

# Memorandum

**Office of the City Clerk**  
**Fax: 623-5468**  
**Telephone: 625-2230**

---

**TO:** Krista Power, City Clerk

**FROM:** Councillor Shelby Ch'ng, Vice Chair Intergovernmental Affairs Committee

**DATE:** November 6, 2023

**SUBJECT:** Advocacy – Short Term Rentals – Intergovernmental Affairs Committee  
Committee of the Whole – November 27, 2023

---

This memorandum outlines challenges as it relates to short term rentals and the impact on the housing crisis in our community. This has been discussed at the Intergovernmental Affairs Committee (IGA), and this is a priority in our work. IGA with assistance from administration is tracking the legislative changes in British Columbia relative to short term rentals but it is time for us to stand up and take action in Thunder Bay.

Short-term rentals that were initially an air mattress in a spare room designed to fill gaps left in the hotel industry have since become a billion-dollar industry that has caused unprecedented disruptions to the housing supply.

While I understand that the municipality has very limited resources and jurisdiction over the matter of short-term rentals, we need the province to step in and do its part to curb the appetite of the short-term rental market as it is eating into our affordable housing. A number of constituents have reached out regarding the issues they are experiencing with short-term rentals that are popping up in their buildings and neighbourhoods.

- **Decreased Housing Availability:** Short-term rentals reduce the supply of available long-term housing options, as property owners may choose to rent units to tourists instead of local residents, driving up rental prices. The conversion of long-term rental units into short-term rentals has reduced the availability of affordable housing, making it difficult for low-income residents to find suitable accommodations.
- **Displacement of Locals:** Local residents are priced out of their neighborhoods, as property values and rents increase due to the demand from tourists. Several constituents who are trying to purchase their first starter home in the city are often found in a bidding war with a numbered company from outside of the city, only to have the house be immediately put up on a short-term rental site.
- **Noise and Disruption:** Short-term renters may not have the same investment in the community as long-term residents, leading to issues such as noise, partying, and other disruptive behavior, which negatively impacts the quality of life for local residents.

- **Loss of Community Identity:** An influx of tourists and transient renters can erode the sense of community and neighborhood identity, as there may be less opportunity for long-term relationships and connections.
- **Safety Concerns:** Short-term rentals can sometimes attract individuals who are not properly vetted, leading to safety concerns for the neighborhood, such as increased crime or unreported incidents. Many of these multi-residential buildings have little to no security allowing nefarious activity to happen under our noses with little to no one watching.
- **Commercialization of Residential Areas:** Short-term rentals can lead to the commercialization of residential neighborhoods, turning them into "ghost hotels", which may not align with the intended character of the area.
- **Inadequate Regulation and Taxation:** In our case, short-term rentals are not subject to the same regulations, taxes, and safety standards as traditional hotels and accommodations, and is leading to unfair competition and a loss of revenue for local governments. One large, short-term rental company, when spoken with at a conference, has no intention of paying the Municipal Accommodation Tax until the provincial government legislates it. Furthermore, these "ghost hotels" are paying the much lower residential property tax rate and not paying the higher commercial rates that legitimate hotels are mandated to pay.

As much as this sounds like a blanket condemnation of short-term rentals, a balance can be achieved. At the moment about 1/3 of the short-term rentals can be found in our downtown areas with about 420+ short term rentals listed throughout the City. This number appears to be growing and we have no way to measure exactly how many of our most affordable homes are now being served to out of town visitors. I do hope to have council's support in bringing these issues to light as short-term rentals are playing a devastating role in our affordable housing crisis.

As such, the following motion is presented for council's consideration;

WITH RESPECT to the memorandum dated November 6, 2023 from Councillor Shelby Ch'ng, Vice Chair of Intergovernmental Affairs Committee, we recommend in support of the request to the Government of Ontario to establish a regulatory framework requiring digital platforms such as Airbnb and VRBO to:

- Require owners using the digital platforms to comply with municipal planning and licensing regulations; and
- Prevent advertising of properties that are not registered with the relevant municipality; and
- Provide a contact with the platform to ensure ongoing and effective communications for provincial and municipal officials;

AND THAT the City of Thunder Bay call upon the Province of Ontario to work with municipalities to address situations in which long term housing stock has been lost to corporate ownership of short-term rental properties;

AND THAT a copy of this resolution be forwarded to Premier Doug Ford, Minister of Municipal Affairs and Housing Paul Calandra, MPP Lise Vaugeois and MPP Kevin Holland, the Association of Municipalities of Ontario (AMO), the Northern Ontario Municipal Association (NOMA) and all municipalities in Ontario;

AND THAT any necessary by-laws be presented to Council for ratification.