



Colonial Heights City Council Meeting Agenda Item Executive Summary

City Council Meeting

MEETING TYPE: City Council Worksession

MEETING DATE: June 20, 2023

ITEM: Short-Term Rental Ordinance Presentation and Discussion

DEPARTMENT: Planning & Community Development

PROPOSED ACTION: Provide Recommendation on Ordinance Development

BACKGROUND:

As previously discussed, recent bills introduced to the state legislature, [HB1362](#) and [HB2271](#), both presented legislation that would restrict the City's ability to regulate Short Term Rental uses (STR) that are "managed" by a licensed VA realtor since the City does not currently have specific ordinance provisions regulating the use. The primary objective of this task is to have an ordinance adopted by City Council to regulate Short Term Rental uses before the end of the year.

At the May 2, 2023 meeting, Planning Commission discussed Staff's research and findings for short term rental ordinances ("STR ordinance"). After a deliberate discussion, the Planning Commission recommended Staff prepare an ordinance regulating the operation of Short Term Rentals for the City. The Planning Commission provided staff the following recommendations for drafting an ordinance:

- The STR ordinance should define a "resident hosted STR" use, which is an STR use operated by an on-site resident.
- The STR ordinance should define a "non-hosted STR" use, which is an STR operated by an off-site owner.
- The STR ordinance should establish a legislative approval process for "non-hosted STR" uses via a Special Exception Permit (SEP).
- The STR ordinance should establish parking standards for STR uses.
- The STR ordinance should limit the number of STR uses within a specific residential neighborhood.
- The STR ordinance should establish an inspection process prior to the operation of an STR.
- The STR ordinance should limit the number of guests allowed in the unit.
- The STR ordinance should regulate the number of guest pets allowed in an STR.
- Signs for STR uses should be prohibited in residential neighborhoods.
- STR uses should be limited near schools.

In addition to Planning Commission's recommendation, Staff recommends the following provisions be included in the ordinance:

- Written permission from property owner for property to operate as a Short-term Rental
- Zoning approval prior to operation of the STR;

- Tax collection for the use (required by the State); and
- Penalties for non-compliance with City Code.

To draft ordinance provisions to regulate Short Term Rental uses, Staff is seeking City Council's concurrence of the recommendations provided by the Planning Commission and Staff. Staff is also seeking direction on key decision points that are under Council's purview. The short list of remaining issues are as follows:

- Should the STR ordinance establish an administrative approval process for "hosted STR" uses?
 - Planning Commission was split on this recommendation (3-3).
- Should an accessory structure be allowed to operate as an STR?
- Does City Council want an annual registration process and fee for STRs?
- Does City Council want penalties in place for non-compliance with the STR ordinance?
- How does City Council want to address STR uses operating at this time?

BUDGET/FINANCIAL IMPACT:

Funding for this item was: included not included in the current-year budget N/A

RECOMMENDATION:

Staff recommends City Council provide direction regarding (i) Planning Commission recommendations, (ii) staff recommendations, and (iii) key topics under Council's purview so that Staff may develop a DRAFT ordinance for the regulation of Short Term Rental uses to be brought forward to Council for consideration at a future Council meeting.

ATTACHMENTS:

- Short-Term Rental Presentation
- May 2, 2023, Planning Commission Summary
- PC Staff Report May 2, 2023
- Guide for Regulating Short Term Rentals from OpenGOV

- Staff will be making a detailed presentation on this agenda item at the meeting.
 Staff will provide brief comments and answer questions on this item at the meeting.
 This is a routine procedural item and no presentation is planned for the meeting.

Councilmembers who have any detailed questions or would like to request additional information regarding this item are encouraged to contact the City Manager at their earliest convenience.