
SUBJECT: Implementation of a Short-Term Accommodation By-law

TO: Committee of the Whole

FROM: Development and Growth Management
By-law Compliance

Report Number: DGM-04-25

Wards Affected: All

Date to Committee: January 13, 2025

Date to Council: January 13, 2025

Recommendation

Approve the Short-Term Accommodation By-law, a by-law to regulate short term accommodation businesses in the City of Burlington, attached in draft form as Appendix B to development and growth management report DGM-04-25, in a form satisfactory to the Commissioner, Legal and Legislative Services/City Solicitor; and

Approve a Short-Term Accommodation Licence fee of \$300 to be included in the 2025 “Rates and Fees” By-law.

Executive Summary

Purpose of report:

- To approve a licensing by-law for short-term rental accommodations prior to January 24, 2025, to meet criteria of the recently announced Short-Term Rental Enforcement Fund (STREF) offered by Housing, Infrastructure and Communities Canada.

Key findings:

- The by-law has been developed with input from the public and is designed to address key issues in Burlington including loss of long-term housing stock, noise, parking, garbage, and life safety issues. Staff have built in an education and communication phase to allow time for operators to be licensed prior to commencement of enforcement.

Implications:

- Failure to approve the by-law at this time would result in a missed opportunity of accessing Federal funding of up to \$100,000 annually over 3 years to assist with enforcement.

Recommendation Report

Background

At its meeting of March 30, 2023, Council directed staff to develop and implement a city-wide short-term accommodation (STA) compliance/licensing program via Motion Memo CPRM-03-23 (Staff Directions – SD-20-23, SD-21-23 SD-22-23 SD-23-23 SD-24-23). The motion was prompted for two main reasons – ongoing neighbourhood disruption due to short-term rentals which were not successfully mitigated by existing by-laws; and the need to protect long term housing stock which is often lost due to short-term rental operations.

Analysis

For several years, Burlington has been experiencing issues with Short-Term Rental Accommodations (STA) impacting neighbourhoods (e.g., noise, parking, garbage). Coupled with the fact that short-term rentals can impact potential long term and affordable housing stock, staff have developed a licensing by-law to aid in the enforcement of these businesses.

A preliminary review indicates Burlington has approximately 700-1000 advertised short-term rentals across the main booking platforms (e.g. Airbnb and Vrbo). In discussion with industry experts, it is normal for businesses to advertise on multiple sites which means the number of short-term rentals is likely in the range of 350-500.

Through a review of complaints and public feedback, the proposed by-law was designed to address the following:

1. **Improve Housing Stock** – the by-law requires that any property licensed as an STA must be the primary residence of the applicant (or have approval of the primary applicant) and can only be rented for a maximum consecutive 28 days and a total of 183 days per year. This is to encourage owners to consider renting for longer periods to aid in the housing crisis.
2. **Noise/Parking/Garbage** – STA owners will need to provide a ‘renter’s code’ to anyone renting the unit which outlines relevant City by-laws and behavioural expectations. They need to submit a plan for garbage and parking prior to approval and occupancy of the rentals are limited based on bedroom occupancy in the Building Code.
3. **Life Safety** – Owners will be required to submit certificates showing that the HVAC and electrical systems meet requirements prior to a licence being issued. They will also

have to sign a declaration that they will comply with the maintenance and parking plans, Building Code and Fire Code.

The by-law has been structured very similar to the Town of Oakville to allow for consistency in Halton Region. This includes the demerit point system which will be used in determining when to revoke or refuse licences. STA that are part of a condominium must have written approval of the Condo Board and staff will ask to review the by-law to ensure these types of rentals are indeed allowed to operate at that location.

Public consultation has included an online questionnaire which first opened in September 2024, participation at the Food-for-Feedback (September 14, 2024) with a focus on short-term rentals and two online public consultation sessions on November 26 and 27, 2024. Details of online participation can be found in Appendix A.

Staff are requesting that the by-law be approved prior to January 24, 2025, as it will allow Burlington to be eligible to apply for federal funding from Housing, Infrastructure and Communities Canada. The Short-Term Rental Enforcement Fund (STREF) will provide up to \$4.8 million per applicant over 3 years with a minimum funding allocation of \$100,000 in the first year to aid with enforcement of Short-Term Accommodations. Applications opened December 16, 2024, and close on January 24, 2025.

Staff have set a by-law enactment date of May 1, 2025, to allow time for staff to educate and license eligible STA owners/operators prior to enforcement commencing.

In terms of fees, staff are recommending a licensing fee of \$300. A review of surrounding areas (Oakville, Milton, Hamilton, Mississauga) showed the average fee of \$318.28. Staff chose \$300 as it is in line with existing City of Burlington licence fees.

Staff anticipate licensing short-term rental advertisers (e.g. Airbnb, Vrbo) by Q4 2025 but need additional time for consultation with these vendors prior to implementation.

Recommendation Details

Staff are recommending approval of the STA by-law prior to January 24, 2025 so that Burlington meet the deadline to apply for the Short-Term Rental Fund offered by the federal government. Enforcement would not start until May 1, 2025, to allow staff time to educate and work with current STA operators to obtain their licence.

Key Dates & Milestones

List significant dates and milestones related to the project/issue. Include:

- January 24, 2025 - Deadline to approve licensing regime to be eligible for federal funding.
 - January to June – Staff to conduct Short-Term Rental education and communication plan and start licensing process for those eligible to operate based on by-law requirements.
 - May 1 – End of education period. Enforcement to commence.
 - Q4 2025 – Implementation of licence for vendor such as Airbnb, Vrbo
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Implications

The proposed licence fee of \$300 will result in approximately \$100,000-150,000 per year which will cover the cost of the licence administration. As with all licensing fees, they do not cover the cost of enforcement. Staff intend to apply for the Short-Term Rental Fund offered by Housing, Infrastructure and Communities Canada with the goal of dedicating 2 FTE By-law Officers to enforcement of short-term rentals. Without funding, staff will need to prioritize this enforcement over other areas in the City.

The caveat is that Council must approve this proposed licensing by-law prior to the funding application deadline of January 24, 2025. Failure to approve by this time would prevent Burlington from applying for enforcement funding of approximately \$100,000-\$4.8 million (over three years).

References

Information on the Federal Short-Term Rental Fund provided by Housing, Infrastructure and Communities Canada can be found at the following:

- <https://housing-infrastructure.canada.ca/housing-logement/stref-farlcd/index-eng.html>
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Strategic Alignment

- Designing and delivering complete communities
 - Providing the best services and experiences
 - Protecting and improving the natural environment and taking action on climate change
 - Driving organizational performance
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Appendices:

- A. Public Consultation Summary – Short Term Rentals
- B. Draft Short-Term Accommodation By-law

Draft By-laws for Approval at Council:

- Short-Term Accommodation By-law going to Special Council meeting of January 13, 2025 and will take effect May 1, 2025.

Notifications:

None

Report Approval:

All reports are reviewed and approved by the Head of Corporate Affairs, Commissioner, the Chief Financial Officer, and the Commissioner of Legal Services and Legislative Services/City Solicitor.