



# The Corporation of the Town of Milton

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Report To: Council

From: Meaghen Reid, Director, Legislative & Legal Services/Town Clerk

Date: January 27, 2025

Report No: CORS-001-25

Subject: Short-Term Rental Enforcement Fund

Recommendation: **THAT Council endorse the Town's application for the Short-Term Rental Enforcement Fund (STREF) as outlined herein;**

**THAT staff be delegated the authority to make any revisions to the application that may be required at the discretion of the Commissioner, Corporate Services;**

**THAT the Mayor and Town Clerk be authorized to execute any agreements that may be required in relation to the STREF program.**

## EXECUTIVE SUMMARY

- In December 2024, the Government of Canada launched a Short-Term Rental Enforcement Fund (STREF) funding program that provides \$45.9 million over 3 years with the intention of protecting units in the longer-term housing markets through enhancing compliance of short-term rentals.
- The STREF is an application-based program providing funding of up to 100% of total eligible project costs, with submissions due by January 24, 2025.
- Given the program deadlines relative to Council meeting dates, staff has submitted an application for an Enhanced Short-Term Rental and Enforcement Compliance Initiative, which will invest in software, advertising and contract enforcement staff and related costs, subject to Council approval.

## REPORT

### Background

The STREF, delivered through Housing, Infrastructure, and Communities Canada (HICC), provides one-time grant funding through an application-based program to eligible

municipalities to protect units in the long-term housing markets by enhancing the compliance of short-term rentals.

Through the program, funding will be provided for up to 100% of total eligible costs. The maximum funding provided per project is \$4.8 million over three years, with the minimum funding in year one being \$100,000. Approved projects must be completed by March 31, 2027.

Applicants must have an existing strict short-term rental regulatory regime in place defined as including, at minimum:

- An existing principal residence requirement limiting short-term rental operation to principal residences and a licensing system for short-term rental operators;
- An enforcement and compliance program for the short-term rental regulatory regime; and,
- One of the following:
  - Short-term rental licensing/registration process requiring a proof of consent from condo corporation/strata and property owners for a unit to be used as short-term rental
  - Spatial rules, quotas or moratoriums to restrict short-term rentals to specific zones, neighbourhoods or blocks, limit the number of units within those zones, neighbourhoods or blocks, as well as suspend or restrict issuing of short-term rental licenses
  - Enforcing a night cap on bookings to restrict the maximum number of consecutive days that a unit can be rented and/or the total number of days per year that a unit can be rented as a short-term rental
  - Establishing accountability measures for platforms, including mandating short-term rental platforms to obtain a license to operate, to share data with enforcement personnel or to remove non-compliant listings

The STREF is intended to support activities designed to strengthen the municipalities and communities' regulatory regimes to address and reverse housing loss induced by short-term rentals. Examples of eligible uses of the funding include raising awareness and educating the public, managing complaint systems, managing licensing, permitting or registration systems, conducting investigations and inspections, procuring software or digital tools, recruiting additional enforcement and compliance personnel.

Submissions were required by January 24, 2025. Projects will be assessed relative to both the eligibility and merit criteria as outlined within the program. Funding will be prioritized towards projects that support proactive enforcement, a data driven approach, utilization of innovative tools and technology, collaboration, and building short-term enforcement capacity.

Successful applicants will be notified by HICC and subsequently the municipality will need to enter into a Funding Agreement.

## Discussion

The Town has experienced a notable increase in short-term rental (STR) activity as reported by *Inside Airbnb*, which noted a 35% increase from 2020-2024 in STR listings in Milton.

Through [Staff Report CORS-053-22](#), the Town introduced a licensing by-law for short-term rentals along with a regulatory framework. At the same time, enforcement measures were implemented to ensure compliance with the regulations. The current framework is not supported by a dedicated staff complement and, as a result, enforcement is currently being done on a reactive basis.

Staff submitted an application through STREF to undertake an Enhanced Short-Term Rental Compliance and Enforcement Initiative, which would involve:

- Procuring development software/technology to identify unknown/unreported STRs which will enable enforcement staff to investigate properties not currently licensed
- Developing communication tools, such as pamphlets, to educate currently licensed and unlicensed property owners on the Town's STR by-law requirements and the benefits of long term rentals
- Retaining an additional municipal law enforcement officer, along with associated requirements such as vehicle, on a contract-basis in alignment with the term of the funding to investigate all STRs to ensure compliance with the Town's Licensing By-law requirements

The estimated budget for the initiative to March 31, 2027 is \$441,374, consisting of \$78,904 in software costs, \$5,000 in print advertising costs, \$282,168 in enforcement staffing costs and \$75,301 in enforcement vehicle costs.

Based on alignment with the STREF program, it is recommended that Council endorse the application to secure funding for the Enhanced Short-Term Rental Compliance and Enforcement Initiative.

Due to timing of Council meetings relative to the timelines of the STREF program, Council approval for the application was not possible prior to the application deadline. As a result, under the delegated authorities provided through By-law 071-2016, staff proceeded with submitting an application with the option of withdrawing, should Council not endorse the program.



### Financial Impact

As noted above, the Enhanced Short-Term Rental Compliance and Enforcement Initiative has an estimated budget requirement of \$441,374. Should the Town's application for funding through the STREF program be successful, a new capital project will be set up in 2025 that will be 100% funded through the grant funding received.

Respectfully submitted,

Kristene Scott  
Commissioner, Corporate Services

For questions, please contact: Mary Beth Mitchell Phone: Ext. 2133

### Attachments

n/a

Approved by CAO  
Andrew M. Siltala  
Chief Administrative Officer

### Recognition of Traditional Lands

The Town of Milton resides on the Treaty Lands and Territory of the Mississaugas of the Credit First Nation. We also recognize the traditional territory of the Huron-Wendat and Haudenosaunee people. The Town of Milton shares this land and the responsibility for the water, food and resources. We stand as allies with the First Nations as stewards of these lands.