CITATION: Township of Oro-Medonte v. Oro-Medonte Association for Responsible STRS, 2024 ONSC 1676
DIVISIONAL COURT FILE NO.: DC-23-00001394 and DC-23-00001397
DATE: 20240322

ONTARIO

SUPERIOR COURT OF JUSTICE
DIVISIONAL COURT

Matheson, Davies, Leiper JJ.

BETWEEN:	
The Township of Oro-Medonte and Oro-Medonte Good Neighbours' Alliance Appellants	*Christopher Williams* and *Laura Dean*, for The Township of Oro-Medonte, Appellant *James Feehely*, for Oro-Medonte Good Neighbours' Alliance, Appellant
– **and** –	
Oro-Medonte Association for Responsible STRS Respondent	*Bruce Engel* and *Chantal deSereville*, for the Respondent *Kathleen Coulter*, for the Ontario Land Tribunal **HEARD at Oshawa:** January 25, 2024 (by videoconference)

Davies J.

REASONS FOR JUDGMENT

A. Overview

[1] After several years of study and consultation, the Township of Oro-Medonte enacted By-law 2020-073 to amend the existing zoning by-law in an effort to address concerns about disruptive short-term rentals ("STRS") in the Township.

[2] The Oro-Medonte Association for Responsible STRS (a not-for-profit corporation created to protect and promote the rights of homeowners to rent their properties) appealed By-law 2020-073 to the Ontario Land Tribunal. The Oro-Medonte Good Neighbours' Alliance (a coalition of local ratepayers' associations) was granted standing as a party before the Tribunal to make submissions in support of By-law 2020-073.

[3] Following a six-day hearing, the Tribunal gave an oral decision on March 22, 2022 granting the appeal and repealing By-law 2020-073. The Tribunal released written reasons on August 24, 2022. The Tribunal found that By-law 2020-073 did not represent good planning and was not in the public interest.

[4] The Township and the Good Neighbours' Alliance were granted leave to appeal the Tribunal's decision to this court.[1] The Appellants articulated several grounds of appeal, which can be distilled into four broad arguments:

a. The Tribunal failed to afford the parties procedural fairness because the oral decision was rendered quickly and the reasons were inadequate;

b. The Tribunal failed to correctly interpret the existing zoning by-law and, as a result, failed to correctly interpret the impact of By-law 2020-073;

c. The Tribunal considered irrelevant factors when considering whether By-law 2020-073 represents good planning; and

d. The Tribunal failed to consider whether By-law 2020-073 was consistent with the *Planning Act*, R.S.O. 1990, c. P.13, the Provincial Policy Statement and other local planning policy documents.

[5] For the following reasons, the appeal is dismissed. First, there was no procedural unfairness. Second, the Tribunal was correct in its interpretation of the existing zoning by-law and made no error in law in finding By-law 2020-073 did not represent good planning. Finally, having found By-law 2020-073 was not good planning, the Tribunal did not need to also address whether it was consistent or inconsistent with the *Planning Act*, the Provincial Policy Statement and other planning documents in its reasons for decision.

B. Standard of Review

[6] A decision of the Ontario Land Tribunal can only be appealed with leave to the Divisional Court on a question of law: *Ontario Land Tribunal Act, 2021*, S.O. 2021, chap. 4, s. 24. Because this is a statutory appeal, the appellate standards of review apply. And because the appeal is limited to a question of law, the appellate standard of review is correctness: *Canada (Minister of Citizenship and Immigration) v. Vavilov*, 2019 SCC 65, [2019] 4 S.C.R. 653, at para. 37.

[1] *The Township of Oro-Medonte/Oro-Medonte v. Oro-Medonte Association for Responsible STRS*, 2023 ONSC 3830 (Div. Ct.).

C. Legislative and Procedural History

[7] To understand the Tribunal's decision about the nature and impact of By-law 2020-073 on short-term rentals in the Township of Oro-Medonte, it is important to set out how the zoning by-laws have defined and regulated residential dwellings over time.

[8] The Township of Oro-Medonte passed a comprehensive zoning by-law in 1997. By-law 97-95 created six residential zones, two commercial zones, five industrial zones and eight other zones for specified land uses in the Township. By-law 97-95 identifies what types of "dwellings" are permitted in which zones. For example, single detached dwellings, which are defined as buildings containing one dwelling unit, are permitted in five of the six residential zones. Semi-detached dwellings and apartment dwellings are only permitted in one of the residential zones and the "Village One" zone. Unless a land use is expressly permitted in a particular zone under By-law 97-95, it is prohibited.

[9] The term "dwelling unit" was originally defined in By-law 97-95 as follows:

> A suite which functions as a housekeeping unit used or intended to be used as a domicile by one or more persons, containing cooking, eating, living, sleeping and sanitary facilities, and having a private entrance from outside the building or from a common hallway or stairway inside or outside the building.

[10] In 2015, the Township enacted By-law 2015-192 which, among other things, changed the definition of "dwelling unit" to the following:

> One or more rooms in a building, designed as, or intended as, or capable of being used or occupied as a single independent housekeeping unit and containing living, sleeping, sanitary and food preparation facilities or facilities for the installation of kitchen equipment and has an independent entrance. For the purposes of this By-law, a dwelling unit does not include any commercial accommodation or a recreational trailer.

[11] The term "commercial accommodation" was not defined in either By-law 97-95 or By-law 2015-192.

[12] One of the main issues in this appeal is what the phrase "a dwelling unit does not include any commercial accommodation" means: Does it mean that any lease or rental of a dwelling unit for money is prohibited as a "commercial accommodation"? Or does it mean that providing accommodation as a commercial endeavour like a hotel, motel or bed and breakfast is prohibited?

[13] In 2017, the Township started to receive complaints about properties being rented out for a few days at a time (generally over weekends) and the problems those rentals were causing including noise, vandalism, parking, garbage and septic impacts. Township staff presented a report to the Oro-Medonte Township Council about the problem. The report identified three possible responses: (1) amend By-law 97-95 to define short-term rentals and identify where short-term rentals would be permitted, (2) create a registration and licensing scheme for short-term rentals, or (3) continue to monitor the situation.

[14] In July 2018, the Township enacted an interim control by-law (By-law 2018-071) prohibiting new short-term rentals pending the completion of its study of the issue. Article 1 of By-law 2018-071 stated that only those short-term rental accommodations in existence on the date the by-law was enacted could be maintained. By-law 2018-071 defined "short term rental accommodation" as follows:

> A dwelling or any part thereof that operates or offers three or more bedrooms as a place of temporary residence, lodging or occupancy by way of concession, permit, lease, license, rental agreement or similar commercial arrangement for any period of 30 consecutive calendar days or less throughout all or any part of the calendar year. Short term accommodation shall not mean or include a motel, hotel, bed and breakfast establishments, hospital or similar commercial or institutional use.

[15] The 2018 interim control by-law was extended for a second year in June 2019.

[16] By-law 2020-073 – the focus of this appeal – was enacted in July 2020. It was intended to replace the interim control by-law as a permanent solution to the short-term rental problem in the Township. The preamble to By-law 2020-073 states the Township wished to "clarify" the existing prohibition of commercial accommodations in dwelling units in By-law 97-95. By-law 2020-073 simply added the following definition of "commercial accommodation" to By-law 97-95:

> Commercial Accommodation – means temporary accommodation, lodging, or board and lodging, or occupancy in a building, dwelling or dwelling unit, hotel, motel, inn, bed & breakfast, or boarding house by way of concession, permit, lease, license, rental agreement or similar commercial arrangement for any period of 28 consecutive days or less throughout any part of a calendar year. For the purposes of this By-law, Commercial Accommodation does not include Village Commercial Resort Units.

The effect of By-law 2020-073 was to prohibit any rental for 28 days or less in a residential zone, including the rental of family cottages.

[17] The Oro-Medonte Association for Responsible STRS appealed By-law 2020-073 to the Tribunal, arguing that By-law 2020-073 prohibited a well-established and accepted land use in the Township – short-term rentals – in a manner that was disproportionate to the harm the Township was trying to address.

[18] On the appeal, the Township argued that By-law 2020-073 did not create a new land use prohibition. The Township argued that under the 2015 definition of dwelling unit, all rentals, including short-term rentals, were a commercial use of property and were prohibited in areas zoned as residential. The Township argued that By-law 2020-073 created a new permitted land use by clarifying that longer-term rentals (of more than 28 days) are expressly permitted in residential zones.

D. Nature of the Appeal to the Ontario Land Tribunal

[19] An appeal to the Tribunal is not a review of the Township's decision. It is a *de novo* hearing. The Tribunal must consider the Township's decision and the information that was before council when it passed the by-law but can consider additional evidence as well.

[20] The Tribunal also has an independent public interest mandate. The Tribunal must look beyond the dispute between the parties and consider whether the by-law under appeal is in the public interest: *Ottawa (City) v. Minto Communities Inc.* (2009), 313 D.L.R. (4th) 419 (Div. Ct.), at para. 30 (per Aston J.). The public interest includes considerations of public health and safety, welfare and convenience to the public: *Cloverdale Shopping Centre Ltd. et al. v. Township of Etobicoke*, [1966] 2 O.R. 439 (C.A.) at paras. 16-17, *Planning Act*, ss. 2(h) and 2(o). In fulfilling its public interest mandate, the Tribunal is entitled to consider the history, nature and purpose of the by-law. The Tribunal can also consider any interim control by-laws enacted while the by-law was under consideration and any studies that informed council's decision to understand the issue the Township was trying to address.

E. Tribunal's Decision

[21] The parties to the hearing at the Tribunal agreed there was a problem with some short-term rentals in the Township. The parties also agreed that the Township had the authority to amend the zoning by-law to deal with short-term rentals. The issue was whether the means chosen by the Township were consistent with the *Planning Act*, the Provincial Policy Statement, the provincial Growth Plan, the County's Official Plan and the Township's Official Plan, and whether the means chosen represented good planning.

[22] The Tribunal understood there was a disagreement between the parties over whether By-law 2020-073 created a new *permitted* land use or created a new *prohibited* land use. The answer to that question turned on the meaning of the phrase "a dwelling unit does not include any commercial accommodation" in the 2015 definition of "dwelling unit".

[23] The Township argued that by changing the definition of "dwelling unit" to include the phrase "a dwelling unit does not include any commercial accommodation", any rental of any dwelling unit for money was prohibited no matter the length of the rental. The Township argued that by adding a definition of "commercial accommodation", By-law 2020-073 "clarified" that rentals of more than 28 days are permitted in the Township. In other words, the Township argued that By-law 2020-073 created a new permitted land use.

[24] On the other hand, the Association of Responsible STRS argued that the addition of the phrase "a dwelling unit does not include any commercial accommodation" to the definition of dwelling unit could not reasonably have meant that all rentals were prohibited, including long-term rentals. The Association of Responsible STRS argued there would have been no need for the Township to enact an Interim Control By-law in 2018 or By-law 2020-073 if the 2015 amendment prohibited the rentals of all residential dwellings, including the problematic short-term rentals, as the Township suggested. The Association of Responsible STRS argued the term "commercial accommodation" in the 2015 amendment must have meant something other than simply renting

out a dwelling unit for money. If the Association of Responsible STRS was right, By-law 2020-073 created a new prohibition on short-term rentals.

[25] The Tribunal rejected the Township's argument and found that By-law 2020-073 created a new land use prohibition under the guise of a clarification. The Tribunal found that By-law 2020-073 did not represent good planning and was not in the public interest because its negative impacts were disproportionate to its potential benefits. The Tribunal found that By-law 2020-073 was not an effective tool to address the problem of disruptive short-term rentals and would have an "unintended punitive" impact on "benign, non contentious" cottage rentals. In other words, the Tribunal found that By-law 2020-073 was overbroad in that it would prohibit short-term rentals that posed no problem within the Township.

[26] The Tribunal also considered whether the result of the appeal would have been different if it had accepted the Township's argument that By-law 97-95 prohibited all rentals of residential units. The Tribunal found that if By-law 97-95 prohibited all residential rentals as the Township suggested, By-law 2020-073 was not necessary to address the problem of disruptive short-term rentals. If all residential rentals were prohibited under the 2015 definition of "dwelling unit", the Township could use the existing by-law to shut down disruptive short-term rentals without any amendment. The Tribunal also found that if the existing by-law was sufficient to address the problem, limiting residential rentals to those longer than 28 days unnecessarily targeted historically acceptable rentals that were not disruptive, which was contrary to the public interest.

F. Procedural Fairness

[27] The Township and the Good Neighbours' Alliance argue the Tribunal breached its duty of procedural fairness because the Tribunal gave a brief oral decision within ten minutes of the hearing ending, suggesting that the Tribunal did not fully consider the evidence and arguments presented. They also argue the written reasons, which were released several months later, fail to demonstrate that the Tribunal considered the evidence and arguments presented at the hearing.

[28] A breach of the duty of procedural fairness is an error in law and can, therefore, be a basis to appeal a decision of the Tribunal: *Law Society of Saskatchewan v. Abrametz*, 2022 SCC 29, 470 D.L.R. (4th) 328, at paras. 26-30.

[29] The length of time between the end of the hearing and the oral decision does not, on its own, establish there was procedural unfairness in this case. There is no recording of the oral decision. However, the written reasons refer to the Tribunal having read and heard all the evidence. The written reasons also identify the concerns expressed by the Tribunal in the oral decision about By-law 2020-073, which broadly reflect the issues raised by the parties at the hearing.

[30] Detailed written reasons are not required for all administrative decisions. The duty of procedural fairness in administrative law is variable, flexible and context specific: *Vavilov*, at para. 77. Nonetheless, the Tribunal provided reasons for its decision. So even if the Tribunal was required to give reasons as a matter of procedural fairness, the Tribunal complied with its obligation. The remaining issue, therefore, is whether the Tribunal's reasons permit effective appellate review, which is addressed below.

G. Was the Tribunal Correct in its Interpretation of By-law 2020-073?

[31] Statutory interpretation is a question of law. The question for this court is whether the Tribunal was correct in finding that the 2015 definition did not prohibit all rentals in residential dwellings notwithstanding the position taken by the Township and, as a result, By-law 2020-073 created a new land use prohibition on rentals of 28 days or less.

[32] The basic rule of statutory interpretation is that the words of the by-law must be read in their entire context, in their grammatical and ordinary sense harmoniously with the scheme of the By-law, the object of the by-law, and Council's intention: *Rizzo & Rizzo Shoes Ltd. (Re)*, [1998] 1 S.C.R. 27, at para. 21, R. Sullivan, *Sullivan on the Construction of Statutes* (5th ed. 2008), at p. 1, citing E. A. Driedger, *The Construction of Statutes* (1974), at p. 67. If the language of the by-law is ambiguous, the court may undertake a contextual and purposive approach to interpretation to find meaning that harmonizes the wording, object, spirit and purpose of the provision: *Canada Trustco Mortgage Co. v. Canada*, 2005 SCC 54, [2005] 2 S.C.R. 601, at para. 47. In the context of a zoning by-law, the purpose of the provision must be consistent with the *Planning Act* as well as provincial and local planning documents.

a. Did the Tribunal err in finding that By-law 97-95 did not prohibit all rentals?

[33] The Township argued that adding the phrase "a dwelling unit does not include any commercial accommodation" to the definition of "dwelling unit" in 2015 had the effect of prohibiting any dwelling unit from being rented for money no matter the length of the rental. The Township argued that by adding a definition of "commercial accommodation", By-law 2020-073 "clarified" that rentals of more than 28 days are permitted in the Township. In other words, the Township argued By-law 2020-073 created a new permitted land use.

[34] The Tribunal rejected the Township's argument and found that "commercial accommodation" must have meant something other than simply renting a dwelling unit for money. I find the Tribunal was correct in its interpretation of the 2015 definition of dwelling unit.

[35] I find the phrase "commercial accommodation" in the definition of a dwelling unit is ambiguous. It could mean that any accommodation for which money is exchanged is a commercial accommodation or it could mean that temporary accommodation provided as part of an ongoing commercial enterprise akin to a hotel, motel, resort or bed and breakfast are prohibited as commercial accommodations. To resolve this ambiguity, the court must undertake a contextual and purposive approach to find a meaning that harmonizes the wording, object, spirit and purpose of the By-law.

[36] The starting point of a contextual analysis must be the *Planning Act*, which provides the overall framework for land use regulation in the Ontario. Section 2 of the *Planning Act* enumerates several matters of provincial interest that municipalities must consider when carrying out their responsibilities. The list includes "the adequate provision of a full range of housing, including affordable housing": *Planning Act*, s. 2(j). Enacting a definition of "dwelling unit" that prohibited all rentals in areas zoned as residential would be inconsistent with the municipality's obligation to provide a full range of housing options, including affordable housing.

[37] Municipal decisions must also be consistent with policy statements issued by the Province under the *Planning Act*: *Planning Act*, s. 3(5). The 2014 and 2020 Provincial Policy Statements directed municipalities to provide an "appropriate range and mix of housing" including housing that is affordable to low- and moderate-income households: 2020 Provincial Policy Statement, ss. 1.4.1 and 1.4.3, 2014 Provincial Policy Statement, ss. 1.4.1. and 1.4.3. Again, enacting a definition of "dwelling unit" that prohibited all rentals in areas zoned as residential the Township would be inconsistent with the Provincial Policy Statements.

[38] If the term "commercial accommodation" is to be interpreted in a manner that is consistent with the *Planning Act* and the Provincial Policy Statements, it must mean something other than simply renting a dwelling unit for money. The Tribunal was, therefore, correct to reject the Township's argument that as of 2015 renting a dwelling unit was prohibited.

[39] The Tribunal's interpretation of "commercial accommodation" is also consistent with the initial reports prepared by the Township's Director of Development Services, Ms. Andria Leigh, when the issue of disruptive short-term rentals first arose.

[40] Ms. Leigh prepared several reports for the Township on the topic of short-term rentals. Ms. Leigh was also a witness at the Tribunal.

[41] In February 2018, Ms. Leigh presented a report to Council that described the concerns raised by residents about several properties in the Township being rented out for one to three days through various online platforms. The report summarizes the approach taken in other municipalities (including the Town of Blue Mountain and the City of Toronto) to regulating short-term rentals. The report recommended three possible approaches to deal with short-term rentals: amend the Township's Zoning By-law to specify where short-term rentals are permitted and prohibited, create a scheme to register and license short-term rental units or continue to monitor the situation. Council directed staff to draft an interim control by-law to prohibit any new short-term rental units. Council also directed staff to draft a new by-law to regulate short-term rentals in the Township and to create a licensing regime.

[42] Ms. Leigh prepared a second report in February 2019. In that report, Ms. Leigh noted that cottage rentals were not a new phenomenon in the Township but what had changed was the length of the rentals. She noted that historically, cottages were rented on a weekly or monthly basis. The problem that required attention was the increased number of daily or weekend rentals that create "land use compatibility issues." In her February 2019 report, Ms. Leigh wrote the following:

> STR's are a more recent phenomenon that have not typically been contemplated as a land use in Official Plan or Zoning By-law documents. This is the situation with the Township's planning documents, although bed and breakfast establishments are currently addressed. Generally speaking, the renting of a private residence is not subject to zoning regulations (there is no differentiation between a renter and an owner). [Emphasis added.]

[43] During the public meetings on the 2020 By-law, Ms. Leigh also told Council that the proposed amendments to By-law 97-95 could not and would not retroactively prohibit existing short-term rental operations. In other words, Ms. Leigh told Council on more than one occasion

that the existing land use restrictions in By-law 97-95 did not prohibit home (or cottage) owners from renting out their property. The Tribunal's finding that the phrase "a dwelling unit does not include any commercial accommodation" did not prohibit all rentals is consistent with the advice given to Council by the Director of Development Services.

[44] The Tribunal's decision that "commercial accommodation" must mean something other than simply renting a dwelling unit for money is also consistent with the justification given by the Township for enacting the interim control by-law in 2018 pending a final decision on how to regulate short-term rentals. In the preamble to the 2018 interim control by-law, the Township wrote that the purpose of the interim measure was to "temporarily prohibit" short-term rental accommodations pending a review of the issue. There would have been no need to temporarily prohibit short-term rentals pending a final solution if all rentals, including short-term rentals, were already prohibited in areas zoned as residential under By-law 97-95.

[45] Finally, the Tribunal's interpretation of "commercial accommodation" is consistent with the text of the interim control by-law itself. By-law 2018-071 specifically allowed "short term rental accommodations in existence as of the date of the passing of this by-law and used for such purposes" to continue. This language is inconsistent with the position taken by the Township on the appeal to the Tribunal that all residential rentals had been prohibited as commercial accommodations since 2015. If all residential rentals had been prohibited since 2015, there would be no reason to allow residents to continue an illegal, non-conforming land use.

[46] Contrary to the Appellants' submission, the Tribunal was not pre-occupied with the interim control measure. The Tribunal was entitled to consider the interim control by-law as part of the context in which By-law 2020-073 was enacted when resolving the ambiguity in the meaning of the phrase "a dwelling unit does not include any commercial accommodation."

[47] The Tribunal was not obliged to accept the Township's position on the interpretation of the 2015 definition of a "dwelling unit." The fact that Ms. Leigh testified that the definition of "dwelling unit" as amended by By-law 2015-192 "does not permit commercial accommodations, including short term rental accommodation" was not binding on the Tribunal. Similarly, the Tribunal was not obliged to accept the statements in the preamble to the 2020 By-law that By-law 97-95 "prohibits all types of commercial accommodations in dwelling units in the Township of Oro-Medonte" and "the Township wishes to provide clarity with respect to the existing prohibition of commercial accommodations in dwelling units."

[48] I find the Tribunal was correct to find that the prohibition on "commercial accommodation" in the definition of "dwelling unit" could not have created a complete prohibition on all residential rentals in the Township. To accept the Township's argument would have been inconsistent with the *Planning Act*, the Provincial Policy Statement and the position taken by the Township during the study and consultation period.

b. Did the Tribunal make an error in law by finding By-law 2020-073 did not constitute good planning?

[49] The decision whether a municipal by-law constitutes good planning involves the application of a legal test to the facts and a balancing of relevant factors. As a result, whether a municipal by-law constitutes good planning is usually a question of mixed fact and law, and beyond the jurisdiction of this court on an appeal. However, the Appellants argue the Tribunal applied the wrong legal test, which would be an error of law.

[50] I am not persuaded the Tribunal applied the wrong test in finding By-law 2020-073 did not constitute good planning and was not in the public interest.

[51] Having found that By-law 2020-73 created a new land use prohibition, the Tribunal went on to consider whether the means chosen by the Township would effectively address the problem identified and whether the means chosen were a proportionate response to the probem. The Tribunal understood the nature of the problem the Township was trying to address with By-law 2020-073, namely "party houses" that were owned by non-residents and rented for very short periods. The Tribunal found that By-law 2020-073 created a new land use prohibition that would not be an effective means of regulating the disruptive short-term rentals. The Tribunal also found that By-law 2020-073 was not a proportionate response because it would have also banned historically acceptable, *bona fide* rentals. The Township received complaints about homes that were being rented out for a few days at a time. There was no evidence that rentals for a week or two were causing the same sorts of nuisance. Proportionately and overbreadth are relevant factors for the Tribunal to consider when deciding if a municipal by-law represents good planning.

[52] The Appellants submit that the Tribunal failed to consider relevant factors and failed to recognize that By-law 2020-073 was consistent with the *Planning Act*, the Provincial Policy Statements and local planning documents.

[53] In a procedural order dated June 2, 2021, the Tribunal identified 12 issues to be addressed at the hearing including whether prohibiting short-term rentals is appropriate and/or proportionate, whether By-law 2020-073 was consistent with the Provincial Policy Statement, the County's Official Plan and Township's Official Plan, and what impact By-law 2020-073 would have on members of the public. The Tribunal heard evidence from various witnesses on behalf of the parties about the 12 enumerated issues.

[54] The Tribunal's reasons do not address most of the issues listed in the statement of issues. However, the Tribunal's reasons do not have to address every issue. Nor does the Tribunal have to summarize all the evidence received.

[55] To be valid, a municipal by-law must be within the jurisdiction of the municipality. It must be consistent with the *Planning Act*. It must be consistent with the Provincial Policy Statement. And it must be consistent with applicable regional and local plans. Those are all necessary conditions for a by-law to be valid. They are not, however, sufficient conditions. Municipal by-laws must also be in the public interest and must represent good planning.

[56] The Tribunal can find a zoning by-law is not appropriate and should be quashed for any number of reasons. If the Tribunal finds the by-law under appeal is inappropriate for one determinative reason, it need not address every other issue raised at the hearing in its reasons. Having found that By-law 2020-073 was not in the public interest and did not constitute good planning, the Tribunal was not required to consider and address all the other issues.

[57] I find the Tribunal did not apply the wrong legal test when considering whether By-law 2020-073 respresented good planning. I also find the Tribunal made no error of law in finding that a blanket prohibition on all residential rentals of 28 days or less was contrary to the public interest in maintaining non-disruptive short-term cottage rentals.

[58] The appeal is, therefore, dismissed.

H. Costs

[59] The parties agreed that if costs are awarded, the quantum of costs to the winning party should be $35,000, which covers both the application for leave to appeal and the appeal. However, the parties did not agree on whether costs should be awarded.

[60] The Association for Responsible STRS is not seeking costs against the Good Neighbours' Alliance. However, the Association for Responsible STRS argues they should be entitled to costs.

[61] The Township argues it should not be ordered to pay costs because it has "done nothing wrong" and is a public interest litigant. I do not agree that the Township is a public interest litigant that should be protected against a costs order.

[62] The Township shall pay the Association of Responsible STRS a total of $35,000 in costs inclusive of HST and disbursements.

Davies J.

I agree

Matheson J.

I agree

Leiper J.

Date: March 22, 2024

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The Township of Oro-Medonte and Oro-Medonte Good Neighbours' Alliance

Appellants

– **and** –

Oro-Medonte Association for Responsible STRS

Respondent

REASONS FOR JUDGMENT

Davies, J.

Released: March 22, 2024