentals, Short Term Rentals may be located in any dwelling unit in a commercial zone, subject to provisions 18.2 and 18.3."

3. That, under Section 6.20 PARKING AREA REGULATIONS, the following row be added to the table following "Gaming Facility":

Short-Term Rental	One (1) parking space for three (3) or more bedrooms in addition to the required parking for the dwelling unit. Tandem parking is permitted.
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4. That Sections 12B, 19, 20, 21, 22, 26, 26A, 26B, 26C 26D, 26E, and 26F be amended to include “Short-Term Rental, Dedicated” as a permitted use;
5. That Sections 7, 8, 9, 10, 11, 12, 12B, 13, 14, & 16 be amended to include “Short-Term Rental, Owner Occupied” as a permitted use;
6. All other provisions of By-law 129-90 shall continue to apply.

Read three times and passed
by Council on the XX day of
XXXXXX, XXXX

Mayor

Clerk

APPENDIX 3

Re: Resident Input - Combined Official Plan and Zoning By-law Amendments Short-Term Rentals

Michael Bedioui

to: Gerrit Boerema

2023-10-23 06:14 PM

From: "Michael Bedioui" <[REDACTED]>
To: "Gerrit Boerema" <GBoerema@forterie.ca>

Good Evening Gerrit,

I hope all is well with you and yours. Just following up to see if there is anymore details regarding the new draft zoning by-law?

Thanks a lot

Mike and Melanie Bedioui

Sent from my iPad

On Oct 11, 2023, at 1:53 PM, Michael Bedioui <[REDACTED]> wrote:

Good Afternoon Gerrit,

Thanks for the update. Did anything change from what was proposed ?

To answer your questions...

244 Beechwood is actually my parents property (it's in both my name and my brothers name) and they are considering to retire to Crystal Beach within the next few years . As of right now, we do not rent it out on a short term basis but use the property all year round for family get-togethers, etc.

26 Beachwalk is a property I'm closing on with my wife Melanie and our 3 kids. We want to use it as a vacation property all year round to bring our family and friends down to Crystal Beach and enjoy the local amenities when it's convenient. With the current interest rate environment, we were banking on the opportunity to rent it out short term for a few weeks here and there to help cover the bills . The fact that we are going to use the property , means we will be diligent in who we rent it out to . In the future, perhaps 7-10 years, we would also retire in Crystal Beach and live in that property full time .

The property is closing in 2024 and when we purchased, there was no STR bylaw and as you can imagine, the interest rate environment was quite different so our investment made sense . Fast forward to today, and we're considering to either walk away and lose our deposit (80k+) or close and sell at a discount in order to move on. The operating costs are just to high and the chance to rent it out short term would truly save us .

Thanks again for taking the time to hear me out .

Much appreciated Gerrit

Mike Bedioui

From: Gerrit Boerema <GBoerema@forterie.ca>

Sent: October 11, 2023 12:51 PM

To: Michael Bedioui <m_ [REDACTED]>

Subject: Re: Resident Input - Combined Official Plan and Zoning By-law Amendments Short-Term Rentals

Good Afternoon Michael,

We are just finalising a new draft zoning bylaw to post on the Fort Erie 'Let's Talk' webpage. It should be posted next week for another round of review.

Can you remind me about your situation. Are the homes you reference on your email your primary residence, or are they solely for rental? Are they open seasonally or all year?

Gerrit,

Gerrit Boerema
Manager of Policy and Community Planning
Town of Fort Erie
O.908.871.1600 x2504
C.289.407.0887

From: "Michael Bedioui" <[REDACTED]>

To: "Gerrit Boerema" <GBoerema@forterie.ca>

Date: 2023-10-10 02:26 PM

Subject: Re: Resident Input - Combined Official Plan and Zoning By-law Amendments Short-Term Rentals

Good Afternoon Gerrit,

I hope you had a nice thanksgiving long weekend . I'm just checking in to see if there is any update on the short-term rental by-law since the last council meeting? Any changes you see coming into effect that would help my situation of being in an R 2A zone? Or any updates on a fast trac variance or rezoning process?

Thanks for your time.

Michael & Melanie Bedioui
On behalf of 244 Beechwood Ave, and 26 Beachwalk Cres

[REDACTED]
[REDACTED]

From: Michael Bedioui <[REDACTED]>
Sent: September 11, 2023 7:13 PM
To: Gerrit Boerema <GBoerema@forterie.ca>
Subject: Re: Resident Input - Combined Official Plan and Zoning By-law Amendments Short-Term Rentals

Good Evening Gerrit,

I hope you had a nice weekend. Unfortunately, I've been called away for work today so I could not make it in time to attend in person. Instead, I've opted to watch the meeting via Fort Erie's YouTube channel.

Just wanted to say you did a great job today and I really hope the zoning area is adjusted to include R2A zone so I can save my investment. I'm hoping the comments I've submitted to you earlier will get passed along to council for consideration.

Thanks again,

Michael & Melanie Bedioui

On Sep 7, 2023, at 3:40 PM, Gerrit Boerema <GBoerema@forterie.ca> wrote:

Hi Michael,

10:30AM works for me. I have blocked off some time for your call.

Gerrit,

Gerrit Boerema
Manager of Policy and Community Planning
Town of Fort Erie
O.908.871.1600 x2504
C.289.407.0887

From: "Michael Bedioui" <m_[REDACTED]>
To: "Gerrit Boerema" <GBoerema@forterie.ca>
Date: 2023-09-07 01:26 PM
Subject: Re: Resident Input - Combined Official Plan and Zoning By-law Amendments Short-Term Rentals

Good Afternoon Gerrit,

Thank you so much for the quick reply . I have to say, your tone is comforting and I look forward to discussing further . I have free time tomorrow between 10:30am-11:30am. Would a 10:30am phone call work? I'm happy to reach out via your office extension .

Thanks,

Michael & Melanie.

From: Gerrit Boerema <GBoerema@forterie.ca>

Sent: September 7, 2023 12:18 PM

To: Michael Bedioui <m_ [REDACTED]>

Subject: Re: Resident Input - Combined Official Plan and Zoning By-law Amendments Short-Term Rentals

Hi Michael and Melanie,

Thank you for your comments. I think they are very helpful for staff and the Town's consultant to understand balancing the interests within the community.

The draft Official Plan Amendment and Zoning Amendment is just a first draft at this stage. Comments like yours can help in staffs review and potential revisions to the first draft to balance these interests.

If you have time lets set up a phone call for me to respond to some of your questions and to explain where we are at in the process. Currently I am free most of the day tomorrow between 8:30AM and 4:30PM.

Gerrit,

Gerrit Boerema
Manager of Policy and Community Planning
Town of Fort Erie
O.908.871.1600 x2504
C.289.407.0887

From: "Michael Bedioui" <m_ [REDACTED]>

To: "gboerema@forterie.ca" <gboerema@forterie.ca>

Date: 2023-09-07 09:33 AM

Subject: Resident Input - Combined Official Plan and Zoning By-law Amendments Short-Term Rentals

Good Morning Gerrit,

I hope this email finds you well. I sent a similar email to the Deputy Clerk yesterday evening

and was advised to send it to you as well.

I'm writing to you to express my concern regarding the proposed official plan and zoning by-law amendment for STR's in the Crystal Beach Area. My family has been coming to Crystal Beach for the past 30 years and in June 2020 my parents purchased a summer home on Beachwood Ave. Truthfully, we use it all year round spending almost every weekend there. We bring friends and extended family to the area and enjoy the shops and restaurants as much as we can.

We love the area so much that In 2021, myself along with my wife and our 3 kids purchased a 3 bedroom new-build just off Schooley Rd with the plan to also use it as a family summer home and retire in the community within the next 10 years. We always had the thought to rent the property out for a few weeks a year to help cover the operating costs while ensuring we rent to good families who will come into the area and enjoy the beach and support the local economy. At that time, it was a feasible strategy as this STR review hadn't started yet. Once we found out about it, we spoke to staff in Planning who said the property is within the "cottage area" and we don't think you'll have a problem. Also, the majority of people who purchased in the subdivision are using the properties as second summer homes and as an investment. With the new STR amendments, we would not be able to take advantage of a strategy that residents in Crystal Beach have been doing for years because our property is in an R 2A zone. We comply with all requirements for parking, maximum bedrooms, building, and fire code, etc and we feel the proximity to the beach makes this property a perfect candidate for a licence as it is obviously located in what the amendment calls "a tourist area".

My questions are...

1. Can you please tell me the boundary of the "tourist area" and what process was used to define it? I don't see a map with that GIS layer anywhere?
2. What is the process and cost of the aforementioned expedited and less costly process to rezone or seek approval via minor variance and can you elaborate on what dedicated monthly meeting for STR approval means? If approved, will the applicant be guaranteed a licence?
3. How many licences will be available each year? Will they be increased or unlimited?
4. If licences are finite, what's stopping people who are against STR's from buying up multiple licences to sit on?
5. How would limiting STR's help the economy in Crystal Beach?
6. Why wouldn't the entirety of Crystal Beach be granted the opportunity to get a licence? Almost every property is within walking distance to the beach and the shops.

My comments are...

1. People are coming to the area and spending money to purchase new properties or upgrade older, in most cases American owned properties and should have the ability to recapture their investment in a responsible way where everyone wins - Crystal Beach businesses, property investors, and the municipality.
2. If this STR plan should pass then I will not have the ability to rent my **totally 100% freehold** property out for enough weeks to help cover the mortgage. This basically renders my investment useless and with the given interest rate environment, we will likely lose our property. This means we'll have to sell at a discount and lower the value of all houses in the area.

3. Business are already struggling as there are not enough people coming to the area because properties are sitting vacant. Not only has COVID slowed the economy down for the area, but now this will do the same.
4. I'm all for a licencing system however I think it should be open to everyone . It should come with serious enforcement where those who abuse this **privilege** lose it. Plain and simple.
5. There has been a huge spot light put on areas like **Price Edward County** in the recent years and having been there, I feel like Crystal Beach is **absolutely far superior**. The County is open for business and currently has 902 short term rental licences. As a result, lot of people fight 401 traffic to go there. Social Media influencers and HGTV shows have been promoting Prince Edward County and the effects are evident . This is an opportunity to do the same and promote Crystal Beach throughout the GTA and beyond, letting people see that its a much better area .
6. Lastly, I would like to be added to the list of those who can be involved in the appeal process.

I understand a lot of work has gone into this study and it has the potential to be really great for the area. At this time however, I must express my **opposition** and hope my questions and concerns will help shape the outcome and allow responsible owners the opportunity to attain and keep a licence.

Thank you for your time,

Michael & Melanie Bedioui

On behalf of 244 Beechwood Ave, and 26 Beachwalk Cres

██████████

m_██████████

STR report to be discussed on September 11th

Anne-Marie McGonigle

council@forterie.ca,
to: cmcqueen@forterie.ca, Gerrit
Boerema

2023-09-07 09:22 PM

From: "Anne-Marie McGonigle" <[REDACTED]>
To: "council@forterie.ca" <council@forterie.ca>, "cmcqueen@forterie.ca"
<cmcqueen@forterie.ca>, "Gerrit Boerema" <gboerema@forterie.ca>

History: This message has been replied to.

Good evening,

My husband and I are short term rental owners on Cambridge Road West in Crystal Beach.

We have some objections to the recommendations in the recent STR report which will be discussed this Monday, September 11th.

For the past five years we have successfully operated our short term rental without any by-law infractions.

Short term rental units enhance the local economy by providing a place for people to stay during their visits to Crystal Beach. (There is only one motel at the moment). As well, short term rentals benefit the Fort Erie economy because their guests spend money at local amenities such as restaurants, bars, services, stores, parking lots and the beach itself (Guests pay to access the Bay Beach). Further, short term rental owners contribute to the local economy by employing cleaners, telecommunications workers, contractors, equipment rental services, repair persons and by purchasing supplies at local businesses.

I think legislating that one parking spot be required per str bedroom and only permitting one dwelling unit per property to have a str licence, will reduce the number of people who can visit Fort Erie's short term rentals and, consequently, decrease some of the economic benefits that short term rentals bring to the Fort Erie community.

Thanks in advance for considering our objections.

Sincerely,

Anne-Marie McGonigle and Norm Rumfeldt
327 Cambridge Road West
Crystal Beach, ON
L01 1B0

Re: Fort Erie Short Term Rental - Notice of Public Meeting for Official Plan and Zoning Bylaw Amendment - September 11, 2023

ted banfalvi

to: Gerrit Boerema

2023-09-26 01:44 PM

From: "ted banfalvi" <[REDACTED]>
To: "Gerrit Boerema" <GBoerema@forterie.ca>

Hi Gerrit.

One last comment that I would like to forward to you that I neglected to mention and that has also been brought to my attention by a fellow STR operator.

In Prince Edward County, the STR licenses do not expire with a property sale. The license is for the property, not the owner so I agree with allowing the license to remain with the property until the use changes or the new owner does not require the license. This could help the real estate market/STR market stabilize.

There was an article in the Globe and Mail this past Friday about this very thing.

Thanks, Ted.

On Mon, Sep 25, 2023 at 6:06 PM ted banfalvi <[REDACTED]> wrote:

Thank you for your response. I have managed a number of STR homes in Crystal Beach for many years so I have a ground level understanding of the makeup of guests and STR owners. All of which are concerned how this will effect the future of Crystal Beach.

I will keep in touch. Ted

On Mon., Sep. 25, 2023, 5:58 p.m. Gerrit Boerema, <GBoerema@forterie.ca> wrote:

Good Afternoon Ted,

Thank you for your comments. We are working on putting together a revised bylaw to address some of the concerns raised by yourself and others. Keep in touch over the next few weeks to get emailed a copy of the revised bylaw.

Gerrit

Sent from HCL Verse

ted banfalvi --- Re: Fort Erie Short Term Rental - Notice of Public Meeting for Official Plan and Zoning Bylaw Amendment - September 11, 2023 ---

From: "ted banfalvi" <[REDACTED]>
To: "Gerrit Boerema" <GBoerema@forterie.ca>

Date: Mon, Sept 25, 2023 4:13 p.m.

Subject: Re: Fort Erie Short Term Rental - Notice of Public Meeting for Official Plan and Zoning Bylaw Amendment - September 11, 2023

Hello Gerrit.

I have a few comments for you to forward to the right people to consider.

There was a lot of discussion regarding what constitutes "owner-occupied units". This is where the town and WSP may not understand how a lot of STRs have existed and continue

to exist. There are many Canadian and US owners who spend more time in their properties than they actually rent out. For example, owners such as myself, spend well over six months of the year in the house as a recreational property and rent for only three weeks. In previous comments sent, I have raised the idea of having a maximum number of days a home can be rented as an STR could be a determining factor for an alternate "limited owner-occupied" description which may help some homeowners that do need to rent their homes to help with rising costs and offer tourists an opportunity to stay in Crystal Beach for example, and invest in the businesses that are now suffering.

I am also concerned with the discussion about housing stock playing into the decision for STR zoning. There are a number of STR owners, like myself, who purchased their recreational properties with a succession plan to retire in. The plan is to sell our primary home in Burlington and give that home into the housing pool where the actual demand for housing exists. Being a real estate agent who has sold recreational property in Crystal Beach for over 15 years, I have experienced that many of the homes in the "STR" areas are not in areas of great demand for primary residences. The homes in question, are mostly deemed recreational as Crystal Beach, in particular, is still a recreational type town which needs STRs for business to survive. Purchasers looking to downsize or retire are looking for newer homes, with more amenities that are closer to hospitals, doctors, family, etc. Crystal Beach is that place!

My second comment is that the enforcement of the current STR bylaws has not been successful, mainly due to the difficulty of information sharing by tenants. How does the town see itself enforcing the new bylaws and zoning? I have heard no reports or information regarding penalties for STR bylaw infractions. Is there any information that you can provide?

The third comment is about the minimum parking regulations, I am not in of a "one per bedroom" parking requirement. As long as a unit has a parking spot, that should be enough. Last comment, when the final amendment is adopted, when would guidelines be provided regarding any new licensing requirements? Example: cost for licenses, any changes to license requirements, etc

I have watched the Crystal Beach business area struggle for 22 years, only to see an incredible resurgence during the pandemic. Now that the STR licensing has come into effect, I have already seen a steep drop off of people coming to the town, eating at restaurants, shopping on the strip, and staying for a few days. Now we have three out of four restaurants on Erie Road either closed or up for sale, a high supply of homes for sale, prices dropping substantially, very little demand for homes and developments being cancelled. Being on the ground and directly involved with investors, I am experiencing decreased sales due to the fact that a buyer would not be able to get an STR license. I think the town has stepped in it, and Crystal Beach is going to suffer for it!

The real problem is the "problem" STR properties, and since enforcement has not been effective, those problems are not going to go away with any licensing or zoning changes.

Please let me know if you have any questions or concerns for me. Ted.

On Mon, Sep 25, 2023 at 1:44 PM ted banfalvi <[REDACTED]> wrote:

Thank you, much appreciated. Ted

On Fri., Sep. 22, 2023, 8:36 a.m. Gerrit Boerema, <GBoerema@forterie.ca> wrote:

Good Morning Ted,

I don't believe the minutes are finalized yet but see below for the video link to the meeting. If you have any comments or questions please let me know.

Gerrit

<https://www.youtube.com/live/ZILhJ4hmqhc?si=tQl6MUiYFixcspWJ>

Sent from HCL Verse

ted banfalvi --- Re: Fort Erie Short Term Rental - Notice of Public Meeting for Official Plan and Zoning Bylaw Amendment - September 11, 2023 ---

From: "ted banfalvi" <[REDACTED]>

To: "Gerrit Boerema" <GBoerema@forterie.ca>

Date: Thu, Sept 21, 2023 8:54 p.m.

Subject: Re: Fort Erie Short Term Rental - Notice of Public Meeting for Official Plan and Zoning Bylaw Amendment - September 11, 2023

Hello Gerrit.

I was not able to attend the meeting on September 11th, due to having COVID. Is there anywhere, I can read or watch the meeting minutes or outcome?

Thanks, Ted.

On Wed, Aug 9, 2023 at 4:30 PM Gerrit Boerema <GBoerema@forterie.ca> wrote:

Good Afternoon,

Please find attached the Notice of Public Meeting for the proposed Official Plan and Zoning Bylaw amendments relating to the Town of Fort Erie Short Term Rental land use study.

The draft Official Plan Amendment and draft Zoning Bylaw Amendment can be found on the Fort Erie 'Let's Talk' web page.

If you have any questions, comments or concerns, please reach out to myself.

You are receiving this email as you have indicated previously that you wish to be circulated on future correspondence.

Gerrit,

Gerrit Boerema
Manager of Policy and Community Planning
Town of Fort Erie
O.908.871.1600 x2504

C.289.407.0887

--

Ted Banfalvi
Real Estate Sales Representative
Right At Home Realty
5111 New Street
Burlington, Ontario L7L 1V2
Email: [REDACTED]
Website: www.tedbanfalvi.com
Office: 905-637-1700
Cell: 647-831-6727
Fax: 905-637-1070

CHAIRMAN'S CLUB AWARD RECIPIENT 2021
#1 Brokerage in the GTA 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021 for
Sales Statistics-Celebrating 18
years of Success*

CasI Compliant, to unsubscribe click reply and please type "remove" in subject line.

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CHAIRMAN'S CLUB AWARD RECIPIENT 2021

**#1 Brokerage in the GTA 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021 for Sales
Statistics-Celebrating 18
years of Success***

CasI Compliant, to unsubscribe click reply and please type "remove" in subject line.

Fw: Desjardins Report: Impact of STRs on Rental Housing
Anamika Dilwaria to Gerrit Boerema

2023-12-06 08:23 AM

From: Anamika Dilwaria/FortErie
To: Gerrit Boerema/FortErie@TownOfFortErie

FYI

----- Forwarded by Anamika Dilwaria/FortErie on 2023-12-06 08:22 AM -----

From: Wayne Redekop/FortErie
To: Anamika Dilwaria/FortErie@TownOfFortErie
Cc: Chris McQueen/FortErie@TownOfFortErie
Date: 2023-12-06 08:11 AM
Subject: Fwd: Desjardins Report: Impact of STRs on Rental Housing

Anamika:

Could you please forward this to whoever is preparing the report regarding STR's? Thank you.

Wayne

Sent from my iPad

Begin forwarded message:

From: Dave McPherson <[REDACTED]>
Date: December 5, 2023 at 3:49:30 PM EST
To: Wayne Redekop <wredkop@forterie.ca>, Nick Dubanow <NDubanow@forterie.ca>, Ann-Marie Noyes <anoyes@forterie.ca>, dflagg@forterie.ca, Tom Lewis <TLewis@forterie.ca>, George McDermott <GMcDermott@forterie.ca>, Joan Christensen <JChristensen@forterie.ca>
Subject: Desjardins Report: Impact of STRs on Rental Housing

Mayor and Council

You might find this of interest. No reply is necessary.

David R. McPherson
3856 Ryan Ave.
P.O. Box 434
Crystal Beach, Ont.
L0S 1B0
[REDACTED]
[REDACTED]



short-term-rentals-dec-4-2023.pdf

ECONOMIC VIEWPOINT

Could Restricting Short-Term Rentals Help Alleviate Canada's Housing Crisis?

By Kari Norman, Economics Document Production Specialist, and Randall Bartlett, Senior Director of Canadian Economics

Highlights

- Over the past year, Canada has had over 235,000 listings on popular short-term rental (STR) platforms. That's equivalent to roughly 1.4% of Canada's housing stock or 4.9% of its long-term rentals. At the same time, would-be renters across the country are struggling to find an apartment as the vacancy rate stands at just 1.9% and skyrocketing asking rents further erode affordability.
- Studies overwhelmingly show that neighbourhoods with a high prevalence of STR listings have faster-rising rents, lower vacancy rates for long-term rentals, and higher home sale prices.
- To help alleviate Canada's housing crisis, governments should place some restrictions on commercial non-principal residence STRs. This would increase the number of owner-occupied units and units with long-term tenants. Moreover, policies should be widely communicated and strictly enforced with penalties to ensure high rates of compliance. And finally, STR hosting platforms should be held accountable and required to disclose their data.

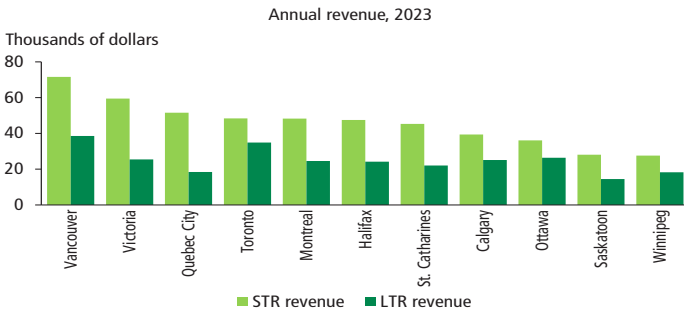
In recent years, the growing popularity of online STR¹ platforms has disrupted the traditional housing market. It has significantly impacted both housing affordability and availability. The shift away from long-term rental (LTR) agreements removes units from the rental housing stock. This puts upward pressure on the rents paid by local residents by constraining supply. In addition, investors² looking to purchase homes for use as full-time STRs are in direct competition with would-be owner occupants. These impacts have commonly been dubbed the "Airbnb effect," including regulating STRs. Governments at all levels in Canada at a broad suite of public policy options to boost housing supply, including regulating STRs. Governments at all levels in Canada

Short-Term Rentals Are More Profitable

Recent [AirDNA](#) data showed that over the past 12 months Canada had 235,800 unique active STR listings on Airbnb and/or Vrbo, the two largest hosting platforms. This is equivalent to roughly 1.4% of Canada's housing stock or 4.9% of its long-term rentals. Investors stand to earn significantly higher revenues by listing their units as short-term rather than long-term rentals (graph 1 on page 2). AirDNA tracks average annual revenue from short-term rental. This figure includes owner-occupied homes and

¹ While the definition varies slightly by jurisdiction, an STR is typically defined as a rental of less than 28 to 31 days. ² The STR market encompasses both home sharing and commercial investment. Examples of home sharing include principal residents renting out a spare bedroom, listing their entire home for rent while they travel, or renting out a vacation home. Meanwhile commercial investors purchase properties not to use as their principal residence, but rather to list on a full-time basis. Investors may own multiple properties. Only commercial STR investment removes housing units from the LTR market.

GRAPH 1
Investors Typically Earn More on Short-Term Rentals



STR: short-term rental; LTR: long-term rental
Sources: Rental.ca, Urbanation, AirDNA and Desjardins Economic Studies

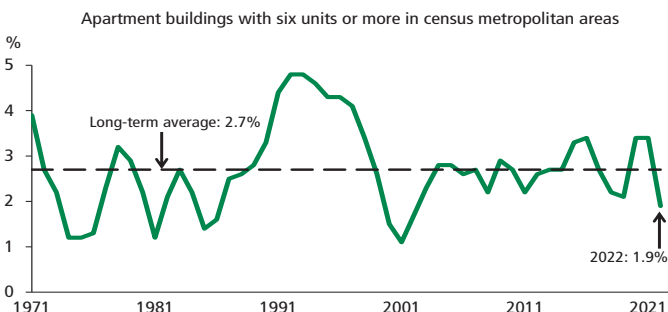
full-time investment properties. Long-term rental revenue is based on the most recent average asking rent for apartment and condo listings. The reported LTR revenue is an overstatement, however. This is because landlords will often earn less than the current average asking rent, as many units with long-term tenancies are subject to rent control. While the figures may not be directly comparable, there's a sizeable gap between STR and LTR revenue regardless of the size and tourist appeal of the municipality.

Many STR markets are dominated by commercial for-profit operators with multiple listings. For example, in BC, 10% of hosts earned almost 50% of all revenue, with the top 1% of hosts earning more than 20% of total STR revenue (Wachsmuth, 2023).

Renters Are Struggling

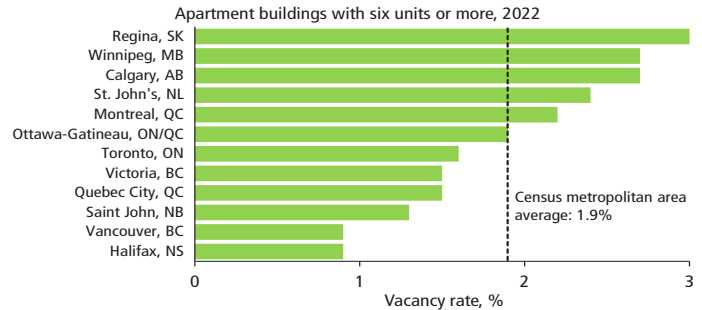
Meanwhile would-be renters are struggling to find an apartment. In 2022, the national rental vacancy rate was just 1.9%—significantly below the long-term average of 2.7% (graph 2) and what is considered the balanced market rate of 3%. And this isn't just a Toronto and Vancouver story. Cities across the country are facing similar challenges (graph 3). When the vacancy

GRAPH 2
The Rental Vacancy Rate Is below the Long-Term Average



Sources: Statistics Canada, Canada Mortgage and Housing Corporation and Desjardins Economic Studies

GRAPH 3
Renters across Canada Are Struggling with Low Rental Vacancy Rates



Sources: Statistics Canada, Canada Mortgage and Housing Corporation and Desjardins Economic Studies

rate is above 3%, inflation-adjusted rents tend to flatten and go negative; when it drops below 3%, rents tend to climb (Jens von Bergmann, 2018). In 2022, 30 of the 33 census metropolitan areas (CMAs) tracked by the Canada Mortgage and Housing Corporation (CMHC) had a vacancy rate below 3%.

As noted in [our recent residential real estate report](#), Canada's surging population has driven demand for all forms of housing. This has put pressure on new tenants, as asking rents have skyrocketed over the past two years (graph 4).

GRAPH 4
Demand Has Been Pushing Asking Rents to New Highs



* Average asking rent for all unit types
Sources: Rentals.ca, Urbanation and Desjardins Economic Studies

Home Sales and Prices Are Starting to Falter, but Remain Unaffordable

As we discussed in a [recent housing note](#), home sales in Canada have fallen for the past three months following the Bank of Canada's series of interest rate hikes (table 1 on page 3).

But while Toronto is currently in buyer's market territory, [our recent analysis](#) suggests that even a severe recession won't make housing affordable there. And [we anticipate](#) that when the Bank

TABLE 1
Home Sales and Prices Fell in October 2023

REGION	EXISTING HOME SALES (Y/Y % GROWTH)	AVG. EXISTING HOME SALE PRICE (Y/Y % GROWTH)
Newfoundland and Labrador	-16.7	0.4
Prince Edward Island	-6.6	-1.1
Nova Scotia	-19.7	1.6
New Brunswick	-16.1	2.0
Quebec	-14.6	-0.6
Ontario	-14.1	-6.4
Toronto	-14.6	-5.1
Ottawa	-12.6	-5.2
Hamilton-Burlington	-11.6	-9.4
Manitoba	-12.2	-3.9
Winnipeg	-14.1	-3.9
Saskatchewan	-6.2	-1.0
Alberta	-13.1	0.4
Calgary	-13.3	3.3
Edmonton	-13.4	-4.1
British Columbia	-11.5	-2.8
Vancouver	-12.7	0.2
Victoria	-10.3	-3.2

Sources: Canadian Real Estate Association and Desjardins Economic Studies

starts to dial back rates, the housing market will pick up steam again.

Have STRs Contributed to Canada's Housing Affordability Crisis?

A significant amount of research has gone into determining the impacts of STRs on local housing markets.

[Lee \(2016\)](#) found that in Los Angeles, rents in neighbourhoods with high concentrations of STR listings increased 33% faster than rents citywide, even just a few years after Airbnb launched.

The [City of New York \(2018\)](#) reported that the eight neighbourhoods with the highest concentration of Airbnb listings experienced higher rent increases between 2009 and 2016. Rental rates in those neighbourhoods rose by 1.58% for every 1% share of all residential units listed on Airbnb.

[Barron, Kung and Proserpio \(2020\)](#) found that in the US, a 1% increase in Airbnb listings led to a 0.018% rise in rents and a 0.026% bump in home prices for zip codes with median owner occupancy rates. This was equivalent to annual increases of US\$9 in monthly rent and US\$1,800 in home prices at the median. Moreover, the total supply of housing was not impacted by the entry of Airbnb—implying that commercial STR investment did not drive additional construction. Instead, an increase in listings in the STR market meant a decrease in the supply of long-term rental units.

[Cox and Haar \(2020\)](#) noted that in Barcelona, Airbnb drove up rents by 7% and property prices by 19% even after controlling for gentrification. Commercial investors accounted for an estimated 75% of listings.

Back here at home, a [Conference Board of Canada \(2023\)](#) study analyzing the impact of STRs across 330 neighbourhoods in 19 Canadian cities found that there was a correlation between Airbnb activity and higher rents. A one percentage point increase

in the share of Airbnbs was associated with a 2.3% increase in rents. While their methodology could not demonstrate a meaningful causal link between STRs and average rents, they found that the number of commercial STR units decreased by almost 50% after principal residence restrictions were introduced.

[Wachsmuth \(2023\)](#) found that STRs removed almost 17,000 housing units from BC's long-term housing stock. Furthermore, a one percentage point increase in dedicated STR units in a neighbourhood resulted in an average rent increase of \$49 per month.

Turning to the impact on market housing, [Franco and Santos \(2021\)](#) found that on average, a one percentage point increase in the share of Airbnb listings resulted in a 3.7% increase in home prices in Portugal. In contrast, a recent literature survey ([AirDNA, no date](#)) found a small effect from STR on housing prices, often localized in tourist areas, and most likely to affect up-market assets and renters.

In summary, research has established that there is a relationship between the prevalence of STRs in a community and higher rents for LTRs. The impact on home prices is less well established, but the data points in the same direction. That means STRs are likely contributing to the erosion of housing affordability in Canada and around the world.

What Public Policies Could Help Regulate STRs?

More and more cities—and now provinces—are implementing policies designed to regulate STRs in an effort to mitigate their impact on housing affordability.

Licensing, Permitting or Registration Requirements

Requiring owners to have a licence or registration is among the most common restriction cities have placed on STRs.

Toronto requires all hosts renting for fewer than 28 days to obtain a license from the city. However, compliance may be an issue. As of October 2023, the city's website listed just under 8,000 [registered STR properties](#), whereas [AirDNA](#) reported over 13,000 active listings with a minimum stay of fewer than 30 days.

Other cities like Ottawa require permits to [ensure that social housing units aren't used as STRs](#). And in some jurisdictions, condo boards are allowed to ban STRs in their buildings.

Limit on the Number of Days

[Toronto](#) restricts STRs to a maximum of 180 nights per year for an entire home. However, owners may rent out up to 3 bedrooms in their own principal residence for an unlimited number of nights.

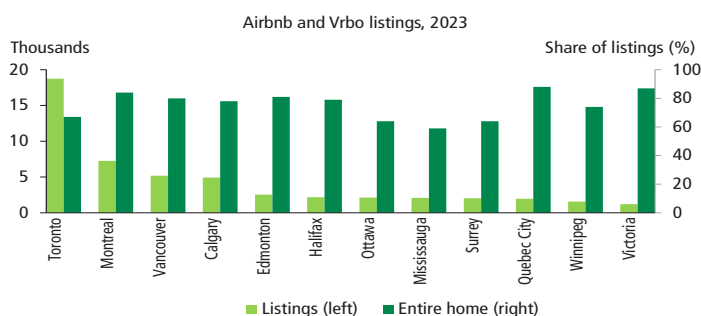
Primary Residences Only

Policies that limit STR listings to primary residences—in some cases with an on-site host—could have a significant impact on the housing market. Vancouver’s principal residence policy has returned an estimated 800 housing units to the long-term rental market ([Wachsmuth, 2023](#)).

Whole-home rentals in 12 Canadian markets account for 38,000 listings (graph 5). Some of these listings might simply be owner-occupiers renting out their homes while they’re away temporarily. But since average annual STR revenues are high in each of these cities, most listings are likely full-time STRs. [Combs, Kerrigan and Wachsmuth \(2020\)](#) estimated that non-principal residence listings accounted for between 17,000 and 43,000 Canadian homes. Given the pace of STR growth over the past few years, the current number is likely to be significantly higher. A recent [federal government announcement](#) estimated that 30,000 housing units could be returned to the long-term market in Vancouver, Toronto and Montreal through restrictions on STRs.

GRAPH 5

Limiting STR Listings Could Quickly Increase the Housing Stock



STR: short-term rental
Sources: AirDNA and Desjardins Economic Studies

Zoning Restrictions

The popular tourist destination of [Whistler BC](#) restricts STRs to properties zoned for tourist or temporary accommodation. Homes with residential zoning may not be marketed as available to tourists for any length of time. The penalty for illegal nightly rental or simply advertising is up to \$1,000 per day.

In [Halifax](#), new regulations that took effect in September 2023 restrict non-primary residence STRs to commercial zones. Homeowners in residential zones can list only their primary residence as an STR.

Hotel Taxes and Sales Taxes

[Ottawa, Toronto](#) and many other [municipalities](#) in Ontario require all STR operators to collect and remit a Municipal

Accommodation Tax on all stays shorter than a month. (The number of days varies slightly by city.) Quebec, BC and Alberta collect lodging taxes or tourism levies at the provincial level.

In its [2020 Fall Economic Statement](#), the Government of Canada announced measures to apply GST/HST to digital platform operators, including operators of online accommodation platforms. Sales tax applies to all short-term rental bookings of 30 nights or less including cleaning fees. Provinces with their own sales tax also collect PST/QST on STRs. Airbnb and Vrbo collect and remit sales and accommodation taxes on behalf of hosts without their own GST registration, which increases compliance.

While hotel and sales taxes may marginally shift the balance between demand for and supply of STRs by slightly increasing the cost to vacationers, it’s unlikely to have a significant impact on the housing market. Perversely, as a source of government revenue it could incentivize governments to have more STRs. There would need to be a sufficiently large surtax on STR income to eliminate the revenue advantage of STRs in order to encourage commercial investors to list their properties as LTRs.

Income Taxes

In its latest [Fall Economic Statement](#), the Government of Canada implemented measures to crack down on illegal STRs. Expenses incurred to generate STR income will no longer be an eligible income tax deduction for properties in areas where STRs are prohibited or for properties not in compliance with licensing, permitting or registration requirements. The federal government also committed \$50M over three years to help municipalities crack down on non-compliant STRs. While every little bit counts, we’re skeptical that these amounts will be enough to level the playing field between STRs and LTRs.

Platform Accountability and Data Disclosure

The BC provincial government passed the [Short-Term Rental Accommodations Act](#) in October 2023 in an effort to return an estimated 16,000 commercial STRs to the LTR market. The act includes platform accountability: if a listing doesn’t include a valid business license, the STR platform must remove the listing at the request of the local government. Moreover, platforms are required to share listing information with the province, which may then share it with local governments.

Quebec enacted the [Tourist Accommodation Act](#) in 2021. Owners of units to be rented for 31 days or less must request a notice of compliance from their local municipality and then apply for a registration number. Platforms are required to have proof of permits and remove listings without permits from the system.

[Cox and Haar \(2020\)](#) caution that platforms may not be as responsive or accountable as governments would like. They

noted that Airbnb withdrew the ability to enforce a 60-day cap in Amsterdam, allowed hosts to create multiple listings for the same property to circumvent a 120-day cap in Paris, provided data for Barcelona but up to 70% of the addresses were missing or incorrect, refused to remove thousands of unauthorized apartment listings during a 2-year ban in Berlin, and failed to remove social housing listings in Vienna.

Should STRs Effectively Be Banned? Evidence from around the World

[Ontario](#)

The Ontario government banned almost all short-term rentals during the early months of the pandemic. A [Zoocasa report](#) found that in June 2020, there were 36% more condos for sale in Toronto than the same month one year before—but sale listings were up 108% in 10 buildings known to be popular for STRs. Similarly, long-term condo rentals were up 83% city-wide but 257% in these 10 buildings. This suggests that when STR listings are restricted, some homes are likely to be returned to the long-term housing stock.

[New York City](#)

New York City adopted a [Short-Term Rental Registration Law](#) that went into effect in September 2023. The law is a de facto ban on STRs other than shared living spaces. While the long-term effects have yet to be felt, there are some notable changes already. According to [AirDNA](#), the number of STR listings began to drop off as soon as the policy change was announced last year, and continued to fall from 31,000 in January of this year to 25,000 at the end of October. By late September, there were only 2,300 listings with a minimum stay of less than 30 nights, which includes locations zoned for transient lodging and therefore not required to be licensed as STRs. At that point 94% of listings were for 30 nights or more. [CoStar](#) reported that in September, Manhattan's LTR vacancy rate surpassed 3% for the first time in more than 3 years, while the median rent fell by 1.3% or almost US\$60 per month.

[Berlin](#)

[Berlin](#) introduced a law in 2016 that barred most landlords from renting their apartments to short-term visitors. This resulted in 2,500 apartments being added back to the LTR market. However, in 2018 that law was overturned in favour of fewer restrictions so that owner-occupiers would be allowed to rent out their primary residence for an unlimited number of days and a second home for up to 90 days per year.

Conclusion

The rise of STR platforms has had a significant impact on affordability and availability in housing markets around the world, removing units from the rental and resale markets. Regulations have been implemented to address these challenges, with mixed success. Effective future policies will require several key components: specific and measurable goals, sufficient financial and human resources to implement and enforce regulations, accountability from STR hosting platforms, and disclosure of detailed, non-aggregated data by hosting platforms. Only then can governments expect high rates of compliance. As hosting platforms evolve, STR policies aimed at non-principal residence units will need ongoing monitoring, evaluation and adaptation. This could help ensure the future stability of the long-term rental and housing markets in cities large and small nationwide.

Re: Zoning By-law Amendments Short-term Rentals

Ashlea Carter to Dave McPherson

2023-09-08 08:49 AM

Cc Peter Todd, Gerrit Boerema

From Ashlea Carter/FortErie
To "Dave McPherson" <[REDACTED]>
Cc Peter Todd/FortErie@TownOfFortErie, Gerrit Boerema/FortErie@TownOfFortErie

Hello Dave,

The intent of this email is to confirm receipt of your comments noted below. The Manager of Policy and Community Planning and Town Clerk have been copied for information purposes as well.

Kind regards,
Ashlea Carter, AMP
Deputy Clerk
Town of Fort Erie / 1 Municipal Centre Drive
Fort Erie, ON L2A 2S6
 905-871-1600 Ext 2212

"Dave McPherson" I am writing to provide my objections to portion...

2023-09-08 08:29:37 AM

From: "Dave McPherson" <[REDACTED]>
To: acarter@forterie.ca
Cc: "Wayne Redekop" <WRedekop@forterie.ca>, "Ann-Marie Noyes" <anoyes@forterie.ca>, "Chris McQueen" <cmqueen@forterie.ca>, "Tom Lewis" <tlewis@forterie.ca>, "Joan Christensen" <jchristensen@forterie.ca>, dflagg@forterie.ca, "Nick Dubanow" <ndubanow@forterie.ca>, "George McDermott" <gmcdermott@forterie.ca>
Date: 2023-09-08 08:29 AM
Subject: Zoning By-law Amendments Short-term Rentals

I am writing to provide my objections to portions of Report PDS-59-2023 and the related by-law amendments on the September 11 Council in Committee Meeting agenda, specifically agenda item 7.

Prior to outlining my objections I would comment that by and large I am in agreement with the approach being proposed here.

Legal Non-Conforming (Grandfathering)

I disagree with the comments on page 7 of PDS-59-2023 on legal non-confirming status for those licenses operating in zones where they will not be permitted going forward. STRs are commercial businesses that were never legal in residential zones. The licenses were granted under a temporary pilot program, hence they are more correctly described as illegal-nonconforming and they should not be allowed as a grandfathered license going forward. This situation has been made worse by the lifting of the moratorium on STR licenses earlier this year.

Streamlined Approval Process

I object to the expedited process as noted on page 7 of PDS-59-2023. I fail to understand why these commercial businesses should have access to such an expedited process. This proposal totally ignores the wishes of the majority residents who clearly do not want these businesses in residential zones. The Fort Erie Community Preservation Coalition has previously provided to the town their 1080 signature petition which clearly indicates that a significant number of

residents do not support the proliferation of STRs in Fort Erie. This provision runs counter to the sentiments expressed in that petition. This provision would benefit dedicated STR owners, the majority of whom are not Fort Erie residents. Why are we catering to this group?

Expansion To Include The Waterfront

On page 11, the report comments on the potential to allow STR licenses in waterfront residential zones. Similar to my objections to the streamlined approval process, any action to include the waterfront would run contrary to the wishes of Fort Erie residents. Again this would cater to non-resident dedicated STR owners.

Thank you for consideration of the foregoing.

David R. McPherson

3856 Ryan Ave.

P.O. Box 434

Crystal Beach, Ont.

L0S 1B0

██████████
██████████



September 10, 2023

Wayne Redekop, Mayor
Chris McQueen, Chief Administrative Officer
Gerrit Boerema, Manager of Policy and Community Planning
1 Municipal Centre Dr.
Fort Erie, ON L2A 2S6

Dear Mayor Redekop, Mr. McQueen, Mr. Boerema, and Councillors:

RE: Official Plan and Zoning By-law Amendments for Short-Term Rentals

I am writing today, in opposition to certain sections of the *Zoning By-Law Amendment to Comprehensive Zoning By-law 129-90, as amended (Draft)*, and question some of the additions to the *Official Plan Amendment (Draft)*. While I wish I could have sent this letter earlier, it is difficult to find the time to draft letters and emails during the peak season. My goal as a property manager is to focus my attention on properly servicing the several properties I manage in the area while ensuring zero Bylaw infractions. Furthermore, guests' satisfaction must be of utmost priority.

The fact that these items have been snuck into the agenda is not only frustrating and discouraging but certainly makes me feel like to ultimate goal of the Town if to completely limit STR's and drive the industry out.

I, along with my homeowner clients are strongly opposed the following two items:

The inclusion of item 2 which states that 6.57 (iv) be added: *Short-Term Rentals shall meet the parking requirements of Section 6.20; and*

Item 3 which states that under s. 6.20 Parking Area Regulations be added which states that *one (1) parking space for every bedroom provided as part of the Short-Term Rental, with a minimum of one (1) required parking space.*

While I can certainly appreciate the need for parking at each STR the notion that 3 parking spots or one per bedroom is required just makes zero sense. You have limited the occupancy to 8 guests already. I personally have limited the occupancy at my rentals to 8 guests with a maximum of 6 adults and I limited exceptions to 8 adults. Why, may I ask are 3 parking spots required? 8 guests should without a double be fine with two cars and two parking spots. Having an extra spot just encourages unnecessary vehicles coming and potential visitors parking in the extra spot. Two spots are sufficient, and I just can't begin to understand the need for three.

Inclusion of Item 2 c) Dedicated Short-Term Rentals: *(i) Within permitted residential zones, a maximum of one dwelling unit shall be permitted to be used as a Dedicated Short-Term Rental on a property. (ii) Within permitted residential zones, a Dedicated Short-Term Rental shall only be permitted within a single detached dwelling or within a detached accessory dwelling unit.*

The effects of limited occupancy to 8 guests per dwelling has already negatively impacted homes that are large enough to host extended families. For a large family to stay together they need rent two cottages. I have many people reach out looking for two beside each other or on the same property. Inventory is very limited for this request. While I do manage some on the same street none of them are next door to each other.

One property I manage is fortunate to have a licence to rent the guesthouse on the property allowing for up to 12 guests total. This property is fully booked with minimum 7-night stay rentals each peak season and 90% of the rentals are secured by grandparents between the ages of 60 – 75. They are simply grateful to be able to travel with their children, partners, and grandchildren. They are the most excellent guests, while they may have a lot of questions and be a little more to manage, they always follow the rules and leave the home tidy. Many are repeat families and have already booked for next summer. By not permitted more than one STR dwelling on a single property you will further restrict the ability for these families and grandparents to travel together.

Having two dwellings on one property should not be an issue if there is parking, and they are properly managed. By restricting these properties from renting again we will see a further reduction in travelling families. I strongly request that this proposed amendment be dropped.

Honestly, I wish I could write pages and pages to try and explain the negative result of some of these current and proposed Bylaw, but it is discouraging when I am not sure if my letters, emails, and feedback are even read or considered so I will stop here and hope for the best.

Please take the time to really consider the impact.

Regards
Teri O'Neill
President
Perfect Stays Niagara