

Residential Transient Occupancy

(aka Accessory Tourist Lodging/Bed and Breakfasts/ "AirBnB"/Homestay/Short term rentals)

Work Session
Board of Supervisors
May 3, 2017



Background & Policy

BOARD DIRECTION:

- Modify tax code and/or County's Zoning Ordinance, as necessary, to make sure all residential transient lodging is a taxable activity

COMPREHENSIVE PLAN:

Strategy 5e: Study the nature and extent to which transient lodging is currently taking place and consider whether policy or regulatory changes should occur to accommodate this use. If such changes are determined to not be needed or appropriate, develop and implement a plan to bring errant operators of transient lodging into conformity with the County's regulations in a timely fashion.

STRATEGIC PLAN:

- Thriving Development Areas
- Rural Areas
- Economic Prosperity

Four Decisions for Today

- **Modify BPOL and Transient Occupancy Tax requirements in the County Code?**
- **Set up the Short Term Rental Registry (per SB1278)?**
- **Consider modifying current residential transient occupancy regulations in the Zoning Ordinance?**
- **If yes, how to proceed and timeline considerations?**

Tax Code Amendments

1. Amend County Code § 8-616 (“BPOL”) requirements

- Add short-term rentals to the class of businesses that include hotels and other similar transient lodging

2. Amend County Code §15-900 Transient Occupancy Tax

- Include all applicable types of lodging (AirBnBs, etc.) in the same category as hotels, motels, boarding houses, or travel campgrounds

Senate Bill 1278-Creation of a Registry for Short-term Rental of Property

Virginia Code § 4.1-100, § 15.2-983 effective July 1, 2018

- Localities may establish registry – can be an annual registry
- Registry has no relationship to local zoning authority
- Administrative in nature
- Locality can require name and address of each short-term rental operator
- Locality may charge a reasonable fee related to actual costs of establishing and maintaining registry
- As part of the ordinance to establish the registry, a locality may prohibit an operator from future rentals if there are multiple violations on more than 3 occasions
- Ordinance may include a penalty not to exceed \$500 per violation for an operator who doesn't register. Unless and until the operator pays the penalty and registers, they may not continue rental

Zoning Regulations

What you can do

- Rent up to 5 rooms inside a SFD structure
- In RA, guest rooms may be in accessory structures
- In RA – can have a 2nd unit for rentals on the parcel (if dev. rights exist)

What you can't do

- Rent out whole house
- Rent out a townhouse or apartment unit
- Rent a detached structure in the DA
- Have weddings or other special events w/o SP in RA
- Rent rooms without a resident manager

Zoning Regulations

In RA and DA:

- Resident owner or manager
- 2 parking spaces/house + 1/ guest room
- Zoning Clearance \$108 fee
- Building Inspection (Electrical Permit if smoke detectors need to be brought up to code)
- Other Agency Reviews:
 - Fire Marshal (\$50 fee)
 - Health Department (\$40 fee + application)
 - Finance

What we know about current compliance with Zoning

Of 120 residential transient lodging facilities found on-line in Albemarle County:

- 27% in the Development Areas and 73% in the Rural Areas
- Approximately 2/3 either meet or may be able to meet current regulations
- About 1/3 do not meet or could not meet current regulations

What to Do about the 1/3?

- **Nothing:** Current Regulations are fine
- **Consider Changes:**
 - Allow periodic whole house rentals (with limitations)
 - Allow rentals in townhouses, apartments, and condos
- **Staff does not recommend:**
 - Renting accessory units (in the Development Areas)
 - Hosting of special events w/o SP
 - Exceeding the number of guest rooms allowed



Staff Recommends

- If BOS wants to consider modifying zoning regulations, advise staff and adopt Resolution of Intent
- Advise staff on process – next step work session with Planning Commission?

Board Actions

Business License and Tax Code

If the Board wishes to pursue changes to County Code §§ 8-616(C) and 15-900 et seq. to impose short-term rental license and taxation requirements, staff will schedule for further consideration at a meeting in June with possible action at that time to schedule a Public Hearing for July or other subsequent regular meeting.

Zoning Ordinance

If the Board wishes to pursue a Zoning Text Amendment to amend the County's Residential Transient Lodging regulations at this time, staff recommends that the Board adopt the attached Resolution of Intent (Attachment D).