



MNBP STA BYLAW: CONSULTATION SUMMARY

The results of the public consultation process for the Municipality of Northern Bruce Peninsula's proposed bylaw for Short-Term Accommodations (STAs)

Summary

Since 2018, the Municipality of Northern Bruce Peninsula (“MNBP”) has been reviewing its approach to managing Short-Term Accommodations (STAs). Starting in 2019, the Municipality retained a consulting firm (Skelton Brumwell), who developed a strategy for managing STAs – and delivered a final strategy report to council in June 2020. Based on the results of that report, Skelton Brumwell drafted a bylaw designed to manage STAs which is presently under review by Municipal Council.

In early 2021, MNBP asked Canvas Strategy Consulting Group (“Canvas”) to run a public consultation program to gather additional input on the draft bylaw.¹ The consultation focused on gathering input on the key elements of the bylaw, as well as general feedback. The process was divided into primary two components shown in Figure 2 below. Feedback from previous consultations conducted by Skelton Brumwell was also reviewed in order to ensure this consultation phase was additive and not duplicative – please see Appendix A for additional details. Note that email feedback was also received and reviewed.

Figure 1 – STA Consultation Overview

Format	Logistics	Results
Public Survey	~10-minute online survey hosted through letstalknbp.ca focused on the bylaw’s key components & comments - Included series of ranking questions & space for written comments	- Total of 400+ responses 60 / 40 split between STA owners and renters vs. other community members ~6 hours of additional written commentary provided
Public Meetings	90-minute virtual public meetings for STA owners and community members - Consisted of brief presentation, facilitated Q&A, and time for general comments	- Total of 80+ participants at each evening session - More than 700 questions / comments provided via chat function

As with previous consultations, support for the bylaw varied significantly depending on one’s involvement with STAs. In general, community members indicated support for most components of the draft bylaw, whereas STA owners / operators or renters / users were strongly against most components. Determining what weighting to place on each of these views is an important job of Municipal Council and staff as part of their review of the findings from this consultation.

This report does not intend to prescribe a weighting between these views in order to render an “overall” assessment. Instead, it highlights the major pieces of feedback from each group along with common / shared themes.

This report contains the findings from this most recent consultation phase. It is intended as a summary – detailed results for this consultation are covered in the attached documents.^{2,3} The key points of feedback are highlighted in Figure 2 below and explored in more detail throughout the rest of the report.

¹ Note that all recruitment for this public consultation phase was performed by the municipality through their website, existing email lists, newspaper advertisements, and social media channels.

² Detailed Results Survey: MNBP STA (Public Survey_Summary)_vF

³ Detailed Results Meetings: MNBP STA (Public Meetings_Recap)_vF

Figure 2 – Summary of Public Consultation Findings

Topic	Source	Theme	Consultation Feedback
Classes	Common	1.1 Criteria	The class system is confusing and its unclear how it is applied
	Common	1.2 Class A	Class A approach is too punitive and restrictive for smallest renters
	Community	1.3 Class C	Class C properties are no longer STAs and should be treated as commercial entities
Complaints	Common	2.1 Resourcing	The municipality does not have resources to manage the proposed system
	Owners	2.2 Validation	It is not clear how complaints will be validated and frivolous ones discouraged
	Community	2.3 Three Strikes	Three validated complaints before a license is revoked is too generous to owners
Costs	Common	3.1 Use of Funds	It is not clear how the funds from bylaw will be used
	Owner	3.2 Too High	The fees are too high and are out of line with other communities
	Community	3.3. Too Low	The fees are too low, specifically for the largest renters
Other Topics	Common	4.1 Data	The data supporting the bylaw is unclear and lacks sufficient detail
	Owners	4.2 Rationale	Unclear why an STA-specific bylaw is necessary and cannot be covered by other tools
	Owner	4.3 Reapplication	Annual reapplications are overly burdensome and unnecessary
	Owner	4.4 Timing	It is impractical and unfair to implement the bylaw for the 2021 season
	Owner	4.5 Participation	There has been insufficient consultation on the draft bylaw
	Community	4.6 Zoning	Zoning and permitted areas for STAs must be addressed as part of the bylaw
	Community	4.7 Rentees	There need to be some ramifications for rentees who are abusing the rules

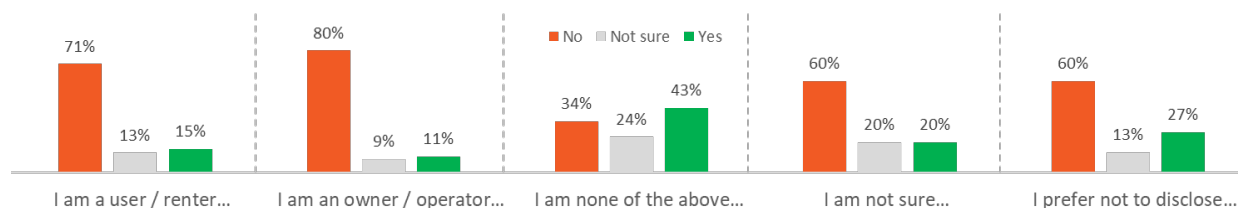
Consultation Findings

Classification

In general, there were mixed views on the proposed classification system. As per the public survey results in Figure 3, STA owners and renters were strongly against all aspects of the classification system, while community members were split on whether the criteria and thresholds proposed were appropriate. The commentary provided in the two public meetings was largely consistent with that in the survey. The three main sources of feedback related to the classification system are listed below.

Figure 3 – Select Public Survey Results: Classifications

Q3a. Are the proposed classification criteria appropriate? (Percent of Total Respondents)



1.1 Classification Criteria (Common)

Responses from both the public meetings and survey suggests that both the owners and community members find the currently proposed system too complex and confusing. While this feedback was particularly common amongst owners and renters – who were unclear regarding definitions for certain criteria as well as applicability to their own property – it was shared by community members as well – as seen by the large percentage of “not sure” responses in Figure 3 above. Below are two examples for how the Municipality could address this feedback:

Option A – Improve Communications: the simplest route would be for the municipality to create new tools and handbooks through its municipal website to better explain the classification system. For example, it could consider creating a “Classification Calculator”, that would allow an STA owner (or curious community member) to input anonymous information around a property to see the resulting class and corresponding requirements. While this would not address concerns that the system is too complex, it would reduce the current confusion around application.

Option B – Fewer Criteria / Classes: the Municipality may also consider reducing the number of criteria it uses to determine a class. For example, a common suggestion – primarily from STA owners – was to refocus the classification solely around the number of units. Modifying the class system to focus on a single or smaller set of criteria would make it easier to predict how a property will be assessed and clarify the goals of the classification system, though it would result in somewhat less control for the Municipality. An alternative would involve reducing the number of classes to either a single class for all STAs or two classes – covering “large” or “small” STAs.

1.2 Class A Definitions (Common)

A common source of feedback amongst participants was that Class A was too punitive as currently designed. Both community members and STA owners seemed to indicate a desire to avoid punishing

smallest renters who were either (a) renting on a limited basis to family / friends, or (b) renting solely to offset property costs. Below are two examples for how the Municipality could address this feedback:

Option A – Reassess classification criteria for Class A: the Municipality could target the specific elements of the Class A definition that were viewed as too punitive. For example, the 28-day limit on days rented for Class A was frequently cited by STA owners as a factor in them potentially being unable to cover property costs under the bylaw. Additionally, the minimum night stay was viewed similarly, as well as being unfairly applied to only Class A. Note that changes to Class A could require changes to other classes (i.e., to ensure they change proportionally between classes).

Option B – Create new “exempt” class: a more significant change would be to consider a class below Class A that is exempt from the STA bylaw entirely. This was suggested by STA owners and a small number of non-owners as a way of protecting the least frequent renters.

1.3 Class C Thresholds (Community)

Community members expressed numerous concerns with any STA that would fall under Class C. The underlying view was that some properties that fit into Class C should not be permitted by the STA bylaws and should instead be treated as commercial entities, for which there would be greater control and protection for the community (e.g., requirements for specific zoning, licensing, etc.) Below are two examples for how the Municipality could address this feedback:

Option A – Align Class C Requirements with Commercial Businesses: the Municipality could do a comparison between the proposed requirements for Class C STAs and commercial properties for potential additions to the bylaw. The intent would be to close the gap between the two, although it will not be possible to do so entirely (e.g., the STA bylaw does not address zoning, whereas commercial businesses require commercial-specific zoning to operate).

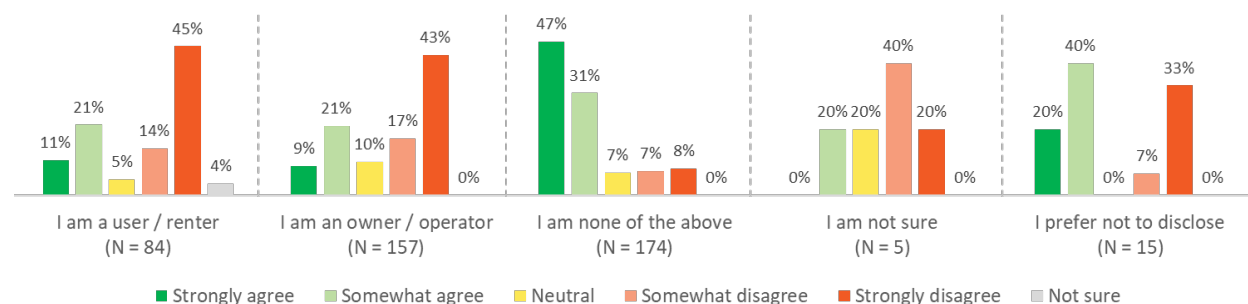
Option B – Reevaluate the Class C Limits: the Municipality could more simply address this issue by lowering the upper limits of Class C within the bylaw. This would require more large STAs to be treated as commercial properties, with all the requirements that come with it. The recalibration could be done using STA bylaw examples from other municipalities or additional consultation feedback.

Complaints

Views on the complaints process were split – with ~80% of community members in support, and ~60% of STA owners or renters opposed.

Figure 4 – Select Public Survey Results: Complaints

Q4. Is the proposed [complaints management] process appropriate?



2.1 Resourcing (Common)

Both STA owners and community members expressed concern with the Municipality's capacity to manage the proposed bylaw system. STA owners indicated that a lack of capacity could lead to unfairness in the results of investigations (i.e., if they were not done in a timely manner). Community members expressed concern that the bylaw may not meet its stated objectives if capacity was unaddressed. Below are two examples for how the Municipality could address this feedback:

Option A – Operational Plan: the clearest way to address this feedback is for the Municipality to develop an operational plan as part of the review process for the bylaw. The plan would include elements such as:

- Expected volumes of applications, complaints, investigations, and appeals
- Type and number of resources required to manage the above
- Prioritization / triage approach during periods of excess volume

Option B – Service-Level Agreements: in addition to the above, the Municipality may also consider codifying specific turnaround times for actions within the bylaw. These "Service-level Agreements" would provide assurances to the community and STA owners that the complaints process – as well as other processes in the bylaw – are followed in a timely manner. Metrics on the adherence to these processing times could be reported regularly to council and trigger reviews or remediation if they are not met.

2.2 Validation (Owners)

The primary concern amongst STA owners was the manner in which complaints would be validated by the Municipality's bylaw officer. Many respondents viewed the system as potentially prone to abuse from neighbours who disliked STAs (note: in the public consultation sessions, community members did not share this view). Below are three examples for how the Municipality could address this feedback:

Option A – Draft bylaw officer guidelines: the Municipality could produce as part of the bylaw review a set of instructions to be used by bylaw officers to review complaints. It would specify the approach, evidence to look for, and criteria for them to use in making a decision. This may take the form of other instruction manuals already used to train new bylaw officers.

Option B – Outline specific validation criteria: the Municipality could also attempt to identify the specific validation steps for different types of complaints (e.g., excessive noise, fireworks, overcrowding). While it would not be possible to address every type of complaint, it would provide additional guidance to owners and bylaw officers.

Option C – Create a penalty system for abuse: an alternative (or additive) approach would seek to prevent abuse through fining or levying fines on frivolous STA-related complaints. Note that this would likely be difficult to enforce and would require its own set of criteria (i.e., what constitutes frivolous).

2.3 Three Strikes (Community)

While still supportive of the complaints process, community members did cite concern that "three strike rule" for STAs before licenses were revoked was too generous and would allow issues to persist longer than necessary. Below is one example for how the Municipality could address this feedback:

Option – Vary "three strike" rule based on severity / history: the Municipality could alter its complaints process to weigh some complaint types more heavily than others. Such a system could lead to the

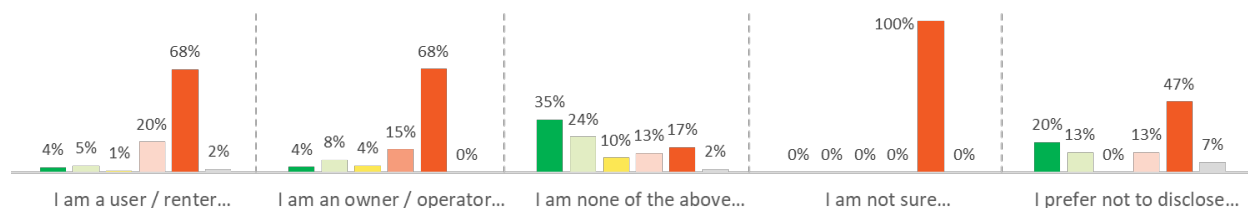
revocation of a license for fewer than three complaints if an issue was deemed more severe. There are similar clauses already present within the bylaw – such as the allowance for suspension if certain health and safety concerns are apparent.

Costs

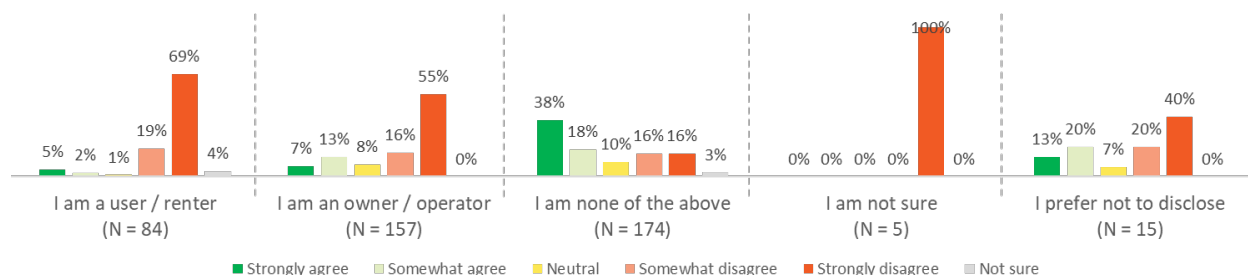
Views on the proposed costs differed significantly between STA owners / renters and community members. Per Figure 5, STA owners / renters were strongly against both cost components of the bylaw (80%+ disagree / strongly disagree). By contrast, community members were in favour – though only slightly so (55-60% agree / strongly agree).

Figure 5 – Select Public Survey Results: Costs

Q5a. Are the proposed fees fair & appropriate?



Q5b. Is the MAT fair and appropriate?



3.1 Use of Funds (Common)

One area both owners and community members appear to agree is the need for the Municipality to better articulate how the funds raised by the bylaw will be used. For example, some STA owners indicated they would be more supportive of the costs with this transparency while others saw it as a pre-requisite before even considering them. Likewise, community members who were themselves less certain the fees had been calibrated appropriately indicated they were supportive, assuming that the fees adequately covered the municipality's costs. Below are two examples for how the Municipality could address this feedback:

Option A – Release the Operational Plan: similar to the points mentioned earlier, the municipality could outline the financial projections associated with the bylaw. At minimum, this would include:

- Estimated costs of implementing / managing the bylaw (both upfront and on an ongoing basis)
- Total expected funds raised through bylaw by source (i.e., MAT or Fees)
- Net financial impact to the Municipality

Option B – Set specific revenue targets / goals: an alternative approach would be to outline specific targets or financial principles related to the bylaw. For example, this could include committing to “revenue

neutrality” – i.e., that the fees are set at a level so as to only cover the costs of the administering the program. Another example would be committing to using the excess revenues generated for specific council / community priorities related to STAs – such as the promotion and management of tourism.

3.2 Too high (Owners) / 3.3 Too low (Community)

The most common source of feedback from STA owners was that the costs of the bylaw to them were too high for a variety of reasons:

- Out-of-line with other comparable municipalities
- Too high / punitive for smallest renters
- Excessive for specific processing activities

While a portion of community members shared this view, others indicated concern that the fees were in fact too small for the largest STAs and did not require them to sufficiently contribute to the community.

Some of these concerns could be addressed through the options presented in the previous section. For example, if fees are calibrated based on the expected program costs, it is likely to help address both owner / community members’ feedback that the levels are too high / low. However, three additional examples for how the Municipality could address this feedback are provided below:

Option A – Benchmark against other municipalities: the Municipality could choose to refresh / update its analysis of fees charged to STAs by other communities. Depending on the results, the Municipality may choose to adjust its fees or maintain them if it believes sufficient differences are warranted. At minimum, this analysis would include for each Municipality:

- Background details (e.g., population, geographic size, length of tourism season)
- STA overview (e.g., # of listings, average price per rental)
- Current fees (i.e., by type and class)

Option B – Estimate the impact on each class of STA: similar to the above, the Municipality may choose to conduct additional analysis that estimates the potential total cost of an STA for each class. The results of the analysis would again help inform a decision by the Municipality as to whether to make change. At minimum, this analysis would include for each class:

- Average annual revenues (i.e., based on # of nights rented, average price per night)
- Estimated MAT and processing fees (calculated using the above assumptions)
- Net financial impact to STA owners by STA class
- Additional scenarios (e.g., total cost with / without complaints)

Option C – Recalibrate cost structure: another option would be to simply rebalance the current costs to put greatest emphasis on the MAT (e.g., by reducing processing fees and / or increasing the MAT). This could address the community concern regarding increases the costs for larger properties (i.e., if the MAT was increased) while also addressing STA owner concerns regarding the impact on the smallest properties (who are more significantly affected by high, fixed cost fees).

Other

Several other pieces of feedback were provided through the public consultation process. These are summarized at a high-level below.

4.1 Data (Common)

Both owners and community members expressed concerns / frustration regarding the data available regarding STAs. For owners this led to their questioning of the rationale for pursuing the bylaw. The Municipality could address this feedback through an updated municipal factsheet regarding the number of STAs and their associated activities (e.g., number of complaints received / addressed). The Municipality could also commit to regular updates / data sharing on the items covered in the fact sheet.

4.2 Rationale (Owners)

Related to the above, a common source of feedback was that the rationale for why an STA-specific bylaw is required is unclear. While this may be partly addressed by additional analysis of STA data noted above, the Municipality may also consider outlining the specific provisions in the draft that are not covered by existing bylaws applicable to all property owners to determine (or reconfirm) the need for the STA bylaw.

4.3 Reapplication (Owners)

A specific point of feedback raised by owners was the additional burden / costs that will be caused by requiring STA owners to reapply for a license annually. The Municipality could address this feedback relaxing this requirement (e.g., shifting to a bi or tri-annual reapplication) or lessening the requirement in certain instances (e.g., STAs who have not received a complaint).

4.4 Timing (Owners)

An overall concern indicated by owners was that implementing the bylaw was unreasonable (a) during a pandemic that has impacted them financially and (b) too late into the 2021 summer cottaging season. The Municipality could address this feedback by staggering the implementing of the bylaw, for example, by registering STAs in 2021 with the anticipation of requiring licenses in 2022.

4.5 Participation (Owners)

STA owners frequently cited the concern that there had been insufficient consultation with them and their community groups in the development of the bylaw. The Municipality could partially address this feedback by following its standard review and consultation process for the bylaw – which allows for additional public comment prior to a vote by Council. The Municipality should assess whether this is sufficient additional consultation or if more is required.

4.6 Zoning (Community)

Community members indicated concerns with not addressing zoning as part of the bylaw (i.e., requiring that STAs be zoned for such a use). The Municipality could address this feedback by specifying permitted areas for STAs in the bylaw, a section that is currently blank as of its most recent draft. Alternatively, the Municipality may consider utilizing the bylaw amendment process to include this provision at a later date.

4.7 Rentees (Community)

Several community members wanted to see more obligations placed on rentees of STAs given that they are typically the cause of any actual infractions. The Municipality should consider whether additional provisions are required beyond the Rentee Code of Conduct in the current draft.

Conclusion

This report provides a summary of many important components of the feedback received for the Municipality of Northern Bruce Peninsula's proposed STA bylaw. It is not intended to be exhaustive and so detailed results have been provided in the attached documents. Interested readers are encouraged to review the full results in order to draw their own conclusions.

Municipal Staff should receive this report and review the findings. While any revisions to the bylaw will be solely at the discretion of staff and their bylaw consultants, I hope this report serves as an important and useful tool in that review process and the work to come.

Thank you again for the opportunity to support this important project.

A handwritten signature in black ink, appearing to read 'Will Meneray', followed by a stylized flourish.

Will Meneray

Director, Canvas Strategy Consulting Group

Appendix – Previous Consultation Feedback

The Municipality of Northern Bruce Peninsula has conducted several rounds of public consultation regarding its approach to STAs. This includes various surveys, townhalls, emails, and council discussions. For the purposes of this most recent round of consultation, feedback from two particular components were reviewed in detail, as outlined in Figure 6 below.

Figure 6 – Previous STA Strategy Consultations (Select Examples)

Consultation	Scope
General Public Survey (Mid-Late 2019)	• ~200 participants in a brief, high-level survey on STAs • Focused on assessing the need for STA regulation and general parameters of what should be included • Questions focused on: ○ STA opportunities & challenges ○ Rationale / need for STA regulation ○ Key components of regulation (e.g., fines, permitted areas)
Detailed Public Comments (Early-Mid 2020)	• ~200 comments received from community members • Focused on obtaining feedback on the Draft STA Strategy Recommendation report prepared by Skelton Brumwell (Dec 2019) • Feedback was categorized into 36 key themes which were responded to or incorporated into the updated strategy

The recent consultation phase conducted by Canvas was designed to be different from previous rounds in several key aspects, including:

- The presence of a draft bylaw, which enabled the collection of more specific feedback on the design of key components (i.e., classification thresholds, fee levels, conduct requirements)
- The emphasis placed on obtaining detailed feedback on known points of contention in the draft bylaw, either not previously covered in consultations or only covered at a relatively high-level:
 - e.g., Classification system
 - e.g., Complaints process
 - e.g., Costs & fees
- The focus on identifying options for the Municipality to adapt the proposed bylaw in order to address the feedback received
- The structuring of questions to assess favourability of certain clauses to allow for a quantitative assessment of support for the bylaw by different groups
- The attention paid to increasing the overall sample size of respondents in order to ensure reliability of the results

Notwithstanding the above, the results from previous consultations still proved invaluable in this phase – primarily to design questions, determine regulatory options, and interpret the eventual results.