

Short-Term Rentals (STR) Draft Regulations

Presentation on Draft Regulations for
Community Review and Comment



Timeline

- 2015 City Council passed a resolution directing the Planning Commission to propose changes to the City's Zoning Ordinance to authorize the short-term rental of residential properties. PDR provided an initial report to City Council in October 2015
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- 2016 The Virginia General Assembly considered limiting or prohibiting local regulation of short-term rentals. PDR's work on potential regulations was stopped pending guidance from the General Assembly as to the authority of localities to regulate this use
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- 2017 The General Assembly passed SB 1578 which preserves the ability for localities to establish local regulations and allows for the creation of a registry for short-term rentals
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- 2018 An internal City working group developed draft regulations after a review of legislation in other localities and current operations of short-term rentals in the city of Richmond
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- 2019 PDR will conduct community outreach to obtain citizen feedback on the proposed draft. The amended ordinance will be submitted for Planning Commission and City Council review and approval
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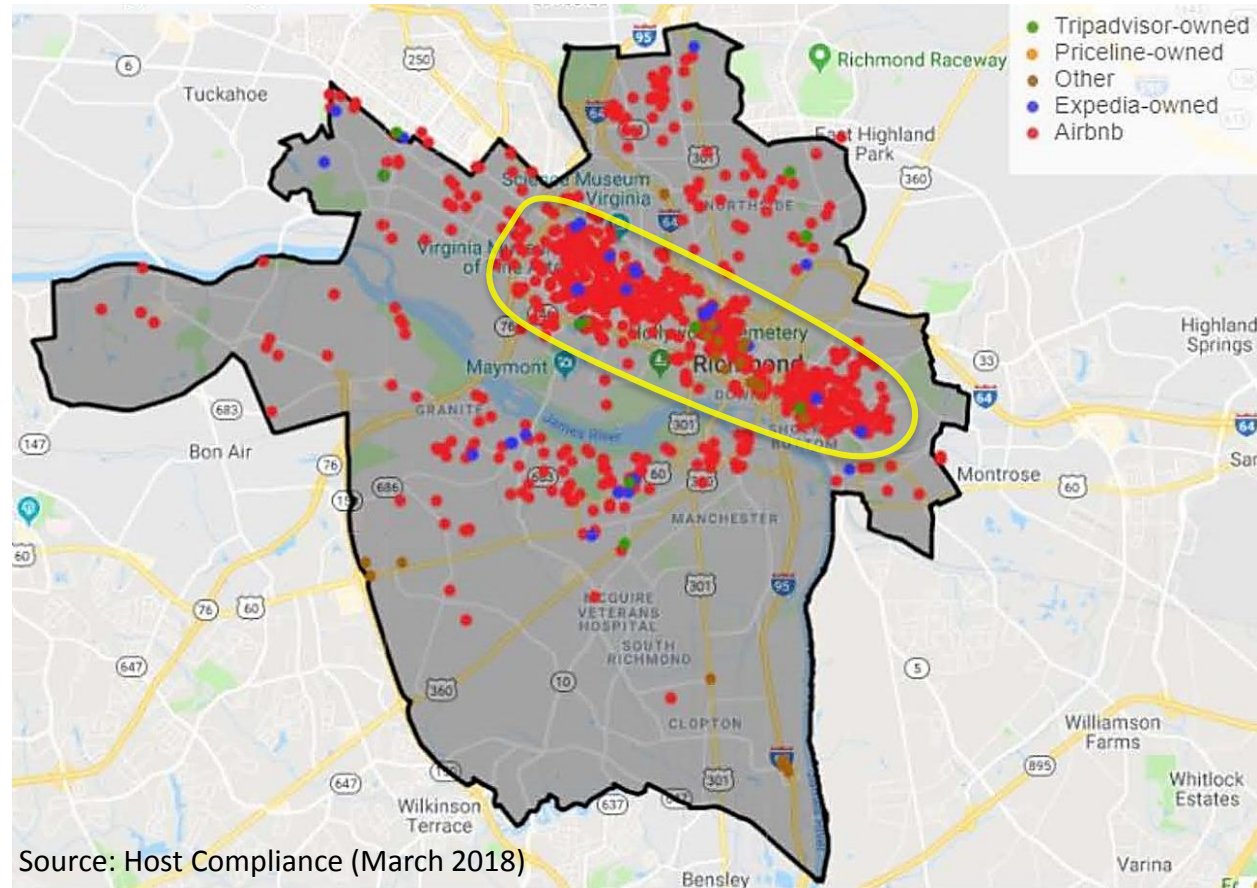
What is a Short-Term Rental?

- Virginia Code §15.2-983 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 30 consecutive days, in exchange for a charge for the occupancy
- Often advertised and processed through online platforms such as Airbnb, FlipKey, HomeAway, and VRBO
- Listings include the rental of a whole house or just a room(s) within a house

Current Operations in Richmond

- There were **835** listings, which represented **749** unique rental units in March 2018
- Listings occurred throughout the city, but were concentrated in the Museum District, Fan, Downtown and Church Hill neighborhoods

Short-Term Rental Operation in Richmond in March 2018



Are Short-Term Rentals Currently Permitted?

- Short-Term Rentals are currently not identified as a permitted use in the City's Zoning Ordinance
- Short-Term Rentals have been approved through the Special Use Permit (SUP) process
- Tourist homes are permitted in certain multi-family residential zoning districts when situated along a Federal Highway and in certain business districts
- The Zoning Division investigates complaints of short-term rentals
- Zoning Division received **4** complaints in 2018

Issues that STR ordinances should address:

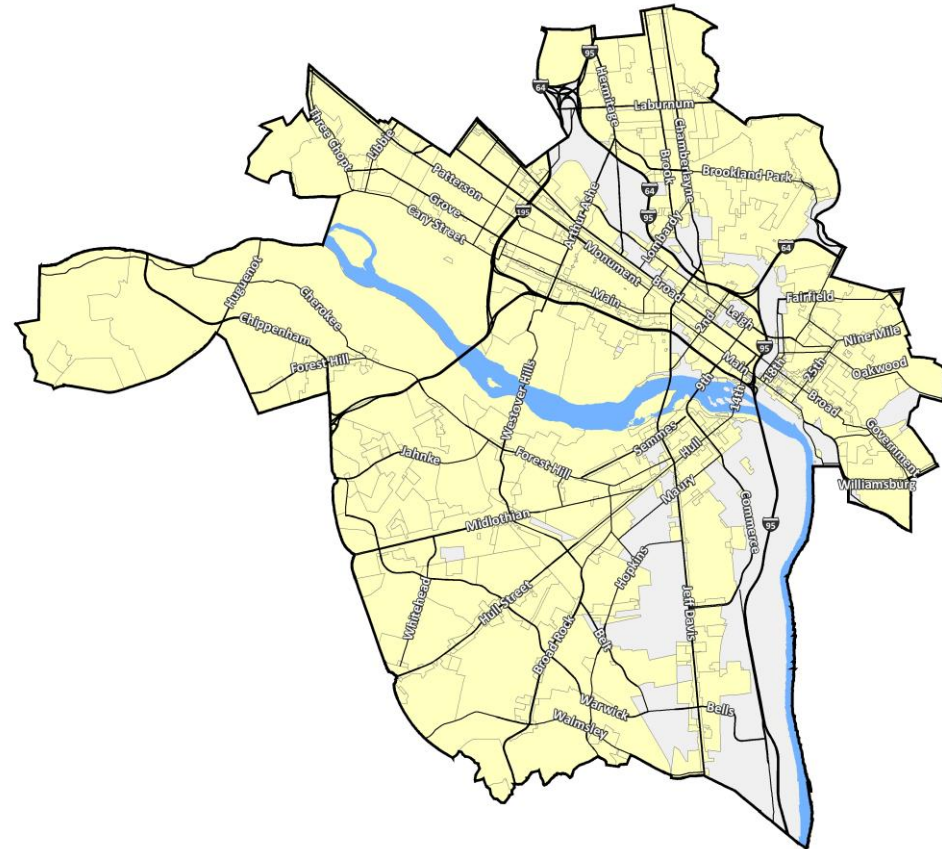
- Registration
- Zoning Control
- Collection and Remittance of Local Taxes

Registration/Permitting

- The City will require the operator to obtain a **Certificate of Zoning Compliance (CZC) for Short-Term Rental** on a biennial basis (**every two years**)
- The fee will be **\$300** which is intended to cover administration and monitoring costs
- The CZC is an existing administrative process that includes Zoning and Permits and Inspections
- The CZC approval number shall be posted on all advertisements for the property
- A registry of the STR operators will be created from the list of the approved CZCs

Zoning Control | Where can an STR operate

- STRs will be permitted as an **accessory use** in any zoning district that permits residential uses
- STRs will be permitted in **all types of dwellings** including accessory dwelling units



Proposed Permitted Zones

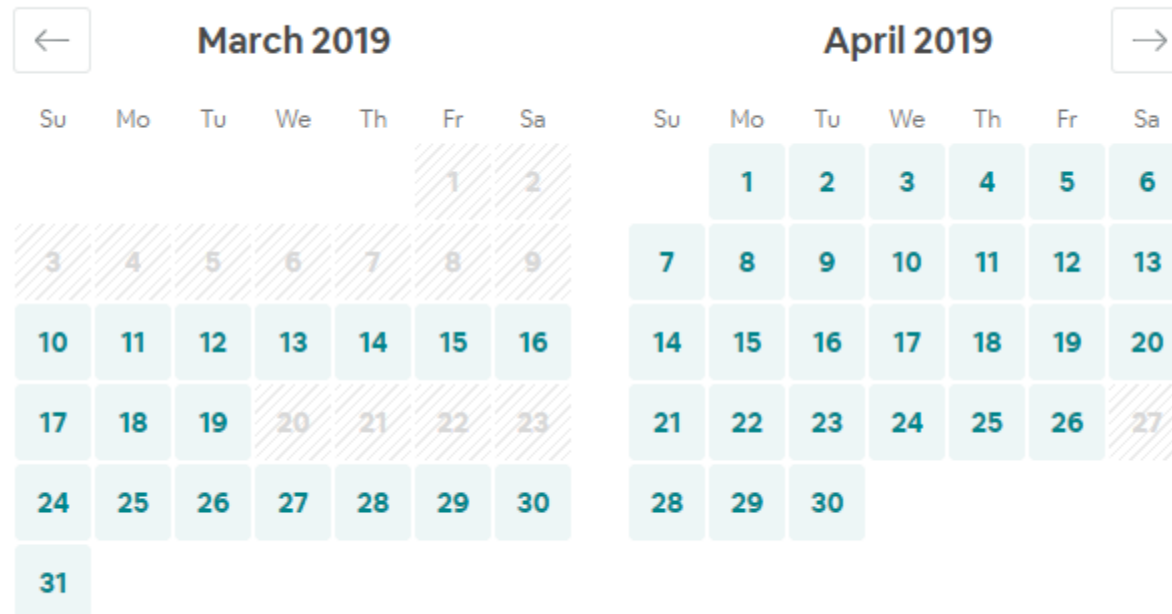
The yellow areas shown are the zoning districts where STRs are proposed to be permitted as an accessory use to a dwelling unit.

Zoning Control | Who can operate an STR

- Both **property owners and tenants** of a residential unit qualify to operate STRs in their dwelling units
- Dwelling units must be the **primary residence** of the operator. Primary residence is established by occupying the dwelling unit for a minimum of **185 days** out of the calendar year
- For tenants, **property owner approval** is required
- For condominiums and co-ops, **board approval** is required

Zoning Control | Number of Nights of Operation

- The number of nights a dwelling unit can operate as a STR is limited to no more than **180 nights**



Source: www.airbnb.com

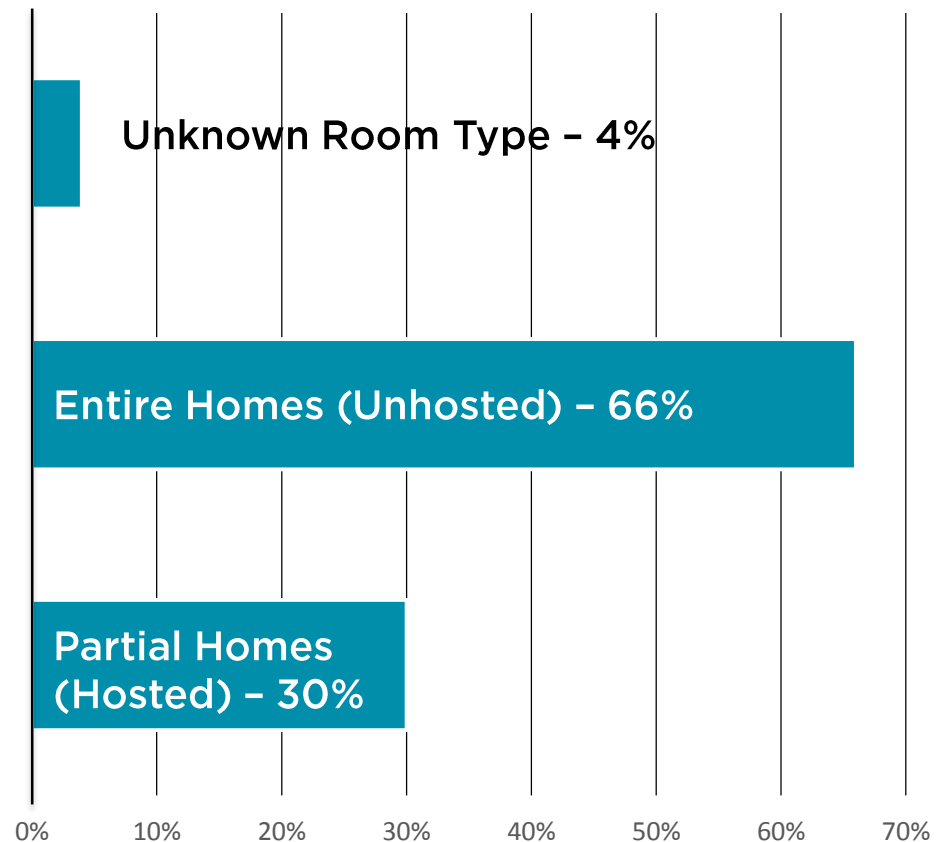
Zoning Control | Number of Renters

- The number of adult lodgers is limited to **2 per sleeping room**, except where the current edition of the Virginia Uniform Statewide Building Code requires fewer occupants
- The number of sleeping rooms available for an STR is a **maximum of 5 sleeping rooms**
- There is no limit on the number of children that can be associated with the adult lodgers

Zoning Control | Hosted and Unhosted Stays

- Both whole house and room rentals are permitted as the operator is not required to occupy the unit during the stay
- No distinction is proposed between hosted and unhosted stays
- Contact information for the responsible party including a phone number accessible 24-hours per day during any short-term rental shall be provided

Short-Term Rentals by Type in March 2018



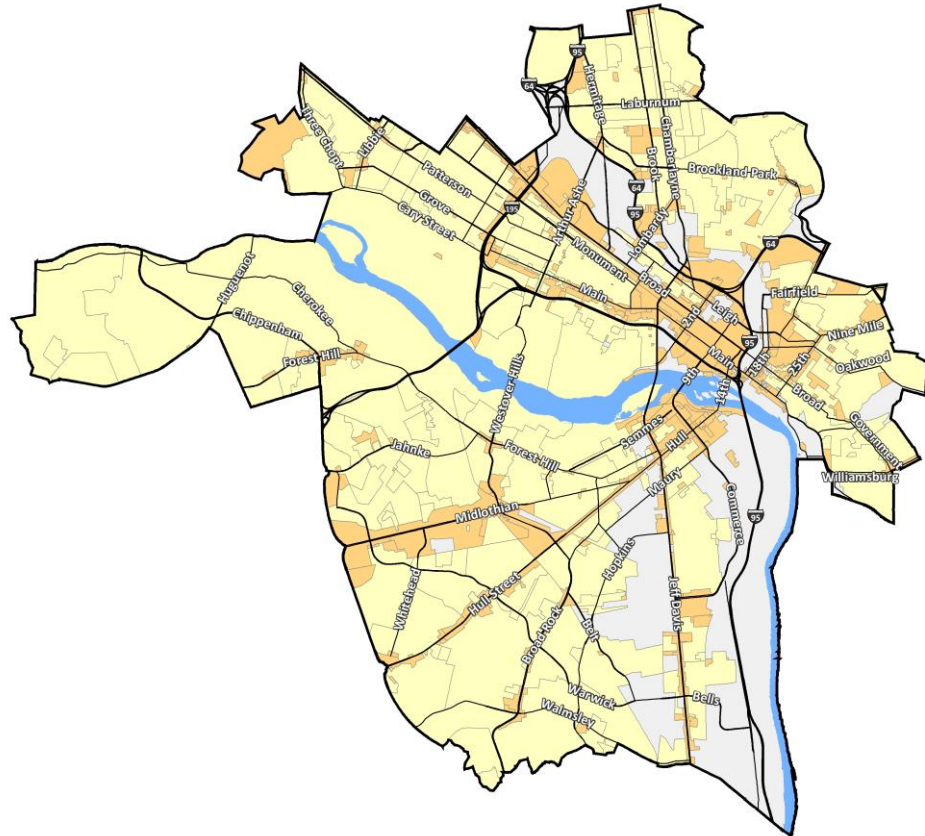
Source: Host Compliance (March 2018)

Zoning Control | Parking Requirements

- No additional parking requirements are proposed for the short-term rental use

Zoning Control | Multi-family Buildings

- For any dwelling use in multi-family and mixed-use zones, a maximum of nine dwelling units, or twenty five percent (25%) of the total number of dwelling units, whichever is less, may be used as a short-term rental



Multi-Family and Mixed-Use Zones

The orange colored area shows the following multi-family and mixed-use zones where the number of STRs is limited: R-53, R-63, R-73, R-MH, RO-1, RO-2, RO-3, HO, I, UB, UB-2, B-1, B-2, B-3, B-4, B-5, B-6, B-7, RF-1, RF-2, TOD-1, OS, and CM.

Zoning Control | Events

- A renter **cannot** host an event at an STR.
- No short-term rental operator or owner of a dwelling unit shall offer, allow, provide, or advertise a dwelling unit for any commercial use, other than a short-term rental, not customarily incidental to a residential dwelling, including, without limitation, use for parties, banquets, weddings, meetings, filming, advertising activities, or any other gathering of persons other than the authorized lodgers

Zoning Control | Enforcement

Penalties

- Failure to register is a \$500 fine. A property can no longer operate as an STR if it receives more than 1 violation of the Registry Ordinance
- A property can no longer operate as an STR after upon 3 or more violations of the STR regulation on 3 occasions
- A violation of the Zoning Ordinance is a misdemeanor punishable by a fine of not less than \$10.00 nor more than \$1,000.00

Staff proposes to use a third-party for monitoring and initial compliance to facilitate enforcement

Collection and Remittance of Local Taxes

Transient Lodging Tax:

- Operators in **multi-family properties and single-family properties of 4 or more bedrooms** will be required to remit the City's **8% transient occupancy tax** for the rental

Fees and Taxes that Do Not Apply:

- Business license
- Business personal property taxes related to the rental activity

Next Steps

Please complete the STR Draft Regulations Survey by 5/31/19.

<https://www.surveymonkey.com/r/RichmondSTRsurvey>

Contact us directly:

Mark A. Olinger, Director

mark.olinger@richmondgov.com

646-6305

Marianne Pitts, Executive Staff Assistant

marianne.pitts@richmondgov.com,

646-5207