

The Department of Community Development
City Hall, Lynchburg, VA 24504 **434-455-3900**

To: Planning Commission

From: Planning Division

Date: January 23, 2019

Re: *Zoning Ordinance* Amendments – Short Term Rental:

Section 35.2-40, Conservation District (R-C), Section 35.2-41, Low Density Residential District (R-1), Section 35.2-42, Low-Medium Density Residential District (R-2), Section 35.2-43, Medium Density Residential District (R-3), Section 35.2-44, High Density Residential District (R-4), Section 35.2-45, Limited Business District (B-1), Section 35.2-46, Community Business District (B-3), 35.2-47, Urban Commercial District, (B-4), Section 35.2-48, General Business District (B-5), Section 35.2-50, Institutional District 2, (IN-2), New Section 35.2-71.16, Short Term Rental, Section 35.2-113, Definitions, Appendix A: Table of Authorized Land Uses

I. PETITIONER

City of Lynchburg, 900 Church Street, Lynchburg, Virginia 24504

Representative(s): Mr. Kent White, Director of Community Development, Mr. Tom Martin, AICP, City Planner

II. LOCATION

The *Zoning Ordinance* Amendments would allow short term rentals in the City's Residential and Business Districts subject to specific development standards.

Property Owner: N/A

III. PURPOSE

The Zoning Ordinance Amendment would define a "Short Term Rental" 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 to be occupied for a period of fewer than thirty (30) consecutive days." Short Term Rentals would be a use permitted by right in the R-C, R-1, R-2, R-3, R-4, B-1, B-3, B-4, B-5 & IN-2 Districts subject to the proposed Development Standards.

IV. SUMMARY

- Short Term Rentals are a popular lodging and tourism option and have seen an eight hundred percent (800%) growth nationwide since 2011.
- It is estimated that Short Term Rentals in the City of Lynchburg increased thirty-seven percent (37%) between 2016 and 2017. Short Term Rentals represent nine and eight tenths percent (9.8%) of the City of Lynchburg lodging revenue.
- The Zoning Ordinance does not currently define Short Term Rental. The Zoning Administrator has interpreted short term rental is permitted in the City's Business Districts and in owner occupied residential district properties subject to occupancy standards.
- The proposed amendments would define short term rental, set development standards and require an annual registration.
- On October 23, 2018, City Council directed staff to prepare *Zoning Ordinance* Amendments that would allow short term rental uses.

The Planning Division recommends approval of the *Zoning Ordinance Amendments*.

V. FINDINGS OF FACT

1. **Comprehensive Plan.** A primary goal of the *Comprehensive Plan* is to improve the livability of the City's neighborhoods through conservation, stabilization and revitalization. The proposed *Zoning Ordinance* amendments attempt to balance this goal with opportunities for increased lodging choice and opportunities for individuals to generate additional income.
2. **Zoning.** The *Zoning Ordinance* does not currently define short term rental. The Zoning Administrator has interpreted that the use is permitted by right in the City's Business Districts and normal occupancy standards apply in the City's Residential Districts. Occupancy in the City's Residential Districts is limited to no more than three (3) unrelated individuals per dwelling unit or where two (2) or more related people reside, no more than one (1) unrelated individual. An assessment completed by "Host Compliance" (a short term rental monitoring service) identified three hundred sixty-five (365) individual short term rental listings in the City during August 2018. Despite the large number of unit listings, complaints associated with the use are relatively low compared to other zoning issues: Six (6) complaints in 2017; eleven complaints in 2018.

The proposed *Zoning Ordinance* amendments would clarify that short term rental is a permitted use in the City's residential and commercial districts subject to specific development standards:

1. An annual registration would be required of all units to be used as a short term rental. A \$150 registration fee would be required.
2. Failure to register a building as a short term rental would result in a penalty of \$500.
3. The maximum number of occupants in a short term rental would not exceed three (3) individuals.
4. One (1) additional parking space per short term rental would be required. This parking space would be in addition to any other required parking spaces.
5. All buildings offered for short term rental must meet requirements of the Uniform Statewide Building Code.
6. Short Term Rentals offered in the R-C, R-1, R-2 & R-3 Districts would require owner occupancy while the unit is offered for short term rental and the building would be required to retain the appearance of a single-household residence.
7. Three (3) violations of state or local laws, ordinances or regulations would result in revocation of approval for a short term rental.

The proposed short term rental use should not be confused with a bed and breakfast use. A conditional use permit approved by City Council is required for a bed and breakfast in the City's residential districts. There is no requirement for owner occupancy and the number of rooms and guests are higher than what is proposed for short term rental. R-1 & R-2 Districts allow up to three (3) rooms with two guests per room and R-3 & R-4 Districts permit up to five (5) rooms with up to four (4) people per room.

3. **Board of Zoning Appeals (BZA).** The Zoning Official has determined that no variances are needed for the development of the property as proposed.
4. **Surrounding Area.** N/A

5. **Site Description.** N/A
6. **Proposed Use of Property** N/A
7. **Traffic, Parking and Public Transit.** The proposed amendment would require the provision of one (1) parking space per short term rental.
8. **Stormwater Management.** N/A
9. **Emergency Services:** N/A
10. **Impact.** The proposed amendment would allow the City to track short term rental uses by providing for a registration program and set development standards for the use. Owner occupancy requirements in the R-C, R-1, R-2 & R-3 Districts should reduce any negative impacts from the use.
11. **Technical Review Committee.** N/A

VI. PLANNING DIVISION RECOMMENDATION

Based on the preceding Findings of Fact, the Planning Commission recommends to City Council approval of amending Section 35.2-40, Conservation District (R-C), Section 35.2-41, Low Density Residential District (R-1), Section 35.2-42, Low-Medium Density Residential District (R-2), Section 35.2-43, Medium Density Residential District (R-3), Section 35.2-44, High Density Residential District (R-4), Section 35.2-45, Limited Business District (B-1), Section 35.2-46, Community Business District (B-3), 35.2-47, Urban Commercial District, (B-4), Section 35.2-48, General Business District (B-5), Section 35.2-50, Institutional District 2, (IN-2), New Section 35.2-71.16, Short Term Rental, Section 35.2-113, Definitions, Appendix A: Table of Authorized Land Uses.

This matter is respectfully offered for your consideration.

William T. Martin, AICP
City Planner

- pc: Ms. Bonnie M. Svrcek, City Manager
 Mr. Reid Wodicka, Deputy City Manager
 Mr. Walter C. Erwin, City Attorney
 Mr. Kent L. White, Director of Community Development
 Mr. J. Lee Newland, City Engineer
 Ms. Cynthia Kozerow, Lynchburg Police Department
 Battalion Chief Thomas Goode, Fire Marshal
 Mr. Doug Saunders, Building Official
 Mr. Kevin Henry, Zoning Administrator
 Mr. Mitch Nuckles, Commissioner of the Revenue

VII. ATTACHMENTS

1. **Zoning Ordinance Amendments**