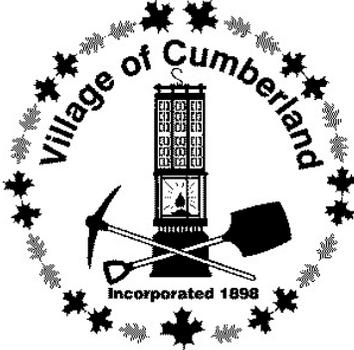


COUNCIL REPORT



REPORT DATE: 4/29/2022
MEETING DATE: 5/9/2022

File No. 6700

TO: Mayor and Councillors
FROM: Karin Albert, Senior Planner
SUBJECT: Vacation Rentals – Bylaw Amendment Options

RECOMMENDATION

- i. THAT Council receive the April 29, 2022 report “Vacation Rental Regulations – Bylaw Amendment Options” report.
- ii. THAT Council direct staff to draft an amendment bylaw to Zoning Bylaw No. 1027, 2016 to amend the vacation rental regulations to:
 - a. Require a principal resident to live on property with vacation rentals;
 - b. Limit the maximum number of bedrooms rented on a property to three and the maximum number of guests to six;
 - c. Limit the vacation rental use on a single property to one dwelling unit;
 - d. Clarify that a vacation rental can be located within a principal dwelling unit, accessory dwelling unit or a secondary suite on a property;
 - e. Amend the definition of vacation rentals to distinguish between the commercial use of a home as a vacation rental and home-sharing of a principal residence; and
 - f. Require posting a modestly sized sign with the vacation rental name and operator/caretaker contact information at the property.
- iii. THAT Council direct staff to draft an amendment to Business License Bylaw No. 896, 2009 that supports the Zoning Bylaw regulations for vacation rentals and:
 - a. Requires display of the business license number on listings and similar advertisements or promotional materials that communicate the availability of a vacation rental.

PURPOSE

This report presents input from the Advisory Planning Commission (APC), the Homelessness and Affordable Housing Committee (HAH) and Economic Development Steering Committee (ECDEV) in response to the March 28, 2022 Council referral, and recommends changes to the vacation rental regulations. The report also provides an update on collection of the Municipal and Regional District Tax (MRDT) on tourism accommodation from online accommodation providers.

PREVIOUS COUNCIL DIRECTION

Date	Resolution
March 28, 2022	THAT Council receive the March 18, 2022 report “Vacation Rental Regulations - Public Engagement Summary and Analysis” report. THAT Council refer the report to the Advisory Planning Commission, Homelessness and Affordable Housing Committee and Economic Steering Committee for comment.
June 28, 2021	THAT Council endorse the Vacation Rental Regulations Review Resident and Stakeholder Engagement Plan; THAT Council approve the expenditure of up to \$10,000, to be funded by the general financial stabilization reserve, for the Vacation Rental Regulations Review project and amend the adopted 2021-2025 Financial Plan bylaw to reflect this expenditure; and further that Council investigate an agreement with AirBnB to recoup the hotel tax that is currently being collected by the company.

BACKGROUND

At the March 28, 2022 Council meeting, Village staff presented the Vacation Rental Regulations Review - [Public Engagement Summary and Analysis report](#) and an accompanying [staff report](#) with a set of recommendations for updating the Village’s vacation rental regulations. That report can be referred to for a detailed explanation of the regulatory options.

The Summary and Analysis report and recommendations for regulatory updates were reviewed with the APC, HAH, and ECDEV at their April meetings (Attachment 1 – Overview of Commission and Committee Recommendations). Attachment 2 – Vacation Rental and Housing Statistics, was provided to the Committees to assist in their review.

ANALYSIS

The key criteria used to evaluate regulatory options for this review are: potential to protect long term rental housing, level of public support, ability to enforce the regulations, and impact on neighbourhoods/community. Based on input from Committees, some of the recommendations have been adjusted from the March 28, 2022 staff report.

The following provides a short discussion of each. Note, that recommendations which confirm the current regulations do not require a resolution by Council and are not included in the recommended resolutions above.

1. Principal Residency requirement

A principal residency requirement would require an owner or tenant to live on the property with the vacation rental. This will limit vacation rentals of entire units to properties that have more than one dwelling (single family dwelling plus secondary suite and/or ADU). It will also ensure that at least one dwelling on the property remains part of the housing stock.

All Committees support a principal residency requirement. In discussions with the Committees, staff clarified that a principal residency requirement does not necessarily mean that the

permanent resident living on the property has to be the caretaker for the vacation rental. Both the APC and the HAH discussed that a tenant should not be required to be responsible for the vacation rental unit on the same property.

There are two options to implement a principal residency requirement through the Zoning Bylaw:

- a. Make vacation rentals a home occupation. This would mean that the business license applicant has to be the vacation rental operator and live on the property.
- b. Identify the principal residency requirement in a separate section of the Bylaw, not tied to a home occupation. This would enable the vacation rental operator to live off-site. The business license applicant can identify a caretaker or 'designated responsible person' who would operate the vacation rental and be the point of contact for guests and neighbours.

Both options enable a tenant or property owner to live on the property to meet the principal residency requirement. However, under option (a), the tenant would have to be the business license applicant and be operating the vacation rental. Option (b) does not *require* the resident living on the property to operate the vacation rental, but it would also not restrict that possibility.

The recommendation is to keep vacation rental regulations in a separate section in the Zoning Bylaw, consistent with the current approach, and not tie them to a home occupation. This will allow more flexibility to operate vacation rentals. However, Council may direct staff to draft the bylaw with vacation rentals as a home occupation, to require the operator to live on the property.

A further possible restriction on vacation rentals is to limit them to one dwelling unit on a property. This can be implemented in conjunction with either option (a), a home occupation, or option (b) and is discussed in section 2 below.

Recommendations:

Require a principal resident to live on property with vacation rentals.

2. Limit on number of bedrooms that can be rented and/or the number of guests

The Committees are divided on this regulatory option. The APC and ECDEV do not support a limit on the number of bedrooms or number of guests. The HAH would like to see a limit of three bedrooms and six guests. A three bedroom/six guest limit provides a range of accommodation options for tourists but, at the same time, limits the impact of vacation rentals on residential neighbourhoods. More rooms and guests would make a vacation rental more similar to a guest house or boutique hotel. A more intensive commercial use in a residential zone should require a rezoning to a tourist accommodation or commercial use to give the Village and the community the opportunity to consider fit with the neighbourhood.

In conjunction with a limit on number of bedrooms and number of guests, the recommendation is to limit vacation rental use to one dwelling unit on a property. This provides additional protection for rental housing. It means that a property owner who has, for example, a 1-bedroom secondary suite and a 2-bedroom accessory dwelling unit, would only be able to use one for a vacation rental.

Recommendation:

Limit the maximum number of bedrooms rented on a property to three and the maximum number of guests to six.

Limit the vacation rental use on a single property to one dwelling unit.

3. Parking requirement

The current off street parking requirement for a vacation rental is one space per bedroom. If parking requirements cannot be met, owners have the option to pay \$3,800 cash-in-lieu.

The APC recommendation is to reduce the requirement to 0.5 parking spaces per bedroom. One of the reasons is to avoid turning yards into parking lots. Reducing the requirement to 0.5 per bedroom and rounding up to the highest whole number means one space would be required for one or two bedroom rentals and two spaces would be required for three or four bedroom rental units (provided up to four bedrooms are permitted, see 5. below). The HAH supports keeping the requirement at 1 space per bedroom, while ECDEV members are split on this question.

If the recommended maximum limit of three bedrooms for vacation rentals is implemented and the requirement of one parking space per bedroom is retained, the maximum number of parking spaces required would be three. Given the concern about parking expressed by neighbours in the survey, the ability to provide parking spaces off the lane, and the parking cash-in-lieu option for property owners who cannot provide sufficient parking on the property, the recommendation is not to change the parking requirement.

Recommendation: No change. Keep the requirement to 1 parking space per bedroom.

4. Type of dwellings where vacation rentals should be permitted

The current regulations state that vacation rentals are permitted in principal and accessory dwelling units but is silent on secondary suites. All Committees agree with the staff recommendation not to restrict the type of dwellings that can be rented as a vacation rental. Permitting vacation rentals in different types of dwellings increases the variety of both tourist accommodation and long term rentals available.

Recommendation: Clarify that a vacation rental can be located within a principal dwelling unit, accessory dwelling unit or a secondary suite on a property.

5. Cap on total number of vacation rentals permitted

ECDEV does not support a cap on the total number of vacation rentals permitted. The APC also does not support a cap, provided that a principal residency requirement is implemented. The HAH Committee would like to see a cap to put an upper limit on the conversion of long term rentals to vacation rentals.

A principal residency requirement limits vacation rentals to properties that have a secondary suite or ADU. There are currently 774 dwelling units in the R1-A Residential Infill Zone; of those 34 are secondary suites and ADU's (see Attachment 2 – Vacation Rental and Housing Statistics). If vacation rentals also continue to be restricted to the R1-A zone, that effectively limits the numbers of *entire unit* vacation rentals to 34 until new secondary suites or ADU's are built. In

addition, any current vacation rentals with a valid business license would be grandfathered in and able to continue to operate even if they are on properties with a single dwelling unit and cannot meet the principal residency requirement.

The principal residency requirement would also restrict vacation rentals in the RE-1 Recreation Tourism zone since there are no permitted secondary suites or ADU's in that zone. However, if a cap is desired, staff will provide a number based on a percentage of total rental units.

Recommendation: No change: Do not put a cap on the total number of vacation rentals in the Village.

6. Cap on number of vacation rentals per block

All Committees agree that there should be no cap on the number of vacation rentals per block as this is difficult to administer (e.g. potentially requiring keeping multiple wait lists) and can be confusing for applicants.

Recommendation: No change: Do not pursue a cap on the number of vacation rentals per block.

7. Distinguish between year-round and occasional vacation rentals

The existing Zoning Bylaw definition for vacation rentals¹ does not distinguish between commercial year-round and occasional vacation rentals. Commercial year-round rentals are units whose primary use is as a vacation rental. Occasional rentals are units in someone's home and may only be listed for a few weeks a year by the owner away on vacation. There is also house-sitting, home-share or home exchange uses of dwelling units which, if not done for commercial gain, would be allowed in all residential zones and do not require a business license. House-sitting for a month or longer would be considered long term housing and is also permitted in all residential zones.

Making a clearer distinction between the different types of uses of a dwelling unit would allow the Village to impose different regulations for different types of rentals in the future if desired. The Committees are divided on whether to distinguish between year-round and occasional vacation rentals. The APC points out that it would be difficult to investigate and prove that a vacation rental is rented out only occasionally, for example, three weeks out of the year while the principal resident is away on vacation. ECDEV members feel that occasional vacation rentals should be permitted without a permit. The HAH wants to see a distinction made between year-round, occasional and home share-type rentals.

Staff recommends that the definition in the Zoning Bylaw should be updated to distinguish between vacation rentals (year round and occasional) run as a business for commercial gain and home-sharing of a principal residence when someone is away on vacation. This facilitates communication of the regulations, investigation and enforcement.

Recommendation: Amend the definition of vacation rentals in the Zoning Bylaw to distinguish between the commercial use of a home as a vacation rental and home-sharing of a principal residence.

¹ Vacation rental means the use of a dwelling unit to provide for the accommodation of the travelling public, established and operating in accordance with Section 4.15

8. Zones where vacation rentals should be permitted

Vacation rentals are currently permitted in the R1-A – Residential Infill zone, the RE-1 – Recreation and Tourism zone, and on two properties in the VCMU-1 – Village Core Mixed Use Commercial zone. Attachment 2 – Vacation Rental and Housing Statistics provides the number of dwelling units in each as well as the number of legal suites and ADU’s in those zones.

The APC, the HAH and some ECDEV members support also permitting vacation rentals in the R-3 zone. However, the HAH’s support is conditional on the implementation of a cap on the total number of vacation rentals. Reasons provided by those in favour of extending the use to the R-3 zone are:

- the larger lots in the R-3 zone can accommodate the parking requirement;
- it allows owners to generate an income and age in place; and
- it may encourage owners to build ADUs which, in the future, might be converted to long term rentals.

Other ECDEV members want to see the Village hold off on this decision until the Official Community Plan (OCP) review and discuss permitted uses of the R-3 zone in the context of other possible uses in that zone such as gentle infill. If vacation rentals are permitted at this time, it may disincentivize owners to seek other development opportunities of their properties contemplated in an updated OCP.

The recommendation is not to permit vacation rentals in additional zones at this time. Since a cap is not recommended, this supports the recommendations of the HAH and some ECDEV members. The intent of the vacation rental regulations review is to protect long term rental housing. An expansion to other zones can be considered in the future if updated vacation rental regulations and enforcement work well.

Recommendations: No change. Do not permit vacation rentals in additional zones.

9. Business license number on advertisements

Requiring the business license number to be listed on advertisements is central to an effective enforcement program and successful implementation of vacation rental regulations. Discussions with the Committees highlighted the need to define what types of advertisements would require listing of the business license number. To exclude advertisements like business cards or signs, the recommendation focuses on advertisements of listings.

Recommendation: Require display of the business license number on listings and similar advertisements or promotional materials that communicate the availability of a vacation rental.

10. Sign at vacation rental

The APC and ECDEV do not support a sign at the vacation rental for the following reasons: do not regulate something if it’s not necessary, increased vulnerability to theft of guests’ vehicles, and safety of guests. The HAH would like to see a sign posted as this provides contact information for neighbours in case of complaints. This avoids neighbours knocking on the door of the principal residence which may not be the home of the site manager and may reduce calls to the police or the Village without the site manager having had the chance to address the situation.

The recommendation is to require a sign to increase accountability to the neighbourhood and provide a contact for concerns or emergencies. The bylaw will specify the minimum and maximum sign dimensions to keep them modest in size.

Recommendation: Require posting a modestly sized sign with the vacation rental name and site manager contact information at the property.

Enforcement

Both the APC and the HAH discussed the importance of enforcing new vacation rental regulations to ensure they have the intended effect of increasing long term rental housing supply.

As per Bylaw Enforcement Policy No. 9.1, the Village relies largely on residents' complaints when it comes to enforcing its bylaws due to limited resources. However, the policy states that the Business License Bylaw is enforced pro-actively.

Seeking compliance with bylaws happens along a continuum of actions from notification of bylaw updates, investigation (based on complaints or pro-active), letters to individuals or businesses found not to be in compliance, to ticketing and, as a last resort, court action. Enforcement options and required staff resources will be outlined in an upcoming report to Council.

Municipal and Regional District Tax

The Municipal and Regional District Tax (MRDT), also known as the Hotel Tax, is applied to accommodation providers with the purpose of assisting designated recipients to fund tourism marketing programs and projects. The Village recently entered into a contract agreement to participate in the Comox Valley Tourism Service (CVTS). This regional service is provided by the Comox Valley Regional District (CVRD), includes all local municipalities, and is managed and administered by Tourism Vancouver Island. As part of the regional tourist information and destination marketing services, the CVTS also includes the management and administration of the City of Courtenay's MRDT, also known as hotel tax. Whereas this MRDT is currently limited to the City of Courtenay, the scope of the CVTS agreement requires TVI to work with all regional partners and stakeholders on a regional MRDT application.

In 2018, the Province extended the MRDT so that it can be collected from accommodation providers with less than four rooms, including online accommodation providers (OAPs) such as AirBnB. These legislation changes also allowed for designated recipients to use these funds from OAPs to fund affordable housing initiatives in the region. This collection and use of the MRDT is not specifically outlined in the contract agreement with CVTS, and staff will provide further information in a future report.

ALTERNATIVES

1. THAT Council provide alternate direction on any of the recommended regulatory changes.
2. THAT Council direct staff to hold off on updating vacation rental regulations at this time.

STRATEGIC OBJECTIVE

- Healthy Community
- Quality Infrastructure Planning and Development
- Comprehensive Community Planning
- Economic Development

FINANCIAL IMPLICATIONS

If Council directs staff to amend its bylaws to update vacation rental regulations, financial and staff resources will be required to communicate the changes and enforce the regulations. A review of enforcement options and financial impact will be provided when staff present the amendment bylaws to Council.

OPERATIONAL IMPLICATIONS

Policy planning and regulatory reviews are part of the services provided by Development Services. To ensure effective implementation, communication and enforcement of updated regulations will be required, drawing staff resources and impacting other work.

CLIMATE CHANGE IMPLICATIONS

An update to the vacation rental regulations does not have an easily quantifiable impact on factors contributing to climate change.

ATTACHMENTS

1. Overview of Commission and Committee Recommendations
2. Vacation Rental and Housing Statistics

CONCURRENCE

Courtney Simpson, Manager of Development Services **CS**

Respectfully submitted,

K. Albert

Karin Albert
Senior Planner

M. Mason

Michelle Mason
Interim Chief Administrative Officer

Attachment 1: Overview of Commission and Committee Recommendations

REGULATORY OPTIONS	RECOMMENDATIONS		
	APC	HAH	ECDEV
Parking requirement	Change to 0.5 per bedroom rented, rounded up to the nearest full number of parking spots. <i>Carried</i>	Keep at 1 space per bedroom. <i>Carried unanimously</i>	Keep at 1 space per bedroom vs. Reduce to 0.5 per bedroom, rounded up to nearest full number. <i>Split and one abstention</i>
Display of Business License Number on advertisements	Require, on specified advertisements as determined by staff, and include as a minimum on online vacation rental listings. <i>Carried unanimously</i>	Require on advertisements promoting the vacation rental listing. <i>Carried unanimously</i>	Require on digital listings. <i>Unanimous</i>
Vacation Rental Definition in Zoning Bylaw	Do not distinguish between year-round and occasional vacation rentals. <i>Carried unanimously</i>	Distinguish between a commercial, occasional, and home share-type vacation rentals in the Zoning Bylaw. <i>Carried Unanimously</i>	Distinguish between commercial and occasional vacation rentals. <i>Unanimous</i>
Principal Residency Requirement	Implement. <i>Carried</i>	Implement. <i>Carried unanimously</i>	Implement. <i>Unanimous</i>
Limit on number of bedrooms and/or guests	Do not limit either. <i>Carried unanimously</i>	Limit number of bedrooms on a property that can be rented as vacation rentals to three. <i>Carried unanimously</i>	Do not limit either. <i>Unanimous</i>
Restrictions on types of dwelling units in which vacation rentals are permitted	Do not restrict. <i>Carried unanimously</i>	Do not restrict. <i>Carried Unanimously</i>	Do not restrict. <i>Unanimous</i>
Cap on total number of vacation rentals permitted	Do not cap total number, provided that a principal residency requirement is implemented.	Cap the total number of vacation rentals permitted in the Village and that Council direct staff to review and	Do not cap total number. <i>Unanimous</i>

REGULATORY OPTIONS	RECOMMENDATIONS		
	APC	HAH	ECDEV
	<i>Carried</i>	suggest an appropriate cap. <i>Carried unanimously</i>	
Cap on vacation rentals permitted per block	No cap per block. <i>Carried unanimously</i>	No cap per block. <i>Carried unanimously</i>	No cap per block. <i>Unanimous</i>
Sign at property	Do not require. <i>Carried</i>	Require a sign with contact information at the vacation rental property. <i>Carried Unanimously</i>	Do not require. <i>Unanimous</i>
Zone(s) where vacation rentals are permitted	Continue to permit vacation rentals in the R1-A and ADD the R3 zone. <i>Carried</i>	If a cap on total number of vacation rentals is implemented, extend vacation rentals to R-3 zone. <i>Carried Unanimously</i>	Permit in R1-A only vs. Extend to all other zones <i>Split</i>
OTHER RECOMMENDATIONS			
Inspection	Require a fire inspection prior to issuing a vacation rental business licence. <i>Carried</i>	-	-
Enforcement	THAT Council direct staff to proactively validate that online vacation rental listings have a valid business licence. <i>Carried</i>	Enforce vacation rental regulations. Initially send a letter introducing new regulations, then follow-up.	

Attachment 2: Vacation and Rental Housing Statistics

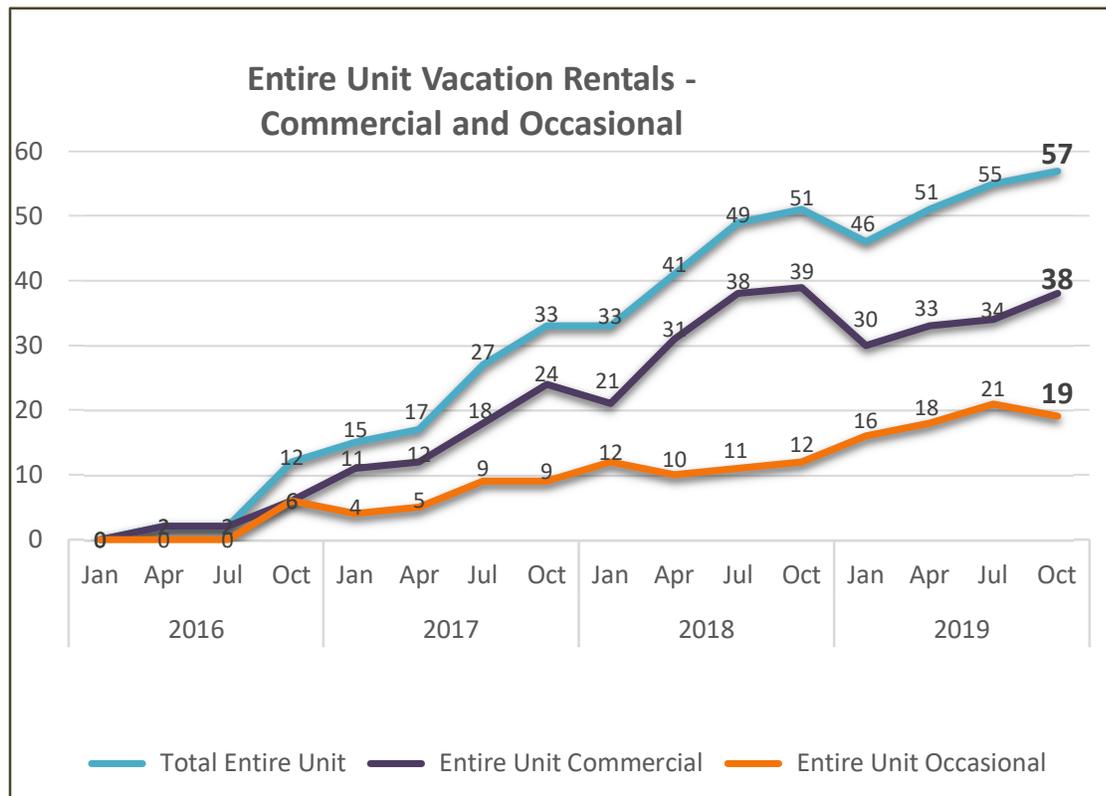
The following information is extracted from the Village’s 2020 Housing Need Report and Village records of the number of dwellings and dwelling types in each zone. A short discussion follows the statistics to identify how they may inform the following regulatory options:

- a. principal residency requirement;
- b. restriction of vacation rentals to specific dwelling types;
- c. limit on the number of dwellings per property that can be used as vacation rentals;
- d. cap on total number of business licenses that can be issued, and
- e. maximum number of guests and/or bedrooms.
- f. extending vacation rentals as a permitted use to the R-3 zone

1. Vacation Rental Statistics

1.1. Entire Units Rented as Vacation Rentals

The 2020 Housing Needs Report distinguishes between *occasional* rentals and *commercial* vacation rentals. Commercial rentals are units that are available or booked for more than half the year. The vacation rental use is considered the primary use of commercial rentals. Occasional rentals are available or booked less than half the year. This distinction serves to separate units rented out by residents to generate supplemental income from their dwellings from units rented out by non-residents for income or investment purposes. The latter use is generally considered to impact the availability of long-term rental housing.

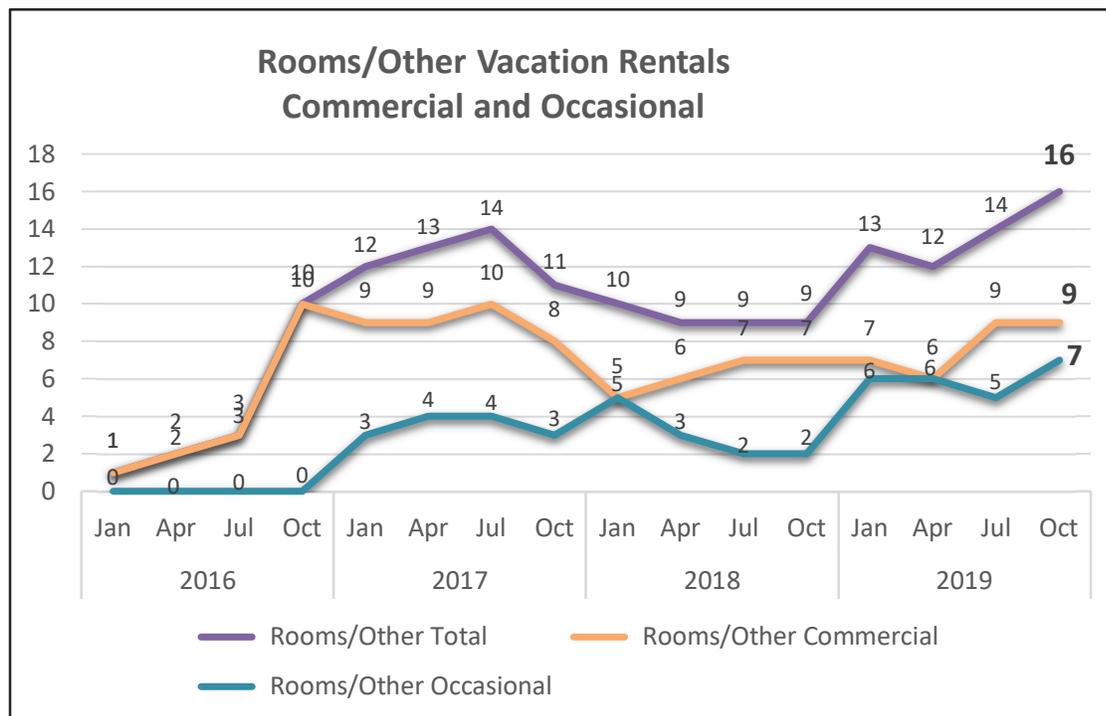


Between 2016 and 2019, there was a significant increase in entire units rented commercially. Entire unit commercial vacation rentals climbed from 0 in 2016 to 38 in 2019. In the same time period, entire occasional units increased from 0 to 19. Combined, commercial and occasional entire unit vacation rentals reached 57 at the end of October 2019.

1.2 Rooms/Partial Units Rented as Vacation Rentals

Vacation rentals can also be individual rooms or partial units without kitchens. The graph below shows that rooms rented commercially (more than half the year) as vacation rental increased from 0 to 9 between 2016 and 2019. Rooms rented as vacation rentals occasionally (less than half the year), increased from 0 to 7 in the same time period.

Combined, commercial and occasional room rentals reached 16 at the end of October 2019. Room or partial unit rentals are less likely to impact long term rental housing than entire unit rentals, but they are important for providing tourist accommodation.



1.3. Vacation Rentals as a Percentage of Rental Housing Supply

As discussed above, commercial entire unit rentals have the greatest impact on the long term rental housing market. As per the 2020 Housing Needs Report, the 38 entire units rented commercially at the end of 2019 represented an estimated 2 percent of total housing supply in Cumberland. If compared to rentals only, those 38 units represent 9 percent of the Village’s rental housing units.

It is not possible to know how many of those units would convert to renter or owner housing if there were greater restrictions on vacation rentals or the Village actively enforced its existing regulations. Nonetheless, the upward trend in commercially rented entire units is concerning.

1.4 Dwelling Units (Address Points) in the Village’s Single Family Zones

The following shows the number of dwelling units in the Village’s zones where vacation rentals are permitted and where they are not. Under the existing regulations, vacation rentals are permitted in 42% (808 units) of all residential units in the Village.

Vacation Rentals permitted	Number of Dwelling Units
R1-A – Residential Infill	774
VCMU-1 – Village Core Commercial Mixed Use	2
RE-1 Recreation and Tourism at Comox Lake	32
Total	808 (42%)
Vacation Rentals <i>not</i> permitted	Number of Dwelling Units
R-1, R-2, R-2A, R-3, R-4, MU-1 (Coal Valley)	832
RM-1, RM-2, RM-3, RM-5 (multi-family residential zones) and MHP (Manufactured Home Park)	272
Total	1104 (58%)

If the Village chose to permit vacation rentals in additional zones and implement a cap on the total number of business licenses it issues for vacation rentals, the above statistics would inform the discussion on where that cap might be set.

A cap is currently not recommended since continuing to limit vacation rentals to the R-1A zone, combined with a principal residency requirement, a limit on the number of dwelling units per lot and/or number of rooms or guests, would restrict the number of vacation rentals in the Village to a point where a cap is not necessary.

2. Housing Statistics

2.2 Number of Rental Households

Overall, Cumberland has a renter to owner ratio of 23:77, meaning for every 23 renters there are 77 owners. At the time of the 2016 census, approximately 845 residents rented their home or belonged to a household that rents. Altogether, there were 412 rental households at the time of the 2016 census.

2.3 Rental Vacancy Rate* and Housing Affordability

The Canada Mortgage and Housing Corporation reported a 1.1 percent rental housing vacancy rate for the Comox Valley in October 2021, down from 1.4 percent the previous year. A rental market is considered healthy and balanced when vacancy rates are between 3 to 5 percent.

As prices increase when supply is low, declining vacancy rates tend to push up rents, making rental housing less affordable.

In 2016, about a quarter (26 percent) of rental households were in “core housing need”. Core housing need is defined as households whose dwelling is considered inadequate, unsuitable or unaffordable, and whose income levels are such that they could not afford alternative housing in their community.

*Rental vacancy rates are not reported separately for Cumberland but one can expect them to be very similar as in the Comox Valley overall.

2.4 Secondary Suites and ADU’s in the R1-A Zone

Secondary suites and accessory dwelling units (ADU’s) tend to be smaller than principal residences and therefore offer housing options for singles, couples or small families at somewhat lower rental rates than a regular sized single-family dwelling. The Village’s house number records for the R-1A Residential Infill zone, where vacation rentals are permitted, show 34 B and C units, representing **34 secondary suites or ADU’s**. There may also be a number of illegal secondary suites or ADU’s which are not included in this count since they do not have house numbers.

If the vacation rental regulations are updated to include a principal residency requirement in the R-1A zone, that would mean entire unit commercial vacation rentals would be restricted to the 34 properties in the R1-A zone that have a secondary suite and/or an ADU. Therefore, a principal residency requirement effectively caps the number of vacation rentals possible in the R1-A zone until new construction or renovations add more secondary suites or ADU’s to that zone.

Note that a principal residency requirement would still permit residents with only a single unit on their property to rent rooms in their home or, while away, the entire home.

If there is no principal residency requirement but vacation rentals are restricted to one dwelling unit per property, that would flip the above scenario. There would be a minimum of 34 long term rental units with a lot of capacity for more vacation rentals in the Village (i.e. all the other single family units in the R1-A zone). Non-residents could continue to invest in single family dwellings for the purpose of renting them as vacation rentals.

It may be appropriate to restrict vacation rentals to one unit per property in conjunction with a principal residency requirements and restrict the total number of bedrooms to three and the total number of guests to six. That option would reduce the impact of vacation rentals on neighbours. Anyone wishing to use more than one unit on their property as a vacation rental and/or have a higher occupancy would have the option to seek to rezone their property to a commercial zone.

2.5 Secondary Suites and ADUs in other Village Zones

Secondary suites are permitted in the majority of single-family zones in Cumberland. In addition to the R1-A zone, ADUs are permitted in the R-3 Large Lot Residential and R-4 Residential Four – Carlisle Lane zones. The following table identifies the numbers of legal secondary suites or ADU's that currently exist in Village zones outside of the R1-A Residential Infill zone. (Data based on house numbers).

Zone	No. of Suites or ADUs
MU-1	61
R-1	53
R-2	12
R2-A	1
R-3	4
R-4	8
RM-1	9
RU-1	1
PA-1	1
VCMU-1	4
Total	154

If vacation rentals are permitted in other zones in conjunction with a principal residency requirement, entire unit vacation rentals would be possible on up to an additional 154 properties.

2.6 Number of properties in the R-3 zone

The APC, some members of ECDEV and the HAH Committee (conditional on an overall cap) recommend that the vacation rental use be permitted in the R-3 zone. The reasoning is that this may encourage constructing ADUs some of which may become long term rentals over time.

As per the table above the R-3 zone currently has four legal suites or ADUs. There may also be a number of illegal suites or ADUs. That means the capacity for vacation rentals in the R-3 zone is currently fairly low.

The total number of properties in the R-3 zone is 97. Hence, there is a large potential for additional secondary suites or accessory dwelling units to be built.