

The Corporation of the City of Kawartha Lakes
Minutes
Short Term Rental Licensing Program Task Force

Wednesday, May 3, 2023
8:30 A.M.
Council Chambers
City Hall
26 Francis Street, Lindsay, Ontario K9V 5R8

Members:
Deputy Mayor Tracy Richardson
Councillor Dan Joyce
Councillor Charlie McDonald
Councillor Mike Perry

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1. Call to Order

Councillor McDonald called the meeting to order at 8:30 a.m. Deputy Mayor T. Richardson, Councillor D. Joyce, Councillor M. Perry, Manager of Municipal Law Enforcement and Licensing A. Sloan, Deputy Clerk S. O'Connell and Administrative Assistant L. Williams were in attendance.

2. Administrative Business

2.1 Adoption of Agenda

STR2023-005

Moved By Deputy Mayor Richardson

Seconded By Councillor Joyce

That the Agenda for the Short Term Rental Licensing Program Task Force Meeting be approved as circulated.

Carried

2.2 Declaration of Pecuniary Interest

There were no declarations of pecuniary interest disclosed.

2.3 Adoption of Minutes from Previous Meeting

Short Term Rental Licensing Program Task Force Meeting, April 26, 2023

STR2023-006

Moved By Deputy Mayor Richardson

Seconded By Councillor Joyce

That the Minutes from the Short Term Rental Licensing Program Task Force meeting of April 26, 2023 be approved.

Carried

3. New Business

3.1 Continued Review of Option 2 (Short Term Rental Licensing By-Law)

- Review of Demerit Point System
- Review of Possible Implementation Dates for a 24 hour contact line
- Report back from Staff regarding Review of a Graduated Licensing System

Manager Sloan provided an overview of Option 1 within Report ML2023-001, which is the process that is currently being followed for the enforcement of issues associated with short term rental properties. Option 1 relies on existing nuisance by-laws for enforcement. The fees associated with Option 1 are outlined within the City's Consolidated Fees By-Law. Manager Sloan provided an overview of the inspection fee chart for the fees that are currently applicable.

Councillor McDonald asked Manager Sloan to provide an overview of the fees that are collected specifically for short term rental investigations.

Manager Sloan reported that between \$18,000.00 to \$20,000.00 in fees have been collected in relation to the enforcement of issues connected to short term rentals.

Councillor Joyce asked if the fees that are currently applicable under Option 1 have helped address the problem issues.

Manager Sloan advised that the number of Short Term Rentals within Kawartha Lakes has increased year over year and as a result, the number of complaints has also increased.

Councillor McDonald asked about the workload capacity for Staff within Municipal Law Enforcement and if the demand relating to Short Term Rentals can be met. Manager Sloan provided an overview of the current case load within Municipal Law Enforcement.

Manager Sloan also noted that the estimated number of short term rental properties within Kawartha Lakes is probably low.

Discussion continued relating to the fees structure within Option 2, outlined within Report ML2023-001.

Councillor McDonald asked if the current fees cover the cost of attendance by Staff at a problem property and if not, could the fees be increased to provide complete cost recovery.

Manager Sloan stated that current fees do not provide 100% cost recovery; the overall service is budgeted for and that the fee covers indirect costs such as inspections, etc. He noted that service fees are reviewed annually during budget preparation and Staff can look into increasing the fees to 100% cost recovery but increases are reviewed in context with the Municipal Act.

The Task Force reviewed the proposed Demerit Point System.

Manager Sloan reviewed Section 10 of the proposed By-Law which outlines the proposed Demerit Point System. Demerit Points can accumulate and once 7 points have been accumulated, the license would be suspended for a period up to 6 months. The accumulated points would stay active for 2 years and if there were no additional demerit points after 2 years, the points would go back to 0.

Councillor McDonald asked how the term of a suspension would be established?

Manager Sloan outlined that the length of the suspension would be determined by the investigating officer.

The Demerit Point System would be an internal process which would allow staff to issue orders within the scope of the By-Law. The demerit points would be accumulated due to non-compliance with the licensing program or non-compliance with a nuisance by-law.

Deputy Mayor Richardson identified a need a need to address issues as they arise regardless of the time of day (i.e. a complaint at 3:00 a.m.). The Task Force identified a concern regarding the strength of the Demerit Point System and the amount of time that would be involved with the enforcement process.

Manager Sloan outlined that the Demerit Point System would provide action plan that would step out the consequences for non-compliance with the licensing program or existing nuisance by-laws while establishing a line of communication with the subject property owner.

Councillor Perry echoed the concern raised by Deputy Mayor Richardson and asked if the Demerit Point System could be adjusted to place greater point weight on the issues of concern (i.e. noise, discharge of fireworks etc.).

Councillor Joyce highlighted the importance of educating property owners once a licensing program is in place.

Councillor McDonald asked for an explanation of Part 1 and Part 3 Offences.

Manager Sloan explained that a Part 1 is less severe (i.e. a ticketable offence) while Part 3 is more severe (i.e. a summons to court). Manager Sloan also outlined that, as a part of a Licensing Program, property owners would be required to sign an acknowledgement confirming that that they were aware of the regulations within the licensing program and were also aware of the nuisance by-laws in place. All investigatory information would be tracked for future reference.

Councillor Joyce asked, if once a Licensing Program is in place, would the police be aware of the regulations within that Program and be able to address

complaints. Would the Demerit Point System be applied based on reports from Police? Manager Sloan noted that the police would respond to address nuisance calls and Municipal Law Enforcement provide enforcement through the Licensing Program.

Councillor Joyce asked if demerit points could be included for a complaint of trespassing. Manager Sloan noted that trespassing would be enforced by police as it is a provincial act involving privately owned land.

The Task Force discussed Part 1 and Part 3 Offences. Manager Sloan reiterated that a Part 1 Offence is a ticketable offence that would rely on set fines which are established through the Ministry of the Attorney General. Set fines can have a maximum penalty of up to \$1,000.00. A Part 3 Offence is a straight to court process with a first appearance within approximately 60 days.

Councillor McDonald noted that the Demerit Point System would be more expedient when compared to the timelines associated with the court system. Councillor Joyce asked what steps would be taken if a property owner continued to operate a short term rental without a licence?

Manager Sloan outlined that the City could pursue a close business order through the Superior Court.

Councillor McDonald asked if there would be an appeal process if a Demerit Point System was in place and what that process would be?

Manager Sloan made note of Section 6 within the proposed By-Law and outlined that if a licence was denied, suspended or revoked, a property owner could appeal that decision to the Municipal By-Law Appeals Committee for review and consideration.

The Task Force discussed set fines and how they would be determined. Manager Sloan outlined that set fines are set by the Province. Council cannot set the value of set fines but they can provide guidelines which could be considered.

The Task Force reviewed possible implementation dates for a 24-hour contact line.

Manager Sloan outlined that the City will be moving forward with the vendor to establish a 24-hour contact line. The 24-hour contact line would provide immediate response for complaints, the operator would contact the property owner when a complaint is received. The onus will be placed on the property owner to address complaints.

Deputy Mayor Richardson noted that the contact line will achieve the immediate action or response that is required. The Task Force asked about the costs associated with the 24-hour contact line.

Manager Sloan provided an overview of the costs and noted that there are varying levels of service that are available.

Councillor McDonald suggested that the Demerit Point System include an entry for an owner's failure to respond to a complaint that is received by the 24-hour contact line.

Deputy Mayor Richardson asked if the City's existing nuisance by-laws should be strengthened.

Manager Sloan outlined that existing nuisance by-laws are reviewed annually to ensure that the level of enforcement is sufficient.

The Task Force discussed a possible graduated licensing system.

Manager Sloan reviewed the definition of a short term rental and made note of the commercial exemptions what would not be subject to a licensing program (i.e. motel, hotel, etc.). Manager Sloan noted that commercial enterprises (such as motel or a hotel) would not be subject to a licensing program because those uses are tied to zoning regulations. Manager Sloan outlined that the proposed By-law currently outlines a rental timeframe of 28 days or less. Manager Sloan noted that the proposed by-law currently includes a graduated licensing system using hosted and unhosted classifications. The goal is to create a licensing program that is easily understood while still supporting the tourism industry and not limiting business opportunities.

STR2023-007

Moved By Deputy Mayor Richardson

Seconded By Councillor Perry

That Staff review a graduated licensing system for short term rental properties and provide a template for that system including the criteria, the exemptions and the fees that would be applicable, and report back at the next Short Term Rental Licensing Program Task Force Meeting.

Carried

4. Next Meeting Date

Wednesday May 10, 2023, 8:30am, City Hall Council Chambers

5. **Adjournment**

STR2023-008

Moved By Councillor Perry

Seconded By Deputy Mayor Richardson

That the meeting adjourn at 10:07 a.m.

Carried