

CITY OF CHARLOTTETOWN
PLANNING BOARD MEETING

January 04th, 2022

Short-term Rental (STR) Regulatory Framework

STR OP and ZBL Regulatory Framework

STR Framework Further Recommendations

- Enacting a Short-term Rental Licensing By-law to govern the activities of short-term rental platforms, operators/hosts;
- Establish an enforcement regime to enforce the by-law regulations and requirements;
- Allow for a grace period to provide a reasonable amount of time for operators to be educated on the proposed regulations and licensing requirements;
- Establish cost recovery through a combination of fees (i.e., building permit and licensing/registration);
- Only tourist home operations that have been legally approved by way of a home occupation by the City of Charlottetown and licensed by the PEI Tourism can continue to operate;
- Provide specific exemptions from the proposed regulations to allow for a hotel, motel, cottage and bed and breakfast to use the STR marketing platforms; and
- Provide staff with the direction to hire a third-party monitoring tool to track and provide tools to staff to assist with obtaining compliance with a regulatory framework that is adopted by Council.

Proposed Official Plan Amendments – Residential STR

□ **Sustaining Charlottetown's Neighbourhoods**

- 3.2 *Sustaining Charlottetown's Neighbourhoods* the goal states that “**Our goal** is to maintain the distinct character of Charlottetown's neighbourhoods, to enhance the special qualities of each, and to help them adjust to the challenges of economic and social transformation”
- **Our policy** shall be to ensure that a short-term rental operation in a residential area should be restricted to the Operator's principal residence and be of a scale that is compatible with the character of the surrounding neighbourhood.

Proposed Official Plan Amendments – Commercial STR

- Supporting Home Occupations
 - ▣ 4.5 Supporting Home Occupations the goal states that *“Our **goal** is encourage home occupations as a platform for new economic growth and community development ”*
- *Our **policy** shall be to require that all operators of bed & breakfast and tourist home establishments be registered and licensed by both the Province and the City of Charlottetown.*

Secondary/Garden Suites – Attachment C & D

- If a property contains either a secondary or garden suite it can be used for an STR, under the condition that the operator/host is present at time of stay in the principal dwelling unit (i.e., main dwelling)
- **Proposed amendment(s):** *Can be used as a short-term rental under the condition that the operator/host must be present in the principal dwelling unit during the time of stay.*

Short-term Rentals on Residential Properties – Attachment E

- An STR on a residential property will be defined as a *Tourist Home*;
- *Tourist Home* requires the following:
 - ▣ Can occur in any type of dwelling unit *except* apartment dwelling units.
 - ▣ Operator/host's principal residence;
 - ▣ the entire dwelling unit or part thereof can only be rented to one (1) guest and their party of guests;
 - ▣ maximum of 4 bedrooms can be rented at any one time; and
 - ▣ The operator/host does not have to be present at time of stay. ← **If entire dwelling unit is being used as an STR.**

STR Parking Requirements

- Defined as a *Tourist Accommodation* under the *Home Occupation* regulations.
 - ▣ **Bed & Breakfast, Heritage Inn, or Hostel:** 1 space per 3 bedrooms or guest rooms, plus 1 space for the operator/proprietor.
 - ▣ **Tourist Home:** 2 spaces minimum. (Properties in the 500 Lot Area would be exempted from parking as per Section 44.2.1b)

Definitions

- **Booking** means a confirmed reservation of the dwelling unit or portion thereof, up to a maximum of four (4) bedrooms, as a Short-term Rental lodging.
- **Principal Residence** means:
 - the residential unit that is owned or rented by a natural person, alone or with others, where the natural person is ordinarily resident and makes their home and conducts their daily affairs, including, without limitation, paying bills and receiving documentation related to identification, taxation, and insurance purposes, driver's licenses, income tax returns, medical plan documentation, vehicle registration and voter registration; or similar information; and
 - where the natural person has no other property designated as such within the City of Charlottetown or any other jurisdiction.
- **Short-term Rental** means the rental of an entire dwelling unit or a portion of a dwelling unit that serves as the operator/host's principal residence for a period of less than 28 consecutive days and defined as a permitted use by way of a *Tourist Home*.
- **Tourist Accommodation** means temporary accommodations for travelers or transients within a Dwelling Unit for the exclusive use of one (1) guest and their party of guests, such as a Bed & Breakfast, Hostel or Tourist Home, but a Hotel and Motel are separate uses and separately defined.
- **Tourist Home** means temporary accommodations for travelers or transients within a Principal Residence of the operator/host that is not a company or corporation for the exclusive use of one (1) guest and their party of guests, such as a Short-term rental lodging but a Bed & Breakfast, Hostel, and Hotel are separate uses and separately defined.

Legal Non-Conforming Nature of Tourist Accommodations

Since at least 2006, the Zoning & Development By-law has contained regulations and requirements for any resident who sought to use their principle dwelling as a tourist accommodation by way of a home occupation. The requirements to operate a tourist accommodation from a private dwelling has and presently been as follows:

- 1) The operator/proprietor of the home occupation shall live in the dwelling (home occupation requirement);
- 2) Only permitted in a single-detached dwelling;
- 3) Up to four (4) bedrooms used for the tourist accommodation;
- 4) Licensed under the *Tourism Industry Act*;
- 5) No kitchen and/or cooking appliances are permitted in a guest room;
- 6) No meals other than breakfast are provided to guests;
- 7) Parking and Signage subject to regulations of the by-law.

Approved/Rejection of Home Occupation (i.e., Tourist Accommodation) Applications

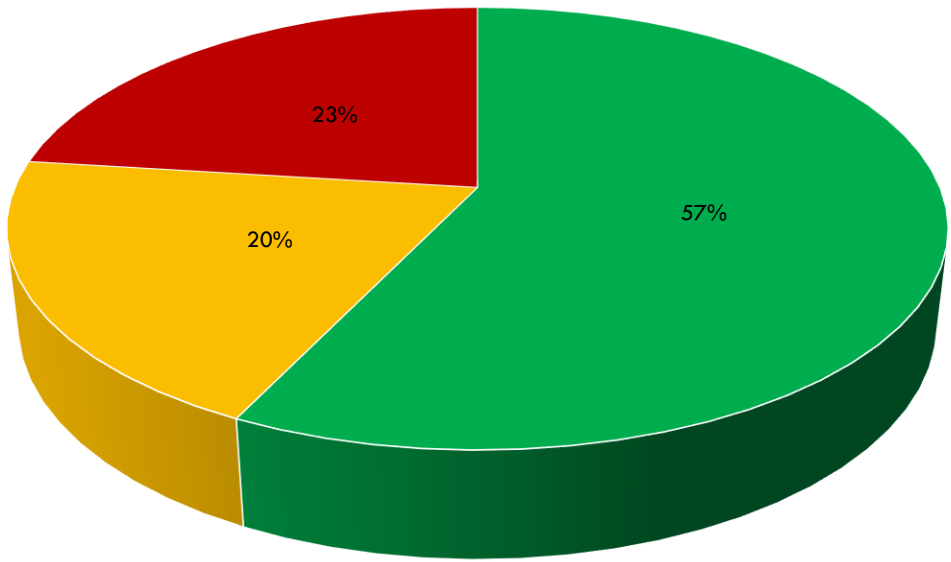
- Since 1998, the department has received approximately **54 home occupation** (i.e., tourist accommodation) applications, of which approximately **31 of said applications were approved**.
- In 2021, there were **ten (10) home occupation** (i.e. tourist accommodation) applications and the department **approved six (6)** of these applications as per the Zoning By-law Home Occupation requirements. The other tourist accommodation applications were rejected either because the applicant withdrew the submission, or the application did not adhere to the zoning regulations for a tourist accommodation.

Public Feedback

- Two (2) public consultations (i.e. May and November 2021)
- The following common themes emerged:
 1. concerns expressed by residents and community organizations about the quality, health and safety of private sector rental housing used for STR's.
 2. concerns of stricter regulations/requirements for STR operators/hosts.
 3. the emergence of short-term accommodation rentals (using on-line platforms such as Airbnb or Expedia) and the impacts on private market housing availability and affordability, as well as the land use implications such as, commercial nature of STR's, neighbourhood nuisance, property standards and maintenance.
 4. the call for fair regulations to even the playing field that are currently in place for licensed and appropriately zoned hotels, motels and traditional bed and breakfasts.
 5. confusion regarding the existing provincial licensing process and municipal approval requirements.

Public Feedback Summary

Public Feedback on Proposed STR Regulations



- Agree w/ Staff's Recommendation
- Disagree w/ Staff's Recommendation
- Alternative Regulation

Public Feedback: Petitions

- STR Operators *objects* to the proposed regulations
 - ▣ 50 signatures
- PEI Fight for Affordable Housing *supports* Scenario 1 or 2
 - ▣ 920 signatures (620 Charlottetown residents)

External Organization Feedback

- Renting PEI Legal Information for Tenants & Landlords
 - ▣ Supports the proposed STR regulations
- Hotel Association of Canada
 - ▣ Supports principal residence requirements
- AirBnB
 - ▣ Does not support principal residence requirements

City of Charlottetown Affordable Housing Advisory Committee

The Affordable Housing Advisory Committee that provides input to council on matters relating to affordable housing passed the following motion on October 19, 2021:

The Affordable Housing Advisory Committee fully supports Council's adoption of a Short-Term Rental Bylaw based on the McGill study's Option One (principal residence only, no apartments). CARRIED

The committee based its recommendation on the low vacancy rate and lack of long-term housing rental options.

Recommendation

The Planning & Heritage Department recommends that the proposed amendments as follows:

Official Plan amendments pertaining to:

- Section 3.2 Sustaining Charlottetown's Neighbourhoods; and
- Section 4.5 Supporting Home Occupations.

and the Zoning & Development By-law amendments pertaining to:

- Section 5.6 Secondary Suites;
- Section 5.7 Garden Suites;
- Section 5.11 Tourist Accommodations on Residential Properties;
- Section 43.1 Parking Space Standards;
- Appendix A. Definitions.

be **approved**.

Note: Once Council provides direction on regulating Short-term Rentals (STR's), staff will return with all the supporting regulatory documentation (i.e. Enforcement and Summary Proceedings and an STR Registration By-laws) to implement council's direction including a proposed date when all by-law amendments will be in force and effect.