



# CHAUTAUQUA

RESIDENTS ASSOCIATION

EST. 1952

*"For Our Community"*

## **Chautauqua Residents Association Position on Non-Owner-Occupied Short-Term Rentals in Chautauqua**

Our vision of Chautauqua is one of a “balanced” community—a balance of both residents and visitors. Chautauqua is a residential community, not a vacation destination. And yet, at present, 10.5 % of houses in Chautauqua are short-term rentals and that represents 8% of all STRs in NOTL. Our concern is that we have fallen over the precipice— our community has begun a “hollowing out” process due to the number of non-owner-occupied short-term rentals operating in the Chautauqua neighbourhood.

### **ISSUES CREATED BY SHORT TERM RENTALS:**

1. The increase in housing costs due to demand for non-owner-occupied short-term rentals, which provide a commercial revenue stream for their owners, has out-priced families who would traditionally turn towards Chautauqua for more affordable housing in Niagara on the Lake. (Fun fact: upon the sale of a property that has been used as a commercial property, such as a short-term rental, HST is payable, thereby increasing the cost of these houses for those trying to break into the housing market).
2. In addition to out-pricing families, the commercial and financial appeal of short-term rentals has shifted owners away from traditional long-term rentals, which provide housing to those who are not in a financial position to own a home. Long-term renters become part of the fabric of the community— acting as good neighbours and participating in community events.
3. Chautauqua’s sense of community is being *eroded* by non-owner-occupied short term rentals. Where we were once a vibrant mix of families of all ages, we are now in danger of becoming a tourist lodging destination.
4. As has been evident for nearly a decade, many customers of the short term rentals in Chautauqua have no concern for others living in the neighbourhood—no concern that neighbours be allowed to enjoy their property in relative peace, or for the safety of the neighbourhood.
5. The increased number of short term rentals creates an unfair advantage over traditional accommodations such as Bed and Breakfasts. Short term rentals are not taxed at the same rate as other visitor accommodations, thus creating an unfair tax advantage. Absence of paying commercial realty taxes makes Short Term Rentals more profitable and encourages the growth in numbers.
6. Chautauqua is first and foremost a residential community. It is a neighbourhood with a unique history, street lay-out, mature tree canopy and neighbours who know and help each other— people who care passionately about their community. STRs have displaced 40-50 residents out of our community.

## **RECOMMENDATIONS:**

Non-owner occupied (referred to as “un-hosted by the Town’s STR Advisory Committee) short-term rentals be licensed by the Town of Niagara on the Lake with the following conditions:

1. That realty tax be based on commercial rates
2. That the Municipal Accommodation Tax apply to all non-owner occupied STR’s
3. That there is a maximum number of short-term rental units allowed in Chautauqua capped per area/street (number to be determined)
4. That there is a maximum number of guests in each STR set at the lesser of: two (2) guests multiplied by the number of licensed bedrooms, OR one (1) car per licensed bedroom up to the maximum number of on-site parking spaces
5. That there is strong enforcement with meaningful penalties that encourage strict adherence to the rules
6. That short-term rental licenses are non-transferable

## **RATIONALE FOR RECOMMENDATIONS:**

**Non-owner-occupied short term rentals be licensed by the Town of Niagara on the Lake with the following conditions:**

- 1. That realty tax be based on commercial rates:**
  - 59 Shakespeare Avenue operated as a short-term rental for many years and was recently listed for sale. The listing stated that the annual short-term rental revenue was \$100,000 per year. This is clearly an example of a commercial operation that should be paying commercial realty tax
  - Non-owner-occupied short-term rentals are *commercial* by nature. The Oxford Dictionary defines commercial as “concerned with or engaged in commerce” and “making or intended to make a profit”. Persons operating short-term rentals are only doing so for their own personal economic gain.
  - There are instances where multiple houses are owned by the same entity for corporate gain, further proof that non-owner-occupied short-term rentals are commercial operations that should be paying commercial realty taxes
  - We support the Town’s STR Committee recommendation to exclude corporations and numbered companies and limit the number of STR’s that a household can own
  - Non-owner-occupied short-term rentals, which are small businesses, are given special treatment versus other small business that DO pay commercial property tax. This needs to end.
  - Hotels in Niagara on the Lake pay commercial realty taxes. Non-owner-occupied short term rental commercial operations should not be shown favouritism—especially when it comes at the expense of residents

- 2. That the Municipal Accommodation Tax apply to all non-owner occupied short- term rentals:**
  - We support Council’s view that all STR’s should be required to collect the MAT from guests
  - Numerous communities apply the accommodation tax to STR’s—some even charge a premium for STRs: “In places such as Marin County, California, the transient occupancy tax is 14 per cent for short-term rentals and 10 per cent for most other rentals” (Lake Report, February 3, 2022)
  
- 3. That the maximum number of short term rental units in Chautauqua are capped per area/street (number to be determined):**
  - With small lots, houses as close as 5 feet apart, and many with no backyards, there is clearly a density issue in Chautauqua
  - Short-term rentals “hollow out” neighbourhoods. There is a constant influx of short-term visitors to residential enclaves, resulting in a loss of community. Whereas at one time people knew their neighbours for decades and had longstanding meaningful relationships with them, now many in our community are left with very few or no neighbours at all—just clients of the STR’s who often have no concern for those living around them
  - We ask that the Town create a formula for density in Chautauqua to determine the appropriate number of short-term rentals to reverse these negative effects on our community
  
- 4. That the maximum number of guests be reduced and set at the lesser of: two (2) guests multiplied by the number of licensed bedrooms, OR one (1) car per licensed bedroom up to a maximum number of onsite parking spaces:**
  - As is the case with many properties in Chautauqua, the lot sizes are very small, resulting in very limited onsite parking for short-term rental customers. This increases on-street parking issues on streets (many are legally considered laneways). These issues create traffic flow issues, making it unsafe for pedestrians, and could possibly obstruct emergency services from accessing properties in the neighbourhood.
  - Allowing the additional two guests, as per current guidelines, increases neighbourhood density beyond the level that exists when these properties are used as residences
  
- 5. That there is strong enforcement with meaningful penalties that encourage strict adherence to the rules:**
  - Adopting any regulation must also be paired with a commitment for strong enforcement
  - Strong enforcement needs to be matched with penalties that are a deterrent
  - Many issues occur in short-term rentals in the evenings and late at night when Town by-law officers are off duty. We support the Town’s STR Committee recommendations, which we understand are currently being implemented by the Town, extending by-law enforcement to evenings, weekend, and holidays, and the recommendation to implement the Administrative Monetary Penalty Systems (AMPS)
  - With the implementation of remedy (A) above, which would create new tax revenue, the Town would be able to position a by-law enforcement officer to respond during these problem times at no net cost to the taxpayer.
  
- 6. That short-term rental licenses are non-transferable:**
  - We recommend that it is the owner that is licensed and responsible for adherence to the regulations

## CONCLUSION:

We believe that non-owner-occupied short-term rentals hold numerous unfair advantages over owner-occupied houses such as traditional bed-and-breakfast operations. B&B's are residential properties, owner-occupied, which ensure that there is someone present to remind guests to be respectful of the neighbours. These owners are accountable to both their neighbours and community and must ensure their guests are aware that they are staying in a residential neighbourhood. Non-owner-occupied short-term rentals operations are not held to the same level of accountability. For these, and the reasons listed in this report, we believe that the non-owner occupied short-term residential industry must change in order to be fair to all in the community.

## DEFINITIONS FOR REFERENCE

### Definition of Non-Owner-Occupied Short-Term Rental:

A non-owner-occupied short-term rental can be defined as the use of a building for overnight guest lodging for a period of not more than 28 days and includes Cottage Rentals, Villas, Country Inns, and Vacation Apartments. *(It excludes Bed and Breakfast establishments and buildings where the owner resides and is present when it is rented).*

***Chautauqua Resident's Association (CRA) Board of Directors***

*Brian Crow, Ruth Denyer, John Gleddie, Kurt Hamm, Margot Devlin, Vitor Tarnoy, Weston Miller*

**SCHEDULE A**

**An illustration of the 23 licenced non-owner-occupied short-term rentals in Chautauqua (Source, Town of Niagara on the Lake)**

