



DEPARTMENT OF
**PLANNING AND
DEVELOPMENT
REVIEW**

**CITY PLANNING
COMMISSION**

ORDINANCE: 2023-235
PETITIONER: City of Richmond, 900 E. Broad Street, Richmond, Va. 23219
LOCATION: Citywide
PURPOSE: To amend the City's Zoning Ordinance for the purpose of amending the short-term rental (STR) regulations.

What is the context?

§ 15.2-983 Code of Virginia 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. STRs are often advertised and processed through online platforms such as Airbnb, VRBO, and HomeAway, and include the rental of a whole house or only a room(s) within a house. Even though they were all illegal at the time, the number of STRs grew significantly in 2015 when the city hosted the UCI Road World Championships. Below is a historical summary of action on this topic to date.

YEAR	ACTION
2015	Council passed resolution directing CPC to amend zoning ordinance to authorize STRs in residential districts. PDR provided report to 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.
2022	CPC adopted a Resolution of Intent (CPCR.2021.168) in January 2022 to amend the existing STR regulations in the Zoning Ordinance.

How did we draft this proposal?

This ordinance was drafted as part of “three zoning changes” (parking, ADUs, and STRs) discussed over the last year. Our public engagement efforts included:

- 441 attendees at five public meetings (in person and virtual)
- 860 attendees at two telephone town halls (on for at least five minutes)
- 151 participants in six focus groups
- 850 responses to two online surveys
- additional presentations at district and neighborhood association meetings
- [\[https://www.rva.gov/planning-development-review/zoning-changes\]](https://www.rva.gov/planning-development-review/zoning-changes)

What changes are we proposing?

REGULATION	CURRENT	PROPOSED
zoning districts in which a STR can be located	all R, RO-2, RO-3, HO, all UB, all B, all RF, CM, OS, RP, TOD-1, all M	add RO-1, I, DCC districts
maximum number of STRs in a multifamily structure	one (1) per dwelling unit	lesser of one-third (1/3) or ten (10) dwelling units per lot
maximum number of STRs in “R” zoning districts	one (1) per dwelling unit	one (1) per lot
STR shall be located at STR operator’s primary residence	required in all zoning districts	required in “R” zoning districts
definition of a STR Operator	an individual who is the owner of a dwelling unit used as a STR	the owner of a dwelling unit used as a STR
maximum capacity within a STR: the lesser of	ten (10) persons over age eighteen (18) or building code max	eight (8) persons over age eighteen (18) or building code max
validity of certificate of zoning compliance (CZC)	until 31 of December of year following date of issuance	two (2) years from date of issuance

We recommend different regulations for “accessory” and “principal” STRs. An accessory STR, aka homestay or homeshare, is when a primary resident owner uses their property as a STR. The owner leases room(s) or entire dwelling unit and may or may

not be present during stay. A principal STR, aka vacation rental, is when a non-resident owner uses a property for a STR. The owner leases room(s) or entire dwelling unit and is not present during a stay.

We also recommend different regulations for STRs based on the zoning district in which they are located. We recommend limiting STRs to an accessory use in “R” zoning districts, because their primary function is residential, not commercial. It is also difficult to have a harmonious residential community with high percentage of transients. We support principal use STRs in non-“R” zoning districts, for many already contain similar transient uses at greater numbers and densities. Further, property owners can more easily convert housing units to other non-dwelling uses by right.

What are we proposing to remain?

- STR operator shall furnish detailed floor plan to City
- STR shall include smoke detectors, carbon monoxide detectors, and fire extinguishers
- City shall issue a certificate of zoning compliance (CZC) prior to STR operation
- All advertisements for STR shall reference active CZC
- STR shall only be rented to a person age (18) or older
- CZC for STR shall only be issued to property owner

Why make this change?

This legislation seeks to permit STRs throughout the City, as a principal use in mixed-use areas, and as an accessory use in residential areas. Ultimately these changes are intended to promote health, safety, or general welfare of the public. At the most basic level, this includes measures that provide for safety from fire, flood, impounding structure failure, crime and other dangers.

These changes facilitate the creation of a convenient, attractive, and harmonious community by limiting the number and density of transient visitors in residential neighborhoods. A residency requirement in “R” zoning districts is appropriate, given that while accessory uses are permitted, the primary intent of “R” zoning districts is to provide a place to live. They also mitigate concerns about absentee owners, and their short-term guests, who do not “feel” long-term negative externalities.

These changes also promote preservation of affordable housing suitable for meeting the current and future needs of the locality, critically important for a City struggling with housing accessibility and affordability. A cap on the number of STRs per lot is warranted, as increases in number of dwelling units for STRs reduces the supply of dwelling units for long-term rentals, and thus increases the price of those units. When a primary resident owner uses their property as an accessory STR, it still houses the long-term owner. When a non-resident owner uses a property for a principal STR, it is no longer used to house a long-term renter.

What is our recommendation?

Recommend that the City Council approve ORD. 2023-235. To repeal City Code § 30-697.3, concerning short-term rentals located in certain other zoning districts, and to amend City Code § 30-414.2, concerning permitted accessory uses and structures, § 30-424.1, concerning permitted principal uses, § 30-432.1, concerning permitted principal uses, § 30-449.2, concerning permitted principal and accessory uses, § 30-697.1, concerning short-term rental regulations, § 30-697.2, concerning short-term rentals located in certain residential zoning districts, § 30-1020.4, concerning the fees for filing an application for a certificate of zoning compliance, and § 30-1220.98:2, concerning the definition for short-term rental operator, **with the following two amendments (in red):**

Sec. 30-697.1. Short-term rental regulations.

(12) ~~[The short-term rental operator shall occupy a dwelling unit on the lot on which the short-term rental operator's short-term rental is located for an aggregate of at least 185 days each calendar year]~~ For multifamily dwellings, a maximum of **ten or** one-third of the dwelling units, whichever is lesser, on the lot shall be permitted as short-term rentals, except as provided in section.

Sec. 30-697.2. Short-term rentals located in ~~[certain residential zoning]~~ any R [districts] district.

~~[For all permitted short-term rentals within the R-1, R-2, R-3, R-4, R-5, R-6, R-7, R-8, R-43 and R-48 zoning districts, only one non-illuminated wall sign, not exceeding two square feet, shall be permitted]~~ The short-term rental shall be located on the same lot as the short-term rental operator's primary residence. **Where the short-term rental operator is a legal person but not an individual, the short-term rental shall be located on the same lot as the primary residence of the individual who manages the day-to-day operations of the short-term rental operator, or who is a trustee or a beneficiary of the short-term rental operator if the short-term rental operator is a trust. For purposes of this section, whether a lot includes a short-term rental operator's or a qualifying individual's primary residence shall be determined by the records of the Virginia Department of Motor Vehicles or the Office of the Registrar of the City of Richmond current as of the date of application to operate a short-term rental on such lot. Only one short-term rental shall be permitted on any lot.**

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