

**AGENDA DATE: 2/15/2023**

**TITLE:** Annual Homestay Update

**SUBJECT/PROPOSAL/REQUEST:** Receive Homestay Compliance Program updates, Potential Zoning Text Amendment(s), and identify topics for a future Work Session

**ITEM TYPE:** Regular Action Item

**STAFF CONTACT(S):** Svoboda, Brumfield

**PRESENTER (S):** Bart Svoboda

**LEGAL REVIEW:** Not Required

**REVIEWED BY:** Doug Walker

**BACKGROUND:** A “homestay” provides lodging and rooms to guests for less than thirty (30) days, is accessory to a single-family dwelling, and may offer no more than five (5) guest bedrooms for lodging. Homestays are also known as "short term rentals," "Airbnb," "VRBO," or "transient lodging," and were previously known in the Albemarle County Zoning Ordinance as "Bed and Breakfasts" or "Accessory Tourist Lodging." The number of homestays operating at the time without holding applicable zoning clearances or remitting applicable taxes created a “compliance gap.” Study of the issue led to a series of amendments to the County’s taxation, health and safety, fire protection, and zoning regulations. Those amendments attempted to balance increased tourism with preserving the Rural Area and residential areas from potential negative impacts.

**STRATEGIC PLAN:** Quality Government Operations - Ensure County government’s capacity to provide high quality service that achieves community priorities

**DISCUSSION:** This report is in response to the Board’s request to receive updates on the homestay compliance program.

**BUDGET IMPACT:** No budget impact. The use of the third-party vendor was successful in establishing the initial homestay compliance program and capturing transit occupancy taxes and other taxes and fees associated with previously non-compliant homestay operators. The costs of the third-party vendor However, after evaluation by Finance Staff, it was determined that the service costs currently exceed the County revenue collected from homestay uses, and the service will not be renewed. Instead, staff will be using a combination of reports generated by a select number of the listing companies and TOT collection report to identify non-compliant homestay operators.

**RECOMMENDATION:**

Staff will continue to monitor the types of homestay special exception applications that are submitted and processed. That review will include those applications that move forward in the absence of objections. Staff will report those findings back to the Board of Supervisors in late summer or early fall of 2023 and may make recommendations regarding the need for process changes and additional zoning text amendments at this time.

**ATTACHMENTS:**

A - Homestay Annual Report February 2023