



Town of Niagara-on-the-Lake

1593 Four Mile Creek Road
P.O. Box 100, Virgil, ON L0S 1T0
905-468-3266 www.notl.com

REPORT #: FES-25-007

COMMITTEE DATE: 2025-05-13

DUE IN COUNCIL: 2025-05-27

REPORT TO: COTW-General

SUBJECT: Short Term Rental By-law Updates

1. RECOMMENDATION

It is respectfully recommended that:

- 1.1 The changes to the Short Term Rental By-law 2025-XXX identified in Report FES-25-007 be **APPROVED** and that the by-law be forwarded to Council for adoption and rescission of the existing Short Term Rental By-law 4634-13;
- 1.2 The Short-Form Wording attached as Schedule A to the By-law be **APPROVED**;
- 1.3 Staff be **DIRECTED** to present a by-law to appoint a Hearing Officer to handle all Short Term Rental Appeals; and,
- 1.4 Council **RECOGNIZE** the Short Term Rental Committee for their efforts and success in reviewing the Licensing By-law and further, with the mandate now complete that the Committee be sunset.

2. EXECUTIVE SUMMARY

- The Short Term Rental Advisory Committee was established in March 2021 with a Mandate to “be responsible for reviewing the Town’s Short-Term Rental Licensing By-law and providing recommendations to Council.”
- The Committee created a list of recommendations, which were presented to the Council for consideration on July 26, 2021. Council directed that the recommendations be referred back to Staff for a report thereon.
- Town staff have reviewed the Short Term Rental (STR) By-law and are presenting a revised version. Input was gathered from various parties and considered during the preparation of the revision.
- Several key changes to the STR By-law have been incorporated to assist with the licensing process and enforcement. These changes include additional definitions to assist with enforcement, the removal of Special Event exemptions, changes to the date of occupancy requirements and the introduction of a restriction on the number of complaints that can be received in a calendar year.
- The STR appeal process is recommended to be outsourced to a third-party Hearing Officer.
- The draft of the STR By-law is attached to this report (**Appendix I**).

3. PURPOSE

The proposed STR By-law incorporates feedback that has been received from various community user groups, the Short Term Rental Advisory Committee, and best practice approaches identified by

Staff. If approved, the implementation will allow for enhanced enforcement and management of the Town's STR licensing process.

4. BACKGROUND

In March 2021, the Short Term Rental Advisory Committee was established. Terms of Reference (TOR) (**Appendix II**) were developed and implemented. The TOR included the mandate to be responsible for reviewing the Town's Short Term Rental Licensing By-law and providing recommendations to Council.

The Committee held 16 meetings between from March 5 and July 15, 2021. A list of recommendations was brought forward to the July 26, 2021, Council meeting. The Committee Chair presented recommendations to Council. Council referred the recommendations to Staff for a report with four criteria to help prioritize the most important opportunities:

- Alignment with the Town's Strategic Plan;
- Feasibility with available staff and financial resources, internal or external;
- Demonstrated success of a similar recommendation in nearby or parallel communities; and
- Feasibility of enforcement from a legal perspective.

Staff has subsequently met twice with the Committee in the development of the revised by-law. Staff have also engaged with key stakeholders including: the B&B Association, the Chautauqua Residents Association, and staff involved in the STR application review process. After carefully considering feedback that best supports the community, STR neighbours, applicants, and owners, Staff are presenting a revised by-law to replace the existing Short Term Rental By-law 4634-13.

5. DISCUSSION / ANALYSIS

The proposed STR By-law introduces several key improvements to enhance enforcement effectiveness and provide greater clarity surrounding Short Term Rentals. Several of the more significant changes are identified below:

Definitions Clarified:

Definitions for *New Application* and *Renewal Application* were added to provide clarity during the application process. These new definitions will allow for clear delineation between the two types of applications.

Special Events Removed:

The ability to host limited types of special events within a STR and the Special Event Notification Form have been removed. This means STRs are no longer permitted to host any type of event, as defined by the Special Event Policy. The clause has caused confusion in the past, and under the current STR By-law, only events such as a family wedding or a not-for-profit charitable function are permitted. As the special event process is under review, further clarity will be provided in a revised Special Event By-law when complete.

Occupancy Requirement Increased:

The proposed STR By-law includes an increase in the minimum number of years that must have passed since original occupancy to be eligible for a STR License. The four-year occupancy requirement has been increased to eight years for Cottage Rentals, Country Inns, and Villas, as

suggested by Staff. This change aims to address long-term housing supply concerns in the community.

Appeal Process Updated:

Currently, licensing appeals under the STR By-law are brought to Council for consideration. Under the proposed STR By-law, the appeal process will be outsourced to a third-party Hearing Officer. This shift is intended to make more effective use of resources. Rutherford Prosecution Services, which currently provides Hearing Officer services for the Town, is recommended to be appointed for the STR By-law to ensure consistency.

Complaint Enforcement Strengthened:

Complaints are received through Service Requests, direct Staff interactions, or via the Town's STR compliance program, Granicus. A new clause has been added to the proposed STR By-law that allows the Administrator to revoke, suspend, or impose special conditions on a license if multiple distinct complaints are received within a calendar year. Staff believe this clause will support compliance and strengthen enforcement.

6. STRATEGIC PLAN

The content of this report supports the following Strategic Plan initiatives:

Pillar

1. Vibrant & Complete Community

Priority

1.3 Strategies & Masterplans

Action

1.3 a) Strategies & Masterplans

Pillar

4. Optimize Organizational Excellence

Priority

4.1 Streamline & Modernize

Action

4.1 a) Streamline Processes
- Update Enforcement Plans

7. OPTIONS

- 7.1 Option 1: Council approve the changes to the Short Term Rental By-law and forward to Council for adoption and rescission of the existing Short Term Rental By-law 4634-13; Council additionally direct Staff to prepare a By-Law to appoint a Hearing Officer to handle all Short Term Rental Appeals. **(Recommended)**
- 7.2 Option 2: Council choose not to approve the updated Short Term Rental By-law and provide alternate direction. *(Not Recommended)*

8. FINANCIAL IMPLICATIONS

Fines for offences are included in the Short-Form Wording on Schedule A of the Short Term Rental By-law to allow for enhanced enforcement. This may result in a nominal increase in funds raised to offset the cost of enforcement.

9. ENVIRONMENTAL IMPLICATIONS

There are no environmental implications associated with this report.

10. COMMUNICATIONS

If approved, the updated Short Term Rental By-law will be made available on the Town's website. A proper communication plan for informing the community of the recent revisions will be implemented to ensure owners, neighbours, and the community are aware of the changes.

11. CONCLUSION

The revised Short Term Rental By-law will contribute to the Town's ongoing effort to modernize while supporting Council's desire to have a balanced community. The strategies put forward incorporate suggestions from the Short Term Rental Advisory Committee, numerous community-based groups affected by STRs and Staff from different municipal departments. The proposed comprehensive STR By-law will serve as a guide for years to come. The STR By-law will be further enhanced by anticipated changes to the Town's zoning by-law. The work of the Committee is valued and recognized by staff. Having now completed their mandate, it is appropriate to sunset the Committee.

12. PREVIOUS REPORTS

There are no previous reports associated with this report.

13. APPENDICES

- Appendix I – By-law No. 2025-XXXX – Short Term Rental By-law Draft
- Appendix II – Short Term Rental Advisory Committee Terms of Reference

Respectfully submitted:

Prepared by:



Cassandra Cruickshank
By-law and Policy Coordinator

Recommended by:



Jay Plato
Fire Chief & CEMC / Director of Municipal
Enforcement, Fire & Emergency Services

Submitted by:



Bruce Zvaniga
Chief Administrative Officer (Interim)