

THE MUNICIPALITY OF LAMBTON SHORES

Report CAO 14-2022

Council Meeting Date: October 18, 2022

TO: Mayor Weber and Members of Council
FROM: Steve McAuley, CAO
RE: Short-Term Rental Licensing Program Update
RECOMMENDATION:

THAT Report CAO 14-2022 regarding the “Short-Term Rental Licensing Program Update” be received.

SUMMARY

This report provides Council with an update on the status and implementation of the Short-Term Rental Licensing Program.

BACKGROUND

By-Law 43 of 2022 Short-Term Rental Licensing comes into effect on February 1, 2023. Prior to the licensing program implementation, By-Law 29 of 2022 Short-Term Rental Registration was passed and requires all short-term rentals to register with the Municipality by June 1, 2022. At present there are 360 short-term rentals registered with the Municipality.

There are several steps that need to occur to facilitate the implementation of the Short-Term Rental (STR) Licensing Program, as described in the sections below.

Amend By-Law 29-2022 Short-Term Rental Registration

Currently, STR registrations under By-Law 29-2022 expire January 31, 2023, and the Short-Term Rental Licensing By-Law comes into effect on February 1, 2023. To allow for a phased-in licensing program, the registrations need to extend beyond the January 31 expiration to ensure those STRs registered remain compliant until such time that staff has processed and issued licences under the Licensing By-Law. The amending by-law to extend registration validity is included in Council's agenda. The new expiration is set at June 1, 2023, which allows sufficient time for licences to be processed.

It is to be noted that although registrations may remain valid up until June 1, 2023, all STRs will be required to abide by the provisions of the Licensing By-Law when it comes into effect on February 1, 2023.

Amend By-Law 43-2022 Short-Term Rental Licensing

With the guidance of legal counsel, minor revisions have been made to By-Law 43 of 2022 Short-Term Rental Licensing to provide clarity and for house-keeping purposes.

The amended by-law is included in the Council agenda. Draft Short Form Wording (set fines) associated with By-Law 43-2022 is attached.

Appeals Committee

By-Law 43 of 2022 Short-Term Rental Licensing includes an appeals process for STR owners whose licences have been suspended or revoked or the Director has refused to issue a licence for reasons as outlined in the Short-Term Rental Licensing By-Law. The Committee will not hear issues related to singular fines or demerit points.

By-Law 78 of 2022 Short-Term Rental Appeals Committee and Rules is included in the Council agenda.

The Committee will be composed of one member of Council and four members of the public. The Committee will have the authority to uphold or change the Director's decision, and to impose conditions on the Licence that are not contrary to the provisions of the By-Law.

Committee recruitment will begin in early November, with the committee being selected through the existing committee selection process established by Council. It is anticipated that committee training will occur with Lambton Shores legal counsel in January 2023, prior to the implementation of the licensing program.

Licensing Implementation

As previously noted, there are 360 registered STRs in Lambton Shores. In anticipation of a high volume of licensing applications, staff recommend that the currently registered STRs are randomly organized into four groups with staggered licence application deadlines as follows:

	Application Deadline	Licence Date
Group 1	January 15, 2023	February 15, 2023
Group 2	February 15, 2023	March 15, 2023
Group 3	March 15, 2023	April 15, 2023
Group 4	April 15, 2023	May 15, 2023

The staggered deadlines will allow staff to issue licences in a timely manner. Staff will communicate directly with all registered STRs via email or letter advising them of their application deadline and the availability of resources to help guide them through the application process. Staff will communicate by phone if no response to the initial email and/or letter. Further, staff have developed a communications plan that utilizes the website, social media, and media releases to notify the STR owners and operators that may not be registered with the Municipality (e.g., new owners). Staff will also

communicate the information directly to larger STR platforms like AirBNB and VRBO. Additional STR licence applications that are not currently registered with the Municipality (new STRs) will fall into one of the deadlines identified above.

The Short-Term Rental Licensing Package is attached.

Next Steps

Staff have issued a Request for Proposal for third party compliance monitoring of STRs, including the implementation of a 24/7 hotline for STR complaints. The compliance monitoring contract will begin in early 2023.

Positions on the Appeals Committee will be advertised through November, with the committee being selected through the municipal selection committee process in December.

ALTERNATIVES TO CONSIDER

There are no alternatives presented. The information presented in this report is consistent with Council's previous direction related to Short-Term Rental Licensing.

RECOMMENDED ACTIONS

This report is provided to Council as an update on the Short-Term Rental Licensing Program. By-Law amendments and the STR Appeals Committee By-Law are included in the by-law section of the agenda for Council approval.

FINANCIAL IMPACT

As previously reported, staff have recommended a \$500 licensing fee per STR for the first year of the program. The fee will cover the cost of the third-party host compliance contract, wages for a Licensing Manager and additional resources for by-law enforcement.

CONSULTATION

Lambton Shores Legal Counsel
Stephanie Troyer-Boyd, Director of Corporate Services
Alex Boughen, Communications and Economic Development Coordinator
Ashley Farr, Director of Community Services

Attached:

- 1) 43 of 2022 STR Licensing By-Law Short Form Wording - DRAFT
- 2) STR Licence Application Package