

ORDINANCE 2019-343

Report on short-term rental (STR) ordinance



RICHMOND PLANNING &
DEVELOPMENT REVIEW
PDR

City Planning Commission
Tuesday, 6 July 2021

What is the purpose of this report?

§ 3 of Ordinance 2019-343 stated that the Department of Planning and Development Review shall provide a report on the implementation of this ordinance to the City Planning Commission at the first meeting of the City Planning Commission following July 1, 2021. The ordinance does not provide specificity as to its content.

What is a short-term rental (STR)?

§ 15.2-983 Virginia Code defines a short-term rental (STR) as the provision of a room or space that is suitable or intended for occupancy for dwelling, sleeping, or lodging purposes, for a period of fewer than thirty (30) consecutive days, in exchange for a charge for the occupancy.

§ 30-1220.98:1 City Code defines short-term rental as a room or group of rooms, all within a single dwelling unit of a dwelling use permitted in the district in which such dwelling use is located, used or intended for use as lodging for at least one but fewer than thirty (30) consecutive nights by the traveling public and similar transient guests in return for compensation on a daily basis. The term "short-term rental" is intended to be distinguished from hotels, motels, tourist homes and lodginghouses, shelters, group homes, and similar forms of housing.

What is the history behind STR regulations?

| YEAR | ACTION |
|------|---|
| 2015 | City Council passed resolution directing CPC to amend zoning ordinance to authorize STRs in residential districts. PDR provided report to City Council. |
| 2016 | Work on draft regulations stopped when the Virginia General Assembly considered limiting or prohibiting local regulation of STRs. |
| 2017 | Virginia General Assembly passed SB 1578, which permitted localities to establish STR regulations and allowed them to create a registry. |
| 2018 | Internal City working group developed draft regulations. |
| 2019 | PDR conducted survey and led public engagement at several meetings, which led to modifications. Paper introduced at City Council. |
| 2020 | CPC recommended approval with amendments. City Council amended, continued, and referred. Ordinance adopted after five continuances. |
| 2021 | City deployed Host Compliance software to identify STRs in the City. |

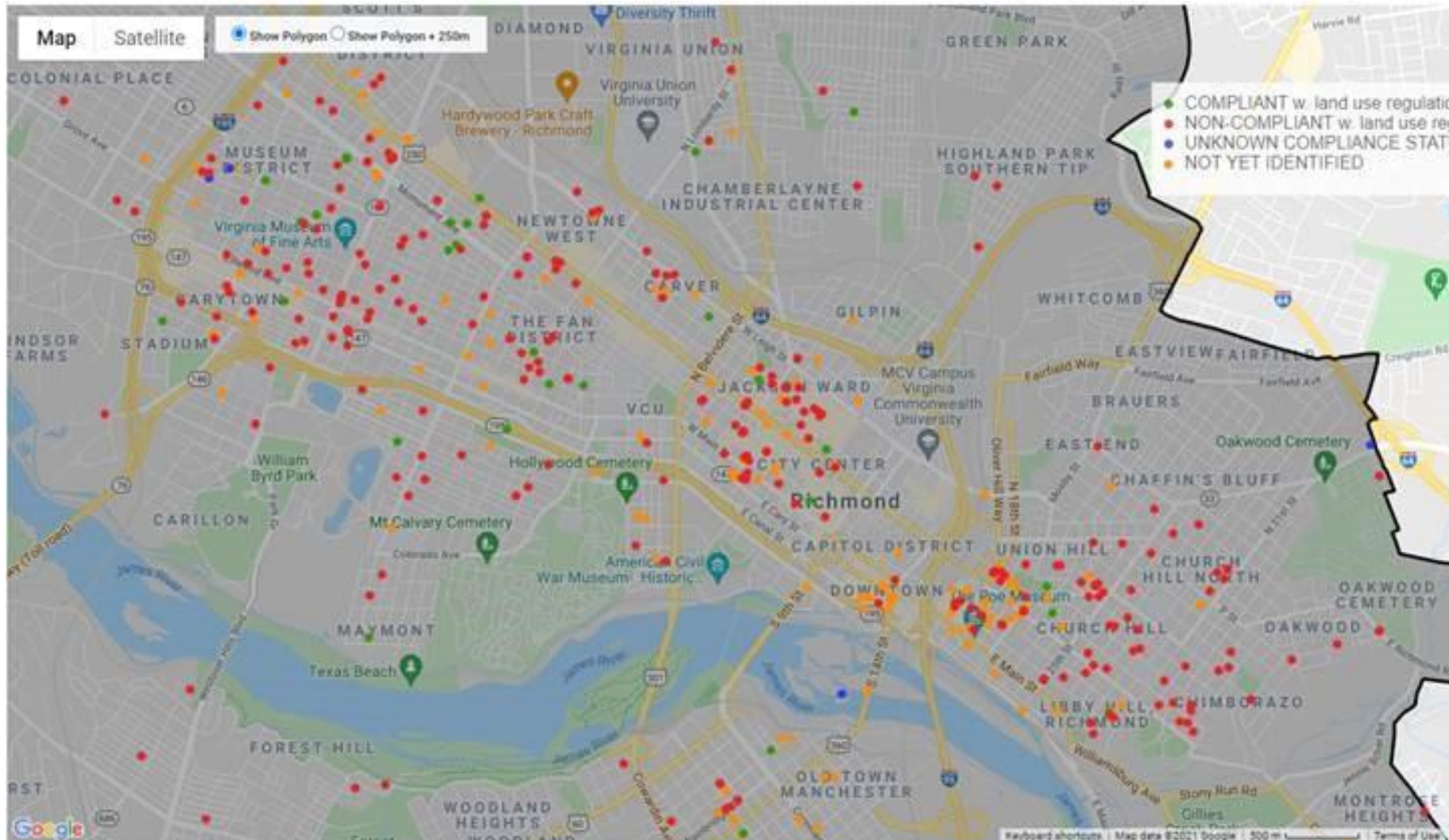
How are STRs regulated in the City today?

- permitted as an accessory use in any zoning district that permits residential uses
- permitted in all types of dwellings, including accessory dwelling units
- rentals may be entire dwelling unit or individual rooms
- only property owners may be operators, need condominium or co-op approval
- must be primary residence (185+ days) of the property owner/operator
- property owner/operator not required to be on property during rental
- no limitations on the number of nights a dwelling unit can be used as a STR
- no more than five (5) sleeping rooms
- no more than of two (2) adults per sleeping room (unless fewer by building code)
- at least one (1) renter must be eighteen (18) years of age or older
- requires Certificate of Zoning Compliance (CZC)
- requires \$300 fee every two (2) years
- does not require remittance of transient occupancy tax

What has Host Compliance concluded?

- 771 STR listings in the City across various platforms
- 510 STR units, of which
 - 486 (95%) have been active in the last twelve months
 - 30 (6%) are new units online in the last 30 days
 - 443 (87%) rentals are the entire dwelling unit
 - 214 (42%) rentals are single-family dwelling units
 - 362 (71%) specific addresses have been identified

What has Host Compliance concluded?



Museum District
The Fan
Monroe Ward
Jackson Ward
Shockoe
Church Hill

What has been permitted?

| DATE | CZC APPS |
|----------------------|-----------|
| Jul 2020 to Sep 2020 | 9 |
| Oct 2020 to Dec 2020 | 9 |
| Jan 2021 to Mar 2021 | 5 |
| Apr 2021 to Jun 2021 | 23 |
| TOTAL | 46 |

| STATUS | CZC APPS |
|--------------|-----------|
| Under Review | 11 |
| Denied | 14 |
| Issued | 12 |
| Pending | 5 |
| Ready | 2 |
| TOTAL | 44 |

What limits this analysis?

COVID-19 global pandemic

- decline in visitors, demand
- decline in STR supply

Delayed implementation of Granicus Host Compliance

- October 2020: obtained proposal from Granicus
- January 2021: completed purchase order
- February 2021: initiated staff training
- March 2021: Granicus completes software setup
- April 2021: Host Compliance issues first set of notices (24 letters)
- May 2021: Host Compliance issues second set of notices (19 letters)

What are some administrative concerns?

- staff time to review applications
- staff time to complete enforcement
- enforceability of certain provisions
- integration with EnerGov land records management platform
- receipt and retention of confidential information
- cost of Host Compliance
- lack of additional license and tax revenues

What provisions could be further examined?

- permitted as an accessory use in any zoning district that permits residential uses
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How do STRs impact a community?

| GENERALLY POSITIVE | NEUTRAL OR INCONCLUSIVE | GENERALLY NEGATIVE |
|--|--|---|
| <p>lodging options visitor attraction visitor spending wealth building</p> | <p>health and safety appearance and maintenance on-street parking neighborhood character</p> | <p>housing availability housing affordability</p> |