

To Members and Chair of the Planning and Housing Committee,

Re: PH24.2 Short-term Rental Updates and Exploring their Conversion to Longer-term Housing

Despite the City's recent efforts at regulating the short-term rental market in Toronto, Councillors continue to hear numerous concerns from residents about problematic properties that are blatantly flouting the short-term rental by-law. It is clear that many unscrupulous owners and operators have found loopholes in the Licensing and Registration by-law, or that they are ignoring it altogether. Meanwhile, short-term rental companies only aid and abet this noncompliance, and the City's enforcement resources are falling short.

Since the City's December 31, 2020 registration deadline, ghost hotels and other short-term rentals that are not primary residences have continued to operate, driving up Toronto's housing costs, and subjecting neighbours to a range of nuisances. Even in the midst of the pandemic, various stay-at-home orders, and a provincial requirement that short-term rentals only be provided to individuals in need of housing, properties across the City have been used for large gatherings and parties.

Short-term rental companies have helped over 8,000 properties to evade the City's short-term rental by-law by recently moving them into a "28 night plus" category. This workaround means that they are not subject to the City's regulations, which define a short-term rental as 28 nights or less. As a result, operators are not required to be principal residents, and thousands of units are being kept out of Toronto's permanent housing market. Municipal Licensing & Standards' (MLS) compliance and enforcement team is continuing to monitor this situation, but extra attention must be paid to this development.

We support the recommendation in the report from City staff, which is a necessary first step to close a problematic loophole.

Toronto Municipal Code Chapter 547 should be amended to prohibit short-term rental companies from advertising or facilitating the advertising of short-term rentals that are not registered with MLS, and to require that they verify that all listings on their platforms are included in the City's Open Data portal for valid short-term rental operator registrations. MLS should be provided with the clearly-defined authority to require that companies remove any listings from their platforms that do not meet the City's regulatory requirements. They should also have strong enforcement tools and resources at their disposal to ensure compliance with all aspects of Chapter 547. Furthermore, it should be required that a property's registration information be a clear and prominent feature of any listing on short-term rental websites.

Thank you,

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