

Short Term Rentals

Zoning Ordinance and Title 4 Amendments



Two Options to Consider (Option 1 or Option 2) Multiple Zoning Ordinance Amendments

- Definitions.
- Establish a new by-right use and/or a new SUP.
- New Minimum off-street parking requirement.
- Amendments to Penalties Section.
- New Article DD, which would consist of:
 - Registration.
 - General regulations.

Title 4 Finance, Taxation, Procurement

Planning Commission discussed STRs at their **March, April, May, July, and August 2018** meetings, and ultimately recommended:

- To allow the short term rental of dwelling units only by approval of a SUP.

City Council discussed STRs at their **September 2018** meeting and tabled the proposed STR regulations requesting additional information. One member requested to look into options for a by right use.

Staff returned to City Council in **November 2018** to provide an update and to seek additional guidance.

Option 1	Option 2
Short Term Rental by SUP	Short Term Rental by SUP & Homestay by right

Bed and Breakfast Facility

~~Bed and breakfast facilities in which (a) food service shall be limited to breakfast and light fare for room guests only and (b) having space available on premises for one parking space for each guest room.~~

Short Term Rental

The provision of a dwelling unit, a bedroom or accommodation space within the dwelling unit, or any accessory building that is suitable or intended for transient occupancy for dwelling, sleeping, or lodging purposes and is offered in exchange for a charge for the occupancy.

Homestay

In a single-family detached, duplex, or townhouse dwelling unit, the provision of a bedroom or accommodation space within the principal building that is suitable or intended for transient occupancy for dwelling, sleeping, or lodging purposes and is offered in exchange for a charge for the occupancy, and where the operator is present during the lodging period.

Regardless of the option that is chosen, the use(s) would be further regulated by the proposed new Article DD.

	Option 1	Option 2
What are the allowed uses?	STRs allowed only by SUP.	Homestays = allowed by right STR = allowed only by SUP.
Zoning Districts Permitted?	R-1, R-2, R-3s, R-4, R-5, R-6, R-7, MX-U, B-1, and U-R.	Same as Option 1 (except old R-3).
Cost of Permit/Registration?	SUP = \$425 + 30/acre (1 time) Registration = \$50/year.	Homestays = \$50/year reg. STRs = SUP Fee and \$50/year reg.
Business License Required?	Annual business license required. Valid January 1 st – December 31 st . Due March 1 st .	Same as Option 1.
City lodging and meals taxes?	7% for lodging, 7% for any prepared food or beverages.	Same as Option 1.
What type of dwelling units?	All dwelling units. Note that multi-family/apartments likely require physical renovations.	Same as Option 1, except Homestays are not permitted in multi-family/apartment units.
Are there additional limitations?	No limitations, unless conditioned by SUP.	Homestays = Unit must be operator's primary residence, 45 nights/year, 6 guests/night, operator must be present during lodging period. STR = No limitations, unless conditioned by SUP

Minimum Off Street Parking Requirements

- (28) Short term rentals shall provide one parking space for each bedroom or accommodation space, or as may be more or less restrictive as conditioned by a special use permit.

Penalties

- Violation of ZO would be a \$100 for 1st offense, \$200 for 2nd offense, and \$500 for each subsequent offense arising from same set of operative facts up to \$5,000.
- When civil penalties total \$5,000, the violation may be prosecuted as a criminal misdemeanor.
- Separate penalty structure for “failure to register,” which is \$100 for first offense and \$500 for subsequent offenses.

Additional Considerations

- Occupancy regulations.
- Affordable housing.
- Nuisance and high turnover.

Staff focused on allowing STRs in the City and concentrated our efforts and concerns on the desires of the Comprehensive Plan with regard to **affordable housing** and **protecting and conserving neighborhoods**.

Goal 5: To strengthen existing neighborhoods and promote the development of new neighborhoods that are quiet, safe, beautiful, walkable, enhance social interaction, and offer a balanced range of housing choices.

Goal 6: To meet the current and future needs of residents for affordable housing.

Chapter 15 Revitalization, programs and approaches to protect “Neighborhood Conservation Areas”

- Programs to facilitate home ownership and improve the quality of rental housing.
- Programs to reduce pressures to convert single family houses and lots to other uses.

211 **Proposed Amendments to Harrisonburg City Code Title 4 – Finance, Taxation,**
212 **Procurement related to Short Term Rental and Homestay properties**
213

214 Sec. 4-2-76.1. - Definitions.

215 For the purpose of this article, the following words and phrases shall have the meanings
216 respectively ascribed to them by this section:

- 217 (1) *Commissioner of revenue*: The commissioner of revenue of the city or any of his duly
218 authorized deputies or agents.
- 219 (2) *Hotel*: Any public or private hotel, inn, apartment hotel, hostelry, tourist home or
220 house, motel, homestay, short term rental, or other lodging place within the city ~~offering~~
221 ~~lodging for four (4) or more persons at any one time~~, and the owner and operator
222 thereof, who, for compensation, furnishes lodging to any transients as hereinafter
223 defined.
- 224 (3) *Room or space rental*: The total charge made by any hotel or travel campground for
225 lodging or space furnished any transient. If the charge made by such hotel or travel
226 campground to transients includes any charge for services or accommodations in
227 addition to that of lodging, and the use of space, then such portion of the total charge as
228 represents only room and space rental shall be distinctly set out and billed to such
229 transient by such hotel or travel campground as a separate item.
- 230 (4) *Transient*: Any natural person who, for any period of not more than thirty (30)
231 consecutive days either at his own expense or at the expense of another, obtains lodging
232 or the use of any space in any hotel or travel campground as ~~hereinabove~~-defined in this
233 section, for which lodging or use of space a charge is made.
- 234 (5) *Travel campground*: Any area or tract of land used to accommodate two (2) or more
235 camping parties, including tents, travel trailers or other camping outfits.

Enforcement

1. During the pro-active code enforcement program.
2. When complaints are received (which may be submitted anonymously), properly investigated, and substantiated.
3. When properties are under scrutiny for any kind of project or development proposal (i.e. subdivision, rezoning, special use permit, street closing, and others).

Regardless of how CC wants enforcement to occur, staff suggests at least a 30-day grace period from the enactment of the ordinance.

Recommendation

Staff recommends approving Option 1.

Planning Commission (4-3) recommends approving Option 2 with two changes, including:

- Increasing Homestay permissions from 45 nights per year to 90 nights per year.**
- Eliminating the requirement that operators must be present during the lodging period.**