

**Community and Protective
Services Committee
Report 8
27 November 2019**

161

**Comité des services
communautaires et de protection
rapport 8
le 27 novembre 2019**

**Extract of Draft Minutes 8
Community and Protective
Services Committee
15 November 2019**

**Extrait de l'ébauche
du procès-verbal 8
comité des services
communautaires et de protection
le 15 novembre 2019**

Report on Rental Accommodations Study and Regulatory Regime

ACS2019-EPS-GEN-0015

City Wide

REPORT RECOMMENDATION

That Community and Protective Services Committee recommend that Council:

- 1. Receive the following reports related to the Rental Accommodations Study:**
 - a. "Rental Accommodations Literature Review and Inter-Jurisdictional Scan", Prism Economics and Analysis, 2019, attached as Document 3,**
 - b. "City of Ottawa Rental Market Analysis", Prism Economics and Analysis, 2019, attached as Document 4,**
 - c. "Regulation of Long-Term Rental Accommodations", Maclaren Municipal Consulting Inc., September 23, 2019, attached as Document 7, and**
 - d. "Regulation of Short-Term Rental Accommodation", Maclaren Municipal Consulting Inc., September 23, 2019, attached as Document 8, and**
- 2. Approve the recommended regulatory framework for Rental Housing as described in this report and set out in Document 1 – Regulatory Regime for Rental Housing, and**
 - a. direct the General Manager of Emergency and Protective**

Services to develop the proposed Rental Property Management By-law and related by-law amendments for approval by the Community and Protective Services Committee and Council in 2020, as described in this report, and

- b. approve, for immediate implementation, an increased flat re-inspection fee of \$500 in Schedule A of the Property Standards By-law (2013-416, as amended), as described in this report, and**
- 3. Approve the recommended regulatory framework for Short-Term Rental (STR) Accommodations as described in this report and set out in Document 2 –Regulatory Regime for Short-Term Rentals, and**
 - a. Direct the General Manager of Emergency and Protective Services to develop the proposed Short -Term Rental By-law and related by-law amendments for approval by the Community and Protective Services Committee and Council, and**
 - b. Direct the General Manager of Planning, Infrastructure and Economic Development to develop a Temporary Use By-law for short-term rental use in residential areas, for approval by Planning Committee and Council, as described in this report, and**
 - c. Direct the City Treasurer and City Solicitor to conduct a review of the Municipal Accommodations Tax revenues to fund the short-term rental requirements, and if funds are not available, direct the City Treasurer and City Solicitor to develop the required by-law to amend the Municipal Accommodations Tax By-law in order to increase the Municipal Accommodations Tax by 0.25% with the increase directed to the City and to be used to administer and enforce proposed short-term rental regulations as described in this report, and that such amendment be placed directly**

on the agenda of Council for enactment, as described in this report; and

- d. That the timing of the required by-laws and by-law amendments set out in items a., b. and c. be designed and coordinated to come into force concurrently, as further described in this report, and**
- 4. Approve 2.0 temporary Full-Time Equivalents (FTEs) for Rental Housing enforcement and administration, and 6.0 temporary FTEs and 1.0 additional temporary FTE (first year of implementation only) for Short-Term Rental Accommodations enforcement and administration, for a total of temporary 8.0 FTEs and 1.0 additional temporary FTE (first year of implementation only), effective upon implementation of the regulatory regimes set out in Recommendations 2 and 3, to be funded through revenue generated from fees and the Municipal Accommodation Tax, as described in this report.**

Chair Sudds gave introductory remarks on the report and the process for the meeting.

Anthony Di Monte, General Manager of Emergency and Protective Services gave a brief summary of the report and introduced the team that would be presenting and assisting with questions:

- Valerie Bietlot, Manager, Public Policy Development
- Jerrod Riley, Specialist, By-law Review
- Stuart Huxley, Senior Legal Counsel
- Stephen Willis, General Manager, Planning, Infrastructure and Economic Development
- Donna Gray, General Manager, Community and Social Services

Valerie Bietlot, then gave a PowerPoint presentation on the highlights of the

report. A copy of the presentation is held on file with the City Clerk's office.

Following the presentation, motions were tabled to be voted on later in the meeting by the proposing Councillors.

The Committee heard from the following delegations:

1. Genevieve Walton - Short and Suite BnB
2. Rick Lemay
3. *Victor Menasce - Ottawa Real Estate Investors Organization
4. Alex Dagg – AirBnB Canada
5. Alex Yeuchyk
6. George Mota - Real Estate Investor & Landlord
7. *Tony Miller - Realtor & Investor
8. Michael Birmingham
9. Lisa Miall - Owner of an AirBnB and Property Management
10. *Steve Ball - Ottawa Gatineau Hotel Association
11. *Laura Alexander - Aircare
12. Scott Clementn - breathebnb Vacation Rental Management
13. *Judi Miller
14. *Neil Thomson - President , Kanata Beaverbrook Community Association
15. James McKimm
16. *Rob Hanlon
17. Emilie Hayes - Alliance to End Homelessness
18. *Christian Szpilfogel - Aliferous Group
19. Katya Kartashova
20. Erin Vanasse
21. *Merina Dobson
22. *David Lyman - Eastern Ontario Landlords Org.
23. *Geoffrey Younghusband & Bev Johnson - Osgoode Properties
24. *Lee-Pierre Shirey
25. Stacy Douglas - Somerset West Community Health Centre
26. *Eric Cabana - Community Legal Services of Ottawa
27. *Michael Crockatt - Ottawa Tourism
28. *Lucy Jason
29. *Catherine Boucher - Dalhousie Community Assoc.
30. Greg Skotnicki

31. *Blaine Cameron - ACORN
32. *Anna Bogic
33. *Alex Silas - PSAC – NCR
34. *Corey Daniels
35. *Michele Biss - Canada Without Poverty
36. *Kathleen Fortin
37. *Jennifer Titley - Ottawa Ontario English Catholic Teachers Assoc.
38. *Mavis Finnamore
39. *George Brown - Integral North
40. *Bruce Barkhouse
41. *Pamela Connelly
42. Madison Skotnicki
43. Nathan Charron
44. *Andrew Wong
45. Lenore Duff
46. *Nita Saville
47. Tiffany Gauthier
48. *Stephen Silver
49. John Dickie - UProperties
50. Craig Sweetnam - PBC Sweetnam Holdings
51. *Robert Brocklebank
52. *Peggy Ducharme - the ArtHaus Condo Board
53. *Peggy Ducharme - Downtown Rideau
54. J. P. Brunelle
55. Sidney Rashid

*[* All individuals marked with an asterisk either provided their comments in writing or by email; all such comments are held on file with the City Clerk.]*

These are the points presented by most of the speakers in favour of or against the recommendations:

- Short term rentals provide a low-cost alternative for families and travellers.
- More restrictive short-term rentals will not ease the housing problem, it's more complex than that.

- Short term rentals have been a source of income for stay at home moms and young entrepreneurs.
- Short term rentals reduce the number of long-term rentals available and drive up rental costs.
- Some short-term rentals have become “ghost hotels” that infringe on the hotel industry.
- There has been a problem with “party houses” for some short-term rentals and has been a problem for neighbours of these homes or condo units.
- It’s a matter of choice similar to Uber or Lyft, Ottawa should not restrict.
- What about students who are trying to rent for a term of 4 or 8 months or those who sub-lease for summer?
- The short-term management industry employs many people who would be put out of work.
- On long-term rental, landlords should be licensed.

Written correspondence was received from the following:

- *Action Sandy Hill*
- *Peter Thorn*
- *Jacqueline Beingessner*
- *Byward BIA*
- *Canadian Employee Relocation Council*
- *Corporate Housing Providers Association*
- *Elizabeth Costello*
- *Crystal Holly*
- *Dave and Angela Bush*

- *Debra Lowe*
- *Lowertown Community Association*
- *Expedia Group*
- *Fairbnb Canada*
- *Trevor Graham*
- *Hintonburgh Community Association*
- *Joanna Patrick*
- *Ottawa & District Labour Council*
- *Neil Legault*
- *Augusto Pereira*
- *Jud Rasmussen*
- *Glenn Rivard*
- *Riverside Park Community Association*
- *Claire Sawyer*
- *Josh Snider*
- *Valerie Lamarche*

Following the presentation and delegations committee members asked staff a variety of questions regarding but not limited to these points:

- What is the zoning for hotels? Mixed use. Therefore, a bed and breakfast can put almost anywhere.
- Is there a date for the decision from the Local Planning Appeals Tribunal in the Toronto case on these same regulations? Awaiting the decision which could come at any time now or within 6 months.
- Is the City getting the data needed from AirBnB and other companies?

Some data is being received but not all companies are providing the data which is voluntary.

- How will by-law ensure that the short-term rental is the primary residence of the owner? Government ID and other documents.
- In a case of a triplex as an example where the owner lives in one unit and short-term rental for the other 2? At the moment would not be allowed with main reason being that reducing the long-term rental market.

At 6:55 pm:

CPSC Motion 2019 08/1

Moved by Councillor K. Egli

BE IT RESOLVED that the Community and Protective Services Committee approve that the meeting time be extended past 7:00p.m. pursuant to Subsection 8.(1)(c) of Procedure By-law 2019-8.

CARRIED

- Will there be occupancy maximum? Yes, and licensee will have to provide floorplan.
- Will there be enough resources to enforce the by-law and its administration? Extra full-time employees will be employed and it is felt the department will have enough staff.

The motions were introduced by the proposing Councillors with discussion on each.

CPSC Motion 2019 08/2

Moved by Councillor M. Luloff

That the Community and Protective Services Committee recommend Council direct Planning, Infrastructure and Economic Development Department staff to provide in the consultation and report that is to accompany the temporary use zoning by-law outlined in the report, a further provision, also on a temporary three year basis, that will permit

short term rentals:

- a) **in a secondary dwelling unit where the primary unit is occupied by the person with the permit for the short term rental in the secondary dwelling unit or,**
- b) **in a solely residential use building of three dwelling units or less, in a second dwelling unit within the residential use building where another unit is occupied by the person with the permit for the dwelling unit being used for the purposes of the short term rental**

LOST, on a division of 3 yeas and 5 nays, as follows:

YEAS (3): Councillors M. Luloff, E. El-Chantiry, S. Blais

NAYS (5): Councillors J. Sudds, K. Egli, M. Fleury, C. McKenney, C. Meehan

CPSC Motion 2019 08/3

Moved by Councillor M. Fleury

WHEREAS clause 1(f) of Section 1 of Ontario Regulation 583/06, as amended, passed under the Municipal Act, 2001, states that the municipality does not have power, in a business licensing by-law, “to provide for a system of licenses with respect to businesses trading in real estate”;

AND WHEREAS Subsection 1(2) of Regulation 583/06 provides that, in clause 1(f), the term “trade” is to have the same meaning as in section 1 of the Real Estate and Business Brokers Act, 2002, which defines “trade” as including “a disposition or acquisition of or transaction in real estate by sale, purchase, agreement for purchase and sale, exchange, option, lease, rental or otherwise and any offer or attempt to list real estate for the purpose of such a disposition, acquisition or transaction, and any act, advertisement, conduct or negotiation, directly or indirectly, in furtherance of any disposition, acquisition, transaction, offer or attempt, and the verb “trade” has a corresponding meaning”;

AND WHEREAS these provisions would therefore appear to impose an

impediment to the City's implementation of a system of business licenses for real estate rentals and related real estate activities;

AND WHEREAS the existence of such an impediment would seem contrary to the Province's intention to allow municipalities to implement business licensing schemes for residential rentals, as evidenced by the amendments made to the Municipal Act, 2001 regulations in 2006;

AND WHEREAS it is important to clarify the City's legislative authority in order to inform Council's future consideration of the policy options available for the regulation of rental accommodations;

THEREFORE BE IT RESOLVED that Council request the Mayor ask the Minister of Municipal Affairs and Housing to make changes to Ontario Regulation 583/06 to clarify that the City has the authority implement a business licensing by-law imposing a system of licenses for the rental of residential real estate units.

CARRIED, on a division of 6 yeas and 2 nays, as follows:

YEAS (6): Councillors K. Egli, M. Luloff, M. Fleury, C. McKenney, S. Blais, C. Meehan

NAYS (2): Councillors J. Sudds, E. El-Chantiry

CPSC Motion 2019 08/4

Moved by Councillor M. Fleury

WHEREAS the City regulates Rooming Houses through building, fire, health, licensing, property standards and zoning requirements, with those requirements currently including a 1:5 ratio of washroom facilities to tenants, and no requirement for the rooming house operator to provide certain kitchen amenities;

AND WHEREAS the staff report on the Rental Accommodations Study and Regulatory Regime is not proposing any regulatory changes with respect to Rooming Houses, citing concerns about additional potential cost impacts to rooming house operators and residents of any increased

requirements for rooming house facilities including potential renovation costs;

AND WHEREAS, (a) the washroom facilities to tenant ratio should be 1:4; (b) kitchen amenities should include one microwave oven and one stove top, with one set of such appliances for every 4 tenants; and, (c) one functioning mini-refrigerator for each Rooming House unit;

AND WHEREAS, the Community and Social Services Department is undertaking a review of the Ontario Renovates Program in Q1 2020, which may include funding, of the \$2.4 million currently available (\$1.2 million for each of 2021 and 2022), that could potentially be used to support the renovation of kitchen and washroom facilities in Rooming Houses, in accordance with provincial guidelines;

BE IT RESOLVED that the Community and Protective Services Committee recommend that Council direct the General Manager of Emergency and Protective Services to review and report back to Community and Protective Services Committee in Q2 2020 on the feasibility of incorporating the requirements described in (a), (b) and (c) above into City regulations and, as part of this feasibility review and report, include the following:

- a) any potential legal and/or financial impediments or impacts, and**
- b) the anticipated time frame to develop and implement such regulatory requirements, including the necessary public and stakeholder consultations.**

LOST, on a division of 4 yeas and 4 nays, as follows:

YEAS (4): Councillors K. Egli, M. Fleury, C. McKenney, C. Meehan

NAYS (4): Councillors J. Sudds, M. Luloff, E. El-Chantiry, S. Blais

CPSC Motion 2019 08/5

Moved by Councillor M. Fleury

WHEREAS the report dated September 23, 2019 entitled “Regulation of Long-Term Rental Accommodations” by Maclaren Municipal Consulting Inc. states as follows at Recommendations 4 and 5, respectively:

“The City of Ottawa should initiate regulation and registration for rental housing with 10 or fewer dwelling units in mid-density residential zones (generally R4 and R5) where a high volume of by-law violations continues, and enhanced proactive enforcement is not an adequate response.

As a pilot, regulation should be enacted in the areas of Sandy Hill and Vanier. The trial should be evaluated after two years, comparing results against other mid-density neighbourhoods. Based on the findings, the regulatory regime could be cancelled, revised, or made permanent, and consideration could be given to extending the regime to other neighbourhoods facing similar challenges if the regulatory approach is found to be successful”;

THEREFORE BE IT RESOLVED that Council direct the General Manager of Emergency and Protective Services to review and report back to Community and Protective Services Committee in Q2 2020 on the feasibility of developing a registration-based regulatory regime for residential housing provider, not owner occupied, with 2 or more dwelling units and no more than 4 storeys in the areas of Sandy Hill and Vanier on the basis of establishing a pilot, stemming from recommendations by Maclaren Municipal Consulting Inc. in the report entitled “Regulation of Long-Term Rental Accommodations” and comments received through public consultation. As part of this feasibility review and report, the following would be included:

- a) The expected scope and approach for the registration system for rental housing and related regulations, including legal impediments,**
- b) The expected costs to the City of administering, managing, enforcing and monitoring such registration regime and any options for cost recovery,**
- c) A detailed analysis of the enforcement benefits and risks of more expedient compliance and escalating fees (above and beyond the**

current By-Law fee structures);

- d) **Any expected costs to be borne by the tenants of the rental housing in question; and**
- e) **The expected time frame necessary to develop and implement such a registration system including required public and stakeholder consultations.**

LOST, on a division of 3 yeas and 5 nays, as follows:

YEAS (3): Councillors M. Fleury, C. McKenney, C. Meehan

NAYS (5): Councillors J. Sudds, K. Egli, M. Luloff, E. El-Chantiry, S. Blais

Following the above motions, the Committee voted on the recommendations as follows:

That Community and Protective Services Committee recommend that Council:

1. **Receive the following reports related to the Rental Accommodations Study:**
 - a. **“Rental Accommodations Literature Review and Inter-Jurisdictional Scan”, Prism Economics and Analysis, 2019, attached as Document 3,**
 - b. **“City of Ottawa Rental Market Analysis”, Prism Economics and Analysis, 2019, attached as Document 4,**
 - c. **“Regulation of Long-Term Rental Accommodations”, Maclaren Municipal Consulting Inc., September 23, 2019, attached as Document 7, and**
 - d. **“Regulation of Short-Term Rental Accommodation”, Maclaren Municipal Consulting Inc., September 23, 2019, attached as Document 8, and**

RECEIVED

- 2. Approve the recommended regulatory framework for Rental Housing as described in this report and set out in Document 1 – Regulatory Regime for Rental Housing, and**
 - a. direct the General Manager of Emergency and Protective Services to develop the proposed Rental Property Management By-law and related by-law amendments for approval by the Community and Protective Services Committee and Council in 2020, as described in this report, and**
 - b. approve, for immediate implementation, an increased flat re-inspection fee of \$500 in Schedule A of the Property Standards By-law (2013-416, as amended), as described in this report, and**

CARRIED

- 3. Approve the recommended regulatory framework for Short-Term Rental (STR) Accommodations as described in this report and set out in Document 2 –Regulatory Regime for Short-Term Rentals, and**
 - a. Direct the General Manager of Emergency and Protective Services to develop the proposed Short -Term Rental By-law and related by-law amendments for approval by the Community and Protective Services Committee and Council, and**
 - b. Direct the General Manager of Planning, Infrastructure and Economic Development to develop a Temporary Use By-law for short-term rental use in residential areas, for approval by Planning Committee and Council, as described in this report, and**
 - c. Direct the City Treasurer and City Solicitor to conduct a review of the Municipal Accommodations Tax revenues to**

fund the short-term rental requirements, and if funds are not available, direct the City Treasurer and City Solicitor to develop the required by-law to amend the Municipal Accommodations Tax By-law in order to increase the Municipal Accommodations Tax by 0.25% with the increase directed to the City and to be used to administer and enforce proposed short-term rental regulations as described in this report, and that such amendment be placed directly on the agenda of Council for enactment, as described in this report; and

- d. That the timing of the required by-laws and by-law amendments set out in items a., b. and c. be designed and coordinated to come into force concurrently, as further described in this report, and**

CARRIED, on a division of 5 yeas and 3 nays, as follows:

YEAS (5): Councillors J. Sudds, K. Egli, M. Fleury, C. McKenney, C. Meehan

NAYS (3): Councillors M. Luloff, E. El-Chantiry, S. Blais

- 4. Approve 2.0 temporary Full-Time Equivalent (FTEs) for Rental Housing enforcement and administration, and 6.0 temporary FTEs and 1.0 additional temporary FTE (first year of implementation only) for Short-Term Rental Accommodations enforcement and administration, for a total of temporary 8.0 FTEs and 1.0 additional temporary FTE (first year of implementation only), effective upon implementation of the regulatory regimes set out in Recommendations 2 and 3, to be funded through revenue generated from fees and the Municipal Accommodation Tax, as described in this report.**

CARRIED