Township of Georgian Bay

Staff Report

2023-63 - Fire and Emergency Services Department

To:	Mayor Koetsier and Members of Council
From:	Albert Chan, Municipal Law Enforcement Officer
Date:	May 8, 2023
Subject:	Short Term Rental Registration Update

Report Highlights

- Staff have been in consultation with a software data collection service tailored to the short-term rental industry, called Granicus.
- Based on discussions with Granicus, and positive feedback on its effectiveness and ease of use from other users, it is recommended that staff be allowed to enter into a sole source agreement with this company.
- It is proposed that pre-compliance monitoring and free registration for the remainder of 2023 take place between October 2023 to December 2023.
- Implementation of the registration process would commence January 2024.
- A public awareness/consultation campaign would commence in June of this year, incorporating any feedback into a final policy and by-law to be submitted for approval at Council in August.
- Implementation of the Administrative Monetary Penalty System (AMPS) is also recommended.

Recommendation

BE IT RESOLVED THAT Council approve staff to commence public education and outreach on a short-term rental (STR) policy in June 2023, and incorporating any useable feedback received into a final policy and by-law for Council approval in August 2023; and

THAT Council approve staff to begin with free, pre-compliance registration in October 2023, with formal paid registration commencing in January 2024; and

THAT Council approve staff to enter into a single source agreement with Granicus in the amount no higher than $15,000 for the first year of operation; and

THAT Council approve the ability to convert a seasonal by-law enforcement officer to a year-round position within the By-law Department, per staff's February report, to assist with the implementation, promotion, education, administration and enforcement of this new policy, by-law and associated guide, forms and documents, as well as the implementation and administration of the Administrative Monetary Penalty System, or AMPS, Township wide.

Background

On February 13, 2023, a report was brought forward to Council with regards to a registry being formed for short-term rentals. The resolution from the February Council meeting directed staff to move forward with the creation of a by-law to begin the registration of short-term rentals in the Township of Georgian Bay.

Council also directed staff to begin the consultation process with short term rental providers in the community for education and awareness, however during discussions, Council also asked staff to review again some of the details of a short-term rental policy and to report back to Council. This report confirms the approach suggested in the February staff report with some useful additional background information and data.

There are many more short-term rentals than originally estimated, which confirms the requirement of additional staff resources to administer this program. The larger estimate would, however, more than cover any incremental costs in implementing not only a short-term rental policy and by-law, but also the previously mentioned Administrative Monetary Penalty System, or AMPS, township wide.

Analysis

Staff have been in consultation with a short-term rental online database software company called Granicus. Founded in 1999, Granicus is well known in the public sector and some of our neighbouring municipalities who are using Granicus to assist with their short-term rental management efforts have been satisfied with its performance.

The company performed an initial screen within our jurisdiction and have found 243 active short term rental listings, with 203 of these being unique rental listings (i.e., not duplicate listings). It is further noted that these numbers are being captured in April, and as we move closer to peak season, the numbers of short-term rentals are expected to increase. Most of these rentals are water access properties. Council may recall in the February report that a conservative estimate of 60 short-term rentals was factored when calculating fees on a cost recovery basis.

Also, 99% of the listings are offering the entire home up for rental, as opposed to renting a room within a dwelling. This is a unique statistic, according to Granicus, although it falls in line with the fact that the majority of the rentals in the Township are water access properties. The average median nightly rate was found to be $508.55.

Of the rentals offered, 85% were single family homes and 14% were of an unknown type, which would be verified through registration. Most of the listings were found on AirBnB at 53%, 28% with Expedia, 4% with Trip Advisor, 1 % with Booking.com and 14% with others (such as VRBO, FlipKey, etc).

The Granicus software and support package will be an invaluable asset with the services it offers as they are unique. The following information has been provided by

Granicus to help explain the modules staff would be implementing from the start of the program.

Address Identification

Ongoing monitoring of 70+ Short Term Rental websites including major platforms Airbnb, VRBO, HomeAway, Booking.com, FlipKey, & Expedia. Our machine learning will deduplicate all known listings into unique Rental Units, where our identification team will provide owner contact information for further enforcement.

This product includes:

- Ongoing monitoring of all listings in your jurisdiction.
- Updating listing activity and details every 3-5 days.
- Screenshot activity of every listing.
- Deduplication of listings into unique Rental Units.
- Activity dashboard and map to monitor trends and breakdown of compliance.

24/7 Hotline (Valuable for out-of-hours or water access only rental issues)

24/7 web and phone hotline for your community to report short term rental complaints such as parking, trash, noise disturbances, and illegal short-term rentals.

This product includes:

- Mobile-enabled online web form for citizens to submit tips or complaints (text, videos, and photos).
- 24/7 call center for citizens to contact and report complaints verbally.
- Recordings for all call center complaints.
- Email notifications to your team when complaints are logged.
- Automatic outbound IVR calls and SMS messages to permit emergency contacts notifying them of the complaint.
- SMS support for emergency contacts to mark a complaint as acknowledged or resolved with the ability to send resolution notes.
- Hotline Dashboard for tracking complaint volumes, trends, and categories.
- Ability to upload Notes/Comments to each complaint.

Compliance Monitoring

Compliance monitoring provides up-to-date information for each identified Rental Unit and its compliance status. We configure your compliance definition specific to your jurisdiction rules and ordinances to provide up-to-date compliance status of each identified Rental Unit.

Additionally, this product will:

- Allow your team to send letters to noncompliant properties 24/7.

- Configure letter templates with your branding and letterhead.
- Add as many letter sequences as you need for escalation.
- Monitor properties that become compliant after letter enforcement.

In summary, a consistent data review of what is online on a regular basis is required for successful administration of a short-term rental policy. Granicus' data gathering as well as the beneficial aspects of a 24/7 hotline presents staff with a more diverse, specific, and effective monitoring for short-term rentals within the Township.

The Township will use Granicus's tools during the pre-compliance period between October and December 2023, which will look for early voluntary registration, with no fee required. At the beginning of January 2024, the registration for short-term rentals across the board will commence, which will require payment of a yearly fee. At this point, any non-compliance with registration will also be pursued.

Financial Considerations

The Granicus service for the 3 modules mentioned above is estimated to cost less than $15,000 on an annual basis.

This will allow the township to have continued access to raw data and a monitored hotline to service data and complaints.

The February report to Council proposed a $1,250 annual fee to register regular STR users (21 nights and above) and $500 annually for "light" users (20 nights, or less, rented out each year). This was based on a preliminary assessment of 60 STR's being active in the Township, though this was a conservative estimate, as the number was based on a simple search of online advertising. This generated revenue of $75,000 to cover the costs of adding by-law staffing resources and software purchase.

Considering the latest data showing that there are over 200 STR's, staff propose to reduce the annual fee for regular STR users to $1,000 and $250 for "light" users, while still affording additional income for the Township. The Granicus software will be able to flag any registered "light" users renting for more than 20 nights.

In the future, should Council wish to revisit the Municipal Accommodation Tax, as an additional revenue stream for the Township and one that would not negatively impact the local rate payer, the Granicus software system could assist in administering this also.

Report Supported By

Strategic Plan:

☑ Protect and Preserve Our Natural Environment

☐ Transparency Within Government

☑ Municipal, Fiscal and Resident Responsibility

☑ Sustainable and Responsible Development

☐ Well Managed Infrastructure

Relevant Background Report
[Short Term Rental (STR) Policy Update 2023-14](#)

Reviewed By

Approved By:	Status:
Tony Van Dam, Director of Fire and Emergency Services / Fire Chief	Approved - 01 May 2023
Julie Bouthillette, Director of Finance / Treasurer	Approved - 01 May 2023
Greg Mariotti, Chief Administrative Officer	Approved - 01 May 2023
Karen Way, Director of Corporate Services / Clerk	Approved - 01 May 2023