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**Date** March 2, 2021 **Report No.** 2021-165

**To** Chair and Members  
Committee of the Whole – Operations and Administration

**From** Brian Hutchings  
Chief Administrative Officer

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## 1.0 Type of Report

Consent Item ☐  
Item For Consideration ☒

## 2.0 Topic **Proposed Regulations for Short Term Rental Accommodations [Financial Impact: \$2,500 Estimated Revenue]**

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## 3.0 Recommendation

- A. THAT report 2021-165 entitled Proposed Regulations for Short Term Rental Accommodations BE RECEIVED; and
- B. THAT staff BE DIRECTED to present a by-law for Council's consideration once the Zoning amendment process, including any applicable appeal process, has completed that implements a Short Term Rental Accommodation registry program with the following parameters:
  - i. Name and contact details of the owner;
  - ii. Property details including maximum guests;
  - iii. Completion of a Short Term Rental Accommodation operator questionnaire;
  - iv. Registration fee of \$50.00;
  - v. Validation statement that includes such items as insurance, good neighbour responsibilities, and rental property details; and

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- C. THAT staff BE DIRECTED to provide an update report on the Short Term Rental Accommodation program in Q1 of 2023.

## 4.0 Executive Summary

November 19, 2019, Council approved recommendations that included the licensing of hotels and motels, and for staff to further investigate the feasibility of regulating short term rental accommodations. As a result, staff have conducted research relative to the short term rental accommodation market locally, municipal comparator data, engaged the public and key stakeholders with consultation, and are presenting three (3) options for consideration.

In formulating the options, staff considered the global impacts of the ongoing pandemic across all business sectors, and particularly the hospitality sector. The recommended option is briefly noted within the executive summary. Section 9.5 of the report contains more detailed information on the recommended option and two (2) additional options.

### Option 1 – Annual Registration Model - RECOMMENDED

A registration model for short term rental accommodations is recommended by staff at this time. The registration would capture information on short term accommodations within the city relative to the location of the property and accommodation details, as provided by the operator. The creation of an annual database would provide information that can be further analyzed for future program purposes, and also be used to respond to queries or complaints, without the risk of inadvertently over-regulating with a licensing schedule (without pertinent data and the adequate resources to support the efforts).

In addition to sufficient enforcement resources, obtaining clear and accurate information on listings is a challenge due to the fluidity of the market, the ongoing global pandemic, and the non-responsiveness of platform operators. The registration model would typically only allocate enforcement resources when a complaint is received, and would be addressed by the appropriate department based on the nature of the complaint (i.e. noise, property standards, fire safety concerns, etc.). The registration model would not require the City to resolve complaints pursuant to any business function of the accommodation. As the City would not be completing pro-active inspections like it would with a traditional a licensing program, the fee for administering the registry would be much less than a licence fee. The implementation would take place after

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Planning solidifies any definition or zoning requirements as part of their public engagement process.

## **5.0 Purpose and Overview**

As a result of the research conducted pursuant to the regulation of hotels and motels, Brantford City Council endorsed a staff recommendation to conduct a review of short term rental accommodations. As a result, City staff has undertaken a preliminary review of the current short term rental accommodation environment within the City of Brantford, and received information from the public, Ontario Restaurant Hotel and Motel Association (ORHMA), the Chamber of Commerce Brantford-Brant, and the Economic Development & Tourism Department, relative to the potential for regulating this type of business within the City of Brantford.

The COVID-19 pandemic has had clear, devastating impacts on the commercial hospitality industry, in particular Brantford's hotels. However, this report focuses on the general topic of regulation authorized under the Municipal Act, and is not meant to be a temporary solution in response to pandemic restrictions.

## **6.0 Background**

November 19, 2019, City Council approved for the municipal licensing of hotels and motels through report 2019-555. In addition to implementing a licensing program for hotels and motels, the report also recommended a more comprehensive review of short term rental accommodations (i.e. AirBnb). This report addresses the direction provided to staff.

The concept of short term rental accommodations contributes to the sharing economy. In addition to accommodations, the sharing economy also includes services like ride shares (i.e. Uber), bikes, community gardens, and more. While the short term rental accommodation model is a relatively new business concept

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in the last decade or so, it has greatly contributed to the “sharing economy,” which “connects individuals or businesses that are looking for a particular product or service to those that have it”<sup>1</sup> as described by the Canada Revenue Agency. Further, the short term accommodation arrangements are generally booked using third party online platforms including but not limited to: Airbnb, Vacation Rental By Owner (VRBO) and Flipkey. Prospective guests can easily search the online platforms for available accommodations at a location of their choice and instantly be connected with photos, guest reviews and amenity information.

For a variety of reasons, in recent years many municipalities have developed regulations for short term rental accommodations. For example, The Town of the Blue Mountains implemented a program in response to the growth of the area as a tourist destination and the increasing demand for a range of accommodation types, with the aim to balance the needs of property owners with those of residents looking for safe, adequate and properly maintained accommodation<sup>2</sup>. The City of Toronto implemented a program intended to result in putting more traditional, longer term rental units back on the market as part of their housing strategy, by containing the short term accommodation rentals to principal residential units only.

While both the Large Urban Mayors’ Caucus of Ontario (LUMCO), now named Ontario’s Big City Mayors (OBCM), and the Federation of Canadian Municipalities (FCM) have produced guides in 2017 and 2020 respectively, for municipalities on ways to navigate the sharing economy, a common trend amongst these and many other forms of research is that listing information can be difficult to obtain. In terms of short term rental accommodations, third party platforms remain silent on requests to obtain information, and require intention

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<sup>1</sup> “Compliance in the Platform Economy.” *Canada Revenue Agency*, [https://www.canada.ca/en/revenue-agency/programs/about-canada-revenue-agency-cra/compliance/sharing-economy.html#toc2\\_2](https://www.canada.ca/en/revenue-agency/programs/about-canada-revenue-agency-cra/compliance/sharing-economy.html#toc2_2). 23 Feb. 2021.

<sup>2</sup> Ministry of Finance “*The Home Sharing Guide for Ontario Municipalities*” p33

to book before providing specific details about the rental. Obtaining a sense of exactly how many listings are operating within the City on any given day can be a challenge for regulators, as an operator of a short term rental accommodation can spontaneously turn their listing on and off.

## 7.0 Corporate Policy Context

The Short Term Accommodation registry connects with the Council Priority that “All neighborhoods in the City are safe, vibrant, attractive, and inclusive” in a supportive role in efforts undertaken by various enforcement agencies, as well as mitigation steps in nuisance control measures.

## 8.0 Input From Other Sources

Staff collaborated with a number of individuals, agencies, and departments to review short term rental accommodations from various perspectives. The input addresses key themes around business, tourism, housing, and planning.

### 8.1 Response to Public Survey

A survey was made available on the City’s website in November 19<sup>th</sup> to December 6<sup>th</sup>, 2020 and was circulated to a number of organizations and businesses throughout the City. A total of 85 responses were received. The survey was open for two weeks and was promoted through the City’s website, email, and social media platforms. The survey was also later sent out to the Tourism Advisory Committee members for individual responses on account of meetings being temporarily suspended as part of the pandemic response. Some general themes of the responses are outlined in the table below, noting that many of the responses seem to be rather evenly split.

Question Topic	Comments from Respondents	Outcome
Respondent’s position on whether short term rental accommodations should be regulated (licensing or registration)	55% in favour of regulating  45% not in favour of regulating	Propose a registration process and not a typical licensing schedule

Own or operate a short term rental accommodation in the City of Brantford	14 respondents indicated they own/operate a short term rental accommodation  71 respondents indicated they do not own/operate a short term rental accommodation	Challenge to connect with operators
Short term rental accommodations have a positive, negative, or no impact on the affordable housing inventory	Positive impact: 24%  Negative impact: 45%  No impact: 31%	Creating a registry to determine location and number of short term rental accommodations in the City, and review the potential for impacts on the housing inventory
Short term rental accommodation should be the principal residence of the owner operator	52% agree  48% disagree	May result in over-regulating at this point without pertinent data to support the regulation
There should be limits on the total number of nights per year a short term accommodation can be rented	48% agree  52% disagree	May result in over-regulating at this point without pertinent data to support the regulation
Summary of Additional Comments (not all inclusive):		
<ul style="list-style-type: none"> <li>• Short term rentals give choice to consumers and provide creative alternatives to traditional accommodation, fills a gap in services not previously available.</li> <li>• Brantford needs safe places to stay and to present a nice experience for visitors</li> <li>• With the right regulations it can be a service that is offered safely and respectfully to all those involved.</li> <li>• "As a restaurant owner I rely on travellers. Don't make things harder than they already are! This isn't Toronto and you don't need laws for the sake of it."</li> <li>• "All accommodations should be regulated."</li> <li>• Houses should not operate as hotels.</li> <li>• "The City should take a practical approach implementing this without wasting too many resources developing and enforcing this. City should reach out to other</li> </ul>		

municipalities who have implemented this of similar size and demographics for lessons learned.”

- “With Brantford having a problem with rental unit inventory allowing for unregulated short term rentals will exacerbate the problem.”
- “This will impact the motel business in our City”.

## **8.2 Chamber of Commerce Brantford-Brant:**

The Chamber of Commerce Brantford Brant provided the following recommendation that was approved by the Board of Directors in December, 2020.

### **“RECOMMENDATIONS:**

*The Chamber of Commerce Brantford-Brant urges the City of Brantford to:*

1. Allow for entrepreneurial activity to meet consumer demand for this sector, which may increase opportunities for tourism and allow for existing home ownership to continue.
2. Implement a regulatory framework that minimizes the negative consequences of short term rentals and ensures consumer and neighbourhood safety.”

## **8.3 Hotel Association of Canada**

The Hotel Association of Canada and the Ontario Restaurant, Hotel and Motel Association have shared a Roadmap to a Modern Framework (attached) for Local Governments that covers eight (8) regulatory tools for short term accommodations used in other markets throughout the world.

## **8.4 Ontario Restaurant, Hotel and Motel Association (ORHMA)**

The ORHMA feels very strongly that short term rental accommodations are regulated as is evident in the attached letter. In summary, ORHMA’s position is that short term rental accommodations should be regulated similarly to hotels/motels to provide a level playing field for

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accommodation providers. They further report that Brantford's (and much of Ontario's) hotel industry has suffered devastating losses and operating revenues are at a record low on account of the COVID-19 pandemic impact on global leisure and corporate travel.

## **8.5 City of Brantford Tourism and Economic Development Assessment**

### **8.5.1 COVID-19 Impacts on the Tourism Industry**

Although this report is meant to focus on industry regulation in general, Economic Development and Tourism Department staff would be remiss not to identify the global pandemic that has had a devastating effect on the tourism and hospitality over the last year.

In Ontario, this industry was hit the fastest, the hardest, and will yield longer-term impacts than all other industries in Canada. Prior to COVID-19, the tourism and hospitality industries were leading economic growth across the Province. Heritage, sport, tourism and culture industries delivered \$75 billion in economic impact to the Province – more than the forestry, mining and agricultural sectors combined.<sup>3</sup>

The new economic reality, and the industry's need to adapt to social restrictions that inhibit social confidence, mean that the impact of COVID-19 on these industries will endure long after the disease has been eradicated.

### **8.5.2 Factors that differentiate Brantford from other markets enacting STR regulations**

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<sup>33</sup> Ministry of Heritage, Sport, Tourism and Culture Industries.



According to a study by the Brookings Institution, a nonprofit public policy institution, the impact of short term accommodation rentals (specifically Airbnb) on the hotel industry is quite low globally (1.3% loss of business, 1.5% loss of revenue).<sup>4</sup> If travellers prefer to stay in private accommodations (whether for ambiance, proximity to attractions, price, or just general personal preference) it can be seen as important that Brantford has a presence on short term accommodation rental third-party applications to remain competitive as a destination.

Although globally the impact on the hotel industry was low prior to the COVID-19 pandemic, the Hotel Association of Canada (HAC) conducted a study in 2017 that showed that short term rental accommodations is growing exponentially. In particular, short-term accommodations run by commercial operators is far outpacing home sharing; up to 80% of rentals are happening when the owner is not present.<sup>5</sup>

Without comprehensive statistics provided by short term rental accommodations third-party applications, it is difficult to determine what the definitive impact is on the local hotel industry.

Most of the municipalities that have enacted the STR regulations are larger by population, but some smaller municipalities are now catching up. From an economic development and tourism perspective, it would seem appropriate to be regulating at this time, especially because Brantford has very few short term accommodation rental options compared to hotel rooms (699 rooms to date).

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<sup>4</sup> (Farronato & Fradkin, 2019), 22.

<sup>5</sup> <http://new.hotelassociation.ca/wp-content/uploads/2018/06/Full-Report.pdf>

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#### **8.5.2.1 Sport Tourism**

Short term accommodation rental options aren't necessarily conducive to tournaments where families are looking to stay in the same accommodations as other team members, and typically choose hotels with both food options and a pool. Short Term Rental Accommodations contribute to a low impact on sport tourism.

#### **8.5.2.2 Travelling for Work**

Travelling for work has a higher impact, but would likely be low given the low number of short term rental Accommodations options and the need/desire for hotel services, such as fresh linens, easy access to food, complementary concierge services, etc. The higher impact would be on the smaller hotels with less amenities that rely on corporate clients (a lot of construction) or the corporate clients who choose hotels with full kitchen amenities. Short term rental accommodations utilized by corporate travellers likely contribute to a higher impact on hotels.

#### **8.5.2.3 Special Events/Arts and Culture**

The impact depends on the location of the short term accommodation rental and its proximity to public transportation. Traditionally, larger scale events, including large tournaments and music festivals, sell the majority of hotel rooms in the area and can partner with tournaments and events for competitive rates. Some tournament hosts choose to have their players stay at out of town hotels

The Visiting Friends and Relatives Market is also extremely prevalent for these types of events, and often travellers will stay with their friends/family rather than rent short-term accommodations of any type.

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#### **8.5.2.4 Accommodations for Surrounding Areas**

The City does experience overnight stays in the hotel industry from guests visiting neighbouring counties. Pre-COVID-19 new hotels opened, which helped respond to having to previously having to turn away guests on busier days/weeks. Some groups, specifically tournaments, still decide to stay in bordering communities for a variety of reasons, including cost and blocked room availability.

#### **8.5.2.5 Municipal Accommodation Tax (MAT)**

The City of Brantford does not currently collect a Municipal Accommodation Tax (MAT) from Brantford hotels. A Municipal Accommodation Revenue Tool Task Force was established in June 2019, but has not made formal recommendations to Council to date due to the COVID-19 pandemic impacts on the accommodations industry.

### **8.6 Planning**

Short term rental accommodations are not currently defined or regulated under the City of Brantford Zoning By-law 160-90 or in the County of Brant Zoning By-law 61-16 for the annexed lands. Planning Staff have commenced a City-initiated Zoning By-law amendment application (PZ-03-21) in order to address short term rental accommodations. The proposed Zoning By-law modifications will define “short term rental accommodations”, permit the use and provide general regulations. A Public Information Meeting will be held to obtain public comments on the proposed amendment in mid-March 2021. Planning Staff will be bringing a separate report for Council’s consideration in the second quarter of 2021. Should Council wish to implement the Short Term Accommodation registry program, the by-law to enact said program would not be presented until the above Planning processes have been completed, including any appeal process that may occur.

### **8.7 Housing - Rental Housing Inventory Impacts**

Limited studies are available that document the rental housing inventory impacts of short term rental accommodations (STR), however there is evidence indicating short term rentals can increase rental housing rates and housing prices. Samples of research from organizations such as the University of Southern California and Harvard Business Review indicate “a one percent increase in [STR] listings led to a 0.018 percent increase in rental rates and 0.026 percent increase in housing prices.” STR listings have been documented to decrease the number of long-term rental opportunities in Canada, creating supply pressure to rental housing markets. This decrease of long-term rental supply invariably results in an increase to overall average market rents for those markets most affected by STR listings. This pressure is less likely to affect affordable housing rentals, as indicated in a 2017 report from McGill University stating “...in general, the neighbourhoods which have seen the most potential loss of long-term rental housing to [STR] are not areas with relatively affordable rents in their purpose-built rental sectors (Aug. 10, 2017, Wachsmuth, D, et. al., “Short-Term Cities” McGill University School of Urban Planning).

The research regarding rental housing impacts and STR accommodations is centered around major metropolitan areas and has also seen significant impacts by the COVID-19 pandemic. It is likely some impacts to the local rental housing market may be the result of STR accommodations however these are considered to be nominal at this time.

## 8.8 Comparator Municipalities

The following information has been compiled from municipalities that are actively regulating short term rental accommodations:

Municipality	Accommodations	Comments
Town of Oakville	Rentals of less than 28 days  Operator Licence (applicant is the one responsible for the accommodation)  Company Licence (platform advertising for the operators)	Implemented the company licence for platforms and has not yet achieved compliance

City of Toronto	<p>Rentals of less than 28 days</p> <p>Short-term rental company licence: A short-term rental company is any company facilitating or brokering short-term rental reservations online and receiving payment for this service</p> <p>Short-term rental operators licence: people renting their homes on a short-term basis</p>	Online registration system for rentals that includes the applicant agreeing to terms of use of the registry
Municipality of Grey Highlands	Operators register for a Short Term Accommodation permit online through the building permit website	Registration package is reviewed by the team and a life safety inspection is conducted at the property
Town of Fort Erie	Licence allows operator 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	In the very early stages of implementation
Town of Blue Mountain	<p>Licence applicable for premises rented on a basis of 30 consecutive days or less</p> <p>Does not include a motel, hotel, bed and breakfast establishment, tourist cabin or cottage, hospital, commercial resort unit, village commercial resort unit or similar commercial or institutional use</p>	Implemented a demerit point system for enforcement

Prince Edward County	<p>STAs cannot contain more than four guest rooms with a total maximum occupancy of eight people.</p> <p>With bed and breakfast establishments or other owner-occupied (primary residence) STAs, the maximum occupancy is 10 people.</p> <p>Children under 10 years of age do not count towards the maximum occupancy.</p> <p>STAs with five or more guest rooms may be permitted in designated settlement areas or in the Shore Land Designation with a site-specific zoning by-law amendment.</p>	
City of Vaughan	<p>Short-term rentals are considered rentals for periods of time (not more than 29 consecutive nights) for a fee</p> <p>Must be primary residence</p> <p>Both owners and brokerages require licences</p>	
Niagara On The Lake	Included within this licence: Bed & Breakfasts, Cottage Rentals, Country Inn, Vacation Apartment, Villas	
Town of Georgina	Short-term Rental Accommodations (STRA) refer to people renting their residence, or part of it, for short periods of time primarily through internet-based platforms such as Airbnb, VRBO and Kijiji.	

## 9.0 Analysis

### 9.1 Regulation of Short Term Rental Accommodations by Municipalities

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In recent years, several municipalities have developed and enforced regulation for short term rental accommodations for a variety of reasons. Some of the main drivers of regulatory programs include: the protection of housing availability and affordability, tourism, establishing regulatory equity amongst accommodation providers, ensuring the health and safety of guests, revenue for taxes owed, neighbourhood compatibility, and compliance.<sup>6</sup>

It is important for municipalities to focus on their goals that regulation would achieve and also to note that some drivers may be competing against each other, for example protection of housing availability and affordability and tourism. There is no one-size-fits-all approach or scientific formula to determine the most appropriate municipal regulation of short term rental accommodations.

Short term rental accommodations can be a very fluid business in the sharing economy. Listings can appear consistently for long periods of time on various platforms and alternatively, they can appear more inconsistently depending on the model of the business and or the will of the operator. Essentially the operator can list their short term rental one day, and unlist it the next. This makes it difficult to identify exactly how many short term rental accommodation units are operating within the City at any given time.

Further, the current pandemic being experienced worldwide has seen a number of strict travel restrictions enforced which has had a tremendous impact on the tourism and accommodation industries. Some travellers, for example, would feel safer in a private home accommodation than in a larger hotel. This makes it difficult to ascertain when travel will resume and what the market for short term rentals will look like in Brantford.

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<sup>6</sup> Shannon Jamison, Eric Swanson, *“Regulating Short Term Rentals – A Toolkit for Canadian Local Governments”* (Generation Squeeze, 2020)

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## **9.2 Equitable Regulation**

The City currently licenses two (2) categories that are related to accommodation: Hotels/Motels and Lodging Houses. The goal of licensing of Hotels/Motels was to provide the necessary inspections for the safety of consumers and to require specific record keeping that could be submitted to the City or police upon inspection. Unfortunately licensing cannot legally serve as a lone vehicle to regulate some of the undesired activity that may take place at various accommodations but it can, and does, communicate the expectations established by Council and that City regulations are in place for the safety and protection of consumers, and nuisance control for patrons of the accommodations. In addition to the licensing of Hotels/Motels and Lodging Houses, the City also administers a registration program for Group Homes under Municipal Code Chapter 545, for an annual fee of \$50.00 per location.

## **9.3 COVID-19 Pandemic Impact on Accommodation Providers**

In April 2020, the Province of Ontario's State of Emergency Declaration banned or restricted short term rentals, which was a similar strategy employed by the Province of Quebec and some US states in an effort to combat the spread of COVID-19. Under the same Emergency Order, hotels and motels were permitted to remain open without restrictions.<sup>7</sup>

While the total impacts of the pandemic on the hospitality sector are not yet known, the Canadian Hotel Association reported that "since the shutdown, hotels have laid off more than 250,000 workers and reported a

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<sup>7</sup> Gray, Jeff. "Ontario joins Quebec in restricting short term rentals during coronavirus pandemic." *The Globe and Mail*, (6 April 20) <https://www.canada.ca/en/revenue-agency/programs/about-canada-revenue-agency-cra/compliance/sharing-econo> [https://www.theglobeandmail.com/canada/toronto/article-ontario-joins-quebec-in-restricting-short-term-rentals-during/my.html#toc2\\_2](https://www.theglobeandmail.com/canada/toronto/article-ontario-joins-quebec-in-restricting-short-term-rentals-during/my.html#toc2_2). 23 Feb. 2021.



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90 per cent drop in revenue as occupancy plummeted to less than 5 per cent, according to Hotel Association of Canada president Susie Grynol.”<sup>8</sup>

### **9.3.1 Economic Relief/Support for Hotels**

In recognition of the impacts the pandemic has had on the hotel industry, there are various forms of assistance now available through the Federal and Provincial Governments to hoteliers who may qualify. There are grants and loan programs designed to assist qualified applicants with costs associated with the pandemic (i.e.: grants for PPE, loans for operational costs, and utilities). There are a number of grant programs available for businesses including but not limited to the Highly Affected Sectors Credit Availability Program (HASCAP) Guarantee, Canadian Emergency Business Account (CEBA), Canada Emergency Wage Subsidy (CEWS) and the Canadian Emergency Rent Subsidy (CERS).

## **9.4 Enforcement Capacity**

In addition to the Licensing Compliance Officer, Chapter 326 of the Municipal Code provides enforcement authority to the Brantford Police and the City’s By-Law Enforcement team. Further, the Building Department, Brantford Fire Department and Brant County Health Unit have jurisdiction over any compliance matters related to their respective expertise. Enforcement resources, specifically at the City have been heavily dedicated to new legislation and regulations in response to managing the ongoing COVID-19 pandemic.

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<sup>8</sup> Jackson, Emily. “Catastrophic: Tourism industry decimated from COVID-19 will need more help if it wants to survive.” *The Financial Post*, (22 April 20) <https://financialpost.com/news/retail-marketing/tourism-catastrophic-hit-covid-19>. 23 Feb.2021.

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Limited or lack of enforcement capacity appears to be a common challenge for enforcing Short Term Accommodation regulations throughout larger, more densely populated markets. Many municipalities conduct enforcement using a complaint-based model where staff is made aware of a non-compliant listing only after a complaint has been filed. Consequentially, unenforced regulations may lead to a large number of listings operating illegally. For example, the McGill International Review reported that “as a result of unenforced regulations, a large chunk of Airbnb listings operate under illegal pretenses — in New York, 45 per cent of all Airbnb reservations are illegal, accounting for over 66 per cent of all revenue earned by hosts.”<sup>9</sup>

## **9.5 Options for Regulating Short Term Rental Accommodations in the City of Brantford**

The City’s Business Licensing program is driven by three main objectives:

1. Health and Safety
2. Nuisance Control
3. Consumer Protection.

Staff have developed the following three (3) options for consideration. The options contain different approaches and information relative to administration, compliance, enforcement, anticipated costs, and timeframes and keep the program objectives in mind in their development.

### **9.5.1 Option 1 - Annual Registration Model - RECOMMENDED**

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<sup>9</sup> Malapit, Dana. “The “Airbnb Effect” on Affordable Housing”, *The McGill International Review* (5 Aug. 2020) <https://www.mironline.ca/the-airbnb-effect-on-affordable-housing/>. 23 Feb. 2021.

The staff recommended option would be to initiate a Short Term Accommodation registration program, initially for two years. Implementing a registration system would provide the municipality the ability to assess and monitor the short term accommodation market by collecting information, by way of an application and questionnaire, relative to the location, operator, property details, and more. The operator would agree to the terms of the registry that outline good neighbor responsibilities but inspections would not be required prior to operating. Complaints received relative to the property would be directed to the appropriate enforcement authority (i.e. Building, Fire, Health). Administering the short term rental accommodations registry on an annual basis would see the operators renew their listing if still operating by April 1<sup>st</sup> of each year, which would coincide with the City's Business Licensing program annual renewal date.

An application fee of \$50 would be applied to the submission of the registration, which is considerably less than a licensing fee as items such as inspection costs and direct enforcement costs would not be calculated into the fee amount, as they would be with the City's Licensing fee structure. The recommended fee is in line with the administration fee applied to the current Group Home Registrations process.

The initial year of the registration program would focus on educating the industry of the new requirements by way of a public service campaign. Staff in Licensing would work with partners in adjacent departments or agencies to inform the operators of short term accommodations of the new registration requirement and allow time for owners to submit details to the City. It is important to note that a registration program does not have the same enforcement options that a Business Licence program would offer, however the registration would ensure the locations were noted, the market could be evaluated, and should an issue arise at the property a record of the operator would be filed with the City for enforcement options connected with the issue on the property (i.e. noise complaints, parking concerns, etc.).

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### **9.5.2 Option 2 - Annual Business Licensing Model**

The City currently licenses 14 different categories of businesses. Each category has separate regulations for which a licence can be issued once the application process has been completed. In addition to an application form and supporting documentation (i.e. site sketch, certificate of insurance, etc.), many business licence applications require inspections or approvals by a number of City departments including, Building, By-Law, Fire, and partner agencies like the Brant County Health Unit and Brantford Police Department. The Licensing Team coordinates the submission, circulation, follow-up and issuance of all business licences.

Developing a business licensing program for short term rental accommodations would require Council to set the goal of the program so that staff can determine an effective enforcement response and adequate resources on all the inspection, compliance, and administrative sides. A licensing fee would be determined based on a formula used consistently across all categories, and is built on costs associated with administration, inspections, enforcement, prosecution, etc. and would likely range from \$400 to \$600 for a new licence and \$300 to \$500 for annual renewals.

Staff do not recommend this option at this time as the market is truly unknown based on various impacts. Research conducted with municipalities that have created a licensing program have indicated a large staff time commitment is needed to adequately and responsibly maintain the program deliverables. At this time the current staff complement within the Licensing division of the Clerk's Services Department does not have the capacity to take on the new program. Many new licensing programs, such as Taxi Regulations, Payday Loans, Hotel and Motel, and Clothing Donation Bins have been added to the complement over the past years with no additional staffing supports to correspond with those additions. A starting point of a registration program is recommended to better understand the Brantford market, observe the operation locations of the short term rental accommodations,

and have the ability to report back to Council in 2023 with program details.

Based on the research, local data and enforcement capacity, staff is recommending a registration system and not a full scale licensing program at this time. However, should Council wish to initiate a Licensing program, the following amendment to Clause B the recommendation could be presented:

*B. THAT staff BE DIRECTED to present to Council a report that outlines the impacts of a Short Term Accommodation Business Licensing program including staffing impacts, fees, inspections and a recommended Licensing Schedule (by-law); and*

### **9.5.3 Option 3 – Maintain Status Quo and Review in 2023**

This option would see short term rental accommodations operate without City involvement pursuant to the specific function. City by-laws would continue to be enforced for all matters related to property standards, noise, etc. independent of a short term rental accommodation regulatory program.

Should Council wish to not implement either a registration or Licensing program, the following amendment to the recommendation could be presented:

*THAT Clause B BE STRUCK from the recommendation and renumbered accordingly.*

## **10.0 Financial Implications**

Staff is recommending an annual registration fee of \$50 per listing. This fee is consistent with the City's registration fee for Group Homes and is also the same as the City of Toronto short term accommodation registration fee. While it is difficult to estimate the total number of annual registrants the city might process, currently staff believe there are approximately 50 listings in the Brantford area, but understand pre-pandemic the number of listings was higher.

## **11.0 Conclusion**

In the short term, the City has the capacity to launch a registration process that would see short term rental accommodations defined, and an online registration system deployed to include details on the listing provided by the operator for a fee of \$50. The registration program would provide staff the opportunity to review the response and report back to Council in 2023 (after the 2022 election year) with a summary of the program and any additional recommendations if prudent.

In the longer term should Council prefer that a comprehensive licensing program be developed for this type of business category, regulatory goals would first need to be defined, followed by additional research and consultation prior to establishing the regulations.



Brian Hutchings, CAO

Prepared By:

Tanya Daniels, Clerk and Director of Clerk's Services  
Jill Binkley, Supervisor of Elections, Licensing and Administrative Services  
Sara Munro, Manager of Tourism, Culture and Sport (Section 8.5)  
Alexandra Mathers, Planner, Development Planning (Section 8.6)  
Kevin O'Hara, Manager of Housing Stability (Section 8.7)

Attachments (if applicable)

Letter from the Chamber of Commerce Brantford-Brant

Hotel Association of Canada – Framework

Letter from the ORHMA

By-law required

☒ yes ☐ no

Agreement(s) or other documents to be signed by Mayor and/or City Clerk

☐ yes ☒ no

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Is the necessary by-law or agreement being sent concurrently to Council?

☐ yes ☒ no