



**WEST HANTS REGIONAL MUNICIPALITY
Windsor Area Advisory Committee (WAAC) Agenda
September 3, 2020 – 6:00p.m.
Virtual Meeting (Zoom)**

**NOTE: A PUBLIC INFORMATION MEETING (PIM) WILL BE HELD AT 6:00 PM.
WAAC will begin immediately following the close of the PIM**

- 1.0 Call to Order**
- 2.0 Approval of Agenda and Additions**
- 3.0 Approval of Minutes**
- 4.0 Business Arising from the Minutes**
- 5.0 Building and Development Activity Report**
- 6.0 New Business**
 - 6.1 Short-term Rentals (Sara Poirier; Information Report)
- 7.0 Notices from Adjacent Municipal Units**
- 8.0 Questions and Comments from Public**
- 9.0 Adjournment**



WEST HANTS REGIONAL MUNICIPALITY

Information Report to the Hantsport and Windsor Area Advisory Committees

To: Members of the Hantsport Area Advisory Committee (HAAC) and Members of the Windsor Area Advisory Committee (WAAC)

Submitted by: Sara Poirier, Planner

Date: September 1, 2020 (HAAC) and September 3, 2020 (WAAC)

Subject: Short Term Rentals

1.0 LEGISLATIVE AUTHORITY

Municipal Government Act Section 214.

2.0 BACKGROUND

A group of Dalhousie University Master of Planning candidates completed a project entitled *“Impact of Short Term Rentals in the Region of Windsor and West Hants Municipality”* in April 2020 which provided the Planning and Development Department insights into short term rentals in the Region.

3.0 DISCUSSION and DOCUMENT REVIEW

3.1 Short Term Rental Accommodations

A short term rental is a form of roofed accommodation that is offered to the traveling public for less than 28 consecutive days, usually as a private dwelling or room in a dwelling. In comparison, a long term rental is a form of housing that is rented by a resident for over 28 days.

As an often less expensive alternative to renting a room in a hotel or motel, short term rentals have become popular with tourists over the last decade. Due to that

popularity, communities across North America are finding that there are multiple pros and cons that can be associated with short term rentals (Table 1).

Table 1: Potential Pros and Cons of Short Term Rentals

Pros	Cons
Extra income for property owners	May impact availability and / or affordability of long term rentals
Encourages tourism and gives a more authentic experience of a community	Increase in nuisance complaints (i.e. noise, traffic, etc.)
Encourages renovations to older homes	Threatened sense of community identity
	Threatened loss of community services (i.e. libraries, grocery stores)

The Planning and Development Department have not received any specific complaints about short term rentals in the Region to date. However, there have been a few comments received from residents when accommodation type uses were proposed in their neighbourhood. The comments include concerns about:

- safety, associated with the rapid turnover of renters; and
- increased noise, traffic and pollution which could take away from the rural lifestyle.

The current planning documents in the Region do not recognize or regulate short term rentals. The Development Officers would allow a short term rental in any zone that permits a single unit dwelling and they have issued permits in the past for accessory apartments or bed and breakfast establishments. Bed and breakfast establishments are permitted as a home-based business.

Updates to the Provincial tourist accommodations legislation in Nova Scotia includes the adoption of the *Tourist Accommodations Registration Act (2020)* which requires that operators or hosts of short term rentals register their short term rentals if they are not their primary residence. The *Act* defines a short term rental as the “*provision of roofed accommodations to a single party or group, for payment or compensation, for a period of 28 days or less*”. The Provincial website lists the types of tourist accommodations that would need to be registered which includes a: bed and breakfast, cottage or cabin, hostel, hotel, inn, manufactured (mobile) home, motel, resort, vacation home, unusual lodging (i.e. a tiny home, yurt or dome) or a room in a tourist home. It also states that campgrounds only need to register if they offer roofed accommodations similar to cabins, cottages or yurts.

3.2 Dalhousie University Short Term Rental Report

Although the Planning and Development Department has not received any complaints to date specifically regarding short term rentals, a lot of other municipalities in Nova Scotia and North America have been feeling the impact of short term rentals, particularly in residential zones, and are determining how to regulate them. The Planning and Development Department asked Dalhousie University planning students to investigate the impact that short term rentals may have in the Region and whether regulations should be adopted to control these uses before potential issues arise.

The Dalhousie University report (2020) discusses the residential real estate market and tourism in the Region, explores short term rental trends across Canada and Nova Scotia, and provides an impact assessment on housing, traditional lodging and heritage, before summarizing findings and making recommendations for the Region.

There are three types of hosts of short term rentals as specified in the report. These are:

- (1) Principal residents - residents who are renting out a room or live on the same property
- (2) Owner of seasonal dwelling – residents who rent out their home or cottage seasonally when they are not occupying it
- (3) Commercial property owners – property owners who solely use the property as a short term rental

The planning students determined that there are currently 59 short term rentals available in the Region, concentrated in the communities of Vaughan, Windsor Forks, Windsor / Falmouth. These rentals are available for an average of 217 days per year, rent for an average daily rate of \$142, and earn their hosts an average annual revenue of \$14,335.

The report discusses the methods that other municipalities are using to regulate short term rentals. These include:

Table 2: Methods Used to Regulate Short Term Rentals

Method	Description
Business licenses	<p>A municipality requires the short term rental to apply for a license to operate. Many municipalities put a limit on how many business licenses are available per year and charge a fee for the license.</p> <p>The business license ensures the municipality is aware of the business to be able to track non-</p>

	<p>compliance. The municipality can also create requirements prior to receiving a license such as requiring a fire inspection.</p>
<p>Platform regulations</p>	<p>A municipality or province can require the platforms that advertise the short term rentals (i.e. Airbnb, HomeAway, etc.) to register, adhere to specific policies (i.e. displaying permit numbers) and pay a fee to provide the service to tourists in the specific area.</p> <p>This method is typically seen in larger cities such as Toronto where there are thousands of short term rentals available.</p>
<p>Land Use By-law regulations</p> <ul style="list-style-type: none"> • principle residence only • separation distance requirements 	<p>Municipalities can regulate short term rentals through their Land Use By-laws by listing short term rentals as a specific use in certain zones, creating restrictions including that the short term rental must only be operated in a principle residence, and requiring a separation distance between short term rentals to ensure they do not dominate the land use in a community.</p> <p>Any regulations that are created in the Land Use By-law would need to be able to be enforced by the Development Officer.</p>

The Dalhousie University report concludes that short term rentals in the Region are currently filling a gap where regular tourist accommodations such as campgrounds or hotels/motels are not available. It also states that as short term rentals are not currently causing problems in the Municipality, specific regulations to deal with short term rentals are not necessary at this time.

The report provides three recommendations for the Region:

- (1) Define short term rentals in the Land Use By-laws;
- (2) Engage the public to gain an understanding of community attitudes towards short term rentals; and
- (3) Monitor the signs that short term rentals are impacting the community including new tourism attractions, decline in rental housing vacancy, increase in rental housing costs, increase in housing costs, construction of purpose

built short term rentals, and increased number of commercial operators of short term rentals.

3.3 Regional Planning Documents

The planning documents for the Region are the Hantsport, West Hants and Windsor Municipal Planning Strategies and Land Use By-laws. Staff reviewed these planning documents for policies regarding housing, tourist accommodations and home-based businesses.

The Hantsport Municipal Planning Strategy (HMPS) includes a goal of “*providing housing opportunities to encourage new residents*” to the area. Policy 4.11.1 of the West Hants Municipal Planning Strategy (WHMPS) states that Council shall “*encourage the provision of housing adequate to meet the needs of all citizens of West Hants. Affordable housing, special-needs housing and rental accommodation shall be encouraged to develop in a manner that is sensitive to the needs of the community and those being served.*” The Windsor Municipal Planning Strategy (WMPS) outlines specific principles for development in the community of Windsor including providing more flexibility in allowing the consideration of mixed-use development and encouraging compact residential and commercial growth.

All of the planning documents encourage home-based businesses by permitting these uses in dwellings or buildings accessory to a dwelling, with certain restrictions to minimize impacts on adjacent residential uses. A summary of the regulations on home-based businesses can be found in Table 3.

Table 3: Regulations on Home-Based Businesses

	Hantsport LUB	West Hants LUB	Windsor LUB
Total Floor Area of the Dwelling and Accessory Building	Up to 25% or 538.2 ft ² (50 m ²), whichever is less	<u>Growth Centre and Village designation:</u> Up to 25% to a maximum of 500 ft ² (46.45 m ²) <u>Hamlet, Agriculture and Resource designations:</u> Up to 25% to a maximum of 1,000 ft ² (92.90 m ²)	Up to 25% to a maximum of 500 ft ² (46.45 m ²)
Exterior Appearance	Cannot change the exterior of the building		
Employees	Up to two (2) assistants that are not residents of the property		

Parking	One (1) off street parking space for every 269.1 ft ² (25 m ²) occupied by the business	One (1) off street parking space for every 200 ft ² (18.58 m ²) occupied by the business
Additional		Specifically lists the types of uses that can be considered as a home-based business and lists those uses that cannot

In the West Hants and Windsor planning documents a bed and breakfast establishment can be considered as a home-based business. Bed and breakfast establishments are not subject to the size requirements similar to other home-based businesses and can rent up to four (4) rooms to the traveling public. In Hantsport, bed and breakfast establishments are permitted in the Two Unit Residential (R-2) and Mixed Commercial / Residential (C-2) Zone subject to specific requirements.

An accessory apartment is defined as *“a self-contained dwelling unit within or attached to a main dwelling in such a way as to maintain the appearance of the structure as a single unit dwelling”*. The West Hants and Windsor planning documents permit one (1) accessory apartment in the residential zones (except the Rural Residential (R-4) and Manufactured Home Park (MHP) Zones in the West Hants documents) within or attached to the main dwelling. The West Hants planning documents restrict accessory apartments to 700 ft² (65.03 m²) of floor area and they are restricted to 25% of the total floor area in Windsor. Accessory apartments are not defined or listed as a permitted use in any zone in Hantsport, however secondary suites are permitted as per the Building Code.

In Hantsport, new residential uses are permitted in the Commercial (C-1) zone provided they do not occupy more than 50% of the gross floor area of the structure and are located above, behind or below a commercial use, office, museum, or medical clinic which has frontage on the street. All types of residential uses are permitted in the Mixed Commercial / Residential (C-2) Zone.

In West Hants, a variety of tourist accommodations are permitted in the commercial zones. Residential uses are permitted in the same building as the commercial use in the commercial zones. Seasonal dwellings on private roads are permitted in the General Resource (GR) zone. Campgrounds and ski lodges are permitted in the Recreational Commercial (RecC) zone.

In Windsor, mixed use commercial / residential development can be considered by Council in the Residential designation by development agreement. There are a variety of commercial designations and zones established in Windsor which permit a range of commercial uses, tourist accommodations and entertainment uses.

Although commercial uses are to be the predominant use in these areas, residential uses are permitted with some restrictions.

3.4 Housing in the Region

The 2016 census reported a population of 15,368 in West Hants and a population of 3,648 in Windsor, bringing the Regional population to approximately 19,000 residents. The population density per square kilometer of West Hants in 2016 was 12.4 and for Windsor was 400.6.

Only 13% of the population in West Hants rent whereas 87% own their homes. The majority (89%) of homes in West Hants are single detached dwellings. Comparatively, in Windsor, 55% of the population rent compared to 45% of residents that own their homes. Almost half (48%) of the homes in Windsor are single detached dwellings, 38% are apartments under five (5) stories in height and 13% are semi-detached, row houses, or apartments in a duplex.

Affordable housing is defined as spending 30% or less of your gross income on good quality shelter. Table 4 shows a comparison of the percent of households living in an unaffordable housing situation. In Nova Scotia, 12% of owner households and 43% of tenant households live in an unaffordable housing situation. In West Hants, 14% of owner households and 37% of tenant households spend over 30% of their income on housing. Whereas, in Windsor, 17% of owner households and 52% of tenant households are in an unaffordable housing situation.

Table 4: Percent of Households Spending 30% or more on Shelter Costs

2016 Census Data	Nova Scotia	West Hants	Windsor
Percent of owner households spending 30% or more of its income on shelter cost	12%	14%	17%
Percent of tenant households spending 30% or more of its income on shelter cost	43%	37%	52%

3.5 Discussion

The intention behind short term rentals was to normalize a type of home share model where someone could rent out an extra room in their house, or their whole house if they were going away on vacation. The problem now is that online platforms are making it easier to advertise these rentals, making it more convenient

for people to become commercial operators by converting their long term rental units into short term rental units or by purchasing or building single unit dwellings to specifically convert them to short term rentals.

Planning and Development Department staff discussed the Dalhousie University report, the planning documents, the current housing situation in the Region, and potential options for consideration.

The Planning and Development Department proposes that the definition of short term rentals for the Region be *“Short Term Rental means a form of accommodation that is offered to the traveling public for less than 28 consecutive days within a private dwelling.”* This definition specifically ties short term rentals to dwellings to ensure short term rentals in residential areas are compatible with surrounding community. As tourist accommodations such as hotels, motels and campgrounds are permitted in a variety of zones across the Region already, this definition will allow Council to explicitly state that short term rentals must be within a dwelling when they are permitted in a zone.

To ensure that the majority of short term rentals that are being developed in residential areas are accessory to residential uses and operated by principle residents, staff believe short term rentals should be permitted as home based businesses in the Regional Municipality. This would allow a resident to earn extra income from renting out a space in their home or on their property for a short term rental but would also ensure that short term rentals have minimal impact on the surrounding neighbourhood. Development permits are required from the Planning and Development Department to operate a home-based business and they would be restricted to certain requirements as described in Table 3.

As approximately half (52%) of the population in Windsor rent and over half (52%) of those residents that rent are already facing an unaffordable situation, staff believe that short term rentals as the main use of the lot should be prohibited in the community of Windsor. Prohibiting stand alone short term rentals in Windsor will ensure that the challenges facing residents that rent in Windsor are not further exacerbated. If short term rentals were permitted as the main use of the lot in Windsor they could increase the cost and decrease the availability of long term rentals in the community.

In West Hants and Hantsport, staff request direction on whether short term rentals should be permitted as the main use of the lot in residential zones. The residential zones are intended to accommodate future residential growth. If stand alone short term rentals are permitted in residential zones it would permit a property owner to rent out their entire property instead of just the portion of the property as permitted by the home-based business regulations. Any purpose-built short term rental in a

residential zone would need to meet the requirements of the underlying zone to ensure compatibility with the surrounding neighbourhood.

In West Hants and Hantsport, short term rentals as the main use of the lot should be permitted in commercial areas where residential uses and other tourist accommodations are permitted. The Resource and Agricultural zones in West Hants were intended to have resource and agricultural uses as the dominant land use. Staff request direction on whether the committees and Council would also like to permit stand alone short term rentals in the Resource and Agriculture zones.

Planning and Development Department staff discussed having further restrictions on short term rentals such as separation distances, time limits (i.e. 150 days per year), lot requirements (i.e. one short term rental per lot), fire inspection or proof of insurance. As there are already specific requirements of home-based businesses, bed and breakfast establishments, and other commercial uses in the commercial zones staff do not believe that stand alone short term rentals should have to meet any further requirements. Staff would require direction if specific restrictions on short term rentals are to be pursued.

Community engagement would be required to gain an understanding of community attitudes towards short term rentals. It would allow staff to determine how different communities feel about short term rentals as home-based businesses and as stand alone operations in residential zones, and if they would like further requirements placed on short term rental hosts prior to being able to operate in the Region.

4.0 OPTIONS

4.1 Option 1: Business as Usual

Continue permitting short term rentals in zones that permit single unit dwellings as a single unit dwelling, accessory apartment or bed and breakfast establishment.

4.2 Option 2: Follow Dalhousie University Report Recommendations

- (i) Define short term rentals in the Land Use By-laws (*Note: if a term is defined in the LUB and then it is not listed as a permitted use in a zone, it is purposely excluded from being permitted in that zone, and this can be extended to all zones*)
- (ii) Engage the public to gain an understanding of community attitudes towards short term rentals
- (iii) Monitor the signs that short term rentals are impacting the community

4.3 Option 3: Additional Considerations to the Dalhousie University Report Recommendations - *Recommended*

- (i) Engage the public to determine their opinion on short term rentals and appropriate regulations
- (ii) Define short term rentals in the Land Use By-laws
- (iii) Consider permitting short term rentals as a home-based business in the Regional planning documents which would restrict short term rentals to an accessory use to residential uses
- (iv) Prohibit short term rentals as the main use of the lot in all areas in Windsor
- (v) Determine where short term rentals should be permitted as the main use of the lot in West Hants and Hantsport
- (vi) Determine if specific regulations are required for short term rentals and determine how these will be administered and enforced
- (vii) Monitor the signs that short term rentals are impacting the community

5.0 FINANCIAL IMPLICATIONS

There are no financial implications associated with the filing of this report.

6.0 CONCLUSION

This report gives the HAAC and WAAC options to discuss and consider on how to accommodate short term rentals in the Region. Staff requires direction from the Committees on the following items:

- What are the Committees thoughts on:
 - permitting short term rentals as home-based businesses?
 - prohibiting short term rentals as the main use of the lot in Windsor?
 - permitting short term rentals as the main use of the lot in the residential areas elsewhere in the Region?
- What options (if any) staff should move forward with?

Report Reviewed by: _____

Madelyn LeMay, Director, Planning and Development