



STAFF REPORT
Municipality of Wawa

Maury O'Neill, CAO-Clerk

Prepared By: Maury O'Neill	Report No: CAO REPORT 2024-04
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SHORT-TERM ACCOMMODATIONS – DRAFT BUSINESS LICENSE BY-LAW

Staff Recommendation

THAT Council receive Staff Report CAO 2024-04 entitled “Short Term Accommodations – Draft Business License By-Law”;

AND THAT Council direct staff to provide opportunity to the public to comment on the proposed by-law, licensing requirements and application and bring a future report to Council summarizing any input and final recommended licensing by-law.

Report Purposes

The purpose of this report is to provide Council with a draft Short-Term Accommodation Business License By-Law and application for consideration and to provide direction to staff to seek public input prior to the passing of a by-law and associated application fees which would require an amendment to the 2024 Schedule of Fees.

A Statutory Public Meeting regarding the proposed Official Plan and Zoning amendments to permit Short-Term Accommodations in Residential Zones in Wawa, subject to conditions including an annual licencing requirement, is scheduled for Tuesday, February 20, 2024. This report and draft by-law are not part of the upcoming Public Meeting, and the by-law would be required should the planning amendments be approved.

Background

As outlined in CAO Report 2023-12 “Short-Term Accommodations (STR)” shared with Council on December 12, 2023, most municipalities in Ontario addressing STRs have introduced a licensing system. To ensure the health and safety of residents, STR operators and visitors, Council has determined that such temporary accommodations should be regulated and monitored.

To regulate STRs, a Municipal Licensing By-Law is required. Existing Municipal Business Licensing By-laws do not contain provisions to regulate STRs or Bed and Breakfasts, thus, a new by-law is recommended and attached as “Appendix A” is a draft by-law for Council’s consideration and comment.

Draft STR Licensing By-Law

The attached draft STR Licensing By-law is based on research and discussions with other municipalities. The main parts of the draft by-law have come from the Sault Ste. Marie example and includes the following components:

Mandatory Inspections

As part of the application process, applicants will be required to declare that the proposed short-term accommodation complies with all applicable laws, regulations and by-laws, including Zoning, Property Standards, Fire Protection and Prevention and Building Code Acts. This will ensure that the owner understands the responsibility and risk associated with operating an accommodation rental business. In addition, the Chief Building Official and/or Fire Chief will conduct an inspection of the proposed dwelling areas to ensure compliance with building and fire codes, prior to issuing a license.

License Applications

A draft STR License Application is attached as "Appendix B". The owner/operator will be required to submit a site plan, building plan, and proof of \$2 million in liability insurance as items required to obtain a license. This is standard practice among municipalities and although many municipalities require a \$5 million insurance liability policy, staff are recommending at the outset of this licensing program that a lower amount be requested until existing STR operators become familiar with the licensing system. Increasing the insurance minimum to \$5 million may be recommended in the future.

Annual License Fees

Staff are recommending that the licensing of STRs be fair and based on a cost-recovery model to be used to offset any administration, inspection and compliance costs. As a result, staff anticipate that in the first year of implementation, the initial cost to inspect and issue a license will be approximately \$300. This will depend on several factors and may have to be adjusted in the second year of the program. The fee would cover year one of the license (January to December) and subsequent years would be an annual licence renewal fee initially set at \$150, or 50% of the rate.

To encourage local ownership of STRs, it is recommended that non-owner-occupied applicants be charged \$500 per year, with \$250 to be charged after the initial year or part thereof of operation. Other municipalities have initiated this practice since non-owner occupied STRs can take more time for staff to monitor in terms of compliance if tenants do not follow local noise, parking and other municipal by-laws, which tends to be more likely when an owner is not present.

If the licensing program is approved, the licensing fees will be reviewed at the one-year by-law review.

Other Considerations

Should the proposed Official Plan Amendment be approved by Council in March 2024, it will become a legal requirement for STRs to obtain a license. It is anticipated that staff will have a system in place to issue licensees by June 1, 2024.

Licensing short-term accommodations in Wawa would enable staff to also monitor locations for the implementation and enforcement of the proposed MAT Tax should Council proceed with approving such a program. This would ensure that all accommodation operators are treated fairly and consistently.

Public Consultation

Staff recommends that Council ensure that STR operators, accommodation owners and residents have opportunity to provide input into the proposed licensing system which should take place after the February Public Meeting on the Zoning and Official Plan amendments. As a result, input should be gathered in March 2024 through a series of surveys and included in the next MAT public session for a presentation.

Strategic Plan

Licensing short-term accommodations meets with the priorities of the Wawa Strategic Plan (2023) under Section TED-5 Implement Municipal Accommodation Tax and GG-7 Update Policies and By-laws regularly to ensure effective government operations.

Staff Recommendation

Staff recommends that Council direct staff to engage key stakeholders and public to review the proposed STR Licensing By-law and include consideration to principal and non-principal residence licensing requirements during the month of March and provide a final report to Council with recommendations on the regulations of licensing STRs in April 2024.

Respectfully submitted,

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