

ALBEMARLE COUNTY VIRGINIA



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Details Report

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 Title: Residential Transient Lodging Work Session
 Attachments: 1. [Att A May 3 BOS W.S. Transient Lodging](#), 2. [Att B Transient Lodging Localities Research](#), 3. [Att C Number of Applications and Number of Guest Room by Application Information](#), 4. [Att D Public Process for Residential Transient Lodging Zoning Text Amendment](#)

Executive Summary

AGENDA DATE: 7/5/2017

TITLE: Residential Transient Lodging Work Session

SUBJECT/PROPOSAL/REQUEST: Work session to discuss amending the Zoning Ordinance regulations for Residential Transient Lodging

ITEM TYPE: Regular Action Item

STAFF CONTACT(S): Walker, Graham, McCulley, Echols, Ragsdale

PRESENTER (S): Rebecca Ragsdale

LEGAL REVIEW: Not Required

REVIEWED BY: Douglas C. Walker

BACKGROUND: The Board held a work session on May 3, 2017 to discuss transient lodging issues related to taxation, zoning regulations, compliance issues, and a new state code provision that allows localities to establish a registry for short-term rentals. (Attachment A) A public hearing and Board action took place on June 14, 2017 to update the transient occupancy tax and BPOL sections of the County Code as they relate to short-term rentals. The purpose of this work session is to continue discussion on zoning issues. The Board is asked to provide direction on the scope of the zoning text amendment process by affirming the two recommended areas of focus.

STRATEGIC PLAN:

Thriving Development Areas: Attract quality employment, commercial, and high density residential uses into development areas by providing services and infrastructure that encourage redevelopment and private investment while protecting the quality of neighborhoods.

Rural Area Character: Preserve the character of rural life with thriving farms and forests, traditional crossroad communities, and protected scenic areas, historic sites, and biodiversity.

Economic Prosperity: Foster an environment that stimulates diversified job creation, capital investments, and tax revenues that support community goals.

DISCUSSION: The May 3, 2017 report (Attachment A) includes information on current Zoning Ordinance allowances for residential transient lodging, referred to in the ordinance as Accessory Tourist Lodging (ATL) in the Development Areas and Bed and Breakfast (BNB) in the Rural Areas. With this report, staff is providing a current list of ATL and BNB applications that have been reviewed and approved in the County, including number of guest rooms.

Staff has researched a number of communities that have recently updated their regulations to allow home-based transient lodging to see if any common trends exist in the regulations (Attachment B). Staff found the following:

- Those that allow whole house rental require that the home be used as a residence and some require it be owner-occupied.
- Some communities regulate the number of guests while others, like Albemarle, regulate the number of rooms.
- Some communities limit ATLs to single family detached units. Communities that allow this use require an application, including verification of safety requirements and in some localities, proof of insurance.

Staff believes zoning changes to expand allowances for transient lodging should be balanced with the County's goals of protecting existing neighborhoods, ensuring affordable housing is available, and not commercializing the Rural Areas. Staff believes that the current Albemarle County goals for tourism are different than resort cities, such as beach communities. For this reason staff does not recommend the County consider whole house rentals ("vacation rentals"). The original purpose of ATLs was to supplement lodging for visitors to the City and County for events such as graduation and football games. It also allowed for homeowners to gain income from periodic rentals without changing the character of the area.

Staff believes that a limited expansion of opportunities for home-based transient lodging should be considered, and believes the scope of the zoning text amendment should be focused on two areas. The recommended areas of focus for the zoning text amendments are:

1. Expanding zoning regulations to include allowance of transient lodging in attached dwellings such as townhomes and condominiums.
2. Amendments to deal with periodic whole house/apartment rentals, since this activity appears to be very common in the County and across the country.

All other County zoning, building code, and fire marshal requirements would remain in place and these establishments would also be required to collect the Transit Occupancy Tax (TOT).

PUBLIC INPUT PROCESS Staff believes the public input process for considering these zoning changes should allow for broad stakeholder engagement and follow the public engagement model used for other recent text amendments. The recommended process is outlined in Attachment D.

BUDGET IMPACT: There is no anticipated need for additional staff or funding to complete this work. As staff time is fully allocated in the current year, this work potentially creates a very small delay in starting other new initiatives.

RECOMMENDATION:

Staff recommends the Board endorse the two focused topic areas for the transient lodging zoning text amendment process.

Once these parameters are set by the Board, staff will move forward with the public process as outlined in Attachment D.

ATTACHMENTS:

A - Staff Report for May 3, 2017 Board Work Session

B - Sample of Localities Transient Lodging regulations

C - Summary of ATL and BNB applications approved and under review, including number of guest rooms

D - Public Process for Residential Transient Lodging Zoning Text Amendment

Attachment B Short Term Rental Approaches in Other Localities

<p><i>City of Charlottesville</i></p>	<p>Allows homestays rentals and Bed and Breakfasts. Accessory dwelling units are not permitted for rentals</p> <p>Homestays: Requires permit and for applicant to have lived in the property for a minimum of 180 days as proof of residency. There are not restrictions on the length of stay for renters. A "responsible party", either an individual or business entity, must be within 30 miles and available 24/7.</p> <p>Bed and Breakfasts: Require a city business license. Renters allowed a maximum stay of 90 days</p> <p>Requires smoke detector, carbon monoxide detectors, and fire extinguishers</p>
<p><i>City of Blacksburg</i></p>	<p>Allows homestay rentals, defined as the accessory or secondary use of a residential dwelling unit or a portion thereof by a host to provide room or space that is intended for short-term transient rental purposes. Two types are allowable, though owners may only have one homestay in the locality.</p> <p>Type A: host is present during the homestay and no more than two of the bedrooms in the homestay unit are rented. A max of 90 days of this type of rental is allowed in each calendar year. Any Type B Rentals count towards the 90 maximum.</p> <p>Type B: all other rentals, including ones where more than two bedrooms of the homestay are rented or the host is not present during the homestay. A max of 30 calendar days of this type of rental is allowed in each calendar year.</p> <p>Requires smoke detector, carbon monoxide detectors, and fire extinguishers</p>
<p><i>Arlington County</i></p>	<p>Allows homestay rentals with requirement that owner must occupy the property 185 days of the year.</p>
<p><i>City of Fairfax City of Austin, TX</i></p>	<p>Requires adherence to Building Code, smoke detectors & fire extinguishers</p> <p>Short term rentals must abide by City laws – No AirBnBs; single-family dwellings are only allowed to house people after being registered with the City as "Bed and Breakfast"</p> <p>Vacation rentals are permitted with a maximum stay of 30 days. Two types are allowed:</p> <p>Type 1: Owner is present during rental.</p> <p>Type 2: Owner is not present during the rental.</p>

Number of Accessory Tourist Lodging (ATL) and Bed and Breakfast (BNB) Applications Received

Year	BNBs (or RA ATLS)	ATLS (DA)	Total
1985	1		1
1986	1		1
1987			0
1988			0
1989	1	2	3
1990			0
1991	2		2
1992	1		1
1993			0
1994	1		1
1995	4		4
1996			0
1997	1		1
1998	3		3
1999	1		1
2000	7		7
2001	2		2
2002	1		1
2003	1		1
2004	1		1
2005	1		1
2006	1		1
2007	3		3
2008			0
2009			0
2010	1		1
2011	2		2
2012	4	0	4
2013	3	0	3
2014	5	4	9
2015	8	1	9
2016	9	4	13
2017	15	7	22
Total	80	18	98

Number of Guest Rooms per Application since 2012

Number of Guest Rooms	Number of Applications		
	BNBs (RA)	ATLS (DA)	Total
1	16	7	23
2	5	1	6
3	3	1	4
4	7	1	8
5	13	4	17

Residential Transient Lodging Tentative Timeline for Zoning Ordinance Amendments

The public input process for considering zoning changes should allow for broad stakeholder engagement. Information and input meetings should be provided in a roundtable for the following stakeholder groups:

- Existing and prospective operators of home-based transient lodging, including representatives from local rental organizations (AirBnB, Stay Charlottesville, etc.)
- CAC meetings for neighborhoods and other residents
- Rural Area meetings to take place in the four Rural quadrants of the County

May 3, 2017	Board of Supervisors Work Session to discuss taxation, short term registry, zoning issues related to transient lodging
May 23, 2017	Planning Commission Informational Update
June 14, 2017	Board Public Hearing on Taxation changes
July 5, 2017	Board of Supervisors Work Session on Zoning Changes
July 2017 and August 2017	CAC, roundtable information/input meetings with stakeholders On-line public input opportunities available
September 2017	Planning Commission Work Session to review public input
October 2017	Planning Commission Public Hearing
November 2017	Board of Supervisors Public Hearing

