



# Staff Report

## Administration

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**Report To:** Committee of The Whole  
**Meeting Date:** October 28, 2019  
**Report Number:** FAF.19.202  
**Subject:** 2020 Licensing By-law and Municipal Administrative Penalty By-law  
**Prepared by:** Shawn Everitt, CAO

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### A. Recommendations

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THAT Council receive Staff Report FAF.19.202, entitled "2020 Licensing By-Law";

AND THAT Council receive the Draft Municipal licensing By-law and the Draft Municipal Administrative Penalties By-law;

AND THAT Council direct staff to initiate the Public Consultation Process for the Draft Municipal licensing By-law;

AND THAT Council direct staff to initiate the Public Consultation Process for the Draft Municipal Administrative Penalties By-law;

AND THAT Council direct staff to develop a workshop that provides a fulsome overview of the Short Term Rental Program, detailed Licensing process and the Administrative Penalty implementation and enforcement processes;

AND THAT Council direct staff to include a detailed staffing matrix for the Short Term Rental Property Licensing Process including detailed time tracking flow charts to determine program costs and options for revised user fees to be considered during the 2020 Budget deliberations;

AND THAT Council direct staff to include a detailed staffing matrix for a Municipal Tribunal Process including detailed time tracking flow charts to detail potential Tribunal revenue generation and Tribunal operational costs and options to be considered during the 2020 Budget deliberations;

AND THAT Council provide direction as to the preferred philosophy of the funding strategy of a Licensing program:

- Option 1- Full cost recovery
- Option 2 - % of cost recovery offset by taxation
- Option 3 - Full taxation

## **B. Overview**

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This report provides the initial release of the Draft Municipal Licensing By-law and the Draft Municipal Administrative Penalties By-law for information to members of Council, the Public and the Short Term Accommodation Industry.

## **C. Background**

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Town Staff with the assistance of Councilor Peter Bordignon have worked in consultation with the Rate Payers Association and members of the Short Term Accommodation industry over the past number of months on a comprehensive review of the existing By-law for Short Term Accommodations. As a result, staff has provided the Draft Municipal Licensing By law that is being proposed to will require the rescinding of the existing Short Term Accommodation By-law 2004-45 in its entirety.

The Licensing By-law as presented in Attachment 1 of this report, allows the Town to not only provide a clear and transparent By-law for Short Term Rental Properties, it also provides the ability to increase the range of License types if the Town wishes to create additional Licenses in the future.

In addition to the Licensing By-law, staff also introduces a proposed By-law to potentially allow for Comprehensive System of Administrative Monetary Penalties as outlined in Attachment 2 of this report that provides the ability for the Town to deal with Offences that contravene select Municipal By-laws in a formal Municipal Tribunal setting as opposed to the having this infraction tried in Provincial Offences Court.

## **D. Analysis**

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Town Staff have taken the approach to develop a new Draft Municipal Licensing By-law rather than revising the current Short Term Accommodation By-law. Staff acknowledge that this process has been extremely lengthy and has created a significant amount of frustration amongst a number of groups and individuals including Town staff and multiple Councils.

The move to a Municipal Licensing By-law allows for the Town to consider additional licensing regimes in the future and it also allows for the Short Term Rental Properties requirements to be set out in a very clear and transparent way of how Short Term Rental properties are controlled.

To provide an overview of the proposed Licensing By-law and the process that has been considered, and being presented to control short term rental of properties within the Town of The Blue Mountains the following information is being presented:

- 1) A pre-screening will be completed by Planning Staff to determine if the subject property can be considered for the potential use of a property for all Short Term Rentals;
  - a. This pre-screening includes a review being completed by member of the Town's Planning Staff. Typically a Planner 1 completes this review.

- b. Staff will be considering the addition of a pre-screening fee that currently does not exist. Staff time is required for the pre-screen review. The pre-screen is only required once per property.
        - c. If the pre-screen results in determining the use of the property is not permitted, the Planning Department will advise the property owner and By-law Department to ensure no further review is considered.
          - i. It is important to note that mapping is available on the Towns Website and is available to determine if the property can be considered for short term rental use.
- 2) If the pre-screen has confirmed that the subject property could be considered for use as a short term rental, Planning Staff will advise the property owner and the By-Law Enforcement Department that an Application could be considered if the property owner wishes to continue with the application process.
- 3) The application process will require the property owner to complete a significant amount of work to provide the following information for review by Town Staff;
  - a. A Site Plan prepared by a professional is required as part of the application submission
    - i. Site Plan must identify existing parking areas in scale and must only show parking on the subject property;
    - ii. Floor Plan showing actual existing Building Lay out
- 4) Once the application is deemed complete, the property owner will be advised that the application process has commenced. Once the Application review has been considered, an inspection of the Subject Property will be scheduled to ensure all information provided through the application is consistent with the actual property and building information.
  - a. This inspection currently has a fee of \$75.00. Staff will be considering the fee and have initiated a full cost recovery review of the inspection process.
- 5) Staff will complete the initial inspection that the License application for a Short Term Rental Property has triggered. This inspection will consider all the elements of the property including fire and life safety, general review of the information provided through the table top review such as number of bedrooms, entrance and exit locations, general confirmation of areas identified for parking and confirmation of all required landscaping, etc.
  - a. Additional site inspections may be required if structural or building concerns have been identified as a result of the initial inspection that may require further inspection from Building Department Staff. (Additional fees would be applied for an inspection completed by Building Department staff).
- 6) Once the on-site inspection has been completed, a full report completed by Staff to issue clearance of the application moving forward or detailed deficiencies that have been identified that require an additional inspection(s).
- 7) Once By Law staff have been provided with all required clearances specific to the application (new and renewal), and confirmation that all fees have been collected and no outstanding balances with the municipality are listed under the subject property, the License issuance process would be initiated.

- 8) It is being suggested for consideration by Council that a Business License could be implemented and would be supplied (a fee to be considered) to the property owner that confirms the zoning and use conforms to the Towns zoning.
- 9) In addition to the Business License, the appropriate License for a Short Term Accommodation use could be issued.
- 10) Both the Business License and the Short Term Accommodation License could also be considered for one year terms. Currently Short Term Accommodation Licenses are issued for two years. This review will be completed through the Public meeting and future consultation process.

### Proposed Municipal Licensing By-law

The major change from the current Short Term Accommodation By-law to the proposed Licensing By-law is how the By-law is laid out.

First, the proposed Licensing By-law breaks out Short Term Rentals into five types. The separation into categories will help provide clarity specifically in regards to the requirements in certain areas of the town and the types of licensed Short Term rental properties. Currently, the Town has one License type for Short Term Accommodation.

Secondly, the inclusion of Bed & Breakfasts (B & B's) and Commercial Rental Units (CRU's) into the Licensing regime will assist in tracking the properties and units that currently operate as rental units. The proposed By-law will assist in providing clear differences in what the specific property rental is rented and is operating as.

The Draft Municipal Licensing By-law proposes the following types for Short Term property rentals;

**Type A** - For properties that are located within the identifiable exemption areas identified for Short Term Rental use.

**Type B** - For properties that are located outside of the exemption areas identified for Short Term Rental use.

**Type C** - For properties that have been provided Legal non-conforming use for Short Term Rental use of the property

**Type D** - For Bed and Breakfast establishments that have been approved through the required Planning process.

**Type E** - For Short Term Rentals that are required to be a member of a fully centralized rental company.

The requirements of each type of License are fully detailed in Schedule C, Schedule D, Schedule E, Schedule F and Schedule G are outlined in attachment 1 in this Report.

Suggested Time Line that has been proposed by Staff as follows.

<b>Date</b>	<b>Meeting Type</b>	<b>Staff Report/Action</b>
October 28, 2019	Committee of the Whole	
November 13, 2019	Council Meeting	Approve Staff report FAF.19.202
		Advertise Public Meeting (minimum 21 days)
December 16, 2019	Council Meeting	Public Meeting
***January 2020***	Committee of the Whole	Staff Report for follow up to the Public Meeting
***January 2020***	Workshop	Detailed description of the Short Term Rental Program
***January 2020***	Council Meeting	Endorsement of Committee of the Whole Staff Report
***January 2020***	Budget Deliberations	Consideration of staffing needs and Fees and Charges
***February 2020***	Committee of the Whole	Request to Establish By-laws and consider final proposed Fees and Charges
***March 2020***	Council	Implementation of By-laws and Budget approval
April/May 2020		Implementation and Enforcement of New Licensing By-law

\*\*\*Schedule not yet set due to procedural by-law review and potential impacts to changes to Council schedule\*\*\*

In addition, during 2020 Budget deliberations Council may wish to provide early approval to the Short Term Rental Property Program including consideration of staffing and resource needs to deliver level of service set by Council that will be considered in a future report to Council as outlined in Staff Report FAF.19.204 "Establishing a Corporate Legal Services Department" being considered at the October 28, 2019 Committee of Whole concurrently to this staff report.

## **E. The Blue Mountains Strategic Plan**

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Goal #1: Create Opportunities for Sustainability

Objective #1 Retain Existing Business

Objective #2 Attract New Business

Objective #3 Promote a Diversified Economy

Objective #5 Improved Visibility and Local Identity

Goal #2: Engage Our Communities & Partners

Objective #1 Improve External Communication with our Constituents

Objective #3 Strengthen Partnerships

Goal #3: Support Healthy Lifestyles

Objective #1 Promote the Town as a Healthy Community

Objective #3 Manage Growth and Promote Smart Growth

Objective #4 Commit to Sustainability

Goal #4: Promote a Culture of Organizational & Operational Excellence

Objective #2 Improve Internal Communications Across our Organization

Objective #3 To Consistently Deliver Excellent Customer Service

Objective #4 To Be a Financially Responsible Organization

Objective #5 Constantly Identify Opportunities to Improve Efficiencies and Effectiveness

Goal #5: Ensure Our Infrastructure is Sustainable

Objective #3 Implement Best Practices in Sustainable Infrastructure

Objective #4 Ensure that Infrastructure is Available to Support Development

## **F. Environmental Impacts**

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The addition of a Municipal Licensing Regime will encourage and support appropriate and sustainable community programs.

## **G. Financial Impact**

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By way of this report, Staff are providing full disclosure and are providing the information to Council, members of the Public and the Short Term Accommodation Industry that the Draft By-laws attached to this report does anticipate additional staff resources and look to Council to provide guidance as to how funding strategies for Licensing programs are to be considered for instance;

- Full cost recovery
- % of cost recovery offset by taxation
- Full taxation

Additional consideration of cost relating to the town establishing a Municipal Tribunal to deal with offences of certain Municipal By-laws.

## **H. In consultation with**

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Councillor Bordignon

Senior Management Team

By Law Enforcement

Planning Staff

## **I. Public Engagement**

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The topic of this Staff Report has been subject to a number of Public Meetings and previous staff reports. Those who provided comments at the Public Meetings including anyone who has asked to receive notice regarding this matter, has been provided notice of this Staff Report.

## **J. Attached**

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1. Municipal Licensing By-law
2. Municipal Administrative Penalty By-law

Respectfully Submitted,

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Shawn Everitt  
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For more information, please contact:

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