



Short-Term Rentals

Preliminary Report to the Richmond City Council and City Planning Commission

Prepared by the Department of Planning & Development Review

October 14, 2015

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Introduction & Summary

Many localities throughout the country have been grappling with how to manage rental properties found on Airbnb, HomeAway, VRBO and other similar sites. City officials across the country want to make sure that these short-term rentals are managed in a manner that ensures the safety of all involved and protects the welfare of neighborhoods, hosts, guests, and neighbors. While some cities have already established regulations for these short-term rental properties, others are still attempting to regulate this rapidly growing and popular industry in order to create a safe environment that supports this new tourism model, but does so in a manner that promotes safety, courtesy, and respect for the law.

This spring the Richmond City Council passed Resolution No. 2015-R21-28 to request that the Chief Administrative Officer conduct a study concerning the use of internet lodging services in the city of Richmond. While acknowledging the need to accommodate visitors to Richmond participating in, or attending, the upcoming UCI 2015 Road World Championships the study is designed to outline what, if any, amendments to the City's laws and regulations are necessary to address issues created by the rental of real property through internet lodging services. After receiving the study, the City Council adopted Resolution No. 2015-R42-47 on June 22, 2015, directing the Planning Commission to propose changes to the City's Zoning Ordinance that would authorize short-term rentals of residential properties through internet lodging services, and conduct a public hearing on the proposed changes as soon as practical. Copies of both Resolutions and the report given to the City Council are included in Appendix A.

In the City of Richmond these types of short-term rentals are currently not identified as a permitted use by the City's Zoning Ordinance and are, therefore, prohibited. In order to permit short-term rentals by internet sites such as Airbnb, HomeAway and VRBO a new definition will need to be included in the Zoning Ordinance and explicitly listed as a permitted principal or accessory use in those zoning districts where they are determined to be appropriate uses.

This report provides information about how short-term rentals are currently operating in the city in order to inform any decisions about how they should be authorized. The report includes examples of how other localities have chosen to regulate short-term rentals, and examples of existing special use permits for bed and breakfasts and the conditions imposed on them. Finally, included in the report are existing Zoning Ordinance definitions that are relevant to creating a definition for short-term rentals in order to authorize and regulate them.

Principal vs. Accessory Uses

At the time this report was started there were more than 500 listings on various internet sites for short-term rentals in the city, including Airbnb, HomeAway, and VRBO. The vast majority of them are listed through the Airbnb platform, with over half of the listings offering an entire house or apartment for rent as an unhosted stay, as opposed to a private room for rent as part of a hosted stay. Additionally, 5% of the listings are responsible for over 50% of the reviews, indicating that on some properties short-term rentals are occurring on a regular basis and may be functioning as a principal use of the property.

No other localities that were researched permitted this use as a principal use. It is recommended that Richmond consider short-term rentals an accessory use and design regulations that will ensure that short-term rentals remain an accessory use to a dwelling unit.

Hosted vs. Unhosted Stays

In Richmond, approximately 56% of the listings for short-term rentals are unhosted. They are for entire homes or apartments, which indicates that there is no permanent resident or host in the unit during the stay. Approximately 44% of the listings for short-term rentals in the city are hosted. This distinction between hosted and un-hosted stays is important in terms of oversight and tourism. If the permanent resident co-exists with the guest, they can more closely monitor any undesirable behavior that may negatively affect neighbors or the neighborhood. They can also serve as a guide to the city. They can let the guests know which local restaurants and coffee shops are the best and what activities are unique to their neighborhood or the city as a whole. This characteristic emphasizes the important tourism aspect of the short-term rental experience in that guests are able to see the area through the lens of a local.

Most of the localities researched have more stringent restrictions on unhosted stays, as compared to hosted stays, in recognition of the difference in oversight from hosts as well as neighborhood quality of life from unhosted units. It is recommended permitting unhosted stays, but acknowledge that as presently structured with short-term rental providers enforcement of any limits on the number of nights of unhosted stays will be a significant challenge.

Maximum Number of Nights and Rooms

The number and character of maximum number of guests and rooms (beyond a whole unit unhosted stay) varies significantly across the cities studied. Staff recommends further study on this matter.

Location of Short-Term Rental Uses

Currently, the City's Zoning Ordinance only permits bed and breakfasts, under the definition of "tourist home" in limited multi-family residential zoning districts when situated along a Federal Highway and in limited business districts.

Most of the localities researched allow short-term rentals in a broad array of districts, and pursue restrictions on other factors than zoning districts. It is recommended that Richmond pursue a similar strategy.

Taxation

Through the course of our research of Airbnb, the City's Finance Department has determined that it is unlikely we will be able to enlist the company's assistance in collecting and remitting lodging taxes for rentals within the City. The company appears to offer this type of service only in large cities where there is a regularly high volume of rentals. Staff anticipates the collection of lodging taxes and the enforcement of business license taxes will be the sole responsibility of the Finance Department.

Enforcement

Enforcement will be a significant challenge. Creating a process to have hosts register is pretty straightforward. The bigger challenge will be managing for compliance with any ordinance conditions, investigating/processing complaints received, and managing what overall will be a paperwork- and staff-intensive process. Without significant help from the short-term rental service providers on many of those issues, the City will always be playing catch-up. The record from most communities that have initiated short-term rental programs is very challenging. That will be the case here, too.

KEY CONCLUSIONS

Based on that research staff presents the following conclusions at this time for consideration:

- Short-term rentals are a new phenomenon. As with all such industries, innovation continually outpaces any regulatory framework a city may adopt to manage or direct its growth. Corrections will need to be made as the industry and the City's comfort level changes over time. This provides an opportunity to provide some oversight to what is presently a totally unregulated industry but changes will be made as the industry matures.
- There are ways to provide for the inclusion of short-term rentals into the mix of the city's hospitality industry in ways that can be supportive of Richmond's quality of life, effective enforcement and management of the process, and sound business practices but does so in a manner that does not create such high barriers to entry that the vast majority of hosts continue to remain "underground."
- Short-term rental should not be viewed as a large revenue-generator for the City under any existing usage scenario, and is unlikely (and undesirable) to become a large revenue generator in the future.
- It is important to establish rules, regulations, and parameters to short-term rentals and to ensure mechanisms are in place to enforce such rules, regulations, and parameters, so that citizens, business owners, neighborhoods, and guests are protected from operators who do not comply with the rules. Zoning regulations and enforcement, alone, are likely not sufficient and additional avenues should be considered
- The onus will be on the host to document, collect, and remit taxes, not the listing agent such as Airbnb. It will be up to the Finance Department to actually collect the revenue.
- The cost (primarily in staff time) of reviewing and issuing permits, collecting revenue, and performing both permit and revenue enforcement will be considerable, equal to at least two to three full-time equivalents (FTEs), at least 1-1.5 in Zoning and 1-1.5 in Finance as any short-term rental program is initiated.

Section II: Current Operations in Richmond Area

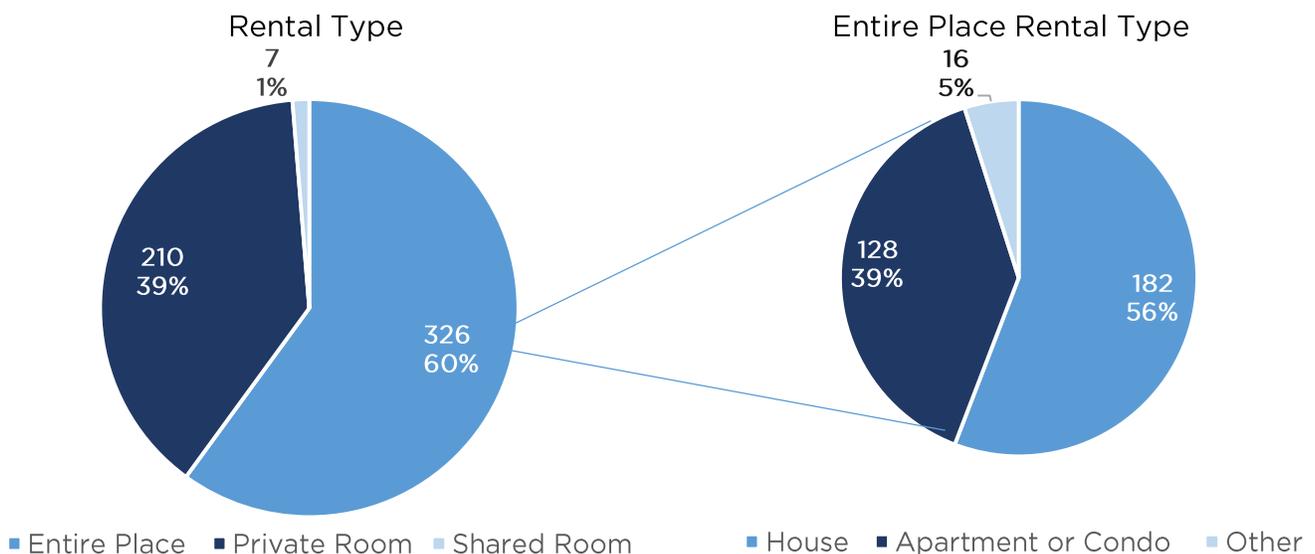
The Airbnb platform contains the vast majority of short-term rental listings within the Richmond area. As such this analysis focuses on listings from that platform (although other internet-related services would also be managed the same). Currently, the company does not share data on hosts, listings, or transactions with regulators, so this analysis was performed by individually researching each listing on the platform from a guest perspective. Please see Appendix B for a further explanation of the methodology for this section of the report.

The Basic Statistics

The type of short-term rental in Richmond varies from guest rooms in the heart of Downtown to basement apartments on Monument Avenue to entire townhouses or carriage houses in the Fan or Church Hill to larger properties in entirely residential neighborhoods such as the West End and Forest Hill.

When the data was first collected on June 22, 2015, there were **434 listings** available on the service within the Richmond area. By July 23, 2015, there were **543 listings** on Airbnb in the Richmond area, the vast majority within the city limits. By September 1, 2015, that number had grown to a total of **797 listings**. The following statistics are based on the approximately 543 listings that were available the week of July 23, 2015:

- 60% of the listings were for entire houses or apartments
- 56% of the listings for the entire place were for an entire house
- The highest number of guest accommodated was 14
- The highest number of bedrooms available at any entire place was 6



Number of Stays/Reviews*

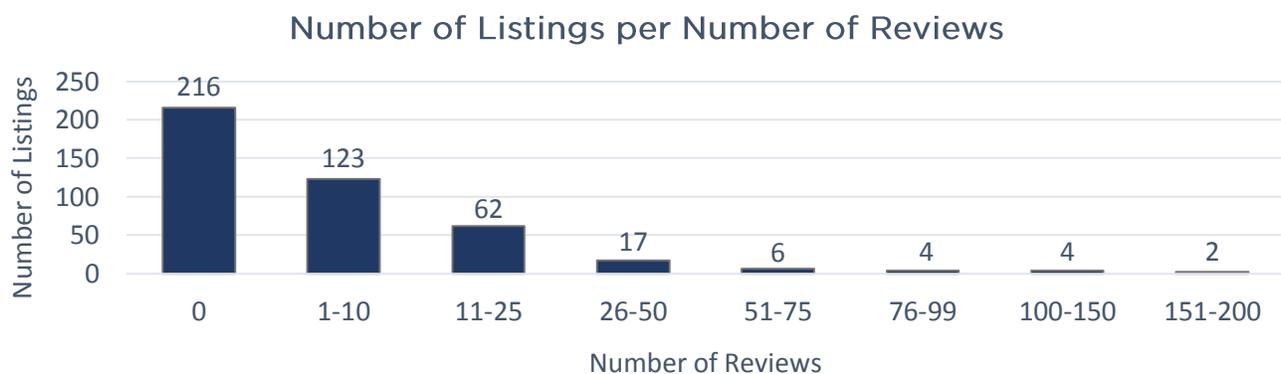
An estimate of the number of stays in Airbnb listings is derived from the number of reviews for each listing from the week of June 22, 2015, when there were 434 listings in Richmond. Please note that this is not an exact indication of how many stays have actually occurred in the Richmond area because stays could have occurred without a review being submitted to the Airbnb site. If anything, these statistics would tend to under-represent how many stays have occurred.

- At the time of this analysis, there had been over **3,600 reviews** in Richmond
- **5.1% of the listings are responsible for 50.1% of the reviews**
- The average number of reviews per listing is 8 and the median number of reviews is 1
- **49.8% of the listings have never had a review**

This information reveals that while there are a high number of listings in Richmond, nowhere near this high a density of listings have actually received any reviews, which may be due to the fact that they have only recently been added to the web site or that they only use the service sporadically. Almost half of the listings have never had a review and the vast majority have only a handful of reviews.

The intensity of the reviews (50.1%) come from a few listings (5.1%) that have been reviewed between 100 and 200 separate times. These listings are essentially operating as permanent lodging facilities.

This graph shows how a very small percentage of the listings are responsible for a large percentage of the reviews. **The number of listings that have been reviewed 100-200 times only represents 1.4% of the total listings, yet they are responsible for 22.8% of the total reviews.**

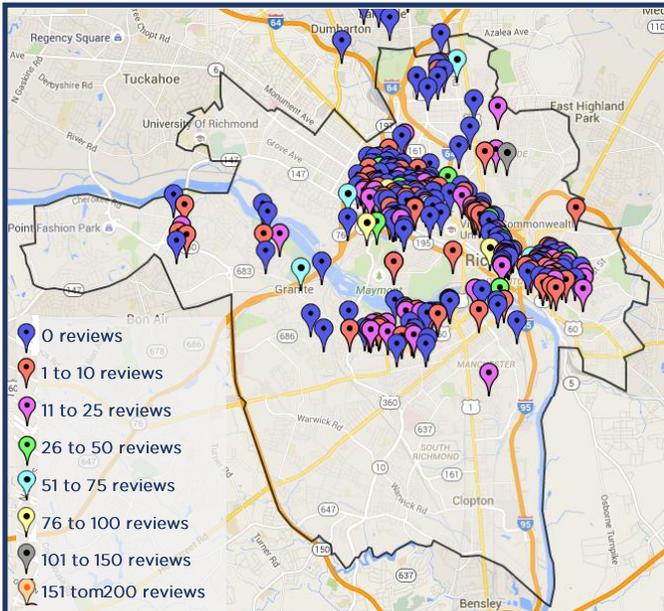


The only group of listings accounting for a larger percentage of the total reviews is the group of listings with 11-25 reviews. While that group represents 28.4% of the total reviews, it also represents 14.3% of the total listings. 49.8% of listings have never hosted any guests.

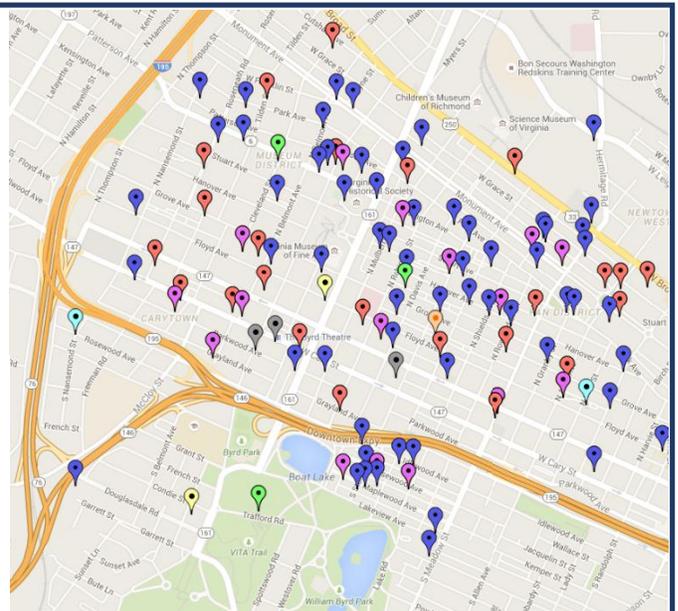
**Calculations based on data as of June 22, 2015.*

Location of Existing Listings*

The Richmond listings on Airbnb are found primarily in the Fan District, the Museum District, Church Hill, Woodland Heights and Downtown with others scattered throughout other neighborhoods. The following maps were created using data from the week of June 22, 2015:



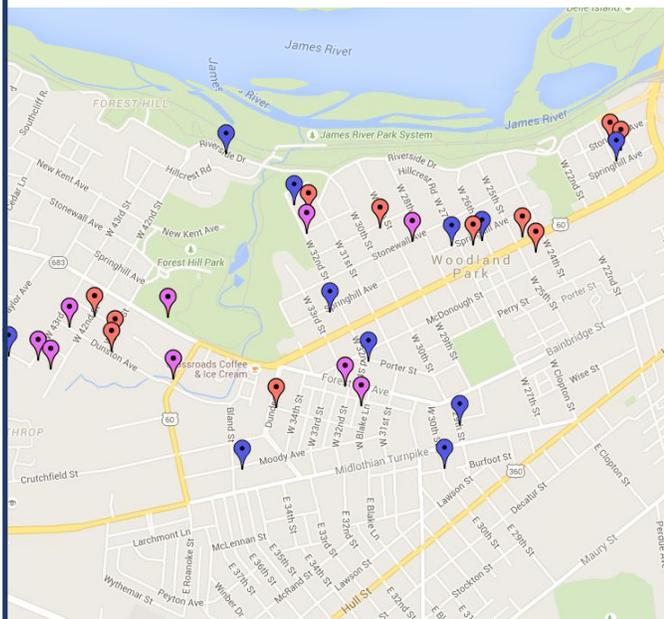
Citywide



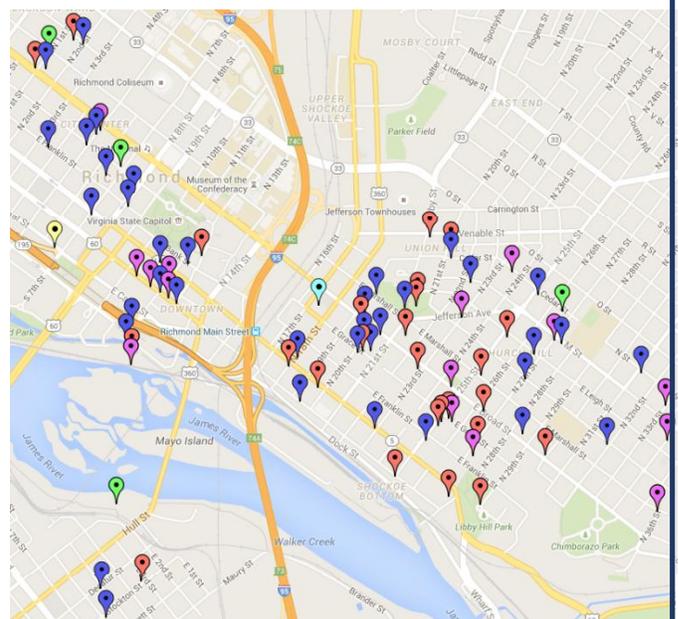
Byrd Park, Fan District and the Museum District

All Listings by Number of Reviews

Woodland Heights, Spring Hill and Forest Hill



Downtown and Church Hill

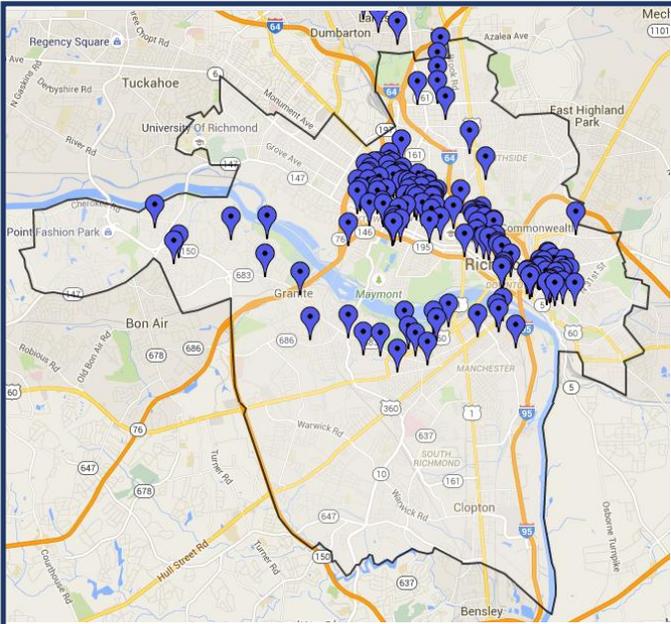


The six most popular listing areas, responsible for almost 1/2 of all listings and over 60% of all reviews are:

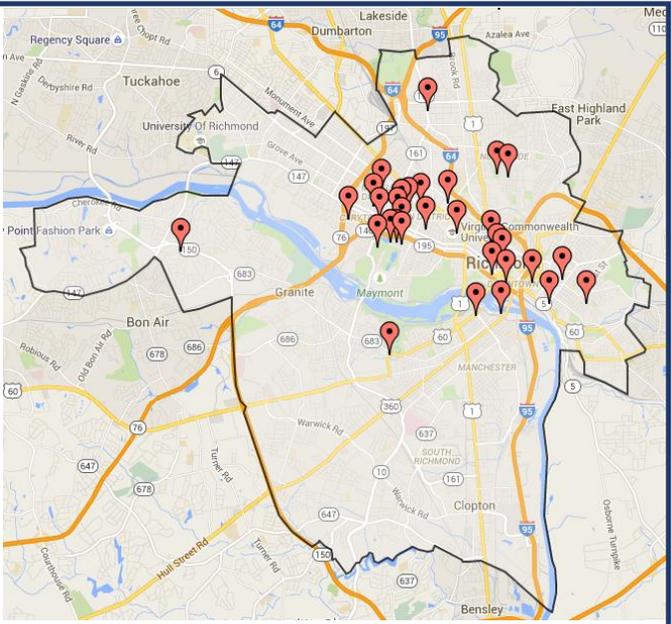
- Fan District: 14% listings, 17% of reviews
- Carytown: 3% of listings, 14% of reviews
- Church Hill: 7% of listings, 11% of reviews
- Downtown: 6% of listings, 9% of reviews
- Woodland Heights/Forest Hill: 9% of listings, 7% of reviews
- Museum District: 8% of listings, 4% of reviews

Approximately 60% of the listings for short-term rentals are for entire homes or apartments. This indicates that there is no permanent resident or host occupying the unit during the stay. Some properties - such as carriage houses, two-family properties, others with a second dwelling unit - may still have owner-occupied residency during short-term rental, but there are also many listings for an entire property. It is difficult to determine the property type without reading the description on the listing site - Airbnb does not make addresses of listings available until after a patron books a stay, and hosts may identify a property that has characteristics of a whole unit rental as a shared stay or vice versa.

Approximately 40% of the listings for short-term rentals are for private or shared rooms. The distinction between hosted and unhosted stays is important in terms of oversight and tourism. If the permanent resident co-exists with the guest, they can more closely monitor any undesirable behavior that may negatively affect neighbors or the neighborhood. They can also serve as a guide to the city. They can let the guests know which local restaurants and coffee shops are the best and what activities are unique to their neighborhood or the city as a whole. This characteristic emphasizes the important tourism aspect of the short-term rental experience in that guests are able to see the area through the lens of a local.



Listings with less than 12 reviews



Listings with 12 or more reviews

Entire Place Listings by Number of Reviews

**Calculations based on data as of June 22, 2015.*

Sampling of Existing Listings

The Busiest Airbnb in Richmond

Floyd Avenue in The Fan District



187 reviews
1 room for \$79 per night

Average Use

North 27th Street in Church Hill



7 reviews
\$150 per night

Low Use

West 27th Street Forest Hill



0 reviews
\$56 per night

Average Use

East Main Street in Downtown



15 reviews
1 room for \$45 per night

Please see Appendix C for a sampling of heavily-reviewed Richmond properties.

Existing Enforcement and Complaints

Over the past several months, there have been a total of seven (7) complaints regarding existing dwelling units that have been rented on short-term basis through internet lodging services. Of the seven complaints, there have been:

- Five complaints about single-family homes
- Two complaints regarding multi-family units within condominium buildings

Three of the units have been owned by individuals who live out of town where there is no primary resident at the property.

Enforcement Procedure

Verification of complaints related to occupancy duration and limits is currently extremely difficult to verify and enforce. The mere advertisement of property for short-term rental is not sufficient to serve as a violation; there has to be confirmed use of the property as a short-term rental.

Currently, the process for enforcement is as follows:

1. The Zoning Office receives a citizen complaint and investigates the complaint
2. If a violation is found (currently, operating a short-term rental is a violation) a Notice of Violation and Correction Order is issued by the Zoning Administrator to the owner and/or occupant of the property
3. The violator is normally given thirty (30) days to abate the violation, or as Virginia law requires a 30-day appeal period, appeal to the Board of Zoning Appeals
4. If a violation is not abated or an appeal filed within the thirty day period, a summons may be issued for criminal court. Violation of the zoning ordinance is a Class I misdemeanor, subject up to a \$2,500 fine and/or up to a year in jail

It will be difficult to enforce any complaints that arise from complaints about operators exceeding the number of allowable rental days during a calendar year. Rental days would be difficult to verify and enforce without some form of permit approval requirement, as well as a registry or other record of days in which a property was used as a short-term rental.

Unfortunately, all localities with similar permit approval requirements have had limited success in the operator complying with the requirement, with only a small percentage of available units listed on the site having gone through the permitting process offered by the localities. Currently, the listing agents such as Airbnb have largely not cooperated with localities' efforts to enforce limits on rentable days or other regulatory and enforcement provisions.

Cities who have passed more recent regulation have included provisions that put the onus on hosts to maintain a guest registry and records of the number of nights their unit is occupied as a short-term rental, in order to make enforcement of restrictions more feasible.

Section III: Examples of Legislation from Other Localities

Localities across the country have chosen to handle short-term rentals in a variety of ways depending on their local economies and neighborhood concerns. Localities, such as New York City, who have a housing shortage and/or extensive hotel industries have chosen to continue to prohibit them; others, such as San Francisco, have permitted them but struggled to enforce their ordinances and will now have a ballot referendum to revoke permissions for short-term rentals. Many localities with economies that rely heavily on tourism, such as Aspen and Durango, Colorado, have chosen to permit them under certain regulations that are embedded in existing tourist home restrictions. **All of the localities that have chosen to proactively permit these types of rentals have all included specific regulatory parameters as conditions of their authorization.**

The following chart outlines the general parameters regulating these types of short-term rentals that other localities similar to the City of Richmond have adopted or are proposing to adopt.

Locality	Principal or Accessory Use & Districts	Unhosted Stays Permitted	Max # of nights and occupants	Permitting	Public Safety
ADOPTED					
<u>Portland</u>	Accessory use: Unit must be occupied by principal resident for at least 270 days during each calendar year	Yes	<p>Type A: no more than 2 bedrooms; Max # of people set by definition of household: one or more related persons, plus not more than 5 additional persons</p> <p>Type B: 3 or more bedrooms, max # of guest set by conditional use permit.</p>	<p>Type A: permit good for 2 years & must notify neighbors</p> <p>Type B: conditional use review with public notice sent to property owners and recognized organizations within 150 feet of the residence</p>	<p>Smoke & carbon monoxide detectors</p> <p>Type A: no nonresident employees, commercial meetings prohibited</p> <p>Type B: nonresident employees allowed as part of conditional use review, commercial meetings allowed but regulated.</p>

Locality	Principal or Accessory Use & Districts	Unhosted Stays Permitted	Max # of nights and occupants	Permitting	Public Safety
ADOPTED					
<u>Nashville</u>	Accessory use	Yes	<p>No more than 4 sleeping rooms</p> <p>Maximum occupancy shall not exceed more than twice the number of sleeping rooms plus 4</p> <p>Simultaneous rental to more than one party under separate contracts prohibited</p> <p>Max stay 30 days, but no stays of less than 24 hours</p>	Annual permit required with \$50 renewal fee	<p>Insurance required</p> <p>Written notification to neighbors that share a common wall or driveway</p> <p>No signage</p> <p>Smoke alarms</p> <p>No food prepared or served to guest</p> <p>Lessees must be 21 years of age</p> <p>No more than 3% of the single-family or detached two-family residential units within each census tract shall be permitted as non-owner-occupied short-term rental use</p>
<u>Philadelphia</u>	Accessory use	Yes	<p>Less than 180 days a year</p> <p>No more than three unrelated persons</p>	<p>Under 90 days does not require a permit</p> <p>90 to 180 days requires permit</p>	<p>Must maintain a guest registry</p> <p>No signage</p> <p>Smoke & carbon monoxide detectors</p> <p>Must provide a point of contact & notice of noise ordinances</p>

Locality	Principal or Accessory Use & Districts	Unhosted Stays Permitted	Max # of nights and occupants	Permitting	Public Safety
ADOPTED					
<u>Madison</u>	Accessory use: short-term rental not allowed for non-primary residence	<p style="text-align: center;">Yes</p> Unhosted stays only permitted up to 30 days per year No limit on the number of days for hosted stays	Occupancy determined by existing zoning district regulations: Typical low-density residential area is set at family plus one roomer or no more than 2 unrelated individuals Multi - family districts are set at family plus 4 roomers, or up to 5 unrelated individuals	Permitted in all districts Must be registered with the Treasurer's office Must be licensed with Public Health	Must maintain a guest registry Smoke & carbon monoxide detectors For unrelated guests, each bedroom must have own bathroom OR separate male and female bathrooms must be provided Individual locks on bedroom doors required
Roanoke	Accessory use	No - owner or leaseholder shall occupy dwelling unit during guest stays	No more than 2 bedrooms for guests and no more than 4 total guests Rented only on a daily or weekly basis; stays shall not exceed 14 days	Public hearing required	No changes to exterior of building occupied by the use

Locality	Principal or Accessory Use & Districts	Unhosted Stays Permitted	Max # of nights and occupants	Permitting	Public Safety
PROPOSED					
<u>Louisville</u>	<p>Accessory use:</p> <p>Only permitted in primary residence, which is the predominant and principal home of the owner of the dwelling unit</p>	Yes	<p>Short-term Rentals: Less than 30 days; no more than 2 persons per bedroom plus 4 additional persons (includes primary residents)</p> <p>Temporary Short-term Rental: Less than 7 days, with no more than 2 such rentals within calendar year; no limit on number of occupants</p>	<p>Only for Short-term Rentals; none for Temporary Short-term Rentals</p> <p>Annual application \$250 fee</p> <p>Inspection required</p>	<p>Smoke detectors</p> <p>Proof of Insurance</p> <p>No signage</p> <p>Only permitted in certain districts</p>
<u>Charlottesville</u>	<p>Accessory use requiring provisional use permit</p> <p>Allowed in all zoning districts that allow Home Occupations</p>	<p>Yes - contact information for owner or local "Responsible Party" must be part of permit application</p> <p>Only owners can apply for provisional use permit</p>	<p>Applicant must provide documented proof of permanent residence each year for the unit</p>	<p>Provisional use permit good for one year</p> <p>Permit applicant provides authorization for a building/code enforcement inspection once per year</p> <p>Notice for adjacent property owners</p>	<p>Written fire evacuation plan submitted for permit and posted in unit</p> <p>Permits can be revoked if three or more substantiated complaints are received by the city within a calendar year; or failure to comply with terms of the permit</p>

Public Engagement

Many of these localities, particularly ones passing more recent and comprehensive legislation, have engaged in extensive public engagement process to make sure that they are ensuring neighborhood quality of life while expanding the opportunity for short-term rentals. Most of these processes have involved direct engagement with Airbnb hosts, neighborhood associations, hoteliers, tourism groups, and bed & breakfast owners. The public engagement process used in Charlottesville covered more than a year from initiation to council adoption (adopted September 8, 2015).

Charlottesville staff participated in numerous outreach meetings and work sessions with neighborhoods, community stakeholders, short-term rental hosts, the hospitality industry, and other interested groups. Richmond city staff have begun the process of meeting with interested stakeholders to help inform our thinking and to add value to the final report and recommendations.

Section IV: Taxation

The Department of Finance was tasked to review and make recommendations on the following:

1. Whether the owners of short-term rentals, property owners or hosts who use short-term lodging services to list real property for rent, or renters of any real property so listed may lawfully be taxed for the rents paid or collected
2. The feasibility of enforcing any tax obligations created by the use of short-term rentals
3. The preparation of an estimate of tax revenue that could possibly be generated during the UCI and/or at other times throughout the year

The Department of Finance made the following recommendations:

Operators of Short-Term Rental Services can be lawfully taxed

In consultation with the City Attorney's Office, the Department of Finance has concluded that operators/owners of short-term rental services may be subject to taxation in accordance with current Virginia Code. It is recommended that the City Code be modified to include a definition of "short-term rental services" so as to ensure they shall be subject to the City's business license tax requirements. Additionally, Finance recommends the inclusion of short-term rentals in order to enable the City to impose the transient lodging tax.

Enforcement of tax obligations

Property Owners will be liable for both Business License and Lodging Taxes. The enforcement of tax obligations includes different procedures for business licenses and lodging taxes.

Property Owners will be required to obtain a Business License prior to legally providing short-term rentals. There will be no change to current license enforcement other than to clearly state on Finance's literature and online information that these businesses will now be required to obtain a business license in order to legally operate in the city of Richmond

A business license will not be issued unless the property owner complies with all appropriate zoning, occupancy, and Finance requirements, including being current on all other tax obligations.

As they do in other localities, Airbnb could collect and remit the lodging tax on behalf of the property owner. Currently, they only provide this service in a very limited number of markets, most of which are large cities or concentrated tourism destinations. The City may be able to initiate an agreement with Airbnb and other short-term rental lodging companies to ensure that lodging taxes are properly collected and remitted. The City will need to follow current strategies for the collection and remittance of lodging taxes if not performed by the booking agent, such as Airbnb. So far City staff have been unsuccessful in attempts to having Airbnb respond to inquiries about remitting lodging taxes. Ultimately, however, the responsibility for tax collection and remittance falls upon the business owner/host. To ease the recordkeeping

process for the business owner/host, many localities are requiring guest registries for the purpose of ensuring that there is a clear record against which to calculate lodging taxes.

Both Business License and Lodging Taxes are self-reporting taxes. The Finance Department estimates processing and enforcement of accurate reporting will be higher than other types of businesses within the city. The cost to apply staff resources to actively audit and track non-filers will, at least in the early years, outweigh the anticipated revenue.

Estimation of Revenue: Lodging Taxes

The average price of an Airbnb listing in the City of Richmond at the time of this analysis was \$139/night for a whole unit, and \$80/night for a shared room accommodation respectively. The lodging tax assessed on each of these would equal \$11.20 and \$6.40 in lodging tax revenues respectively per completed booking.

At the time of this analysis in June 2015, the average active Airbnb listing in Richmond had 8 reviews, indicating at least 8 bookings. Calculating an average 8 bookings per year across the 543 listings at an average rate across all unit types of \$110/night results in **\$38,227 in total lodging tax revenue.**

The more short-term rentals are utilized and the more they charge higher lodging rates, the more lodging tax revenue they will create. However, it is very unlikely that there is demand for full occupancy of every listed Airbnb unit as a short-term rental on every day of the year; at the time of this analysis 49.8% of listings had never had a review.

Furthermore, in order for short-term rentals to remain an accessory use, there would most likely be a limit to the number of days they could be used as a short-term rental subordinate to a dwelling unit. Many other cities have used 180 days as a maximum, or just less than half the year. **Assuming a 180-day limit per listing, the maximum amount that the average price listing could contribute in lodging tax revenue annually to the City would be \$2,016 per whole unit and \$1,152 per shared room respectively if they were rented out a full 180 days per year.**

As examined in previous chapters, very few of these units appear to be booked to the maximum frequency, so this maximum potential for revenue is very unlikely to come to fruition.

Business Licenses

All short-term rental operators will be required to obtain a business license.

In accordance with current City Code, a property owner providing short-term rentals will not be required to pay a business license fee if their annual gross receipts are under \$5,000. In order to clear this threshold, a property listed at \$139/night (the average for whole unit rentals in Richmond) would need to be booked for at least 36 nights a year. In order to clear this threshold for a property listed at \$80/night (the average for shared room rentals in Richmond), the property would need to be booked for at least 63 nights per year.

If the annual receipts are \$5,000-\$100,000, the annual Business License fee will be \$30.

It is difficult to estimate how many short-term rentals in Richmond would surpass the \$5,000 in annual gross receipts necessary to collect the \$30 business license fee. At the time of analysis, the average gross receipt (calculated by multiplying the listing price by the number of reviews) across unit types over listing lifetime ranged from \$618-\$805 per listing. **Only 17 listings were estimated to exceed the \$5,000 gross receipts threshold over the course of the listing lifetime, amounting to \$510 in potential licensing revenue.**

With no date record for the review totals, many of these reviews may be from previous years; this makes it even more likely that many of these listings are not being booked frequently enough and bringing in enough annual gross receipts to meet business licensing fee thresholds.

Other cities

The following pages show the taxation and license requirements of a number of other localities. There are some general points of commonality:

- Business licenses are subject to existing revenue requirements (Richmond's is annual gross receipts of more than \$5,000 in order to trigger the need for a \$30 business license. Those with annual receipts below \$5,000 are not assessed a fee)
- Many charge a fee as part of an additional permit requirement, or pursue annual registration with an assessed fee in addition to requiring a business license
- All but Roanoke charge applicable local lodging taxes (Richmond's rate is 8%)

Locations	Business License Required/Cost	Permit Required /Cost	Lodging Tax Charged/ Rate	Annual Registration	Requirements	Comments
Portland	Yes Less than \$50,000: no fee Over \$50,000: based on tax rate.	Yes \$178	Yes 11.5%	No	BPOL Permit Lodging Tax	Approved Oct 2014
Nashville	Yes, if greater than \$3,000	Yes \$50	Yes 6% +\$2.50 per night	Yes	BPOL Permit Lodging Tax Annual Registration	Approved July 2015
Philadelphia	Yes No fee	Less than 90 days: No 90-180 days: Yes	Yes 8.5%	Yes	BPOL Permit Lodging Tax Annual Registration	Approved June 2014
Madison	Yes \$595 per year flat fee	Yes No fee	Yes 9%	Yes	BPOL Permit Lodging Tax Annual Registration	Approved July 2014
Louisville	Yes Based on receipts	No	Yes 10%	Yes	BPOL Permit Lodging Tax Annual Registration	Still in Committee; Requesting community input
Roanoke	No	Yes \$100	No	No	Permit	Approved July 2015

Locations	Business License Required/Cost	Permit Required /Cost	Lodging Tax Charged/ Rate	Annual Registration	Requirements	Comments
Charlottesville	Yes Less than \$50,000: \$35 fee Over \$50,000 based on tax rate	Yes Cost TBD	Yes 6%	No	BPOL Permit Lodging Tax	Approved September 2015

Section V: Building Code Requirements for Short-Term Rentals

Building code classifications of residential structures are established by a number of factors, including physical characteristics of height, number of occupants, and the transient/non-transient nature of the occupants. Depending on the characteristics of the structure, establishing a short-term rental use may in some instances lead to a building code reclassification of the property, particularly if it is a multi-family property.

When a property is reclassified, the building code requirements change. Older structures may be required to comply with the current building code requirements for the new use group, as there will be a formal review accompanying a change of use. Such requirements may include additional life safety measures, such as fire alarms and fire suppression systems, which will need to be permitted, installed, and inspected.

Whether or not a reclassification occurs is highly dependent on the characteristics of each individual property; the Building Commissioner will have to review each case to see if there are any additional building code requirements that need to be met for short-term rental use.

Section VI: Health Safety Regulations & Fire Safety Regulations

Health Safety Regulations

The Environmental Health Manager for the Richmond City Health District, in consultation with the Office of Environmental Health Services (Our State Health Department Office) determined what the Virginia Department of Health's statutory or regulatory responsibility on residential short-term rental would be.

The Office of Environmental Health Services' opinion is this type of lodging does not fall under the Commonwealth of Virginia Sanitary Regulations for Hotels. The Office of Environmental Health Services states this is more of a Tax and Zoning enforcement issue for localities, due to the fact that these are private residents offering a room or an accommodation for rent.

In addition, Dona Huang, MSPH, RCHD Lead Safe & Healthy Homes Initiative Program Manager offers the following comments:

- The new zoning change should include local building code to include VMC Section 310.1 (2009) for maintaining lead-based paint in intact condition in residential units (both interior and exterior)
- The Virginia Lead Paint Activity Regulation (18VAC15-30-510, et. seq.) defined Child-Occupied Facilities (COF) as a building or a portion of a building, constructed prior to 1978, visited regularly by the same child, six years of age or under, on at least two different days within any week, provided that each day's visit lasts at least three hours and the combined weekly visit lasts six hours, and the combined annual visits last at least 60 hours. These so-called rooming houses or dwellings such as listed by Airbnb, if occupied by a child under the age of six may exceed the weekly or annual amount and may be considered as a child-occupied facility. Therefore, it is in the interest of the property owners/property managers/agents to reduce their chances of incurring risk/liability for renting out a property or a portion of a property that may contain lead-based paint hazard.

Fire & Safety Regulations

Captain Dyer of the Richmond Fire Department, after staff review, has determined that there is nothing within existing fire code regulations that would prohibit the residents within the city of Richmond from renting out a room or for that matter the entire dwelling unit. Short-term rentals would thus be treated as all other residential properties in the city.

The Fire Department does advise that those thinking of operating short-term rentals should make the unit as safe as possible. Homeowners should ensure that the smoke detectors, windows, doors, and direct paths of egress are in working order and maintained. They may also want to ensure that if there is a language barrier that be addressed as well.

If the City decides that there is a change in use group within building code regulations, the Fire Marshal's Office will further examine how to accommodate the changes. As examined in the previous building code section, the effect of building code re-examination for R2 properties is likely to require more stringent fire suppression and life safety measures; it is likely that most fire and safety concerns can be addressed through the building code process and through any short-term rental permit process that develops.

Section VII: Existing Special Use Permits for Tourist Homes

Bed & Breakfast facilities typically fall under the definition of Tourist Home in the City's existing Zoning Ordinance. Tourist Homes are only permitted in certain multi-family residential zoning districts (R-53, R-63, R-73, RO-2, RO-3, HO) when situated along a Federal Highway and certain business districts (UB, B-3, B-4, B-7). Given these restrictions, most existing Bed & Breakfast in the City are authorized by special use permits.

There have been eleven (11) special use permits approved for Bed & Breakfast uses since 1990. Six have been approved since 2007, with the most recent having been approved in late 2013.

The conditions that are typically contained in the special use permit ordinances for Bed & Breakfasts include:

1. The property owner must reside on the property
2. Limits on the number of guestrooms based on existing layout
3. Maximum of two guests per room, with exception for children under 12
4. Maximum consecutive stay of 14 days
5. No other commercial uses (catering, receptions, weddings, etc.) permitted
6. Off-street parking required based on number of guest rooms
7. Limited signage

The special use permit ordinances that have been approved for Bed & Breakfasts can be found in Appendix D or via the following links:

Section VIII: Relevant Existing Zoning Definitions

The following definitions are from the City's existing Zoning Ordinance. In order to permit short-term rentals a new definition will need to be included in the Zoning Ordinance and explicitly listed as a permitted or accessory use in those zoning districts where they are determined to be appropriate uses.

Accessory structure and *accessory building* mean a structure or building used for purposes incident and subordinate to the principal use of the premises.

Accessory use means a use of land or use of a structure or building for purposes incident and subordinate to the principal use of the premises.

Dwelling, multifamily, means a building containing three or more dwelling units.

Dwelling, single-family attached, means a building which contains only one dwelling unit and which is attached by means of party walls to another main building, each of which is located on an individual lot of record.

Dwelling, single-family detached, means a building completely separated from any other main building and containing only one dwelling unit.

Dwelling, two-family, means a building containing two dwelling units, and consisting of either of the following:

(1) Dwelling, two-family attached, means a two-family dwelling which is attached by means of a party wall to another main building, each of which is located on an individual lot of record.

(2) Dwelling, two-family detached, means a two-family dwelling which is completely separated from any other main building.

Dwelling unit means a room or group of rooms within a building constituting a separate and independent unit occupied or intended for occupancy by one family and containing one kitchen and provisions for living, sleeping, eating and sanitation, all of which are generally accessible to all occupants of the unit, and which is not available for occupancy for periods of less than one month. Dwelling use means any of the following principal uses: single-family detached dwelling, single-family attached dwelling, two-family dwelling, multifamily dwelling, nursing home, adult care residence, group home, lodginghouse, fraternity or sorority house; and includes any dwelling unit contained within the same building as other permitted principal uses.

Family shall consist of persons living together as a single housekeeping unit and shall include any of the following:

(1) One or more persons related by blood, marriage, legal guardianship or adoption, including foster children;

(2) Not more than three unrelated persons or a combination of related and unrelated persons;

(3) Two unrelated adults plus children related to one or both adults by blood, marriage, legal guardianship or adoption, including foster children;

(4) Not more than eight unrelated mentally ill, mentally retarded or developmentally disabled persons, with one or more resident counselors or other staff persons, occupying a single dwelling unit or other residential facility for which the department of mental health, mental retardation and substance abuse services of the commonwealth is the licensing authority pursuant to the Code of Virginia, shall be considered a family. Mental illness and developmental disability shall not include current illegal use of or addiction to a controlled substance as defined in Code of Virginia, § 54.1-3401; [See 2009 VA CODE amendments; effective 7-1-10]; and

(5) Not more than eight handicapped persons, as defined by the federal fair housing act, occupying a single dwelling unit, and in addition thereto may include one or more resident counselors or other staff persons.

The term “family” shall not be construed to include a fraternity, sorority, club or a group of persons occupying a hotel, motel, tourist home, lodginghouse, group home, adult care residence, nursing home, shelter or institution of any kind, except as specifically included by this definition.

Group home means a building or portion thereof intended for residential occupancy for periods of not less than one week and where the total occupancy of such facility does not constitute a family, as defined in this section, and having all of the following characteristics:

(1) Occupancy is not available to the general public;

(2) Sleeping areas are not arranged in a dormitory configuration;

(3) Facilities and services include living, sleeping, sanitation, either the provision of at least one daily meal or the provision of kitchen facilities for use by residents, and a defined program for operation and services for residents, which may include minor medical care, counseling, training and similar services;

(4) Supervision of residents is provided.

The term “group home” shall not be construed to include a “shelter” as defined in this section.

Hotel and *motel* mean a building or group of buildings on the same site containing guestrooms with sanitation facilities, with or without kitchens, intended to be rented for compensation for occupancy by the traveling public and similar transient guests primarily on a daily or weekly basis. The terms “hotel” and “motel” are intended to apply to motor inns, motor lodges, auto courts and tourist courts, except when such terms conform to the definition of tourist home contained in this section, and are intended to be distinguished from lodginghouses, shelters, group homes and similar forms of housing. The term “hotel” applies to any such facility as defined herein consisting of a single building where primary

access to all guestrooms is by way of a common lobby within the building or a corridor connected to a common lobby, with no primary access to individual guestrooms directly from the exterior of the building.

Lodginghouse means a building containing any number of lodging units, when the total of all such units in the building are occupied or intended to be occupied by a total of more than two persons, with or without board, and not available for occupancy for periods of less than one week, as distinguished from a group home or shelter, as defined in this section, and from a tourist home, hotel or motel where occupancy is available to transient guests on a daily basis. In addition to the foregoing, existence of any one or more of the following characteristics constitutes prima facie evidence that a dwelling use is being used as a lodginghouse: separate rental agreements for different occupants; exterior locking mechanisms on interior doors of rooms for occupants; separate entrances from the exterior of the building for individual occupants; and normally common areas of dwelling unit, such as the living room, family room or dining room, being used as sleeping areas or not being available on an equal or common basis to all occupants.

Lodging unit means a room or group of rooms within buildings constituting separate and independent living quarters occupied or intended for occupancy by one family and containing provisions for living and sleeping, with or without sanitation facilities within the unit, and not containing cooking facilities.

Lodging unit, accessory, means a lodging unit located within a single-family dwelling, consisting of a room separate from the primary living quarters of the dwelling, but with internal access through the dwelling, not containing facilities for cooking or refrigeration of food, and which is not available for occupancy for periods of less than one month.

Shelter means a building or portion thereof intended for temporary residential occupancy on a daily or longer basis by persons with no other fixed place of abode or persons who are temporarily displaced from their place of abode and having all of the following characteristics:

- (1) The use is operated on a not-for-profit basis;
- (2) Sleeping areas are provided in a dormitory or other configuration;
- (3) Facilities and services include living, sleeping, sanitation and the provision of at least one daily meal and are available only to residents and staff;
- (4) Minor medical care, job counseling and substance abuse counseling services are available to residents, either on the premises or by written agreement with providers; and
- (5) Supervision of residents is provided.

Tourist home means a building containing not more than ten guestrooms, with or without kitchens and with or without board, intended to be rented for compensation for occupancy by the traveling public and similar transient guests on a daily basis and in which access to

individual guestrooms is provided exclusively from within the building, as distinguished from a hotel, motel, lodginghouse, group home, shelter or similar form of housing.

APPENDIX A:

Resolution No. 2015-R21-28, Report to City Council

& Resolution No. 2015-R42-47

INTRODUCED: March 9, 2015

A RESOLUTION No. 2015-R21-28

To request that the Chief Administrative Officer cause to be conducted a study concerning the use of internet lodging services in the city of Richmond to accommodate visitors to the city of Richmond participating in or attending the upcoming UCI 2015 Road World Championships and whether any amendments to the City's laws and regulations are necessary to address any issues created by the rental of real property through internet lodging services.

Patrons – Mr. Samuels and Mr. Agelasto

Approved as to form and legality
by the City Attorney

PUBLIC HEARING: APR 13 2015 AT 6 P.M.

WHEREAS, internet lodging services are community marketplaces on the internet whereby property owners or hosts can list their real property for rent by travelers and allow consumers to book unique lodging accommodations for short periods of time; and

WHEREAS, internet lodging services provide consumers with a broader range of lodging choices and are growing in popularity; and

WHEREAS, Airbnb, Inc., headquartered in San Francisco, California, is one example of a company providing internet lodging services and has served over 25,000,000 guests in over 34,000 cities in over 190 countries since its inception in 2008; and

AYES: 7 NOES: 0 ABSTAIN: _____

ADOPTED: APR 13 2015 REJECTED: _____ STRICKEN: _____

WHEREAS, according to Airbnb, Inc.'s website, there are 258 listings in the city of Richmond; and

WHEREAS, the *Richmond Times-Dispatch* has reported that homeowners in the Richmond area have listed their homes or rooms within their homes for rent during the UCI 2015 Road World Championships, which will be hosted in the city of Richmond from September 19, 2015, through September 27, 2015; and

WHEREAS, as internet lodging services have grown, local governments around the nation, including Charlottesville, Virginia, have identified zoning and taxation issues related to the use of internet lodging services for the rental of homes or rooms to travelers; and

WHEREAS, the Council believes that it is in the best interests of the citizens of the City of Richmond that the Council request that the Chief Administrative Officer cause to be conducted a study concerning the use of internet lodging services in the city of Richmond to accommodate visitors to the city of Richmond participating in or attending the upcoming UCI 2015 Road World Championships and whether any amendments to the City's laws and regulations are necessary to address any issues created by the rental of real property through internet lodging services;

NOW, THEREFORE,

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF RICHMOND:

That the City Council hereby requests that the Chief Administrative Officer cause to be conducted a study concerning the use of internet lodging services in the city of Richmond to accommodate visitors to the city of Richmond participating in or attending the upcoming UCI 2015 Road World Championships and whether any amendments to the City's laws and

regulations are necessary to address any issues created by the rental of real property through internet lodging services, within 60 days from the date of the adoption of this resolution.

BE IT FURTHER RESOLVED:

That the City Council hereby requests that the Chief Administrative Officer cause to be included in such study an analysis of the following:

1. The impact, if any, that internet lodging services have in the city of Richmond.
2. Whether the owners of internet lodging services, property owners or hosts who use internet lodging services to list real property for rent, or renters of any real property so listed may lawfully be taxed for the rents paid or collected.
3. The feasibility of enforcing any tax obligations created by the use of internet lodging services.
4. Whether the Code of the City of Richmond (2004), as amended, or any regulations of the City need to be amended to address zoning, parking, traffic, tax issues or any other matters resulting from the use of internet lodging services to rent real property in the city of Richmond.



Richmond City Council

The Voice of the People

Richmond, Virginia

Office of the Council Chief of Staff

Ordinance/Resolution Request

RECEIVED

MAR 02 2015

OFFICE OF CITY ATTORNEY

TO Allen Jackson, City Attorney

THROUGH Lou Ali, Council Chief of Staff

FROM Steven Taylor, Council Policy Analyst

COPY Charles Samuels, 2nd District Council Member
Parker Agelasto, 5th District Council Member
Marianne Pitts, 2nd District Liaison
Ida Jones, 5th District Liaison
Haskell Brown, Deputy City Attorney
Vincent Jones, Deputy Council Chief of Staff *V. Jones*

DATE February 27, 2015

PAGE/s 1 of 2

TITLE Requesting Studies on Use/Regulation of Air bnb in the City.

This is a request for the drafting of an **Ordinance** **Resolution**

REQUESTING COUNCILMEMBER/PATRON

C. Samuels & P. Agelasto

SUGGESTED STANDING COMMITTEE

Government Operations

ORDINANCE/RESOLUTION SUMMARY

Patrons request that a resolution be drafted asking the Acting Chief Administrative Officer to cause a study to be completed on the use Air B&B in the City during the upcoming UCI 2015 Race in the City and whether or not there is a need to alter City laws.

BACKGROUND

Air bnb is a privately-owned social networking service that allows users to rent out lodging in their homes. It was created in 2008 in San Francisco. Renters register with the site available lodging and potential lodgers access the listing when looking to stay in a particular town/area. Every property listing on the service is associated with a profile that gives recommendations and reviews by previous guests and a rating by previous guests.

According to Air bnb's web-site it lists lodging in 190 countries, 34,000 cities and has hosted 25,000,000 people.



CITY OF RICHMOND

INTRACITY CORRESPONDENCE

TO: Honorable Members of Richmond City Council

FROM: Selena Cuffee-Glenn *SCG*
Chief Administrative Officer

THROUGH: Dwight C. Jones, Mayor *DJ*

DATE: June 12, 2015

SUBJECT: City Council Resolution 2015-R21-28, Results of Study Concerning the Use of Internet Lodging Services in the City of Richmond to Accommodate Visitors Attending the Upcoming UCI Road World Championships

As you know, the Richmond City Council passed a resolution on April 13, 2015, to request that the Chief Administrative Officer conduct a study concerning the use of internet lodging services to accommodate visitors attending the UCI 2015 Road World Championships. The study requested four specific items to be addressed:

1. What impact, if any, would the lodging services have on the city;
2. Whether owners of internet lodging services, property owners, or renters may be lawfully taxed for the rents paid or collected;
3. The feasibility of enforcing any zoning or tax obligations created by the use of the lodging services; and
4. Whether the Code of the City of Richmond needs to be amended to address zoning, parking, traffic, tax issues or any other matters resulting from the use of internet lodging services

A full report from Chris Beschler, DCAO for Operations regarding the issues related to the provision of those services in time for the Road World Championships is attached. It presents a detailed record of the issues that the Resolution requested when it was adopted in April.

Internet lodging as a rapidly growing segment of the hospitality industry; often outstripping the ability of municipalities and states to provide a regulatory framework within which they can operate. As the attached report indicates, there would need to be a number of amendments to the City's Zoning Code in order to permit internet lodging in the city.

The process to amend the City's Zoning Code is found at §15.2-2286 of the State Code. This section allows for amendments to the Zoning Ordinance, stating:

“Whenever the public necessity, convenience, general welfare, or good zoning practice requires, the governing body may by ordinance amend, supplement, or change the regulations, district boundaries, or classifications of property. Any such amendment may be initiated (i) by resolution of the governing body; (ii) by motion of the local planning commission; or (iii) by petition of the owner, contract purchaser with the owner's written consent, or the owner's agent therefor, of the property which is the subject of the proposed zoning map amendment...Any such resolution or motion by such governing body or commission proposing the rezoning shall state the above public purposes therefor.”

As stated above amendments to the Zoning Ordinance may be initiated by resolution of the Planning Commission. The first step is for the Commission to consider a resolution as to whether or not it is advisable to begin the process of amending the Zoning Ordinance in order to achieve a specific public purpose.

Following the Planning Commission's adoption of the resolution, an ordinance that would amend the Zoning Ordinance must be introduced at City Council and referred to the Planning Commission for a required public hearing.

After holding the public hearing, the Planning Commission would make a recommendation to the City Council. The City Council would hold a public hearing on the proposed ordinance and would have the final authority on its action.

As you can see the steps involved in moving an Amendment to the Zoning Code forward are not that complicated, but the timing of the meetings and votes, a full drafting of any required changes to the Code, notices of public hearings, etc., take time. While I support the concept of making internet lodging a part of the visitor experience in Richmond possible, I am also aware that there is no consensus on where the uses can be permitted. My office has received a number of calls and correspondence from residents of the city in favor of changing our zoning to permit this use, to those very opposed to the concept in any way shape or form; and everything in between. The Zoning Division of the Department of Planning and Development Review has received a number of complaints on these uses and is investigating and issuing Notices of Violation.

If the intent is to have this as a viable option for visitors coming to the city in September, we will need to have a draft Ordinance in place in the very near future, so that we can provide enough time for the Planning Commission and the public to review, understand, and offer an informed opinion of any proposed Ordinance that may be introduced.

Two very significant issues need to be addressed to move forward:

1. The actual definition of internet lodging uses. Massaging an existing definition could have significant unintended consequences. A new definition for the use needs to be crafted. Examples of these definitions exist and we are investigating those right now.
2. Which districts would these short-term rental units be permitted. Without a definition in the Code there is no zoning district where they would be currently permitted. While many of our business districts could conceivably accommodate the proposed use, the real crux of the problem is in the residentially-zoned parts of the city.

The Council meeting schedule as presently configured for balance of year, which was adopted on June 8, 2015, will not provide a way for us to get there. We are committed to having something for you all to consider in the very near future, but in order to do that we will need to schedule special meetings of the Planning Commission and Council between now and mid-August to finalize the changes.

If you have any questions, please contact me at 646-7978.

Thank you.

Attachment



CITY OF RICHMOND

INTRACITY CORRESPONDENCE

Date: June 9, 2015

To: Ms. Selena Cuffee-Glenn
Chief Administrative Officer

From: Chris Beschler
Deputy Chief Administrative Officer, Operations

Re: City Council Resolution 2015-R21-28, Results of Study Concerning the Use of Internet Lodging Services in the City of Richmond to Accommodate Visitors Attending the Upcoming UCI Road World Championships

Background

Richmond City Council passed a resolution on April 13, 2015 to request that the Chief Administrative Officer conduct a study concerning the use of internet lodging services to accommodate visitors attending the 2015 UCI Road World Championships. The study requested four specific items to be addressed. They are as follows:

1. What impact, if any, would the lodging services have on the city
2. Whether owners of internet lodging services, property owners, or renters may be lawfully taxed for the rents paid or collected
3. The feasibility of enforcing any zoning or tax obligations created by the use of the lodging services
4. Whether the Code of the City of Richmond needs to be amended to address zoning, parking, traffic, tax issues or any other matters resulting from the use of internet lodging services

A cross-functional team consisting of representatives from the City Attorney, Finance and Planning and Zoning was put together to investigate these items. Following are the results of that research.

Issue 1: What impact, if any, would the lodging services have on the city?

Response: There are two real impacts on the city and several potential impacts that could be caused by internet lodging services under current city code.

The two real impacts are zoning violations. Currently, residents that utilize internet lodging services typically violate two City Of Richmond Zoning Ordinances; (1) the dwelling unit use which does not allow the rental (occupancy) of a dwelling unit for less than a month, and (2) the family use which does not allow more than three unrelated persons to occupy a dwelling.

Potential impacts, which are difficult to quantify include preserving the integrity of the zoning district. This is the primary concern of all of the current complaints pertaining to internet lodging units. Currently a resident may legally rent their home for occupancy of not more than three unrelated persons for a period of not less than a month. A resident offering a monthly lease via an internet lodging service would comply with the current City Of Richmond Zoning Ordinance. If the resident limited the number of persons occupying the dwelling unit (home) to not more than three unrelated persons this would also conform to the current City Of Richmond Zoning Ordinance. While both of these examples comply with the City zoning ordinance, a long term or continual operation of this nature has the potential to compromise the integrity of the surrounding neighborhood.

Other potential impacts would be parking issues and traffic issues. While the City has not experienced these issues to date, they must be considered and studied if internet lodging services are allowed in Richmond. Also, any properties to be used for rentals should be inspected to ensure that they meet minimum housing standards for occupancy relative to building and fire code requirements.

Issue 2: Whether owners of internet lodging services, property owners or renters may be lawfully taxed for the rents paid or collected

Response: After conversations with the City Attorney's Office, the conclusion is yes, it is lawful to tax rents paid or collected. Property Owners are required to obtain a Business License prior to legally providing internet lodging services. A property owner providing internet lodging rentals will not be required to pay a BPOL fee if their annual gross receipts are under \$5,000. If the annual receipts are \$5,000-\$100,000, the annual fee will be \$30. A business license will not be issued unless the property owner complies with all appropriate zoning and/or occupancy requirements. With respect to the lodging tax, other localities have agreements with internet lodging services to collect and remit the lodging tax on behalf of the property owner. The City

will need to initiate an agreement with internet lodging services to ensure that lodging taxes are properly collected and remitted.

Issue 3: The feasibility of enforcing any zoning or tax obligations created by the use of the lodging services

Response: For zoning related enforcement, identifying the homes and thereby the homeowner is fairly simple and relatively easier than identifying other types of zoning violations. Aside from simply being able to locate the home via the internet lodging service, Zoning Officers utilize aliases via social media sites to communicate with the owners under the guise of being potential renters.

In assessing the feasibility of enforcement, history has shown the identification and prosecution of internet lodging service related violations is not difficult. Ensuring compliance may entail sending notice to residents currently soliciting renters on the internet lodging services that they must obtain the proper permits for operation. The procedural nature of the enforcement may be to require the resident to acquire a Certificate of Zoning Compliance for the use, and then apply for a business license through the Department of Finance. If a resident is found to be operating without a license they may be sent a Notice of Violation requiring them to cease the use and also pay any delinquent taxes incurred during operation of the illegal use.

For tax enforcement issues, Property Owners will be required to obtain a Business License prior to legally providing internet lodging services. There will be no change to current license enforcement other than to clearly state on city literature and online information that these businesses will now be required to obtain a business license in order to legally operate in the City of Richmond. As stated above, Richmond would have to put in place agreements with internet lodging services to ensure that lodging taxes are properly collected and remitted.

Issue 4: Whether the Code of the City of Richmond needs to be amended to address zoning, parking, traffic, tax issues or any other matters resulting from the use of internet lodging services

Response: Two zoning ordinances would need to be amended. First, the City Of Richmond Zoning Ordinance 114§1220 Article XII. Definitions, defines "dwelling unit" as "a room or group of rooms within a building constituting a separate and independent unit occupied or intended for occupancy by one family and containing one kitchen and provisions for living, sleeping, eating, and sanitation, all of which are generally accessible to all occupants of the unit, and which is not available for occupancy for periods of less than one month. This would need to be amended to allow occupancy for less than one month.

Second, City Of Richmond Zoning Ordinance 114§1220 Article XII. Definitions, defines "Family" as "Not more than three unrelated, or a combination of related and unrelated persons." This would need to be amended to allow for more than three unrelated individuals to occupy the residence.

INTRODUCED: June 22, 2015

Expedited Consideration

A RESOLUTION No. 2015-R42-47

To declare a public necessity to amend the zoning ordinance and to initiate an amendment to the City's zoning ordinance to make such changes as may be necessary to authorize short-term rentals of residential property through the use of internet lodging services or otherwise.

Patron – Mr. Samuels

Approved as to form and legality
by the City Attorney

PUBLIC HEARING: JUNE 22 2015 AT 6 P.M.

WHEREAS, section 15.2-2286 of the Code of Virginia (1950), as amended, provides that a zoning ordinance may include, among other things, reasonable regulations and provisions for the amendment of regulations or district maps from time to time; and

WHEREAS, in accordance with section 15.2-2286 of the Code of Virginia (1950), as amended, such amendment may be initiated by resolution of the governing body, provided that any such resolution by the governing body proposing an amendment to the regulations or district maps shall state the public purposes therefor; and

WHEREAS, the City's zoning ordinance, codified as Chapter 114 of the Code of the City of Richmond (2004), as amended, currently does not generally authorize the rental of lodging on

AYES: 8 NOES: 0 ABSTAIN: _____

ADOPTED: JUN 22 2015 REJECTED: _____ STRICKEN: _____

residential property for periods of less than 30 days, whether through an internet service or otherwise; and

WHEREAS, the Council is of the opinion that authorizing the short-term rental of residential property for lodging purposes, whether through an internet service or otherwise, more broadly will allow greater consumer choice in lodging options in the City and allow residents to earn additional income through the use of internet lodging services; and

WHEREAS, the Council believes that it is in the best interests of the residents of the City of Richmond that the City amend its zoning ordinance, codified as Chapter 114 of the Code of the City of Richmond (2004), as amended, to make such changes as may be necessary to authorize the short-term rental of residential property for lodging purposes, whether through an internet service or otherwise;

NOW, THEREFORE,

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF RICHMOND:

That the City Council hereby declares that the public necessity, convenience, general welfare and good zoning practices of the City require the initiation of an amendment of the zoning ordinance set forth in Chapter 114 of the Code of the City of Richmond (2004), as amended, to make such changes as may be necessary to authorize the short-term rental of residential property for lodging purposes, whether through an internet service or otherwise.

BE IT FURTHER RESOLVED:

That, pursuant to section 15.2-2286 of the Code of Virginia (1950), as amended, the City Council hereby initiates an amendment to the City's zoning ordinance by requesting the Chief Administrative Officer to cause to be conducted a study to determine the changes to the zoning ordinance necessary to authorize the short-term rental of residential property for lodging

purposes, whether through an internet service or otherwise, and to provide the Council with a report concerning the results of the study and the recommended changes to the zoning ordinance based on such study as soon as practical after the adoption of this resolution.

BE IT FURTHER RESOLVED:

That the City Planning Commission is hereby directed to hold a public hearing on the proposed changes to the zoning ordinance and submit its recommendation and any explanatory materials to the City Council as soon as practical.



Richmond City Council

The Voice of the People

Richmond, Virginia

Office of the Council Chief of Staff

Ordinance/Resolution Request

TO Allen Jackson, City Attorney

THROUGH Lou Ali, Council Chief of Staff *LA*

FROM Steven Taylor, Council Policy Analyst

COPY Charles Samuels, 2nd District Council Member
 Craig Bieber, 2nd District Liaison
 Haskell Brown, Deputy City Attorney
 Vincent Jones, Council Deputy Chief of Staff

DATE June 10, 2015

PAGE/s 1 of 2

TITLE Amending Zoning Code to Permit Use of Internet Lodging Services

RECEIVED

JUN 11 2015

OFFICE OF CITY ATTORNEY

This is a request for the drafting of an **Ordinance** **Resolution**

REQUESTING COUNCILMEMBER/PATRON

C. Samuels

SUGGESTED STANDING COMMITTEE

N/A Expedited Paper

ORDINANCE/RESOLUTION SUMMARY

Patron requests that a resolution be drafted for City Council's expedited consideration that initiates an amendment to the zoning code, via the Planning Commission so that Internet lodging services like Airbnb can be used by City residents without violating the zoning code by renting a tourist home or rooms from a single family dwelling unit.

BACKGROUND

Section 15.2-2286 of the Virginia Code provides a mechanism by which the local governing bodies may initiate changes to zoning codes. The purpose of this resolution is to declare it a public necessity to amend the zoning code of the City so that residents may utilize Internet lodging services at their homes without violating local laws.

Internet based lodging services are in increasing use by consumers. These services allow greater consumer choice in lodging and allow an increasing number of people to earn income in their homes; an example of such lodging services is a company known as Airbnb.

Airbnb is a privately-held Internet based social networking service that allows property owners to rent out lodging in their homes. It was created in 2008 in San Francisco. Properties

are registered with the site and potential lodgers access the listing when looking to stay in a particular town/area. Every property listing on the service is associated with a profile that gives recommendations and reviews by previous guests and a rating by previous guests.

According to Airbnb's web-site it lists lodging in 190 countries, 34,000 cities and has hosted 25,000,000 people.

As these services have grown local governments such as those in San Francisco, New York, and nearby Charlottesville, Virginia have had to address whether or not the services and their impact on local communities needs to be regulated in some way. Some localities have now amended their laws to permit use of the services.

FISCAL IMPACT STATEMENT

Fiscal Impact Yes No

Budget Amendment Required Yes No

Estimated Cost or Revenue Impact \$ N/A

Note: Eventual legalization of the services may produce some tax revenue to the City. It is impossible to determine how much that revenue might be at this writing.

Attachment/s Yes No

APPENDIX B:

Methodology of Research

Methodology & Data Collection

The Airbnb platform contains the vast majority of short-term rental listings within the Richmond area, so this analysis focuses on listings from them. Currently, the company does not share data on hosts, listings, or transactions with regulators, so this analysis was performed by individually researching each listing on the platform from a guest perspective.

This very time-consuming process was performed by a City of Richmond summer intern, Molly Dawson, as follows:

Molly conducted the initial research for the analysis of Airbnb use in Richmond, VA on June 22, 2015. The information was gathered by looking at the Richmond, VA page on Airbnb. Molly narrowed the search criteria based on what kind of property was listed. The three options are an “Entire Place,” where the owner of the property is not there and the Airbnb guest rents the whole property, a “Private Room,” where the owner of the property is present and resides in the property with the Airbnb guest but the Airbnb guest has their own room or space, and a “Shared Room,” where the owner of the property is present and resides in the property with the Airbnb guest but the Airbnb guest does not have a private room and often sleeps in some sort of communal area, like a living room. In order to get an idea of where each property was and how many times they had been used, Molly clicked on each individual property for a total of 434 properties.

Once opened, the property’s listing page showed a map which gave Molly a rough idea of the property’s location. For privacy and safety reasons, the exact address of the property is not listed, but the map does show a circular area within which the property lies. This allowed Molly to see where properties were listed and if certain neighborhoods were more popular than others.

The property’s listing page also lists the various “Reviews” that the property has, which is a rough translation for the number of bookings that the property has had. Leaving a review is a completely voluntary action on the part of the Airbnb guest, so if anything, this number may understate the number of guests that a property has had. Molly also narrowed her search criteria by the number of beds in each property and the number of people that each listing accommodated, with the number of listings decreasing each time, so that we could understand what sort of accommodations each listing offered.

When it came time to plot the listings on a map of Richmond, to get a better idea of where the listings were, and specifically where the most popular listings were, an independent map-creating website was used. Molly looked on the Airbnb map of where the property was and tried to match this point with a marker on the online map. The map has different colors representing listings within a certain range of reviews. While a fairly time consuming process, it does allow viewers to see which areas have the most listings and what listings are being used the most frequently. All of this data helped to reveal exactly where and how Airbnb is currently being used in Richmond.

APPENDIX C:

Sampling of Richmond Airbnb Listings

(as of July 13, 2015)

\$150 Per Night



Amanda

Comfy, 3 bed family home in the Fan

Richmond, VA, United States ★★★★★ (115)


 Entire home/apt


 6 Guests


 3 Bedrooms


 3 Beds

Check In

Check Out

Guests

Request to Book



- Bedroom 1 has a queen bed. Bedroom 2 has a double bed. Bedroom 3/office has a queen-size air mattress. The nursery has a crib that you are welcome to use. The sofa in the living room can sleep one (it is slightly smaller than a twin bed--we've had grown men sleep there comfortably-- but please know it is not a full size bed).
- Our home is available on weekends throughout the year. If you are interested in a long weekend or a week around holidays, please contact me, we might be able to make arrangements.
- We generally have no face-to-face interaction with guests. We pack up and head out before you arrive and don't return until after check out.
- Off-street parking spot.

\$30

Per Night



Inga

~The Closest Couch to Campus~

Richmond, VA, United States ★★★★★ (27)



Shared room



3 Guests



1 Bed

Check In

mm/dd/yyyy

Check Out

mm/dd/yyyy

Guests

1

[Request to Book](#)



- I'll be there when you're there, and if for some crazy reason I won't be able to attend to you. All of us are friendly, fairly quiet people. :)
- Sleep on a 70's style couch in my living room which doubles as my indoor garden. The only reason this isn't considered a private room is because I have to walk through it to get to my bedroom.
- There are three bathrooms in the house. A real shmorgasboard of poopabilities!
- You can use our kitchen which has an oven, dishwasher, rice cooker, juicer, blender, toaster oven, water kettle, food processor, slap chop, microwave, etc.
- Just please don't steal any of our food, mkay?!



Kelly

Private Carriage House in Carytown

Richmond, VA, United States ★★★★★ (78)



Private room



2 Guests



1 Bed

\$60

Per Night

Check In

mm/dd/yyyy

Check Out

mm/dd/yyyy

Guests

1

[Request to Book](#)



- My friends call the place a FROG... Family Room Above the Garage. However, I was told it was called a Carriage House.
- For an additional \$10 fee guest can park their car (no trucks or large SUVs) in the Carriage house too.

\$82

Per Night



Ric

Browns Island Tourist Area

Richmond, VA, United States ★★★★★ (100)



Private room



2 Guests



1 Bed

Check In

mm/dd/yyyy

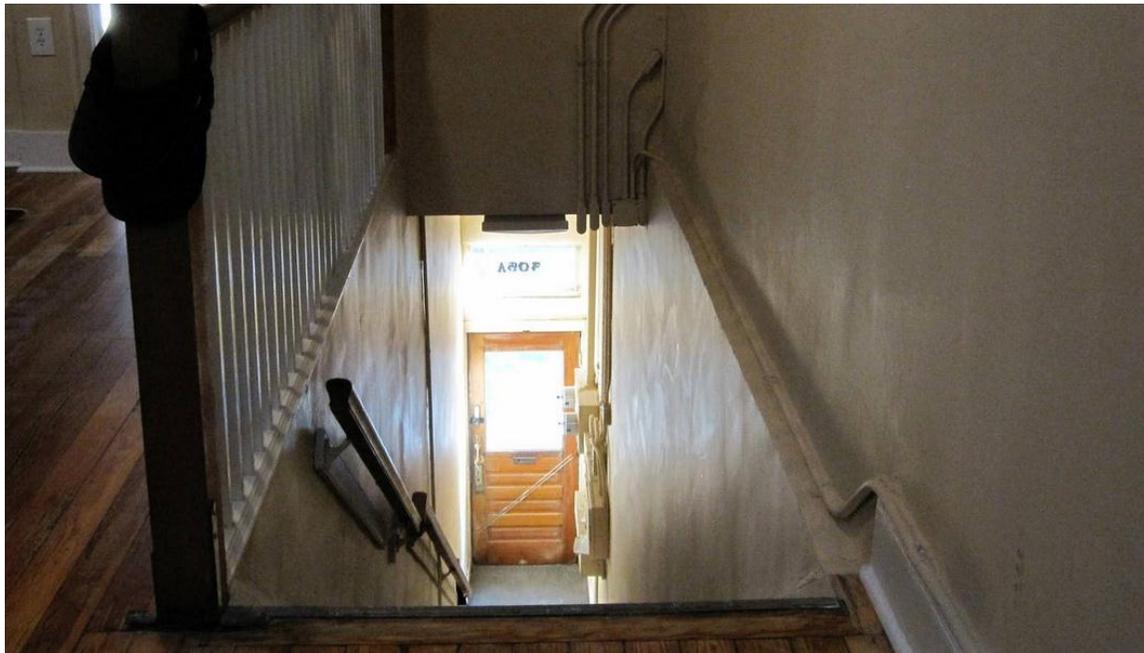
Check Out

mm/dd/yyyy

Guests

1

[Request to Book](#)



- Downtown, 5th and East Main St, renovated, quiet, only apt in entire building.
- Nice size room with walk in closet and own private entrance from rear of building. Free parking in rear from 5pm to 7:30 am and free all weekend !
- Guest Interaction- as much as they wish if I'm home, which I'm not most of the time!
- Most people love the fact that I am 3 blocks from Browns Island/ Belle Island. Plus many good restaurants and bars within easy walking range.

\$44

Per Night

Zen Skylit Tiny "HahaHouse" Retreat

Richmond, VA, United States ★★★★★ (112)



Andrew



Entire home/apt



4 Guests



1 Bedroom



2 Beds

Check In

mm/dd/yyyy

Check Out

mm/dd/yyyy

Guests

1

Instant Book



- Park in back next to fence off Hooper st. Entrance through back. Key is located above right porch post of hahahouse. We don't lock our doors except for front door, but you may lock hahahouse if you wish. We are good friends with our neighbors.
- Shared kitchen, bath/ shower/ bathroom with my girlfriend Laura and I Andrew. You have access to all food things appliances labeled "guests".
- We might not be around but you can always message/ call if you need anything.
- Hahahouse is very private for you. But you might see us when coming into the main house to wash up and eat. If I'm not around you can always message/ call me if you need anything/ have any questions.


Roseanne & Bill

Patterson Place

Richmond, VA, United States ★★★★★ (49)

Entire home/apt 6 Guests 3 Bedrooms 3 Beds

\$135 Per Night

Check In: mm/dd/yyyy Check Out: mm/dd/yyyy Guests: 1

[Request to Book](#)



- Legend has it, this was the first house on Patterson Ave. Built in 1905 by German brothers, this stone and stucco craftsman style home has three bedrooms with two full baths, one upstairs, the other located downstairs near the laundry area.
- CHECK OUT PROCEDURES:
Take garbage out.
Strip beds, place soiled linens in laundry bag in hall closet.
Load dishwasher and START
Turn A/C or Heat off
Lock keys in safe box on your way out.
- Hope you enjoyed your stay and will visit us again. We invite you to view our other listings, Bailey's Retreat Cabins and Cottages, in scenic Charlottesville, VA.

APPENDIX D:

Existing Special Use Permits for Tourist Homes

Note: The City has approved eleven (11) special use permits for tourist homes since 1990, six (6) of these have been approved since 2007. Included in the appendix is the most recently adopted on February 10, 2014, as an example.

INTRODUCED: December 9, 2013

AN ORDINANCE No. 2013-247-2014-15

As Amended

To amend Ord. No. 2011-19-43, adopted Mar. 14, 2011, which authorized the special use of the property known as 1 North Boulevard for two tourist home lodging units within an owner occupied single-family dwelling, for the purpose of permitting two additional lodging units, upon certain terms and conditions.

Patron – Mayor Jones (By Request)

Approved as to form and legality
by the City Attorney

PUBLIC HEARING: JAN 13 2014 AT 6 P.M.

THE CITY OF RICHMOND HEREBY ORDAINS:

I. That Ordinance No. 2011-119-43, adopted March 14, 2011, be and is hereby amended and reordained as follows:

§ 1. That the property known as 1 North Boulevard and identified as Tax Parcel No. W000-1202/019 in the [2011] 2013 records of the City Assessor, being more particularly shown on a plat entitled “Plat Showing Improvements on No. 1 N. Boulevard, in the City of Richmond, VA,” prepared by McKnight and Associates, P.C., and dated December 8, 1998, on [sheet 9] page 17 of the plans entitled “The One Bed and Breakfast [~~On the Boulevard Business~~] Expansion Plan,”

AYES: 9 NOES: 0 ABSTAIN: _____

ADOPTED: FEB 10 2014 REJECTED: _____ STRICKEN: _____

prepared by Sean and Polly Brooks, and dated [~~December 20, 2010~~] [~~October, 2013~~] January 7, 2014, a copy of which is attached to and made a part of this amendatory ordinance, is hereby permitted to be used for the purpose of an owner-occupied single-family dwelling with [~~two~~] four tourist home lodging units, substantially as shown on sheets 1 through [~~13~~] 17 of the plans entitled "The One Bed and Breakfast [~~On the Boulevard Business~~] Expansion Plan," prepared by Sean and Polly Brooks and dated [~~December 20, 2010~~] [~~October, 2013~~] January 7, 2014, copies of which are attached to and made a part this ordinance.

§ 2. That the adoption of this ordinance shall constitute the granting of a special use permit for the property, which shall be transferable from the owner of the property to the successor or successors in fee simple title of the owner, whether acquired by operation of law, deed or otherwise, and which shall run with the land.

§ 3. That the [~~Commissioner of Buildings~~] Zoning Administrator is hereby authorized to issue to the owner of the property a [~~building permit~~] certificate of zoning compliance substantially in accordance with the plans referred to above for the aforementioned purpose, subject to the following terms and conditions:

(a) The owner of the property shall be bound by, shall observe and shall comply with all other laws, ordinances, rules and regulations applicable to the property, except as otherwise provided in this ordinance.

(b) Application for a [~~building permit~~] certificate of zoning compliance shall be made within [~~twenty four (24)~~] twelve (12) months from the effective date of this ordinance. [~~The building permit shall expire and shall become null and void if any necessary construction has not commenced within one hundred eighty (180) days from the date of the building permit or if construction is suspended or abandoned for a period of one hundred eighty (180) days at any time~~]

~~after such construction has commenced, as provided in any applicable provisions of the Virginia Uniform Statewide Building Code.]~~ Should application for the ~~[building permit]~~ certificate of zoning compliance not be made within ~~[twenty four (24)]~~ twelve (12) months after the effective date of this ordinance ~~[or should the building permit expire and become null and void after the expiration of the twenty four (24) month time period for making application for the building permit],~~ the privileges granted by this ordinance shall terminate and the special use permit shall become null and void.

(c) No permit implementing this special use permit shall be approved until satisfactory evidence has been presented to the Zoning Administrator that any delinquent real estate taxes applicable to the subject property have been paid.

(d) The use of the building shall be as an owner-occupied single-family dwelling, with ~~[two (2)]~~ four (4) tourist home lodging units, substantially as shown on the attached plans. No more than two guests shall be permitted per tourist home lodging unit, except that any child under the age of twelve (12) shall not be counted as a guest. No meals other than breakfast may be served to guests, except for snacks or beverages, which may be served upon request.

(e) No other commercial enterprise, including, but not limited to, catering services, a restaurant, meetings, weddings, receptions and similar functions operated on a for-profit basis, shall be permitted on the premises.

(f) The maximum consecutive stay for any guest of the tourist home lodging units shall be fourteen (14) nights.

(g) ~~[Three (3)]~~ Five (5) parking spaces shall be provided on site, substantially as shown on the attached plans.

(h) Identification of the premises shall be limited to a nameplate not to exceed one (1) square foot in area, which shall be attached flat against a vertical surface of the dwelling and numerals indicating the property's street address.

(i) Storm or surface water shall not be allowed to accumulate on the land. The owner, at its sole cost and expense, shall provide and maintain at all times adequate facilities for the drainage of storm or surface water from the property so as not to adversely affect or damage adjacent property or public streets and the use thereof.

(j) Facilities for the collection of refuse shall be provided in accordance with the requirements of the Director of Public Works. Such facilities shall be located or screened so as not to be visible from adjacent properties and public streets.

(k) In all other respects, the use of the property shall be in accordance with the applicable underlying zoning regulations.

§ 4. That the privileges granted by this ordinance may under certain circumstances be revoked. Upon noting that a condition of a special use permit has been violated, the Zoning Administrator shall issue a written notice of violation to the property owner. The notice shall inform the property owner (i) which condition or conditions have been violated, (ii) the nature of the violation, and (iii) that the City Planning Commission shall hold a public hearing at which it shall review the violation and the special use permit pursuant to the provisions of sections 114-1050.7 through 114-1050.11 of the Code of the City of Richmond (2004), as amended, if (a) the property owner does not abate the violation within thirty (30) days of the issuance of the notice or (b) three (3) notices of violation are issued to the property owner within any twelve (12) month period. No action taken pursuant to the provisions of this section shall in any way limit the City's right to pursue any other remedy at law or in equity against the property owner. Failure to comply with

the terms and conditions of this ordinance shall constitute a violation of section 114-1080 of the Code of the City of Richmond (2004), as amended, or any other applicable laws or regulations.

§ 5. That when the privileges granted by this ordinance terminate and the special use permit becomes null and void or when use of the tourist home use is abandoned for a period of twenty-four (24) consecutive months, use of the property shall be governed thereafter by the zoning regulations prescribed for the district in which the property is then situated.

§ 6. This ordinance shall be in force and effect upon adoption.

II. That this amendatory ordinance shall be in force and effect upon adoption.



CITY OF RICHMOND RECEIVED
INTRACITY CORRESPONDENCE DEC 03 2013

OFFICE OF CITY ATTORNEY

O&R REQUEST

DATE: October 28, 2013 EDITION: 1
TO: The Honorable Members of City Council
THROUGH: Dwight C. Jones, Mayor (Patron: Mayor, by Request) (This in no way reflects a recommendation on behalf of the Mayor.)
THROUGH: Byron C. Marshall, Chief Administrative Officer
THROUGH: Peter H. Chapman, Deputy Chief Administrative Officer for Economic Development and Planning
FROM: Mark A. Olinger, Director, Department of Planning and Development Review
SUBJECT: Special use permit amendment for 1 North Boulevard to authorize two additional tourist home lodging units, upon certain terms and conditions.

ORD. OR RES. No. _____

PURPOSE: To amend ordinance 2011-19-43, which authorized the special use of the property known as 1 North Boulevard for the purpose of authorizing two tourist home lodging units within an owner occupied single-family dwelling, to authorize two additional lodging units, upon certain terms and conditions.

REASON: The applicant is proposing two additional tourist home lodging units to an existing tourist home. The enabling ordinance, approved by City Council March 14, 2011, authorizes two tourist home lodging units. The applicant is requesting to increase that number to four tourist home lodging units and has, therefore, requested a special use permit amendment.

RECOMMENDATION: In accordance with the requirements of the City Charter and the Zoning Ordinance, the City Planning Commission will review this request and make a recommendation to City Council. This item will be scheduled for consideration by the Commission at its January 6, 2014 meeting. A letter outlining the Commission's recommendation will be forwarded to City Council following that meeting.

BACKGROUND: The Subject property is located at the northeast corner of the intersection of N. Boulevard and W. Main Street. The property contains approximately 0.103 acres of land

201311005

area and is improved with a two-story brick dwelling constructed in 1914. The building contains 4,272 square feet of area in the two above-ground stories, with additional space in the basement. The property has been operating since 2011 as a tourist home with two lodging units.

The applicant is proposing to add two additional tourist home lodging units to the existing operation. One of the units would be located on the second floor adjacent to the two existing units and the other unit would be located in the existing basement space.

The Zoning Ordinance does not recognize B&B's, and defines these uses as Tourist Homes. The Zoning Ordinance defines Tourist Homes as "a building containing not more than ten guestrooms, with or without kitchens and with or without board, intended to be rented for compensation for occupancy by the traveling public and similar transient guests on a daily basis and in which access to individual guestrooms is provided exclusively from within the building, as distinguished from a hotel, motel, lodginghouse, group home, shelter or similar form of housing: Tourist Homes are a permitted use in higher density multi-family residential districts and lower intensity commercial districts, subject to being located on a Federal Highway. Tourist Homes are permitted by right without restriction in higher intensity commercial districts.

The applicant proposes to continue occupying the home as a single-family dwelling and offer four suites, or tourist home lodging units, to guests. No major interior or exterior renovation would be necessary to accommodate the use. The building's main entrance is on the Boulevard, with a side entrance located on Main Street. Guests will have private access to the tourist home from the Main Street entrance. The ground floor spaces devoted to the tourist home use includes a small porch over the entrance, which leads to a guest foyer. Three guest units would be located on the second floor. They will each have access to a sun porch located to the rear of the building. The parlor area, where breakfast will be served, is located adjacent to the three guest units. The fourth unit would be located in the basement and would include a bathroom and kitchenette.

The Ordinance limits the number of guests per suite to two, plus children less than twelve years of age. Breakfast would be the only meal served. Meetings, receptions, and other functions would not be permitted as part of the use. The maximum stay for any guest would be limited to fourteen (14) consecutive nights, as a way to ensure that the tourist home did not become a lodginghouse available for long term rental. Three parking spaces would be provided on site at the rear of the subject property and accessed from the public alley. One sign not exceeding one (1) square foot in area attached flat against the building would be permitted.

The surrounding properties on Boulevard are also located in the R-48 Multi-Family Residential zoning district and contain a mix of single, two, and multi-family dwellings. Two blocks to the north of the subject property is the Virginia Museum of Fine Arts, and beyond that the Virginia Historical Society. Byrd Park is located several blocks south of the subject property. To the east of the subject property on Main Street is a large section of R-7 Single and Two-Family Urban Residential zoned properties. Main Street to the east also features numerous restaurants and small shops.

The subject property is located in the Near West Planning District as defined by the Master Plan, which recommends Multi-family (Medium Density) uses for the property. The Master Plan defines the primary use for this land use category as "multi-family dwellings at densities up to 20 units per acre" (page 133). There is no language in the Master Plan specific to this property.

The plan does recognize that "the Fan and West of the Boulevard neighborhoods have experienced considerable restoration, and the presence of retail opportunities within the fabric of the neighborhood, as well as major institutions, such as the Virginia Museum of Fine Arts, make these neighborhoods popular places to live and visit" (page 225).

FISCAL IMPACT: The Department of Planning and Development Review does not anticipate any impact to the City's budget for this or future fiscal years.

COST TO CITY: Staff time for processing the request; preparation of draft ordinance; and publishing, mailing and posting of public notices.

REVENUE TO CITY: \$1,200 application fee

DESIRED EFFECTIVE DATE: Upon adoption.

REQUESTED INTRODUCTION DATE: November 25, 2013

CITY COUNCIL PUBLIC HEARING DATE: January 13, 2014

REQUESTED AGENDA: Consent

RECOMMENDED COUNCIL COMMITTEE: None

CONSIDERATION BY OTHER GOVERNMENTAL AGENCIES: City Planning Commission, January 6, 2014

AFFECTED AGENCIES: Office of Chief Administrative Officer
Law Department (for review of draft ordinance)
City Assessor (for preparation of mailing labels for public notice)

RELATIONSHIP TO EXISTING ORDINANCES: None.

ATTACHMENTS: Application Form, Applicant's Letter, Draft Ordinance, Survey, Plans

STAFF: Willy Thompson, Senior Planner
Land Use Administration (Room 511)
646-5734

The One Bed and Breakfast Expansion Plan

Prepared by:
Sean and Polly Brooks
January 7, 2014



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Statement of Purpose

The purpose of this plan is to summarize the intended expansion plans for The One Bed and Breakfast, LLC, established April 2011.

Summary

In April of 2011, The One Bed and Breakfast officially opened for business. Over the past two years we have had the privilege to host literally thousands of guests visiting Richmond from as close as Midlothian and as far away as Australia...and many points in between. The One Bed and Breakfast has established repeat relationships with over 30 guests and have welcomed visitors to fellow Richmond businesses such as the VMFA, Carytown Veterinary Clinic, VCU and The Virginia Historic Society, to name just a few. Our guests rave about the luxury of parking their car and walking to a wide variety of entertainment, shopping and dining choices, all while enjoying the cozy and quaint feel of our fabulous neighborhood.

Not a week goes by that we don't have to turn people away because we simply don't have enough space to accommodate all of our guest inquiries. Because there is such a high demand we are requesting an amendment to our existing SUP (Ordinance 2011-19-43) to add two additional suites to our existing guest space. The additional space would consist of an upstairs guest room located near the existing bed and breakfast guest quarters and the finished area of our cellar.

The One has become a popular destination for visitors from all over the world and has received amazing reviews on TripAdvisor, Bed and Breakfast.com, Google and Yelp. Our guests have been a welcomed addition to the community and our business has benefited our neighborhood and the restaurants and businesses that thrive within it. As our guest reviews indicate, our business has been successful and our guests love our neighborhood just as much as we do. The One has become a favorite location for guests visiting Richmond to explore our wonderful museums, Carytown, Monument Avenue, Byrd park, The Fan and of course all of the beauty we have come to love of life on the Boulevard.

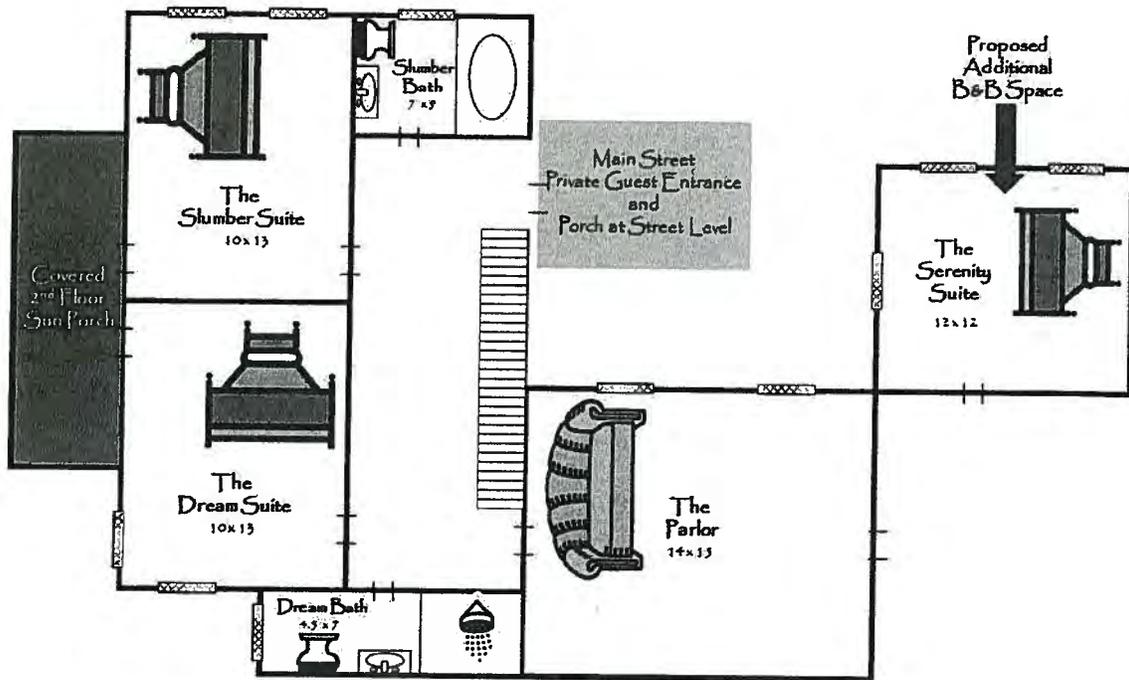
Description of Special Use Permit Plan Amendment

Addition of Serenity Suite

The proposed Serenity Suite is a guest bedroom located adjacent to the existing bed and breakfast space. We have frequent requests for lodging from couples traveling with children, young adult students/children, parents. This additional space will be available for families or groups traveling together who are willing to share one of the full bathrooms in our existing B&B guest quarters.

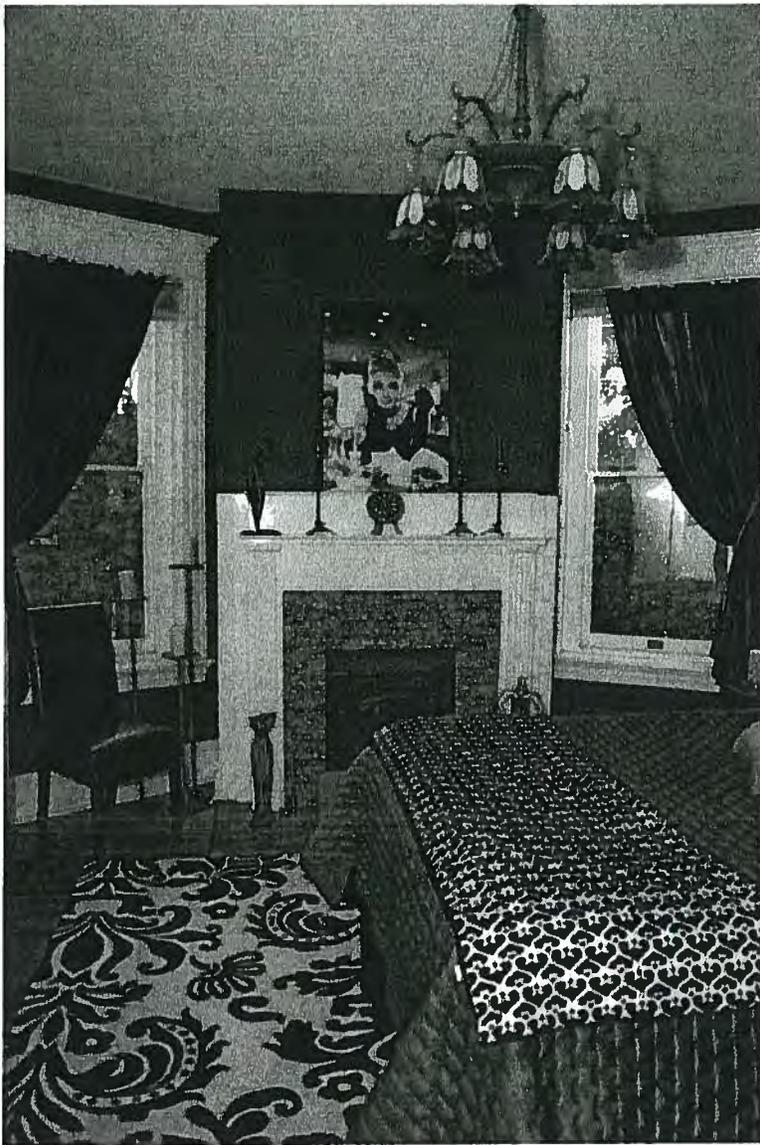
Guests can access the Serenity Suite through the existing bed and breakfast private entrance on the Main Street side of the home. There is a guest porch on the Main Street entrance, as well as a guest foyer. The Serenity Suite offers a queen sized bed, flat screen television, iPod player/alarm clock, luxurious sheets and towels and plush spa robes. The floor plan with location of the Serenity Suite and photos of the space are included for review.

Layout of the Second Floor Guest Quarters with Proposed Serenity Suite Location



The Serenity Suite Photos



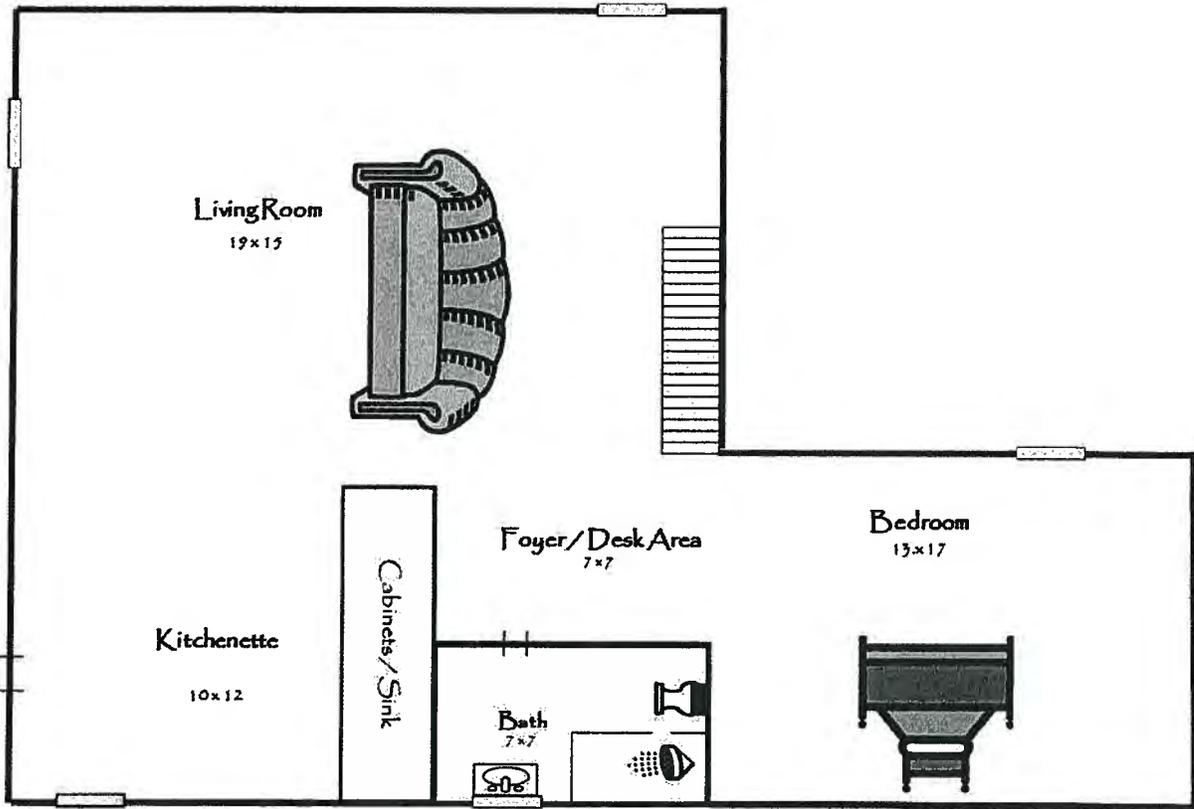


Addition of The Cellar at The One Bed and Breakfast

The Cellar features 750 square feet of additional living space with a full bathroom, king sized bed, living room and efficiency kitchenette with small bistro table, coffee maker, microwave, toaster oven, refrigerator and wet sink.

Guests can access The Cellar through a private entrance at the rear of the house. The floor plan of The Cellar and photos of the space are included for review.

The Cellar Floor Plan



The Cellar Photos





Personnel

The administrative and operational management functions of The One Bed and Breakfast will be performed by the residence owners solely. The One currently utilizes part time service providers for cleaning, laundry and general maintenance; however, these are contracted on an as needed basis. No additional personnel will be required.

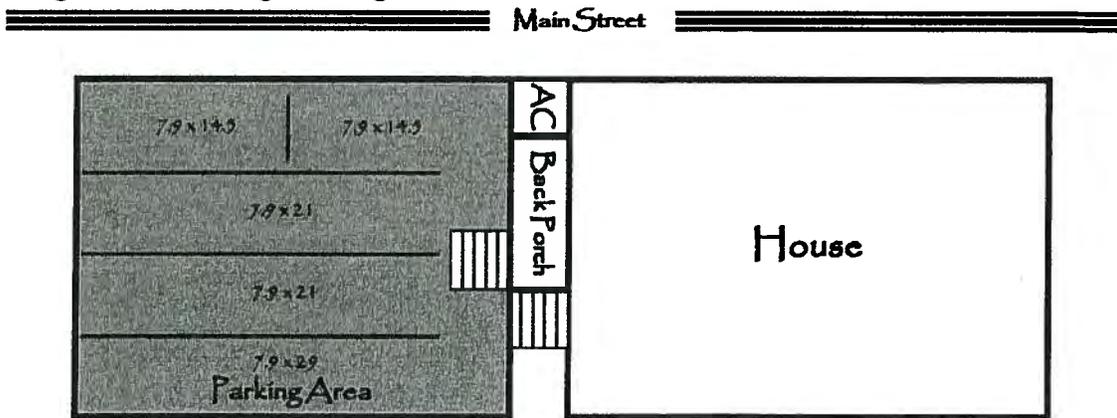
Renovation and Expansion Plans

As all internal renovations have been previously completed, there are no additional renovations required for the expansion proposed to The One Bed and Breakfast. The existing external structure will not be altered in any way. The existing structure has a separate side entrance on Main Street that is currently used for bed and breakfast guest entrance purposes. This entrance is proposed for usage for the addition of the Serenity Suite. The existing structure also has a separate back entrance in the parking area behind the house. This entrance is proposed for usage for the addition of the Cellar. Site Survey is attached separately and parking accommodations are diagramed below.

Off Street Parking Accommodations

There are five existing off street parking spaces provided on the property at 1 N. Boulevard.

Diagram of Existing Parking Area



View of Existing Parking Area



Neighborhood Support

On July 1, the following letter was sent to the surrounding neighbors of 1 North Boulevard asking for their support for The One Bed and Breakfast Project. Responses from all neighbors indicating their support are also included in this plan.

Friends and Neighbors,

In April of 2011, The One Bed and Breakfast officially opened for business. Over the past two years we have had the privilege to host literally thousands of guests visiting The Fan from as close as Midlothian and as far away as Australia...and many, many points in between. We have established repeat relationships with over 30 guests and have welcomed visitors to fellow Richmond businesses such as the VMFA, Carytown Veterinary Clinic, VCU and The Virginia Historic Society, to name just a few. Our guests rave about the luxury of parking their car and walking to a wide variety of entertainment, shopping and dining choices, all while enjoying the cozy and quaint feel of our fabulous neighborhood. We are so blessed with the success we've seen in a short time and the many wonderful guests we now consider friends!

Not a week goes by that we don't have to turn people away because we simply don't have enough space to accommodate all of our inquiries. Because there is such a high demand we would like to ask for your support in the expansion of our existing B&B to include two additional guest rooms. The One has become a popular destination for visitors from all over the world and has received amazing reviews on TripAdvisor, Bed and Breakfast.com, Google and Yelp. We hope you feel as we do that our guests have been a welcomed addition to our community and that our business has benefited our neighborhood. As our guest reviews indicate, our business has been successful and they love our neighborhood just as much as we do.

The additional suites would consist of an upstairs guest room and the finished area of our cellar. (Pictures and floor plans are attached for your reference and we would be happy to provide a personal tour of the space anytime you'd like!)

Please reply to this email at your earliest convenience, as we are anxious to submit our expansion request to the city for approval and would greatly appreciate your support!

All the best,

Sean and Polly Brooks
The One B&B Innkeepers
1 N. Boulevard
Richmond, VA 23220
804-359-1211

Support Responses

PAYNE – 11 North Boulevard

I am in full support of the expansion of The One B & B. Polly and Sean have done a great job with the place.... and are bringing great people to experience our wonderful neighborhood. I feel that this use is very compatible with our neighborhood.... and I want to encourage them in this venture.

KAUFMAN - 6 South Boulevard

Awesome news!! You have our support!!!

Carytown Emergency Vet

What a terrific idea - looks beautiful. Best of luck with the process and let me know if there is anything I can do to help.

MARTIN – 4 North Boulevard

You have our support!

CHEATHAM – 17 North Boulevard

Of course you have our support! I am thrilled to hear (although not surprised) that The One has been such a hit!

AUSTIN – 409 North Boulevard

We are pleased to support the expansion of The One B&B.

You are such an asset to our community with your lovely property and gracious hosting of so many civic events.

Best wishes for continued success.

PIERATT – 18 North Boulevard

Looks great! You have my support.

REYNOLDS - 19 North Boulevard

We support you!

GLICK – 105 North Boulevard

You have got ours, of course. Wishing you all the best in your endeavor. As we know, you've got the touch! Congrats.

CROPP – 506 North Boulevard

Congratulations on the success of your business! So it sounds like you're not planning to change the dimensions of your home, do I have that right? I'm surprised that public support is needed for you to make interior changes like this. You have my support to re-purpose space to add two new guest rooms.

LEIGHTON – 107 North Boulevard

Great news! Good luck with the expansion.

SPENCER – 10 North Boulevard

You have our support, given you have parking coverage.

SMALL - 500 North Boulevard

It seems reasonable to me.

Neighborhood Association / City Councilman Support

Preliminary business plans were presented in request for support of the project to the following neighborhood associations, as well as to City Councilman Charles Samuels:

Boulevard Association

On July 8, 2013, preliminary business plans were submitted to the Boulevard Association for review and the association indicated support of the project. Copy of support letter included below.

Museum District Association

On August 13, this expansion business plan was presented to the MDA Zoning Committee. Upon draft of the ordinance, the Zoning Committee will review with the MDA Board and make a recommendation to either Not Oppose or Oppose the plans.

Fan District Association

On July 9, 2013, preliminary business plans were submitted to the Fan District Association for review. A detailed review was provided for the FDA Zoning Committee Meeting on July 29 and they have expressed support for the expansion via email. Copy of support letter included below.

City Councilman Charles Samuels

On July 1, 2013, preliminary business plans were presented to the Museum District Association for review. Response provided: "Congratulations on the successes. Provided the FDA & Boulevard Association approve I will support you guys 100%."

Fan Woman's Club Board of Directors – Terri Treinen

I have no objection to your plans. Your home is so lovely and I'm glad to hear you have wonderful guests from all around the world. I know they love being in Richmond.

Boulevard Association Support Letter

Boulevard Association



To: Sean and Polly Brooks, innkeepers of The One B & B, Richmond VA
Date: 06-09-13
RE: Proposed expansion of guest rooms

Sean / Polly,

Thanks for contacting me on July 8th 2013 in regard to your planned business expansion and seeking my input as current President of the Boulevard Association. I've reviewed the plans you provided along with the synopsis of your first year of business. It's great to hear that your business is thriving and that you are attracting so many guests locally and from across the world.

I've read several reviews on TripAdvisor.com and see that the vast majority of guests have great things to say about the existing accommodations you have built, the neighborhood, and you two personally. The sheer number of reviews is a clear indication that your guests are engaged and willing to go online to voice their opinions and post pictures. This boosts up our neighborhood as a destination. A rating of 4.5 out of 5 is impressive. As you know members of my own family have stayed with you when visiting from Florida and have raved about their experience.

The addition of your business to the neighborhood has been very additive. I have no opposition to your expansion plans and wish you luck in bringing them to fruition.

Rawley W. Pieratt
President, Boulevard Association



Fan District Association Zoning Committee Support Letter



The Fan District Association of Richmond, Virginia
208 N. Strawberry Street, Richmond, Virginia 23220

August 6, 2013

Polly Brooks
The One Bed and Breakfast
1 N. Boulevard
Richmond, VA 23220

Dear Madam:

Subject: General Support for Concept to Increase Occupancy at Bed and Breakfast

The Fan District Association of Richmond, VA, Inc., (FDA) Board of Directors (Board) has voted to support the concept of increasing the occupancy of the One Bed and Breakfast you operate at 1 N. Boulevard. The Board's continued support is conditional in that it must review and support detailed plans and specifications that accompany an application to the City of Richmond (City) Department of Planning and Development Review.

The FDA appreciates your attendance at its Zoning Committee meeting in July. You explained that you wish to increase the occupancy of your Bed and Breakfast by remodeling rooms and the basement. Committee members pointed out that remodeling, especially of the basement, may be problematic and include modifications that were not evident in the photographs you provided. The Board agrees that your remodeling will not create additional parking issues. The Board requests that you provide a copy of your application to the City so that the Board can confirm that the official plan conforms to the general concepts that you have presented.

The FDA Board appreciates your bringing this matter to its attention. Please feel free to contact me if you have additional questions, concerns, or issues.

Sincerely,

On Behalf of
Bill Montgomery
President

Copy of 1 N. Boulevard Site Survey

