



Town of Wasaga Beach

Discussion Paper – Executive Summary

Long-term Residential Use of
Tourism Accommodation Establishments

July 2013



Executive Summary

This discussion paper describes the issue of longer-term residential use of tourist establishments in Wasaga Beach. The purpose of this paper is to review the current policy framework, generate discussion on potential options in managing the issue, and create a dialogue on what the municipality's role is in regulating longer-term residential uses in tourist establishments.

The following steps were taken in the preparation of this paper:

- Issue identification;
- Evaluate recommendations from the Housing Strategy;
- Review of the general patterns of conversion to residential use;
- Research Official Plan and Zoning By-laws from other municipalities to find similar examples or experiences;
- Discuss a legal opinion on the long-term use of these properties;
- Initial spatial analysis of Tourism Accommodation Conversion (TAC) properties with consideration for land use compatibility; and
- Present potential policy options in the decision-making process.

Many tourism accommodation properties have not been designed or constructed with the intent of permanent residential use. Nonetheless, some of these accommodations are meeting the community's needs for rental housing. Different forms of conversion to longer-term residential uses are occurring in 36 of the 106 properties that are intended for tourist accommodations. Several patterns of conversion have been identified – permanent full conversions, partial conversions, and seasonal conversions. Recently, the Town has inspected the TAC properties to ensure health and safety concerns have been addressed. This paper discusses the policy issues relating to longer-term use of tourist establishments, and presents advantages and disadvantages to different approaches if the Town were to be permissive, restrictive or prohibitive of these uses.

The Town of Wasaga Beach Housing Strategy was completed in March 2013 and briefly examined the issue in the context of the larger affordable housing challenges faced by the Town, providing recommendations that are a good starting point for this paper.

The Town's existing Official Plan policy framework is summarized, and the Zoning By-law provisions for tourist establishments are examined. The relevant



policies of the Official Plan encourage redevelopment of older commercial sites for the highest and best use, encourage buffering with adjacent uses for land use compatibility, and maintaining the availability of tourism commercial uses to support the tourism industry. The Zoning By-law's definition of Tourist Establishment permits the accommodation of the travelling or vacationing public for a period not to exceed 31 days, which is more restrictive than current Official Plan policy allows. However, the purpose of the restriction is to distinguish between a commercial rental use and a residential rental use.

A review of other municipalities Official Plan policies and Zoning provisions relating to longer-term use of seasonal oriented properties was conducted. Very few examples could be found that were similar to Wasaga Beach, although several municipalities were aware that some older tourist establishments were being used on longer-term bases as rental housing. Most Zoning By-laws did not specify a maximum timeframe for which tourist establishments could be used. Instead, municipal Zoning by-laws tended to be more vague, opting to limit the use of tourist establishments to cater to the travelling and vacationing public within no set time limit.

In Wasaga Beach, a number of factors have contributed to the use of tourist accommodation establishments for longer-term residential use, including a) lack of variety in the housing stock; b) lack of rental housing units; c) lack of affordable housing options for people with modest incomes, d) the low demand for off-season tourist accommodation; and e) a desire from business owners to supplement income generated during the peak tourist season. The use of the motel, hotel, and cottage courts as residential rental housing falls within the 'affordable' housing range in the housing continuum – balanced between supportive/transitional housing and private sector market rental housing.

The Residential Tenancies Act (RTA) is the main provincial law which governs landlord and tenant relations in the Province. One of the key provisions of this Act is that tenants are granted 'security of tenure' meaning that tenants can remain in their accommodation as long as they pay their rent and don't disturb their neighbours. There are exemptions in the RTA where the RTA does not apply to living accommodation intended to be provided to the travelling or vacationing public or occupied for a seasonal or temporary period in a hotel, motel, cottage or cabin establishment. The Town retained legal counsel for advice on the issue of residential use of tourist establishments, which stated that there is no bright and



defining line for when the longer-term rental of a tourist establishment use might become a tenancy under the Residential Tenancies Act (RTA).

An initial spatial analysis of the Tourism Accommodation properties has been completed, showing general geographic patterns of conversion. It is recommended that certain criteria be considered if the Town seeks to recognize the permanence of full tourism accommodation conversions. These criteria include a) location in relation to community services b) relationship to surrounding uses, c) suitability for the type of buildings to be used as full-time residential uses d) suitability for long-term intended use as tourism accommodation, e) required improvements prior to acceptance for residential purposes; f) taxation implications.

The Town should consider whether the existing policy framework should be changed to permit the long-term residential use of tourist establishments. A number of options with advantages and disadvantages are presented in a table format for discussion purposes. The Town may wish to consider the following direction:

- Further examine removing the 31 day time limit from the definition of tourist establishment in the Zoning By-law and allow tourist establishments to be occupied for a seasonal or temporary period.
- Seek to recognize the full conversions to residential use through Official Plan Amendments and Zoning By-law Amendments for properties that can demonstrate that they meet certain criteria and are deemed to be appropriate conversions for permanent housing.
- Maintain the current Business Licensing program for tourist establishment, and examine potential licensing mechanisms to confirm that tourism accommodation units are operating in a manner that protects guests/tenants health and safety.

The Discussion Paper provides observations about the general conversion types and options that have been are provided. This Discussion Paper is intended to promote a dialogue in the community about this issue, and should be distributed to stakeholders for consultation and feedback.

