

**Albemarle County Planning Commission
December 19, 2017**

The Albemarle County Planning Commission held a public hearing on Tuesday, December 19, 2017, at 6:00 p.m., at the County Office Building, Room #241, Second Floor, 401 McIntire Road, Charlottesville, Virginia.

Members attending were Tim Keller, Chair; Daphne Spain; Pam Riley; Mac Lafferty, Bruce Dotson, Karen Firehock, Vice Chair and Bill Palmer, UVA representative. Absent was Jennie More.

Other officials present were Scott Clark, Senior Planner; Elaine Echols, Chief of Community Development; Rebecca Ragsdale, Senior Planner; J.T. Newberry, Senior Planner; Sharon Taylor, Clerk to Planning Commission; and John Blair, Deputy County Attorney.

Call to Order and Establish Quorum

Mr. Keller, Chair, called the regular meeting to order at 6:00 p.m. and established a quorum.

Work Session

ZTA-2017-00001 Transient Lodging

Work session to identify key components of ordinance changes to broaden opportunities for transient lodging in the County. (Rebecca Ragsdale)

Mr. Dotson asked if he could procedurally ask the Chair to clarify whether there would be an opportunity for the public to speak.

Mr. Keller replied that he would poll the commissioners but his sense is that they should because they have people who have expressed an interest in speaking. After polling the commissioners, Mr. Keller replied to Mr. Dotson's question that yes, there would be public comment.

Ms. Ragsdale summarized the staff report in a PowerPoint Presentation. She said we would like to pick up where we left off in October; we provided the Commission a staff report and summary of the discussion in October and a recap of the public comments. She said staff would like to focus this evening on a refinement of the recommendations for zoning text amendment changes. As a quick recap, as you recall this was Initiated in March as part of the Community Development Work Program to accelerate a study of transient lodging for a number of reasons; it is a strategy in our Comprehensive Plan and it is a very timely topic.

Ms. Ragsdale noted we discussed transient lodging with the Board in a couple of work sessions to set the parameters for the text amendment scope; there were some tax updates that happened in June and then in September right before the October Planning Commission meeting, as we had a series of public meetings to ask a questions and get general concerns and feedback on the table from the public. She noted she had mentioned the Comprehensive Plan strategy; obviously, we are in the study process now and distilling what we might want to consider as a text amendment change. Then also at the same time, we are working on bringing people into compliance so we will give the Commission a little more detail this evening on that side of things since there were a lot of questions a couple months ago. Of course, we mentioned that we are trying to strike a balance with these regulations in allowing an economic activity that is supportive of tourism but preserving our development areas quality of life and our rural area resources that we wish to protect.

Ms. Ragsdale pointed out the two items that we have been studying are this concept of whole house rental where an owner does not reside or is not present during tourist lodging rentals and we have also studied whether to allow the use in other dwelling unit types. She explained the current terminology in the ordinance as:

Transient lodging: Lodging in which guest rooms are occupied for less than thirty (30) consecutive days. (Added 6-6-12)

Tourist lodging or Accessory Tourist Lodging - Residential Zoning Districts

Bed and breakfast - Rural Area Zoning Districts

Ms. Ragsdale pointed out that could be a range of one-bedroom AirBnB to a traditional bed and breakfast, which was sort of a broad category in the rural areas. She said it was consecutive rental for less than 30 days at a time is what we are talking about in a residential setting and staff has recommended the term for both as homestay. She said staff have found a few things to improve the definitions and the terminology during the text amendment process; therefore, we just wanted to note that. This is a timely topic since we can continue the process and get more inquiries weekly for bed and breakfast uses. She thinks part of that is people wanting to come into compliance, the word spreading about that and it continues to be a popular use in the county. In the next slide, Ms. Ragsdale pointed out the current numbers and noted we continue to see more in the rural areas with 35 this year than in the development areas with 12 in the residential zoning district. She pointed out that a lot of these are simply for one guest room for people who have extra space in the basement or above the garage.

Ms. Ragsdale offered, a recap of what you can do and then summarized where we are with what staff has recommended. She explained this use is associated by right now with a single-family detached dwelling in the residential zoning districts and the owner or manager must reside in that structure. Then what we are clarifying in this process as we discussed a lot in October is this concept of residing and being present during rental and right now, we expect both. Therefore, the concept of whole house rental is someone is still residing in the structures, the primary use is still residential, but we allow a certain amount of rental over the course of a year where the owner is not present. Ms. Ragsdale said that brings us to the proposed, as shown on the slide, in a refinement of the recommendations based on your input was no more than seven (7) days per month and no more than 45 per year and that the applicants would keep track of the number of days that they are conducting whole house rental and they would report that to the county. She pointed out we talked about that before as a way of tracking this and helping with compliance issues. One thing we proposed last month that we did not really talk about in depth was the concept of notice. She noted staff had it in the chart but did not clarify what we meant by that so when we were talking about the enforcement concerns and the nuisance impacts in what we have seen with some of our other zoning text amendments we meant that the neighbors would receive a notice that would provide an emergency contact. She explained it was a notice that comes from the applicant if there is something that needs to be addressed after hours or on the weekends so they have a number to call. This is something that we did with farm winery's events as part of that zoning text amendment, so it is something that staff thinks would be good to implement with this one.

Ms. Ragsdale said then last month we talked about whether we should allow this use in multi-family units. Staff has refined the recommendations to limit it to townhouses and single-family attached units and then clarifying that would be in units where they are used primarily as someone's residence and during the guest room rentals the owners or managers are present and so there are no whole house rentals in those unit types. In the rural areas, we have a lot of flexibility already that we added to the ordinance in 2012 and we wanted to try to clarify. There are a couple of slides to give examples to clarify what you can already do in the rural areas.

Again, this use in the rural areas is in association with single-family detached dwellings and they must be to dwellings that have development rights or you can have your guest rooms in accessory structures. In the development area, the guest rooms must be within the single-family dwelling. In the rural areas, we also allow a second bed and breakfast use. That second bed and breakfast use requires that a parcel have a second dwelling and a development right. I hope that the examples will be helpful.

Ms. Ragsdale said what we have proposed in the rural areas is the same as far as whole house rental as the development areas, which was something that the Commission raised in October. Again, it would be whole house rental limited to 7 days per month and no more than 45 per year with the required notice to the neighbors and the reporting just as we have suggested for the development areas. There was a lot of discussion last time and we put this concept out there of allowing an abutting property where there are two properties under the same ownership allowing the guest rooms in the bed and breakfast to be sort of on both properties, but still treat it as one bed and breakfast or a set of two as we allow now. We have studied that a little further and because that would be an ownership based regulation and because of some other legalities and lack of enabling legislation, there is not a way to tie that into this bed and breakfast use. It cannot be tied in either through new

supplemental regulations or definitions and it cannot be something that we can allow as a special exception. There have been a number of inquiries for this specific provision. We did talk a lot about this recently so we feel like there isn't a way to do it that fits within still allowing this use as an accessory use and in association with single-family dwellings. It starts broadening things into something that is more commercial and we would have concerns about such as the ones you had last month as far as incentivizing and increasing this activity in the rural areas.

Ms. Ragsdale reviewed examples of the different scenarios that tourist lodging can happen in the rural areas now. You can have one parcel with one dwelling, you can rent guest rooms in the dwelling or they can be in accessory structures. In the slide, Ms. Ragsdale pointed out the diagrams staff put together after the 2012 amendment. She noted you could sort of mix and match these things depending on whether you have up to two single-family dwellings on your property and whether you want to have the guest rooms in accessory structures or in dwellings. Therefore, that is what this is meant to illustrate. She said parcels that have a second dwelling on them may have guest rooms in that second dwelling and our ordinance only requires that one owner or manager reside on the parcel. That is the first green example shown.

Ms. Ragsdale noted there is still not more than ten (10) guest rooms, an owner or manager resides on the parcel and present during rentals. Therefore, we somewhat already allow whole house rental in the rural area in this scenario and we have brought that up before. We just would not be able to allow it where there is a property in between those dwellings. The example on the bottom is just that you could have a parcel that has two single-family dwellings and accessory structures that they would like to use. What we have seen so far since 2012, as far as the use of accessory structures for tourist lodging, we have seen people use only one; the room above a garage being the most common or on some properties that had older structures they have rehabbed them into a guest room like something that used to be a summer kitchen. We have not seen new construction associated with B & B's so far. There was one application where someone had proposed new construction, but they did not pursue it. On the right of the slide, there was a simple example of a larger rural area property that has development rights and the configuration of guest rooms that they could have already done without changing the ordinance.

Ms. Ragsdale said switching gears here as far as our recommendations that we have mentioned the short-term rental registry in a number of our work sessions. It was an item that we did not focus on last time we talked in October, but it is important when we talk about ongoing compliance and some tools for us if we get into situations where there are zoning violations or enforcement issues. What the short-term registry allows is an annual registration of applicants for this use. It would be administrative in nature and staff would try to make it as seamless as possible and sort of dovetail it into the other requirements that applicants would have to comply with on an on-going basis. However, what the guest registry does allow is what staff is calling the "three strikes you are out" feature. If there is a property that has repeated violations or multiple violations up to three then their permit can be revoked or that activity would be prohibited going forward. What that really leads to as far as the process that we are recommending, we mentioned last time that this use requires an application that is made to Community Development primarily it is an inspections process; there is not a whole lot of staff review; and we just do some quick inspections that do not take very long. We mentioned that it requires fire marshal, building inspector and then if necessary a zoning inspection. Most of these applications that we have seen since they have not been providing foods, been one-bedroom and have not required health department approval.

Ms. Ragsdale said staff are recommending as far as the neighbor notice that notice go out to the neighbors at the time that the application is approved so there is no confusion during the process; it would still be an administrative process and people would be provided the emergency contact information and aware that activity would be happening in their neighborhood. Therefore, once the application is approved there is the transient occupancy tax requirement on a monthly basis. Therefore, at the same time folks that are submitting their transient occupancy taxes they could be reporting the number of days that they are doing whole house rental and then yearly we are suggesting the annual registry. Staff has refined the recommendations to the three recommendations regarding upgrading the terminology in the definitions to use homestay; allowing whole house rental in both the development areas and the rural areas no more than 7 days per month/45 per year; and then the number of days being reported and the local emergency contacts provided. Also, allowing up to two guest rooms for homestays in townhouses and attached units. Therefore, we have already indicated there are some legal issues with limiting the number of homestays that someone has to one and then regulating based on

ownership as noted in the abutting property example given earlier; and so we are no longer recommending those.

Ms. Ragsdale said we have talked throughout this process about the compliance gap, the online activity of rentals that we are seeing versus the number of applications that have been processed. This is an ongoing discussion. We have a little staff team together and we are talking to the other departments to try to figure out a way to make it easier for people.

Obviously, we are looking at ways to better publicize the information. We have a new interactive tool that staff is trying to make it easier for people to figure out which application they need and whether their rental scenario is something that is allowed or not. We have contemplated making a public education video so people can see what the requirements are and not to be overwhelmed by them in any way. She noted we have said before they geared towards the basic safety requirements like smoke detectors, fire extinguishers and that sort of thing. Therefore, we get many detailed questions so we could just cover that in a video and use some examples for people. Then we have talked about once we get through the ZTA process hosting a workshop or two where people can come and meet with all of the representatives at once and get information face to face. We know there are a number of different ways to communicate and people have their preferences. We want to have those opportunities available for people. We talked about reaching out to the hosting platforms and then sort an initial compliance effort to be proactive in letting people know that there are these requirements. We are aware of the different consulting firms that are out there; however, we have not contacted them to get any cost estimates at this once because we wanted to get a little further down the ZTA process and find out what the Board and Commission wanted to do before we contacted those companies.

Ms. Ragsdale said we are not suggesting that enforcement be proactive for this particular use or when there is a violation that is complaint driven; but we feel like, for the initial compliance efforts, that we should have a level of being proactive. We have already talked about the additional enforcement tools that come with the short-term rental registry. With the annual registration, we would have the “three strikes and you are out” tool; reporting on the number of days per month and then having the emergency contact information.

Ms. Ragsdale said included in the packet was the complaint data. We only have it since 2012, a five-year snapshot. She said we have had 18 since then with 12 of those this year and that might be because the word is getting out about the use itself. She pointed out that six of those were in townhouses; and four of the townhouse complaints were actually all within the same subdivision. She said that various developments are being proactive in letting us know when people are renting and their covenants do not allow it. Ms. Ragsdale noted she just wanted to recap that data for the Commission.

Staff proposed the next steps after the discussion and questions, if we are ready, would be the public hearing at the earliest opportunity with the Commission and then going on to the Board of Supervisors for a work session and public hearing based on the timing of getting the draft ordinance together, legal advertisements and other ZTA’s in the works. She said that would put us into spring.

Mr. Keller invited questions for staff.

Ms. Firehock asked if right now you are not allowed to have short-term whole house rentals, and Ms. Ragsdale replied that is correct.

Ms. Firehock said there are a number of houses that rent out short-term weekend rentals, a week at a time, here a month, there a month, and those are all not currently in compliance with our Code?

Ms. Ragsdale replied right, and then we have talked about the rural area example where you could have potentially the whole house rental; but, yes, that is the issue.

Mr. Blair said there could be a whole house rental in the rural area so long as one of the dwellings is occupied by an owner-manager on the same property.

Ms. Ragsdale said the house that no one lives there and then they are rented out periodically for tourist lodging

is not currently permitted. So you saw in the list of complaints that we have gotten that we have had some of those where we have contacted the property owner and then they have gotten the permit and had someone to live in the house.

Ms. Riley said she understands that when staff summarized the comments last time from the Planning Commission in both the rural and development areas it looks like we just all supported the change to whole house rentals. She wanted to be on record and clear that she was not in support of whole house rentals and was surprised to see that we supported that.

Ms. Firehock agreed with Ms. Riley and noted that the Commission did not go line by line and reach agreement on each point. However, the summary was just comments that the Commission made and there were some places that the summary said the Planning Commission all thought “such and such” and so that particular meeting summary was a little disappointing and we are not all in agreement on everything that is written there.

Mr. Dotson questioned the parking requirement particularly in the development area or in suburban areas outside the development area. He asked how the parking requirement would come into play.

Ms. Ragsdale replied that we have not proposed any changes to parking since it is one parking space per guest room plus two per dwelling. She said that is part of our review process and we verify that there is available parking on site.

Mr. Dotson said that within the development area he guessed that screens out the vast majority of possibilities. He asked are there situations where people could have three guestrooms and be able on site to provide three additional parking space, which seems unlikely.

Ms. Ragsdale said there are scenarios that could be possible. There has been one instance of that where we could not approve the application where they did not have the parking spaces; they only had one.

Mr. Dotson said on-street parking would not count towards meeting the parking requirement and Ms. Ragsdale agreed on-street parking does not count. (Note: at the following Planning Commission meeting staff clarified that, under some conditions, on-street parking could potentially satisfy the ordinance).

Ms. Spain said this seems to be getting into the weeds in even more detail than we have had. She asked if the owner is on the premises is the neighbor notice still required.

Ms. Ragsdale replied no, we are only proposing the neighborhood notice for whole house rental because in that case the owner or manager would not be there to speak.

Mr. Lafferty asked if staff has been coordinating this with the off-ground housing at UVA. He said they have an inspection type of things for major events and where they can rent houses or guide people to housing.

Ms. Ragsdale replied that she thinks that would be something we would do during our compliance efforts. However, we have not reached out to them yet.

Mr. Lafferty suggested reaching out to them before staff gets into the details might be worth it.

Mr. Keller said he had several clarifications. He said in a rural area it would not be considered a whole house rental if there is an apartment in the building where either the owner or manager resides.

Ms. Ragsdale replied that is correct.

Mr. Keller said that would be for the rural or the development area. He said in the rural area if there was an auxiliary and in a few places where we have carriage house units in the developed area if the owner was in the apartment does that mean that it would not be construed as a whole house rental.

Ms. Ragsdale said in the development area the owner must reside in the structure that is being rented. There is

not the on-premises allowances.

Mr. Keller noted that it would be in the rural areas.

Ms. Ragsdale said that was one of the distinctions that in the development areas there is the limitation that the guest rooms must be in the residence. She said you cannot use carriage houses or accessory structures in the development areas and the owner or manager must reside in the dwelling.

Mr. Keller said that a number of the Commissioners last time asked the question about rural subdivisions and villages because of the closeness of parcels. He asked are those being considered the same as the development area.

Ms. Ragsdale replied that you could only have up to five guestrooms in association with one single-family dwelling so the whole house provisions are the same in the development areas and the rural areas. Then if you wanted to have additional tourist lodging opportunities that is not allowed in the developed areas because you do not have the larger parcels with that.

Mr. Keller said but it would be allowed in the villages and rural subdivisions. He said that is what they were asking about before whether they could be treated the same as the growth area.

Ms. Ragsdale said that in those instances they are two-acre lots that are very similar to the development area provisions, which would not have second dwellings on them because they are only two-acre lots. She said they would have the accessory structure provision.

Mr. Keller noted he was not talking about whole house, rather he was talking about the homestay component of it and the issue of close by. He said that in many of the villages there are lots less than two acres.

Ms. Ragsdale said there are many less than two acres throughout the rural area.

Ms. Echols noted you would need to have a development right in order to have the second set of five rooms and in effect, they are the same. If you have a large lot subdivision in the rural area chances are, you do not have a second development right in order to put another dwelling plus five rooms on that parcel. The only distinction is that if you were in the rural area and had a two acre lot your guest rooms could potentially be in an accessory structure and do not all have to be inside.

Mr. Keller said he understands the point being made, but he thinks the feeling among the Commissioners was that the villages because of the closeness of units and rural subdivisions that might have 8 or 10 houses and the closeness of the units that they needed to be considered in the same light as the development areas.

Ms. Ragsdale said many of the villages are zoned Village Residential like North Garden and that residential zoning district would follow the accessory tourist lodging provisions.

Mr. Keller said that is where we were going with it and he just wanted that clarification. Then the final one that is something that is starting to happen in a number of areas and just recently it started happening in Charlottesville gets back to this parking issue. He asked staff to remind us what the rules are for how much of a front yard can be turned into parking or in other words, if a house in a subdivision has two parking places if there is a rule that says no more than a third of a front yard can be parking. He said for some small lots a third of that front yard would be parking instead of having parking down the side and then it begins to affect the visual character of the neighborhood.

Ms. Ragsdale replied there are no setbacks for the parking in the residential districts.

Mr. Keller asked could we have happen what he has seen in other areas that somebody could come in and put gravel down across the whole front yard, pay for a curb cut and the whole front yard become a parking lot so they can meet the number of parking spaces they need for the five units in the house.

Ms. Ragsdale replied we do not have a maximum limit on single-family in the ordinance now.

Ms. Echols said the answer is yes; it is not regulated.

Mr. Keller noted that public comment would be taken.

Ms. Firehock said there are four people signed up to speak. She asked the first person signed up, Neil Williamson, to come forward.

Neil Williamson, with the Free Enterprise Forum, said he appreciates the depth of this conversation thus far. He said he was very concerned with some of the challenges other localities are bringing forward about transient lodging and he anticipates once again, there will be an Airbnb bill or five in the General Assembly this year. That being said he appreciates conversations with staff regarding the potential limitation of ownership. He understands that is no longer a recommendation and was glad since he thinks that would be a gross violation of property rights. As an example, if he owned five parcels and rents to a full time renter and that renter sublets to an Airbnb there is no reason why they cannot do that unless I have a contractual relationship that says they cannot. He said the county should not get in between that relationship. He remains concerned about parking, especially in the development area; however, that may be a function of numbers. When you go through your exhaustive planning for the development area, you have planning for parking allowed. The number of cars involved may not be as great as you think. He believes you will see more cars parking on front lots during the UVA game rather than after the UVA game at Airbnbs. He anticipates that this will continue to be an area for refinement in state code even before you get to your ordinance and he wished them luck.

Bob Garland, Secretary of the Canterbury Hills Association, said he was here to speak on the proposed changes to the tourist lodging ordinances in the Development Area. He said he will not speak to the proposed changes in the Rural Area or those affecting multi-family dwellings since those are not applicable to our neighborhood. Canterbury Hills is an older single-family R-2 neighborhood just off Barracks Road in the urban ring. We bought our homes in a single-family residential neighborhood and do not wish to have any further expansion of business operations in our neighborhood beyond that which is currently allowed. We believe these changes have the potential to be detrimental to single-family residential neighborhoods such as ours, where no protective covenants exist and residents depend on the existing zoning ordinances of Albemarle County.

Mr. Garland said specifically, the Canterbury Hills Association is opposed to the expansion of the applicable ordinances to allow for periodic “whole house” rental with no owner present in residential zoned areas. Additionally, we support a requirement under the current owner that an owner must be present during the rental period rather than a tenant manager. Further, we would proposed some tightening of the current ordinance as follows:

- Change the wording of the “Tourist Lodging” definition under 3.1 from allowing “*not more than five (5) guest rooms*” to “*not more than five guest bedrooms less one*” to allow one bedroom for the owner.
- Change the wording under 5.1.48.a to “*Residency. The owner of the parcel shall reside on the parcel*”, and should be added “*and be present during the rental.*”
- Place a limit on the number of adults per rented room or number of bathrooms.
- Require periodic (e.g. annual) safety inspections, paid for by the owner, to make sure the property remains safe for guests after the initial inspection. He said everyone here should probably remember the Clifton Inn fire that took two lives – they were faulted for having a “no overnight staff on site, having mal-function smoke detectors, having second floor windows painted shut and having a mal-functioned fire alarm system.”

Mr. Garland said even though there is an off-street parking requirement we are not convinced that the county staff has considered that in some situations such as on the eight cul-de-sacs in our neighborhood the inevitable use of on-street parking by guest will crowd out permanent residents.

Mr. Garland said lastly, this is yet another example of the county relying on residents to spy on their neighbors and report violations because there is insufficient staff to monitor for violations. He said you have already heard that staff is aware of multiple violations of existing ordinances but has not taken any steps to notify

violators who are advertising tourist lodging on the internet that are not registered with the county. He urged you to vote against further expansion of these ordinances. Thank you. (Attachment – Planning Commission Presentation dated December 19, 2017 submitted by Bob Garland, Secretary of the Canterbury Hills Association)

Jim Donahue, President of the Canterbury Hills Association, said he was here to say he completely agreed with and supports our esteemed secretary Bob Garland in what he has just presented. We address the proposed ordinance that you are looking for at our annual meeting recently and it raised many concerns for virtually everybody in attendance. In the past few years, we have had several young families with children move into the Canterbury Hills residential subdivision and they are concerned as to the negative impacts due to non-family occupancies, turnover of residents, more traffic, and potential of more noise. Sometimes we liken the potential of these families that would come in on a temporary occupancy as to being next door to a fraternity where parties could occur, loud noise would occur and it would be very detrimental to our neighborhood.

Mr. Donahue said therefore as Bob has pointed out the Canterbury Hills Association is opposed to the expansion of the applicable ordinances to allow for periodic whole house rentals with no owner present in the residential zoned areas. He said regardless of the approval of this ordinance we would like to have a provision for an annual inspection of the homes for safety needs and every two years that the owner applies for a license renewal. Thank you.

Susan Smith thanked the Commission for their work and for the opportunity to create input. She said regulations are always going to mean that some people have to sacrifice for the greater good. She understands and would like to discuss that balance in regards to the proposed regulation changes to see the negatives are truly necessary to achieving the desired outcome. One of the intensions of this review process was to broaden opportunities to allow for whole house rentals. Without a host present the need for nearby management is clear but she questions what protection is added by requiring that the rented structure be someone's residence who would then have to leave the structure every time a guest came and move back in and back out. She said if residency continues to be enforced this impracticality would disqualify most current hosts leaving to a significant loss of family friendly rentals, which is bound to cause a decline in tourist related businesses. The vast majority of short-term rentals were started because someone had an unoccupied structure due to either a death in the family, a marriage or divorce, transfer or possibly, they have a dependency with a carriage house or a cottage that might be fixed up. Putting these buildings to good use by allowing visitors to stay in them saved them from being dormant and created some unique and personable spaces. This benefits both the owner and the surrounding community. She pointed out she was really speaking more here on rural areas than dense housing.

Ms. Smith said that houses that are feasible to rent long term generally are because it is less work and more money. However, not all buildings are appropriate for long-term rental. She said buildings that she is referring to started as vacant and therefore by definition they are no one's house. She said people who have space in their own house or on their own lot can benefit from a little extra income, but anyone who took the initiative to breathe new life into vacant property intending for it to be self-supporting both to whose income is most vital would be denied the ability to recover their costs. The residency requirements results in a serious hardship for those who are excluded and discourages the rehab of existing vacate structures. If the intention of requiring residency is no longer for the purposes of monitoring visitors as in whole house but to primarily, minimize the number. Limiting the number of licenses for each house, one house, one building accomplish the same thing of limiting vacation rentals without inflicting the losses on individuals on tourists to appreciate whole house rentals and on the tourism that relies on them. Thank you.

Travis Petriela, with the Southern Environmental Law Center, thanked the Commission for the chance to comment tonight. As of the last work session, he wanted to start as recognizing the challenges involved with this issue. We understand homeowners wanting to be able to rent their homes to earn a little extra income or help defray housing costs and expanding the homestay allowances could help with that. He said our concern is that if the ordinance is not carefully done it could undermine other key goals of the Comprehensive Plan. In particular, it is critical that the effect of the ZTA is not make the home stay business so lucrative that it encourages the construction of new houses in the rural area that otherwise would not be built. If this were to happen, it would be directly contrary to the County's growth management policy.

Mr. Petriela said for today's work session, staff has proposed changes that could help discourage that concern such as limiting whole house rentals to 45 days per year and requiring monthly reporting and limiting each homeowner to one home stay use in the county. These limits only work if they are enforceable and the first step is making sure that each of these requirements is clearly spelled out in the ordinance. Mr. Petriela said perhaps the most important requirement to flush out in the ordinance is one that staff says is already in place today for tourist lodging and B&B's for that sort of requirement that the homeowner or the tenant must have must have their primary residence on the property and must reside there at least one-half the year. Making that crystal clear in the ordinance, which is not the case today, to greatly diminish the incentive to build new houses in the rural area for the main purpose of renting them out, particularly about folks living out of town or out of state. He said that being said given the difficulties in enforcing these limits we still think it is worth considering limiting whole house rentals in the rural areas to parcels with existing homes or at least having a waiting period before a new house built on an undeveloped parcel would be eligible for a whole house rental, for example, one or two years after a certificate of occupancy is issued. He said that waiting period would reduce the financial incentive to build new houses mainly to serve as rental properties.

Mr. Petriela said although staff has noted that not many new structures have been built for B&B uses in the rural area following the recent relaxation of the B&B standards whole house rentals that do not require an owner or caretaker on site are a very different animal. He said that past experience may not be a good predictor of the effects this change may have going forward. In short, developing safeguards that will allow whole house rentals to occur without generating pressure for new residential development in the rural areas is crucial to this effort. Those safeguards need to be included in the ordinance, clearly spelled out and they need to be enforceable. Thank you.

There being no further public comment, Mr. Keller noted the matter was before the Commission for further discussion. He invited further discussion.

Ms. Riley said she had really been doing a lot of research on this. She thinks it is a very complex issue and primary concerns are the public nuisances that could occur with a lot more of this and the removal of rental units from long term. She said it would create more shortage of housing and create not just an availability problem but an affordability problem as well. She said if you really look at what has happened in many places in the county it is hard to interpret since there is not very clear data that shows there is a direct correlation between short-term rentals increasing and affordability. However, she thinks there is a pretty good sense in many jurisdictions that it is absolutely exacerbating the problem and that is why you have a lot of jurisdictions that are trying to go back and create policies that are more restrictive now.

Ms. Riley said having said all of that; she thinks it is important that we do allow owners to rent their primary residences in order to earn income. She said they have to balance property rights as well as protect the residences, families and the neighborhoods from nuisance. She thinks parking, particularly in the development area, is a big concern. She thinks noise and parties in this event college town; it is a tourist designation and is a real concern. She said they need to preserve long-term rentals. When she tries to look at where the balance would be she thinks we have to restrict rentals to owner occupied, as they have done in Cambridge and a few other places.

Ms. Riley said hopefully our new UVA President from Boston will bring some experience on the issue and will be working with us on that where we look at a way to provide incentives for owner occupied rentals. These are both college event heavy areas and tourist destinations. In Madison, Wisconsin one of the things that they have done is they are essentially trying to incentivize owner occupied and so if you had an owner occupied unit you would not have a limited number of days that you could rent it out. If you did not have owner occupied they allowed full house and you would limit that to 30 days of the year so that incentivizes owner occupied. Ms. Riley said those are two approaches that potentially are worth discussing.

Ms. Spain said she had a follow up question for Ms. Riley about when she says it is an incentive to owner occupancy does that mean by using short term rentals the housing was more affordable for the owner.

Ms. Riley said it was an incentive to be able to rent it more often because it is owner occupied; however, if the owner does not stay there, it is limited to 30 days of the year.

Ms. Spain said it would be for neighborhood stability.

Ms. Riley said that personally she thinks we should be encouraging owner or manager occupied short-term rentals. She said we could accomplish the goals of allowing income to property owners while minimizing nuisances and potentially minimizing the number of short-term rentals that are removed from market because these are already owner occupied units.

Ms. Echols noted that she had a question since right now that is allowed since you have unlimited ability to rent up to five rooms if there is a resident manager or the owner is present. She said that already exists.

Ms. Riley added in single-family detached homes, and Ms. Echols agreed, but she is missing something.

Ms. Riley said she was saying she did not want us to take away the owner occupied and she did not want to do whole house because it was not a good idea.

Ms. Firehock said last time the Planning Commission did a work session she expressed a comment that she is not that concerned with whole house rental in the rural area because the house had to be on their property. Since she had seen a number of examples in the rural area, where the owner was located within a quarter of a mile or a short walk from the property and managed it quite well. She asked that the Commission consider our last public commentator's note about not creating an incentive to go building more houses in the rural area solely for the purposes of renting them out. She said for example if she has some vacant land, no one is living on it and she is going to build five structures on there. She asked if there some way to say you can have whole rental but you could not build new structures specifically for that purpose or in other words, you could only do it to existing structures.

Ms. Ragsdale replied that there are two things she is mentioned: one is the limit to existing structures but then, in addition, she is bringing up the concept of the primary use of a structure being just for rental. That is what we were saying was problematic because this use is in conjunction with a single-family dwelling or properties where people reside, it is structured as an accessory use and it becomes a primary use. However, she thinks we are able to limit it to existing structures if we wanted to since we did it for special events in the rural areas. Ms. Ragsdale said she could not think of any other examples off the top of my head. She said that sounds like two separate things.

Ms. Firehock said she had seen in other nearby counties where somebody builds a whole bunch of tiny little shack-like houses all close together, which is like running a little lodge. Therefore, she does not want to do something that facilitates more building structures with more mini lodges all over the place. However, again, she does not share the same concern about someone renting a whole house structure on a property on which they do not reside. In the rural area, we have a hilly country in Albemarle County, so even on some smaller lots, people are able to tuck houses away and you do not notice them. Therefore, that is something that she is less worried about in the rural area and she would just note that for the record.

Ms. Firehock said Travis was making the point that if we allow this people will go out and build a whole bunch of units on properties in the rural area and that they are only building for turning into little lodging. She said she was not against whole house renting in the rural area and she was trying to figure out some way to allow that without it being a facilitator. She noted especially out in the west, for example, she sees many places where there are acres and acres of little houses everywhere just for tourist lodging.

Mr. Blair said we are trying to work it through a couple of points initially. He guessed one way you could approach that is to simply extinguish the use in the rural area and what you would in effect do is create everything that already existed would be a non-conforming use. He said that is one way you could look at your question and you would freeze everything as it is. He believed that Travis mentioned the idea and it might be a little more feasible was the idea that any new homestay use in the rural area, using our proposed definition, it might be a one or two 2-year waiting period after construction of the structure before it could become a homestay use. He thinks that is another way you could look at that as a way to regulate because again to let a structure sit vacant for one of two years. He was not sure there really would be an economic incentive. At that

point theoretically there could be.

Mr. Blair said a further point to this vested rights come to mind, but vested rights require some sort of pursuit of the right itself. So let's say, for instance, your idea of simply freezing this use as it is, but if somebody had purchased land and in some way was going through the development process to build a structure for B&B use, then at that point he thinks they would have to be allowed to build because they would have a vested right and also you start to tip toe into takings. At that point, if he had a business expectation, the zoning at the time exists to allow the home-stay use, he submits a site plan or start to go through the process at that point those folks if they exist probably would need to be allowed to complete the structure to avoid both the constitutional question and the vested rights question.

Ms. Firehock said she would make one last comment. Ms. Firehock said she was more of the mind of "where is the fire" in terms of the rural area and the whole house rental since she had not been convinced that the problem exists. She said in the urban area absolutely because of the fact that we have UVA and many events that go on such as the film festival and so she does not want to add to the destruction and disturbance to urban ring neighborhoods. However, for the rural area we might be overreaching which was where she stands.

Ms. Echols asked for clarification. She thinks what you are saying about existing houses has to do with the fact that anything other than another house being built is what is concerning you. Right now, we allow people to build accessory structures and it is those accessory structures that are giving you the most concern; but that a second house would not give you as much concern because it is not creating something for the long term that is like a little cabin.

Ms. Firehock replied right, and it only has one use with a one-room structure with one bed. It kind of can only be that. However, if you have a house it could transition into something else in the future to a regular family residence.

Ms. Echols said what you would be saying is you would like the Commission to consider recommending an amendment to the existing regulations that would take that ability to have those away right now. She was not saying it was good or bad, but you are looking to amend the current ordinance that would be something you would like to see happen to remove that rather than do anything else related to restricting whole house rentals to just owner occupied.

Ms. Firehock replied that was correct.

Mr. Keller asked for a restatement.

Ms. Echols said that right now you could have, in the bottom example, two houses and five little one-room cabins that cannot stand alone as a residence.

Mr. Keller noted the cabin by definition would not have a kitchen.

Ms. Echols said it was the combination of cooking, bedroom, toilet and cooking facilities.

Ms. Ragdale noted that Mr. Keller was correct.

Ms. Echols said right now you could have five little cabins and that is of concern under the existing regulations to Commissioner Firehock and so what she is saying is she has more concern about that and would like to see that go away rather than have the current restriction of whole house rentals for only resident managers and owners of property.

Ms. Spain said that staff and Commissioners are putting a great deal of thought into this trying to anticipate consequences and hearing from the public and such. However, she is extremely frustrated that at present there is no one dedicated to bringing places into compliance. She said Ms. Ragdale mentioned a number of strategies that the staff will try, but both the compliance issue and the enforcement issue are key to anything else that we do or say here and if they cannot be brought into compliance and if the rules are not enforced, then there is very

little purpose in them. She asked is it possible to have at least as a start up some staff member once this goes to the Board and such some staff member go through all the internet listings and go through everything that is already there and contact people individually to get them to be in compliance. Then they could have someone once a month to check somehow or maybe once a year. She said it was a lot to ask, but asked how else is it going to work.

Ms. Ragsdale replied that we do not go to that degree for any other land uses. We have a lot of supplemental regulations and specific requirements for all of our land uses. Therefore, we would have to go to the Board since there are a range of possibilities and we do want to be proactive initially. She said we have brought up the idea of contacting people, but we have not recommended that ongoing and would have to figure out what the budget impact would be and the staffing resources to do that, and then there would have to be Board support to do that. She said we want to provide more information on that and have more definitive numbers and costs associated with that once we have heard. It is a big policy issue for us – do you want to go to that extent with enforcement and monitoring for this particular land use and do you think it is necessary because we have historically been complaint based. She said it needs to be put together and quantified in a way, which is what our Director does in the discussions he has with the Board as part of the work program. Therefore, that is not too far away as we take it through this process – it definitely will be a component of the public hearings in what it would take. However, it would depend on the degree of monitoring that we believe in going forward is necessary.

Ms. Spain said in relationship to the other types of violations. She said she would like to know if this is a high enough priority for the Board to get it off the ground in a way that makes it clear that the county is taking this seriously for the safety of the occupants, fairness to the hotel industry and tax revenues that would come in. She did not know how many types of zoning issues are complaint driven and come to you, but she would like to see this prioritized in some way if it qualifies for that.

Ms. Ragsdale pointed out we are proactive with sign enforcement right now, which was a topic of discussion with the Board. Some other departments are making proactive efforts and as a result, we sometimes see an increase in applications, such as home occupations are on the rise – less of a safety concern but still a land use activity because of the work that the Finance Department has done. We can certainly continue this discussion and try to quantify what it would take, but it would take us making that a priority.

Ms. Echols noted that we also know that there are companies that specialize in finding out who was doing this so we are looking into what those costs would be. She said we have to report a budget impact to the Board of Supervisors when we take it to them. She said it is how much it is going to cost and it depends on what level of enforcement that they want to do. She asked if she was hearing you say that if we are going to open up the regulations to allow whole house rentals you believe that a greater level in enforcement is needed. She asked is that the connection you are making.

Ms. Spain replied that was correct.

Ms. Firehock said on that topic if she understood the presentation correctly, you were saying it was sort of a three strikes you are out type of approach. She asked if that was what she was suggesting.

Ms. Ragsdale replied yes, that is one of the approaches and suggestions.

Ms. Firehock said it is difficult, as an example of a place where one neighbor does not like another and complaints.

Mr. Dotson said he had some attitude things to say and specific things. He said staff mentioned the importance of balancing the rights of the property owners and the neighbors. He said my attitude in this case was to say he was concerned about allowing a few people to do things that could be at the expense of the majority so he is giving greater weight to the neighborhood as we try to balance that. He did not think it was equal since the neighbors were there first and came in with certain expectation for the enjoyment of their property and so forth. He said my concern is that we not look for equal balance but we make sure that we protect the majority of the neighbors. So that leads me to say what he would look for is we should do the least damage or minimize the risk

to the neighbors. The question is what are the smallest steps or the minimum number of steps that we could take that would have some benefit but would try to control the risks to the greatest degree possible. That would be an attitude that he would bring to this. In terms of some specific issues, he thinks parking has come up as maybe an unexamined issue thus far so he would hope that some explication of the parking requirements and possibilities could be part of the next round of analysis. Again, another specific is notifying the neighbors of who they can contact he can just see this scenario unfolding – the property owner gave the neighbor the number, the neighbor uses it and calls and they are angry and what we end up with is a neighborhood feud. He said these things could go on for a long time and be quite disruptive and problematic. He said he still did not understand exactly how the limiting the number of days would work. He asked staff to give a quick and simple explanation of that.

Ms. Ragsdale explained they were talking about whole house rental in both the development area and rural area with having the limitation of 7 per month and 45 per year, keeping track of it and reporting those number of days as often as monthly. Since the transient occupancy tax is due monthly and reporting it to Community Development the number of days that you are renting it at the same time you take care of your taxes is what we had suggested.

Mr. Dotson noted previously Commissioner Keller mentioned the rental on football weeks as one scenario and he would like to see some more scenarios of how realistically that might play out. He said one fear would be there would be places that are not family homes, which would somehow be able to game the system even with that limit. He asked what would happen outside the 45 days with such houses the rest of the time and he would suggest this be thought about. He said most of the presentation has been development area and rural, and he thinks there should be a third category called outside the development area, suburban or village. He said it may be as simple as saying that is no different from development area, but at least it would have focused the attention on those kind of situations. Having had a lot of questions, he would just say why are we doing this. He said the staff report says to allow more opportunities. He asked is that a direction from the Board of Supervisors that they are looking to allow more opportunities; is it pressure from people who are currently having these kinds of operations and they are afraid that they maybe can't continue them and we are trying to bring them into legality. He asked if they were trying to keep up with the times because this is something new and unfamiliar so it makes us nervous but it will be okay. He asked if that is what it is about. He asked if the motive was the cat is out of the bag and now we have to cope with it, which then brings up enforcement issues. With my concerns and with my desire to favor the existing neighbors over the one owner who wants to do something that could be a problem, I say do the least damage. Therefore, he would like to filter all of the proposals with that criterion in mind. At this point, it seems like what we have is a well-massaged laundry list of possibilities – what is the minimum or least we can do and what is the consequence of that.

Mr. Lafferty said if this is going to be implemented, you should factor in adequate notice to the public and that includes going through the internet and seeing who is now doing it and notifying them so the public is well aware that we are changing the rules. He said that ought to be factored in as a budget item.

Ms. Ragsdale asked what it is he wants to get publicized. She said the public has a sense that the zoning regulations are new and that maybe we do not allow this use or that sort of thing, so part of this effort has been to just clarify yes, we allow it, this is our process, but that is what we would continue to do. She said that was the idea with publicizing and the workshop for the applicants. There was a suggestion that we should be doing more of that now than we are.

Mr. Keller asked staff when they see this coming as a final piece that would then have a public hearing. He said we should really have another session like this and the Supervisors should have another work session before a public hearing. He said there are a lot of things to think about.

Ms. Echols said we could not hold a public hearing until we know what it is we want. She said it may be you do not want to change anything; it may be that you want to recommend changes only in the rural area; but she thinks it would be good for us to know whether or not there is sentiment to recommend making any changes at all to the recommendations to open up more opportunities. She noted she had heard from some that you don't believe that opening up more opportunities is appropriate. She said staff would be interested in knowing whether or not there are any different opinions for whether opportunities should be opened in the rural area

versus the development areas. That would give us a lot of guidance into what do we do next in terms of bringing something for a public hearing.

Ms. Firehock noted that one of the difficulties in reading these different components of what we are going to propose for the rural and urban area is that it is not to me clear in a way that this problem is occurring and therefore this is the zoning fix that we recommend that will directly fix that problem. She said we heard the cat out of the bag idea and she already said that apparently there are lots of violations going on. If she knows this is the problem, then she can evaluate that yes that is the solution to that problem or that would actually fix that. However, it is kind of a mishmash at this time. She suggested that it be framed like problem and solution because we don't need to create regulations just to create regulations and sometimes we should have less. She said that would help me evaluate this better.

Mr. Blair said with all due regard to the Commission he thinks one of your comments, Commissioner Keller, is appropriate because he thinks that Board of Supervisors input is also needed at this point. He believed this did initiate with the Board and while he can respect that the Commission after studying this issue may say we don't need any changes at all, he does think the Board of Supervisors also should have a chance during these work sessions to weigh in. He said the Board can look at your work that you have done so far, but they can get a flavor of that but if there are other opinions it is good that you would know that as well. He said for instance if the Commission simply said we just recommend that we make no changes at all.

Ms. Riley said she thinks a more iterative process here would be helpful, however, she thinks she has heard that there is this potential for more revenue and that is one of the aspects that the Supervisors have been interested in. But, she thinks that some of the Commissioners are saying is but with this if we expand these opportunities and revenues, there should be expenses for compliance for staffing that we really are not comfortable with expanding the opportunities and the potential risks without some really strong compliance approach. She said there would be costs associated with that and she knows many of them have read the articles about whether you can purchase software or companies to do that and whether that is as effective as just having your own staff. However, we would hope that there would be some costs with the compliance. Ms. Riley said she asked at the last session you do your first time unit inspection and is there ever another inspection in terms of health and safety; and she thinks the response was at this time "no". She suggested that they need to periodically, whether it is every five years or whatever, but we need to be inspecting these units and then there will be complaints. Ms. Riley said the Commission would like to see a more proactive compliance approach.

Ms. Ragsdale pointed out that some of the things she brought up would involve other departments and we are all on the same page as far as regrouping and checking in with the Board to look at the process and next steps. She said there were two questions to clarify two things that keep coming up – parking and this idea of the suburban village lots. She said we have a parking standard for this use of the minimum number of spaces we review for that during the application process. There are a lot of townhouse developments and places where we would never approve it because there is not enough parking. However, she also heard the concern on single-family lots people would be paving their front yard just to do tourist lodging. So when you said we need to analyze parking a little more or that parking was something we had not vetted or gotten into, she just wants to know what the Commissioners need from us as far as parking. She asked does that cover the two concerns the Commission had.

Mr. Dotson replied that it covered the two that he had; however, what he would be looking for are what are our existing parking regulations and how would that combined with possibly creating new opportunities for homestays what would the consequences of that be. He said we heard an example where maybe all or a significant portion of the front yard could be devoted to parking and could that be done. He asked do we have to look at the parking regulations that we have now since maybe they are not adequate given home stays and possibly changing the. Therefore, it is kind of looking at the consequences of what we have, finding a problem as Commissioner Firehock said, and proposing a solution.

Mr. Keller said in that particular case as we are going through these zoning text amendments and we certainly have many examples given the urban design work that was done which was talking about side yards and the side entry into garage, etc. He said there might be some other changes that have to occur in tandem with these to protect the neighborhoods. He said it is parking, but it might be more than that.

Ms. Ragsdale said we talked about that the Village Residential zoning would fall into the more limited category of this use accessory tourist lodging and she was looking at the zoning map while discussing that so places like around Stony Point and that sort of thing. However, there is a range of lot size in residential subdivisions out there and we might have things platted before we had zoning and they are one-acre lots or we might have a 2-acre lot rural subdivision. She asked are you looking at something along the lines of a lot size and is it one acre or two acres when you brought up this discussion of the villages and the suburban rural places.

Ms. Firehock suggested they need to look at lot sizes in villages but also in the rural area. She pointed out she lived in Howardsville and zoned rural areas and there are a lot of small lots in close proximity that predates zoning. So there are places like that in the county, which is what we are getting at, is that the character of that area is more like an urban area in some respects.

Ms. Ragsdale said they are just talking about minimum lot sizes with this sort of concern that keeps coming up.

Ms. Echols asked is the concern right now on a smaller rural area lot that someone would want to have up to 10 guest rooms.

Mr. Dotson said it is not that specific in my case, it is simply that houses that “walk, talk or look” like suburban developments though they might be zoned rural areas, have occupants that have expectations that are not farming or rural area expectations, they are suburban and residential expectations.. He suggested the first step would be to look at the zoning map and where we have suburban development, such as Owensville Road, and the developments off that and what is the zoning situation and how would that be treated.

Ms. Echols asked is it about the existing regulations that allow an accessory building to be used or is it about having whole house rentals in those situations.

Mr. Dotson replied that probably it is both, but narrowly, if what we are doing is creating more opportunities, what would be the consequences of those opportunities in that kind of rural suburban setting.

Ms. Echols said if you have anything less than 4 acres your only opportunity right now is one home stay.

Mr. Dotson said maybe the answer is simply to clarify the situation now or maybe it is not an issue. He said it is a filter that he thinks needs to be put on the question.

Ms. Echols replied that staff can do that and it is helpful.

Mr. Keller asked for the slide show be sent to the Commission so they can review the examples.

Ms. Echols asked if there was some consensus around some little issues or those that they had not spent a whole lot of time. She asked if there is a sentiment for opening up opportunities for townhouses and attached housing in the development areas for home stays. She clarified it would be for someone renting rooms in a townhouse for home stay while they are there. She asked if there was any sentiment for allowing that.

Ms. Riley replied that in the Scottsville District the only POA contacts she had are townhomes and they really oppose this particularly because of the parking issue and the adjacency being so close that they feel that if there is any kind of nuisance that they are going to be more likely to be affected by it. Ms. Riley said she has a concern about it.

Ms. Spain said she would be against it because of the parking issues.

Ms. Echols asked if there anyone who would want us to renting rooms in townhomes.

Mr. Dotson asked if there were townhome situations where staff could imagine that parking would not be a problem or prohibit the use.

Ms. Spain asked what has the city done about this and she would like to second Commissioner Keller's suggestion that we look very carefully at their criteria and try to match it because there is very little difference between our development areas and the city density and such. There might be a big difference in housing type; there are going to be more single-family attached in the county. She asked does the city allow townhome home stays. She suggested they check the website for the city.

Ms. Echols noted that staff could provide that information to the Commission on what the city allows right now and what the county allows.

Ms. Ragsdale noted that staff provided that information before and she had talked to the city before this work session and they are not monitoring it – it has to be somebody's house 185 days per year. She said the city is not monitoring how much rental is happening. So in some ways the city is more relaxed from the climate she is feeling here. However, staff can provide that information.

Mr. Keller said he thought a parallel effort would be worth the consideration. He agreed if they had the policy as staff proposed that there would be ways to be able to look at the number of nights.

Ms. Riley pointed out she had called housing staff in the city and wanted to know if has there been any analysis of the impacts of their home stay regulations on availability, affordability or other issues. She asked has there been any analysis from the city because in addition to looking at what their current regulations are she asked are they monitoring or evaluating them.

Ms. Echols said she thinks staff should probably regroup before we come back to the Commission with anything more.

Ms. Spain asked if she got the answer regarding support for townhomes.

Ms. Echols replied the answer she thought she got here was you were not ready because you wanted to get more information about what the city does and also know whether we could identify any townhouses where parking is not an issue. She said that was my take away from it and staff will do this.

Mr. Dotson said his view was "no, unless"-unless it could be shown not to create problems for neighbors

Ms. Echols replied that staff would work on this.

Mr. Keller noted this is the end of this work session.

Approved by Planning Commission
Date: 4-10-2018
Initials: sct