



GREEN ECONOMY LAW

GREEN ECONOMY LAW PROFESSIONAL CORPORATION
@ CENTRE FOR SOCIAL INNOVATION, SUITE 300
192 SPADINA AVE, TORONTO, ON M5T 2C2

647-725-4308
INFO@GREENECONOMYLAW.COM

March 24, 2022

Councillor Ana Bailão
Chair, Planning and Housing Committee
City of Toronto

Dear Chair and Members:

RE: SHORT TERM RENTAL UPDATE AND REGULATIONS ENFORCEMENT

Firstly, allow me to express my gratitude to see this matter taken up by the committee following the various media reports regarding Toronto's short-term rental enforcement operations that emerged following publication of my [blogTO article](#) on the subject earlier this month.

The comment I wish to make is that media reports surrounding this issue have, in my view, glossed over the crux of the matter, which is that Executive Director Grant and other Municipal Licensing and Standards (“**MLS**”) personnel are pursuing an enforcement policy that ignores the clear wording of [Chapter 547](#) of the Toronto Municipal Code.

They refuse to bring charges against ghost hotel owners who facilitate illegal short-term rentals by contracting out operator duties to third-party managers, alleging that the bylaw will not permit such charges. Executive Director Grant and other MLS personnel alleging this are wrong, and I believe they know they are wrong.

As noted in my article, several provisions of Chapter 547 permit charges to be brought against owners who “facilitate” illegal short-term rentals by expressly contracting out management and operator duties:

- The definition in s. 547-1.1 of a “Short-Term Rental Company” that can be charged for violating the bylaw clearly encompasses persons, such as property owners, who “facilitate[]...short-term rental reservations” in concert with others for financial gain;
- s. 547-1.3(A) states that “[n]o person shall...facilitate the...rental of...a short-term rental if its operator is not registered”; and

- s. 547-1.3(B) states that “[e]very person who...facilitates the...rental of...a short-term rental shall verify...that the short-term rental operator is registered”.

Though recent media reports on this matter never quoted Executive Director Grant expressing in clear terms the view that the bylaw will not permit charges against such ghost hotel owners, he and other MLS personnel have made it clear in their communications with me (*see* Exhibit A).

Third-party short-term rental operators are not often the ones exacerbating Toronto’s housing crisis by purchasing properties to operate as ghost hotels. Ghost hotel *owners* are doing that. Failure to bring charges against them for facilitating illegal short-term rentals through third-parties is therefore an absurd policy that avoids dealing with the root of the problem.

As I wrote in my article, Executive Director Grant and MLS personnel must either correct this policy to comply with the actual text of the bylaw, or they should be replaced by personnel capable of carrying out the explicit duties of their division.

Sincerely,

Marc J. Goldgrub

EXHIBIT A

Carleton Grant <Carleton.Grant@toronto.ca>
To: Marc Goldgrub <[REDACTED]>

Tue, Aug 31, 2021 at 9:48 AM

Marc,

Chapter 547, Licensing and Registration of Short-Term Rentals requires that the operator of a short-term rental obtain a registration from the City to carry out this activity.

Chapter 547 does not contain any provision that would allow an owner to be charged for permitting short-term rental activity at their property. This is for several reasons, including that short-term rentals are a legal use in Toronto, owners may have limited abilities to enforce private contractual rights (assuming they exist), and it is generally more effective to target short-term rental companies and operators to achieve compliance.

The by-law defines "Operator" is as "Any person who operates a short-term rental".

While it may be possible to charge the owner of a property with certain offences if he or she can be deemed the "operator" of the short-term rental, this depends on the evidence that is available in each case and is not the focus of the by-law or MLS' enforcement resources. The policy and the bylaw were developed with the main enforcement tool being de-listing the