



Staff Report C2024-10

Committee 2024-11-04

Council 2024-11-18

Amendments

Submitted To: Committee of the Whole | Council
Submitted By: Sara Almas, Director, Legislative Services/Clerk
Prepared By: Amanda Fone, Licensing and Compliance Officer
Subject: Short-Term Accommodation Licensing Service Update and Launch of Phase 2

Recommendation

THAT Staff Report C2024-10, “Short-Term Accommodation Licensing Service Update and Launch of Phase 2”, be received;

AND THAT Council enact and pass the updated Short Term Accommodation Licensing By-law to launch of Phase 2 of the Short-Term Accommodation Licensing Service as outlined herein;

AND THAT Staff be directed to monitor the outcomes of the STA Licensing Service and report back to Council within one year of the implementation with an update and any recommended adjustments.

Amendments

None.

1. Executive Summary

With an increasing interest in short-term accommodation (“**STA**”), the Town has developed a comprehensive approach to address concerns around these rentals while supporting residents who may rely on additional income to remain in their homes.

Since 2022, the Town has conducted a thorough review of STAs, including facilitating two public consultations. Community feedback has been instrumental in shaping the Town's Short-Term Accommodation Licensing Service (the "**Licensing Service**") to reflect local priorities. The consultations revealed broad support for licensing STAs to balance community needs, minimize impacts on long-term housing supply, and address concerns such as noise, parking, and safety.

In February 2024, Phase 1 of the Licensing Service was successfully launched, focusing on licensing bed and breakfasts as Class A Licences. Phase 2 will introduce two new licence classes: "**Class B – Principal Residence STA**" and "**Class C – Additional Residential Dwelling Unit STA**", and is planned to launch on January 6, 2025, contingent on Council's approval and no appeals to the Town's Zoning By-law Amendment.

This report provides an update on Phase 1 progress and outlines the next steps for implementing Phase 2, which will enhance enforcement, improve regulatory efficiency, and address community concerns.

2. Analysis

Background

Short-term accommodation ("**STA**") refers to the rental of a dwelling unit, or part of one, for 30 days or less. Currently, in Collingwood, only bed and breakfast are permitted as STAs. However, like many other municipalities in Ontario, Collingwood has experienced a significant growth in the use of entire dwelling units and Additional Residential Dwelling Units ("**ARDUs**") as STAs, despite bed and breakfasts being the only type of STA currently allowed under existing regulations. The increasing popularity of online rental platforms such as Airbnb, VRBO, and Booking.com, combined with the lack of provincial legislation regulating STAs, has made enforcing a ban on STAs more challenging. A third-party review of over 60 popular online platforms identified approximately 380 active STAs in Collingwood.

In response to community concerns regarding STAs and the increasing demand to permit them, the Town has been actively developing a robust regulatory approach to

manage these rentals. The key milestones in the development of the Town's STA Licensing Service are referenced in the resource section below.

As part of the STA review process, two public consultations were conducted, which revealed strong community support for licensing and regulating STAs in Collingwood. The feedback highlighted a shared understanding of the importance of establishing a fair and balanced regulatory approach that would facilitate improved management and enforcement of STA-related concerns while ensuring that STAs operate in a way that meets the community's needs. Overall, the consultations highlighted that the current system is not effective, and changes are necessary to address community needs, concerns and better manage STAs.

Based on consultation feedback, a review of municipal best practices, and other important considerations (e.g., by-law complaints and community input), [Staff Report C2023-24](#) proposed a two-phase approach to implementing the Licensing Service. This report received approval in November 2023, and in February 2024, Phase 1 of the Licensing Service was launched.

Update on Phase 1

Since Phase 1 of the Licensing Service launched on February 1, 2024, the Town has made progress in licensing bed and breakfasts through the issuance of Class A Licences. To date, the Licensing Service has processed 24 applications, resulting in:

- Seven Class A Licences being issued,
- Two applications being placed on hold due to building compliance issues,
- Four applications being withdrawn by the applicants, and
- Eleven applications being found to be ineligible for a Class A Licence.

The primary reasons for ineligibility were as follows:

- Six applications involved proposed STAs located in ARDUs, which do not meet the current zoning requirements for a bed and breakfast. Under zoning, bed and breakfasts can rent up to three guest rooms in a single detached dwelling;
- Three applicants did not reside in the single detached dwelling, a requirement under the Zoning and Licensing By-laws; and

- Two applicants failed to meet parking requirements due to insufficient space.

While Phase 1 successfully processed 24 applications, some operational challenges arose as well as addressing important STA fire safety and building issues. The By-law Coordinator, who plays a crucial role in service administration, was onboarded the end of May 2024, which has started to create efficiencies in supporting the Licensing Officer for both processing applications and managing inquiries. However, most applications were incomplete upon submission, requiring follow-ups to obtain missing documentation, which added complexity and delays to the process.

Further, several applicants had open building permits that needed to be resolved before a licence could be issued. Minor fire safety modifications, such as relocating smoke alarms and ensuring the correct type of fire extinguishers were installed, were required for a few properties to meet Fire Code requirements. To further assist applicants, pre-inspection checklists have been added to the application process for Phase 2.

Community feedback during Phase 1 has indicated general support for the licensing process. However, the need for a broader regulatory framework to include entire-home rentals and ARUs was frequently raised, underscoring the importance of proceeding with Phase 2.

The By-law Services Division (“**the Division**”) continues to manage complaints and concerns related to STAs, using a variety of tools, including compliance monitoring software to support enforcement efforts. It will be important to ensure that full staffing is in place for the launch of the service to eliminate any delays, undertake the necessary inspections, and address any complaints.

Zoning By-law Amendment

The Zoning By-law Amendment (“**ZBA**”) is an essential step in aligning the Town’s zoning regulations with the objectives of Phase 2 of the Licensing Service. Following a public meeting on May 22, 2024, the ZBA was received by Council on September 23, 2024, through [Staff Report P2024-23](#). The ZBA expands the types of STAs permitted,

allowing the rental of single detached dwelling units and ARDUs, in addition to the currently permitted bed and breakfasts/Class A Licences.

As outlined in P2023-24, the ZBA will be enacted and passed concurrently with this report and the updated Licensing By-law (Appendix A) for Phase 2. If approved, the standard 20-day appeal period will take place before the decision is finalized. During this period, stakeholders and the public will have the opportunity to appeal if desired. A Notice of Passing By-law will be distributed to relevant agencies, departments, stakeholders, and residents subscribed to the STA Engage Page. Additionally, the notice will be published in the online newspaper to ensure transparency and public awareness.

Once the appeal period has passed, provided no appeals are successful, the decision will be finalized. The Town will then move forward with the full implementation of Phase 2 of the Licensing Service. If an appeal is filed, the launch of Phase 2 will be delayed pending the resolution of the appeal.

Phase 2 of the STA Licensing Service

Based on lessons learned from Phase 1, some minor updates have been made to the STA Licensing By-law and Licensing Service to support the implementation of Phase 2. These updates aim to improve efficiency and ensure a smooth transition into the full Licensing Service. As outlined in [Staff Report C2023-24](#), Phase 2 will introduce the final two new licence classes:

- **Class B – Principal Residence STA**, which will permit residents to rent their entire single-detached dwelling unit as a STA.
- **Class C – Additional Residential Dwelling Unit STA**, which will allow the owner of a single-detached dwelling to rent an ARDU located on the same lot.

In both cases, the single-detached dwelling must be the licensee's principal residence, meaning it is where they primarily reside and conduct their daily affairs. For a Class C Licence, the licensee must be the owner of the property, whereas for Class A and B Licences, the licensee can be the owner or a long-term tenant, provided that it is their

principal residence. For clarity, properties mainly used as STAs, where the owner does not reside on-site, will only be permitted to be used for long-term rentals.

To ensure continuity under the updated Licensing By-law, all existing Class A Licences issued during Phase 1 will remain valid and continue to operate under the same conditions outlined in By-law 2023-085 until their scheduled renewal. Upon renewal, Class A Licensees will need to comply with any new provisions in the updated By-law, ensuring a smooth transition into the full Licensing Service. Rather than resubmitting the same information and documents upon renewal, Licensees will only need to confirm that the information originally submitted has not changed and remains accurate and current.

In Phase 1, the use of physical applications required additional administrative effort to input data into the Town's internal systems. To streamline this process in Phase 2, the Town is implementing an online application system through the Cityview Public Portal. The Division is working with Cityview to integrate the Business Licensing Software, allowing applicants to submit and manage licence applications online. This transition is expected to reduce missing documentation and administrative delays that occurred during Phase 1, making the process more efficient for both Town staff and the public.

Some applicants expressed concerns about meeting all documentation requirements under the Licensing By-law. After a thorough review, staff confirmed that all submittals are necessary to ensure compliance with applicable regulations and safety standards and align with practices in other municipalities. However, to streamline the renewal process, applicants will only need to submit a reduced set of documents and will be asked to review previously submitted materials and confirm that the information remains accurate. This will ease the burden on applicants by reducing the time and effort needed to renew their licence, making the process more efficient and less repetitive for renewals.

To further assist applicants, pre-inspection checklists have been added to the application process for Phase 2. These checklists allow applicants to self-assess whether their property meets the requirements before the licensing, property standards

and fire inspections occur. This proactive approach ensures applicants are better prepared for inspections, reducing potential issues and improving the overall efficiency of the inspection process.

Beyond the implementation of Phase 2, the Town will continue to monitor the Service's performance and assess whether further adjustments or expansions are necessary to ensure that the needs of residents, STA operators, and visitors are met.

Enforcement

The By-law Services Division's normal operating hours are Monday to Friday from 8:30 a.m. to 4:30 p.m. Members of the public can report a by-law concern through the Town's Public Portal, by phone, email, or by visiting Town Hall during regular business hours. Complaints or inquiries received outside of normal business hours are addressed by By-law staff the next business day. For issues occurring outside the Division's normal hours, residents can also contact the Ontario Provincial Police (Collingwood Police) to make a complaint about a by-law offence, such as parking issues, noise, etc.

In Phase 2, the enforcement strategy will combine both reactive and proactive approaches. While public complaints will continue to drive much of the enforcement, staff will also proactively monitor STA platforms to identify unlicensed properties. This will include cross-referencing online listings with the Town's list of active licences to identify unlicensed STAs. For licensed properties, staff will follow a progressive enforcement approach, starting with education to seek voluntary compliance and escalating to demerit points, fines or licence suspension for serious or repeat offenders. A stricter enforcement approach will be taken for unlicensed STAs.

Additionally, if approved by Council, the Administrative Monetary Penalty System ("AMPS") could be applied to STA licensing, providing an efficient alternative to the Provincial Offences Court process. The application of AMPS will allow for a more streamlined and efficient approach to resolving licensing contraventions, reducing the strain on court resources and promoting compliance with municipal by-laws. If approved, the Division will use the AMPS to address Licensing By-law contraventions. AMPS penalties shall not be punitive in nature and shall not exceed the amount

reasonably required to promote compliance with by-laws. As such, first contravention amounts will range from \$500 to \$2,000, with higher penalties for repeat violations.

This would allow MLEOs to issue penalty notices for by-law infractions without the need for resource intensive court proceedings. This will reduce the administrative burden on enforcement staff and expedite the resolution of licensing contraventions, creating a stronger deterrent for non-compliance and bringing matters to a resolution within 2-4 months instead of 9-16 months in the POA court process.

It is acknowledged that some issues or neighbourhood disturbances may occur outside of the Division's normal hours, such as on evenings and weekends, when STAs are typically more active. Some rental platforms, such as Airbnb and VRBO, offer neighbourhood support services that allow members of the public to report any disturbances directly. If the complaint matches a listing, the platforms will alert the host to the concerns. However, not all rental platforms have made this option available, and the incidents or complaints may not get reported to the Town to trigger appropriate follow up and documentation.

To further enhance the management of STAs and promptly address any issues, staff recommend procuring a 24/7 call service solution, such as Host Compliance's 24/7 STA Hotline. This service would allow residents to report issues such as noise complaints, parking concerns, property damage, or unlicensed STAs by speaking with a live agent at any time or by submitting a complaint online and attaching text, videos and photos.

For example, once a complaint is submitted through a call service hotline, a representative would contact the *responsible person* associated with the STA to attempt to resolve the issue. If the issue cannot be resolved within an hour, the matter would be forwarded to the Division for further action. All complaints and resolutions would be stored in a dashboard accessible to staff, allowing for better tracking and management of enforcement actions. This proactive and reactive combination of measures will help ensure a balanced, effective approach to managing STAs and maintaining community standards.

A hotline solution is estimated to be approximately \$5,450 per year, which has been included in the proposed licensing budget for 2025. This is a more cost effective approach than hiring officers 24/7 or increasing OPP calls for service.

Implementation Plan

Staff propose January 6, 2025, as the potential launch date for Phase 2 to open the application intakes. If Council supports the implementation of a municipal accommodation tax (MAT), STA applicants would be notified of their obligation to register for this initiative. This is important for potential STA operators to know upfront as they would be responsible for collecting and remitting MAT fees to support tourism initiatives which may deter potential operators who may otherwise consider longer term rental opportunities where MAT is not applicable and increase available affordable rental units.

As mentioned earlier, the ZBA will be enacted and passed alongside this report and By-law to support the rollout of Phase 2. Following this, a standard 20-day appeal period will commence. Sufficient time has been factored to allow for the completion of the appeals process before implementation. Should an appeal be filed, the launch of Phase 2 will be on hold pending the resolution of the appeal.

A key element of this rollout is the introduction of the Cityview Licensing Software. This software implementation is targeting a completion date in December 2024 to enable sufficient period of testing and training of related staff, leading up to the Phase 2 launch in January. The software will enable applicants to apply through the Public Portal, upload required documents and track the status of their licence applications while streamlining internal Town licensing processes. The proposed launch date also allows time for the onboarding and training of the MLEO III, ensuring they are prepared for the launch of Phase 2.

If approved by Council, the implementation of Phase 2 will be supported by a communications plan to inform and educate both residents and visitors about the updated STA regulations. This plan will include announcements on the Town's website, targeted emails to STA Engage Page subscribers, media releases, and social media

updates to ensure broad public awareness and understanding of the changes. The Town's website will also feature updated educational materials, including FAQs and application guides, to assist applicants with navigating the new application process.

Additionally, all current Class A Licence holders will be directly contacted to inform them of the updated Licensing By-law and renewal requirements. Those who were ineligible for a licence under Phase 1 will also be notified of the new opportunities available under Phase 2.

Further, should the Council approve the introduction of a 24/7 hotline solutions, staff would work with the company to implement this solution. Once operational, the Town will issue a media release, social media posts, and website announcements to ensure all residents are informed of this new resource that is available to them.

Financial Impacts

The STA Licensing Service is intended to be cost-neutral. The costs associated with the Licensing Service were outlined in [Staff Report C2023-24](#) and have been accounted for within the Town's budget. Therefore, the operation of the Licensing Service, including staff resources, software, and ongoing support, will have no additional financial impact on the Town's budget beyond what has already been allocated with the additional support through the hotline solution for greater efficiency and success of the STA service.

Conclusion

The Town has made significant progress in developing a balanced approach to managing STAs in the community. Phase 1 successfully laid the foundation of the Licensing Service and helped establish numerous efficiencies and best practices within the Division.

Phase 2 represents the next critical step, expanding the Town's approach to include permitting, regulating, and licensing additional types of STAs. Based on extensive public consultations and feedback, Phase 2 reflects the community's input and is designed to better align with residents' needs and interests. If approved, Phase 2 will launch on

January 6, 2025, equipping the Town with enhanced tools to effectively manage STAs to ensure that they operate without negatively impacting the community, while balancing the rights of property owners.

3. Input from Other Sources

This report was reviewed by Department Heads October 22, 2024, and the content responds to the input and advice received.

4. Applicable Policy or Legislation

Municipal Act, 2001, S.O. 2001, c. 25

Planning Act, R.S.O. 1990, c. P.13

Building Code Act, 1992, S.O. 1992, c. 23

Fire Prevention and Protection Act, 1997, S.O. 1997, c. 4

Provincial Offences Act, R.S.O. 1990, c. P.33

Town of Collingwood Zoning By-law No. 2010-040

5. Considerations

2024-2028 Community Based Strategic Plan: Progress towards achieving CBSP Goal

Sustainable Connected Vibrant Responsible

Services adjusted if any Community Standards

Climate Change / Sustainability: Not Applicable

Communication / Engagement: Public Engagement has occurred

Accessibility / Equity, Diversity, Inclusion: Not Applicable

Registered Lobbyist(s) relating to content: Not Applicable

Next steps and future action required following endorsement:

- Notice of Passing By-law will be prepared and circulated/published
- 20-day appeal period for ZBA will occur
- Staff will continue work to implement the online application process
- Phase 2 will launch January 6, 2025

6. Appendices and Other Resources

Appendix A: Short-Term Accommodation Licensing Draft By-law 2024-XX.

Resource 1: [Staff Report C2023-24: Licensing Short-Term Accommodations](#)

- **November 23, 2020** – [Staff Report P2020-25](#) “Short Term Accommodation” referred to staff for further consideration.
- **November 1, 2021** – Licensing Officer position start date.
- **June 27, 2022** – [Staff Report C2022-22](#) “Short-Term Accommodation Review and Next Steps” approved by Council.
- **August 11 – September 30, 2022** – Public Consultation + Survey.
- **September 14, 2022** – STA Open House.
- **February 21, 2023** – [Staff Report C2023-05](#) “Regulatory Options for Short-Term Accommodations” approved by Council.
- **June 5, 2023** – [Staff Report C2023-15](#) “Short-Term Accommodation Licensing Framework Draft #1” approved by Council.
- **June 19 – July 31, 2023** – Public Consultation + Survey.
- **November 6, 2023** – [Staff Report C2023-24](#) “Licensing Short-Term Accommodations” approved by Council.
- **February 1, 2024** – Phase 1 of the Licensing Service launched, focusing on licensing bed and breakfasts.
- **May 22, 2024** – Public meeting on Town-initiated Zoning By-law Amendment to support the implementation of Phase 2 of the Licensing Service.
- **May 27, 2024** – By-law Coordinator position start date.
- **September 23, 2024** – [Staff Report P2024-23](#) “Municipally Initiated Short-Term Accommodation Zoning By-law Amendment” received by Council.

7. Approval

Prepared By:

Amanda Fone, Licensing and Compliance Officer

Reviewed By:

Sara Almas, Director of Legislative Services / Clerk

Adam Harrod, (A) Manager, By-law Enforcement

CAO Comments:

Endorsed by CAO Skinner on October 31, 2024 to proceed to COW.