

# Subject: Public Meeting Report for Proposed Official Plan and Zoning By-law Amendment for Short Term Rentals

To: Council - Public Meeting

### From: Office of the Chief Administrative Officer

Report Number: 2024-125

Meeting Date: June 4, 2024

#### **Recommendation:**

That Office of the Chief Administrative Officer – Planning Division Report 2024-125 be received for information.

### Purpose:

The purpose of this report is to provide Council with information regarding an Official Plan Amendment and Zoning By-law Amendment related to Short Term Rental (STR) Accommodations in the City of Port Colborne and to address feedback received from Council at their meeting of April 9, 2024.

### **Background:**

On April 9, 2024, Council received an Options Report for Short Term Rental Accommodations 2024-25 (Appendix A) and passed the following motion:

- 1. That Development and Legislative Services Department Planning Division Report 2024-25 be received for information; and
- That Council approve the regulation of short term rental accommodations via the Combined Licencing and Official Plan/Zoning By-law Amendment outlined in Option 3; and
- 3. That the Acting City Clerk be directed to schedule a Statutory Public Meeting to review the proposed Official Plan Amendment and Zoning By-law Amendment.

Report 2024-25 provided some background on the Public Engagement process to-date which has included an on-line survey that consisted of a series of focused questions to gather feedback on STRs from residents.

Report 2024-25 outlined that currently, the City's Official Plan does not contain policies or definitions for STR accommodations and it was recommended that the City consider the inclusion of policies in the Official Plan which would enable and guide the establishment of a zoning framework and licensing regime. These changes to the Official Plan regarding STRs would require an Official Plan Amendment.

Report 2024-25 explained that any regulation of STRs through the City's Zoning By-law would require a municipally initiated Zoning by-law Amendment to:

- establish a definition of an STR;
- add an STR as a permitted use in specific zones;
- create zone standards which could include items such as minimum parking requirements, minimum lot sizes, minimum amenity areas, or minimum building setback requirements; and,
- recognize that an STR has to be a secondary use to a residential use.

Report 2024-25 also explained that Sherkston Shores is unique as it is a permitted commercial use in the City's Zoning By-law and is not a residential area experiencing the introduction of a prohibited commercial use, as is the case with STRs. The rental of Park Model trailers as an STR should be captured by a future STR Licensing By-law in order to provide the City with the opportunity to regulate and collect fees from these STRs in a manner that is consistent with the rest of the City.

Report 2024-25 also outlined the approach to Short Term Licensing By-laws in Fort Erie and Wainfleet.

Council has requested that Staff consider:

- 1. revising the proposed Zoning By-law Amendment to permit STRs in accessory buildings or structures; and
- 2. to give consideration as to whether STRs should be permitted in legal nonconforming dwellings;

### Discussion:

There is no provincial direction regarding STR accommodations, as they are considered a local matter. All applicable policy documents permit municipalities to implement regulations to regulate STRs if they see fit. The draft Zoning By-law Amendment attached to this report reflects the changes that staff deem appropriate to enact the changes requested by Council. Any regulations that are more appropriately addressed through a future Licensing By-law are also provided.

Comments received from the public on the draft Official Plan Amendment and the revised draft Zoning By-law Amendment will be considered by staff and brought back to Council for their consideration at a future meeting.

#### 1. Short Term Rental Accommodations in Accessory Buildings or Structures

#### Table 1: Proposed Text Changes in Zoning By-law Amendment

#### Existing Draft Text "A Short-Term Rental Accommodation shall not be permitted in an accessory building or structure."

As noted above, Council had requested that staff consider revising the proposed Zoning By-law to permit STRs in accessory buildings or structures.

Staff has considered the implications of this request including public health and safety, noise and neighbourhood disruption, parking issues, strain on infrastructure, community cohesion, and enforcement challenges.

Staff are of the opinion that STRs that are proposed in accessory buildings or structures should not be permitted as-of-right and should be subject to a zoning by-law amendment approval process with an opportunity for public input.

Staff are also of the opinion that the implications of permitting STRs in accessory buildings or structures may be alleviated by allowing one STR as-of-right in either a legal interior accessory dwelling unit or a legal detached accessory dwelling unit. Staff recommend that there be a condition in a future licensing by-law which requires that a detached accessory dwelling unit may only be used as a STR Accommodation when the owner of the property is in residence within the principal dwelling on the same lot.

#### Proposed Text for Zoning By-law Amendment

"A Short-Term Rental Accommodation may be permitted in a legal interior accessory dwelling unit in accordance with the provisions of Section 2.9.1. and 2.9.1.1." "A Short-Term Rental Accommodation may be permitted in a legal detached accessory dwelling unit in accordance with the provisions of Section 2.9.1.2." "A maximum of one Short-Term Rental Accommodation is permitted per lot."

#### Proposed Text to be Incorporated into Future Licensing By-law

"A detached accessory dwelling unit may only be used as a short term rental accommodation when the owner of the property is in residence within the principal dwelling on the same lot."

#### 2. Short Term Rental Accommodations in Legal Non-Conforming Dwellings

The City of Port Colborne Official Plan defines a legal non-conforming use as "a legal use of a parcel of land, building or structure that was established before the date the Zoning by-law was approved by Council but which does not conform to the permitted land use designation, the policies of this Plan and/or the regulations of the Zoning By-law".

Section 11.2.3. a) Committee of Adjustment of the Official Plan states that "legal nonconforming uses, buildings or structures through[out] the City should eventually cease, so that the land affected shall revert to a use, building or structure that conforms to the intent of the Plan and the Zoning By-law...".

There are many areas within the Municipality where Short Term Rental Accommodations are proposed to be permitted as-of-right including within thirteen Zone categories as outlined in the proposed draft Zoning By-law Amendment.

Although there are legal non-conforming single detached dwellings in some areas within the Municipality, allowing short term rental accommodations as-of-right would perpetuate a residential use in an area where the Official Plan policies contemplate that they eventually cease to exist. Accordingly, it is staff's opinion that an application for a zoning by-law amendment should be required in order to evaluate requests by a landowner wishing to use their legal non-conforming dwelling for purposes of a short term rental accommodation on a case-by-case basis.

### Internal Consultations:

The Notice of Public Meeting along with the draft official plan amendment and draft zoning by-law amendment were circulated internally to applicable departments and agencies on May 15, 2024, and no comments have been received as of the date of preparing this report.

This report was prepared in consultation with Jamie Robinson, Lee Bull, and Graham Richards of MHBC Planning.

# **Financial Implications:**

There are no direct financial implications with this report.

### **Public Engagement:**

Notice of the Public Meeting was circulated in accordance with Sections 22 and 34 of the Planning Act. As of the date of preparing this report, no comments from the public have been received.

## **Strategic Plan Alignment:**

The initiative contained within this report supports the following pillar(s) of the strategic plan:

- Welcoming, Livable, Healthy Community
- Economic Prosperity

# **Conclusion:**

Following the public meeting, the following next steps are anticipated:

- 1. Staff to review and consider any comments received from the public, circulated agencies and Council;
- 2. Staff to conduct any additional research required as a result of comments that are provided;
- 3. Staff to prepare a recommendation report to return to Council at a future meeting date;
- 4. Council meeting to consider staff recommendation report, adoption of OPA and enactment of ZBA;
- 5. Notice of Decision to be issued, appeal period of 20 days following issuance of Notice;
- 6. Licensing By-law to be Drafted.

### **Appendices:**

- a. Options Report for Short Term Rental Accommodations Report 2024-25
- b. Draft Official Plan Amendment
- c. Draft Zoning By-law Amendment

Reviewed by,

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Respectfully submitted,

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# **Report Approval:**

All reports reviewed and approved by the Department Director and also the City Treasurer when relevant. Final review and approval by the Chief Administrative Officer.