

# **SHORT TERM RENTAL STAKEHOLDER FOCUS GROUP**

## **Meeting #1 Notes – 12/07/2023**

### **Welcome: Bonnie Brown**

- Reviewed Charge & Outcomes

### **Introductions: Jonathan McBride**

- **Participants paired off and interviewed and introduced their partner to the group with the following 3 elements:**
  - o **Name/Background**
  - o **Something you Love about Hampton (*Responses Below*)**
  - o **A talent or skill that you have that other people may not know**
  - o **Something that you are looking forward to**

#### **Something You Love About Hampton**

- Water: Proximity, Activities, Beaches...
- Small-town feel, easy commute
- History
- Diversity
- Harmony
- Downtown
- Kind & gentle

### **Participant Commitments: Jonathan McBride**

- Introduced Participant and Staff Commitments to the group and solicited any additional

#### **Add to Participant Commitments**

- Participants – Be cognizant of what is good for whole city

### **Background & Context: Jess Kraus & Allison Jackura**

- Provided legal and historical context to the group for the regulation of STRs in Hampton
- Also shared key policy guidance that will be discussed at Meeting #2

#### **Regulation & Enforcement Questions & Comments**

- **How does the city address those currently in Non-Compliance?**
  - o *Currently on a complaint basis, through 311 call center*
- **How are they tracked?**
  - o *Spreadsheets and in permitting system, new system is in the works*
- **Are camper uses allowed as STRs? No**
- **Are the enforcement penalties enough?**
  - o *Enforced through Criminal Court*
  - o *If needed, staff can provide process and steps for enforcement*
- **Is there a listing of complaints to understand where issues are currently?**
  - o *A list can be provided to the group*
- **Inspections is required before allowed to operate**

## **SHORT TERM RENTAL STAKEHOLDER FOCUS GROUP**

### **Meeting #1 Notes – 12/07/2023**

- *Staff can provide inspection process/items to the group*
- **Is there a requirement to renew inspections? How long is the inspection good for?**
  - *Staff may want to explore the requirement for reinspection*
- **Use Permit applies to property and not to operator**
  - *State law does not allow authority to regulate by user (like restaurants)*
  - *Could add to state legislative agenda*
- **Are open unrelated violations considered in the permit process?**
  - *Somewhat, could explore more in future phase*

#### **Next Steps**

- Reviewed upcoming topics and schedule requirements
- Agreed to meet on Tuesdays through January @ 4:30-6p
- Provided the group with “homework” questions:
  - *What are examples of other communities that accommodate STRs “well”?*
  - *How do you think the number of STRs impacts a neighborhood?*
  - *What may be 2 key impacts (both +/-) of short-term rentals in concentrated areas?*

**Next meeting: December 12 @ 4:30p**

#### **Attendance:**

- **Stakeholders (9):** Kevin Steele, Joyce Blair, Greg Garrett, Connie Vatsa, Joe Griffith, Shawn Irving, Jamie Chapman, Glen Barron, Lynn Howard (Virtual)
- **City Staff (11):** Bonnie Brown, Allison Jackura, Jess Kraus, Jonathan McBride, Cashayla Rodgers, David Hunt, Hannah Sabo, Davis Pemberton, Mike Hayes, Lex Bethae
- **Public Observers (3)**

# **SHORT TERM RENTAL STAKEHOLDER FOCUS GROUP**

Meeting #2 Notes – 12/12/2023

## **DENSITY**

### **Welcome: Bonnie Brown**

- Staff Follow-up
  - o Phase 1 Use Permit Conditions & exhibits
  - o Status of complaint data; 311 and BasicGov
- Process note and input deliverables, agenda overview.

### **Reintroductions: Jonathan McBride**

- **Participants paired off and interviewed and introduced their partner to the group with the following 3 elements:**
  - o **Examples of places that accommodate STRs well.**
  - o **How the number of STRs impact a neighborhood.**
  - o **Positives and negatives of STRs in concentrated areas.**

### **What are examples of other communities that accommodate STRs “well”?**

- Outer Banks
- Santa Fe
- Broken Bow, OK
- Virginia Beach
- Kansas City
- Warren, RI
- Hall County, GA
- Fayetteville, Arkansas
- Nashville, TN
- Key West, SC
- Infrastructure for hospitality, Attractions, preservation of character, tax revenue used to promote affordability, STR Owner guidebook, ordinances (density, anti-gentrification, affordability)

### **How does the number of STRs impact a neighborhood?**

- Character of neighborhood shifts
- Neighborhood connection
- Security
- Decreased housing stock (number of housing units available)
- Gentrification
- Traffic
- COA and HOAs have more control of uses
- Revenue from tourism
- Long Term rentals can improve a neighborhood

## **SHORT TERM RENTAL STAKEHOLDER FOCUS GROUP**

### **Meeting #2 Notes – 12/12/2023**

#### **What are the impacts of short-term rentals in concentrated areas?**

- Increased property values
- Noise and traffic
- decreased hotel occupancy
- Neighbors don't know each other, volunteer base
- Owner investment in guest experience
- 30% more profit for investors
- Attracts businesses to the area
- Revitalization of neighborhoods
- Serves more tourists

#### **Guidance & Policy Considerations: Mike Hayes**

- Provided historical context to the group for the regulation of STRs in Hampton
- Also shared key policy guidance that will be discussed at Meeting #3

#### **Policy Considerations Questions & Comments**

- What is the rationale of STRs being exempt from sale tax or business property tax?
  - o Staff to follow up with Commissioner of Revenue for clarity
  - o Education for owners on taxes they are responsible for, "guidebook", resources

#### **Density: Allison Jackura**

- Provided themes and context for density considerations
- Group offered input and comments on the following question.

#### **What is the minimum number of units required to obtain an STR on a small block?**

- Four units
- No minimum
- Minimum number based on the area or neighborhood.
- Prefer area base over block level
- Concerned about the effects of STRs on volunteerism and connectivity than compliance and crime.
- STR owners have reason to engage with and care about neighbors and quality of life in the neighborhood.
- More STRs = less guns, drugs, crime.
- Must consider the negative impacts of STRs in addition to the positive impacts.
- Use permit stays with the property beyond the owner.
  - Use permit attached to the property does not incentivize upkeep, best practices by owner
- Need maximum to preserve social fabric
  - Need data to decide
  - Limited data available
- Can staff demonstrate problems associated with high density clusters?

## **SHORT TERM RENTAL STAKEHOLDER FOCUS GROUP**

### **Meeting #2 Notes – 12/12/2023**

- Fewer permanent residents = diminished capacity for neighborhood events and initiatives.
- Need examples of successful density caps
  - Staff suggested New Orleans
- Reasonable density cap may preserve active participation and volunteerism.

#### **Next Steps**

- Reviewed upcoming topics
- Provided the group with “homework” exercise:
  - *Review meeting 2 presentation and answer questions on density*
  - *Review guidance and policy considerations sheet.*

#### **Next meeting: December 19 @ 4:30p**

#### **Attendance:**

- ***Stakeholders (7):*** Kevin Steele, Joyce Blair, Greg Garrett, Connie Vatsa, Joe Griffith, Shawn Irving, Lynn Howard, Jamie Chapman
- ***City Staff (11):*** Bonnie Brown, Allison Jackura, Jess Kraus, Jonathan McBride, Cashayla Rodgers, David Hunt, Hannah Sabo, Davis Pemberton, Mike Hayes, Lex Bethea, Urvi Patel

#### ***Public Observers (3)***

## **SHORT TERM RENTAL STAKEHOLDER FOCUS GROUP**

### **Meeting #3 Notes – 12/19/2023**

#### **Welcome: Bonnie Brown**

- Deferring deeper dialogue to Jan. 9 meeting to provide more context on Suitable Areas and Types of STRs
- Working to provide more detailed data context at future meeting through Host Compliance

#### **Reintroductions: Jonathan McBride**

- **Participants were asked to share their experiences walking their neighborhood and trying to apply density and separation principles to their neighborhood blocks. They then shared their experiences with the group**
  - o Merrimac Shores:
    - Min 5 x 10% = 20 STRs out of 240(ish) homes
  - o Buckroe
    - 19 newly constructed homes
    - 6 STRs on Mallory
  - o Grandview
    - Lighthouse Dr: 4 sandwiched homes
    - Grandview Dr: 1 sandwich home; owners sold/moved
    - Adriatic Dr: Concerns with sandwiching of homes & large rental (30 people)
    - Bonita: No concerns with bottom half of house
  - o Farmington
    - Cul de sac's result in more numerous per block face
  - o Phoebus (Historic 480 / District 2500)
    - Recommend entire block structure – 1 per block sq
    - Differences in size and value of homes vary by neighborhood
  - o Kenmore
    - Duplex on short block
  - o Braddock
    - 8-12 Houses on a block

#### **Legal Considerations & Character Areas: Jess Kraus**

- Provided legal context for enforcement of STRs in Virginia and Hampton
- Defined differences in Use Permits and Zoning Administrator Permits
- Gave guidance for considering Character Areas

#### **Legal Considerations & Character Area Questions & Comments**

- Indicators of character
  - o Must be Consistently Applied
- How are Homestays Factored?

## **SHORT TERM RENTAL STAKEHOLDER FOCUS GROUP**

### **Meeting #3 Notes – 12/19/2023**

- Can covenants be a factor for character?
  - o Enforceable by HOA, not the City
  - o Consistent across all similar neighborhoods

#### **Types of STRs and Mapping Character Areas: Allison Jackura**

- Defined other types of STRs that can be considered besides whole property
- Shared map examples of character areas and potential equity impacts

#### **Types and Mapping Questions & Comments**

- How to track “part-time”
  - o Host compliance
- What about non-advertised hosting?
- Can snapshots of maps be provided?
- Can Ongoing Conditional Approval be considered for current operators?

#### **Next Steps: Jonathan McBride**

- Discuss Density, Separation, Suitable Areas, and Types
- Provided the group with “homework” exercise:
  - *What areas might STRs be the most and least compatible?*
  - *Does type of STR impact the compatibility in those areas?*

**Next meeting: January 9 @ 4:30p**

#### **Attendance:**

- ***Stakeholders (7):*** Kevin Steele, Greg Garrett, Connie Vatsa, Joe Griffith, Shawn Irving, Jamie Chapman, Glen Barron
- ***City Staff (8):*** Bonnie Brown, Allison Jackura, Jess Kraus, Jonathan McBride, David Hunt, Hannah Sabo, Davis Pemberton, Mike Hayes

***Public Observers (2)***

# **SHORT TERM RENTAL STAKEHOLDER FOCUS GROUP**

## **Meeting #4 Notes – 1/09/2024**

### **General Comments**

- Compare to home business/complaint
- Regulate by neighborhood district?

### **Map Data**

- Enforcement process
  - o Complaint-based now
  - o 2-year grace period
  - o Enforce speed/rollout

### **Closing Exercise – Team Report Out**

Greg & Jamie

- Agree: enforcement is critical
- Disagree:
- Unsure: how to regulate density

Joe, Connie, and Glen

- Agree: keep density low and separation high
- Disagree:
- Unsure:
- Extra: “Is the map showing us what the market wants?” - Glen

Kevin and Shawn

- Agree:
- Disagree:
- Unsure: block face restrictions
- Extra: “This is only the beginning; STR numbers will increase greatly.” – Shawn (about Glen’s comment on the current number of STRs)

Lynn and Joyce

- Agree:
- Disagree:
- Unsure: suitable areas
- Extra:
  - o Joyce “properties need to be inspected at least yearly for enforcement”
  - o Lynn “We’ve talked about the maximum. I want to know what the group thinks should be the minimum.”
  - o Lynn “It would be helpful to analyze the complaints that are contiguous to short term rentals”

### **Attendance:**

- **Stakeholders (9):** Greg, Connie, Joe, Jamie, Glen, Kevin Shawn; **Virtual:** Joyce, Lynn



# **SHORT TERM RENTAL STAKEHOLDER FOCUS GROUP**

## **Meeting #5 Notes – 1/16/2024**

### **Welcome: Bonnie Brown**

- Conducted an initial "straw poll" to gather preliminary feedback and identify key themes.
- Presented complaint data with detailed context through Host Compliance.
- Staff tasked with publicizing a map highlighting suspected short-term rentals.
- Scheduled a briefing on February 14th for City Council to provide recommendations and guidance.

### **Complaint Data: Hannah Sabo**

- Hannah Sabo provided data and analysis of complaints related to Short-Term Rentals (STRs).
- Identified nature of complaints, focusing on issues like high grass and exterior concerns.
- Requested a geographical heat map to visualize the distribution of complaints in specific areas.

### **Key Considerations Related to Regulation: Allison Jackura**

- Recommended regulations should address specific land-use concerns, explaining the problem they aim to solve.
- Emphasized the importance of a cost-benefit analysis to ensure regulations are worthwhile.
- Shared initial results of the straw poll on density, separation, suitable areas, and types of STRs.

### **Small Group Discussion: Jonathan McBride**

Discussed density caps and reasons behind the chosen numbers.

- City wide cap at 3 %
  - o Impact on housing market
- City wide cap: 2%
  - o Capacity of the city to support, enforce, regulate, and manage STRs.
- City Wide cap at 1.5%
  - o Reducing the impact of the affordable housing crisis.
  - o Knowing neighbors.
- Suitable Areas – Should different areas have more or less STRs? Why or Why not?
  - Commercial areas: 10%
    - o Preserve mixed use residential
  - Historical Districts: 0% - 1%
    - o Preserve character/property
  - Housing Venture Areas: varies/ 0-1%
    - o Rental access/ affordability
    - o Differing goals
  - Master Plan Areas: Greater/varies
    - o Differ based on goals
  - Waterfront areas and high demand – 5%

## **SHORT TERM RENTAL STAKEHOLDER FOCUS GROUP**

### **Meeting #5 Notes – 1/16/2024**

- Goal to limit large concentrations of STRs in one neighborhood.
- Character and High use areas
- Opt out Solutions –
  - High use areas
  - Not all areas are (waterfront) equal use
  - Administrative challenge to define the boundaries of a neighborhood.
  - Impact on the character of a neighborhood.
- Consider negative impact on STR market.
- Proposed hierarchical/tiered cap structure for further consideration

#### **Next Steps: Jonathan McBride**

- Provided the group with “homework” exercise:
  - *Block Face – How many minimum and maximum STRs can there be on a block face?*
  - *How far apart should STRs be from each other on the same block?*

#### **Next meeting: January 23 @ 4:30p**

#### **Attendance:**

- **Stakeholders (7):** Greg Garrett, Connie Vatsa, Joe Griffith, Jamie Chapman, Glen Barron  
**Virtual:** Joyce, Shawn Irving, Lynn
- **City Staff (8):** Bonnie Brown, Allison Jackura, Jess Kraus, Jonathan McBride, Cashayla Rodgers, Hannah Sabo, Urvi Patel, Lex Bethea

#### ***Public Observers (4)***

## **SHORT TERM RENTAL STAKEHOLDER FOCUS GROUP**

### **Meeting #6 Notes – 1/23/2024**

#### **Welcome: Bonnie Brown**

- Staff added additional Jan 30<sup>th</sup> meeting to discuss stakeholder feedback and recommendations for clarity
- General Assembly update
  - Bill that states Localities may not regulate STR did not come forth
- New Concept for feedback – STR Zones proposal.
- Scheduled a briefing on February 14th for City Council to provide updates
  - No public comment opportunity in the afternoon. Potential opportunities for comment in the evening.

#### **STR Zones: Allison Jackura**

- Shared staff proposed concept of STR Zones – Map overview, legal criteria, and feasible options.
- Percentage cap variations between areas
  - Objective: limit large concentrations of STRs in one neighborhood or area.

#### **STR Zone Feedback: Jonathan**

- Do you have any concerns about the STR Zone approach?
  - Support with separation
  - Lodging, business property tax, sales tax to support enforcement.
  - City should consider hiring additional staff specifically for STR support.
  - Concern over the feasibility of first come first served administrative review process.
  - Boundaries need to be adjusted.
- Is the STR Zone approach the preferred direction (vs. block face)?
  - Stakeholders will support a combined approach that includes separation within STR zones.
- Within an STR Zone approach, should percentage caps vary by area?
  - Limit absenteeism by allowing owner-occupied STRs.
- Is separation of STRs necessary within an STR Zone approach?

#### **Administrative Considerations: Jess Kraus**

- Use Permits vs. Zoning Administrator Permits (ZAPs)
  - Both permits are attached with the property.
  - Permits can't expire;

## **SHORT TERM RENTAL STAKEHOLDER FOCUS GROUP**

### **Meeting #6 Notes – 1/23/2024**

- Stakeholders proposed concerns over the long-term implications of the ZAP model.
- Staff recommended an appeal process that is overseen and reviewed by City Council.
- Permitting model based on the area.

#### **Next Steps: Allison**

- Final survey due by Sunday, January 28, 2024
  - *Survey responses to be included in staff briefing to City Council 2/14.*

#### **Next meeting: January 30 @ 4:30p**

#### **Attendance:**

- **Stakeholders (8):** *Greg Garrett, Connie Vatsa, Joe Griffith, Jamie Chapman, Glen Barron, Shawn Irving, Joyce Brown*  
**Virtual:** *Lynn Howard*
- **City Staff (8):** *Bonnie Brown, Allison Jackura, Jess Kraus, Jonathan McBride, Cashayla Rodgers, Hannah Sabo, Urvi Patel, Lex Bethea*

#### ***Public Observers (4)***

## **SHORT TERM RENTAL STAKEHOLDER FOCUS GROUP**

### **Meeting #7 Notes – 1/30/2024**

**Question: Should Master Plan core areas have a higher percentage of STRs than other STR Zones?**

| Yes or No | Master Plan Area Density | City-wide Density |
|-----------|--------------------------|-------------------|
| No        | 3%                       | 3%                |
| No        | 3%                       | 3%                |
| Yes       | 2-3%                     | <1%               |
| Yes       | 3-5%                     | 1.5%              |
| Yes       | 3%                       | 1%                |
| Yes       | 3%                       | 1%                |
| Yes       | 5%                       | 2.5%              |
| Yes       | 5%                       | 2%, 1%*           |

\*Respondent desires 5% in areas with tourism, 2% generally, and 1% in some areas (unspecified)

**Question: Should there be fewer STRs in historic districts?**

| Yes or No | Why?   |
|-----------|--|
| No        | No evidence that transiency negatively impacts historic preservation |
| No        | STRs are generally better cared for                                  |
| No        | STRs can help preservation efforts if regulated for that purpose     |
| Yes       | Preservation of buildings  |
| Yes       | Preservation of buildings and character of neighborhood              |
| Yes       | Preservation of buildings  |
| Yes       | Preservation of buildings  |
| Yes       | Preservation of buildings  |

**Question: Assuming STRs within historic districts require use permit, should historic districts still have fewer STRs?**

No: 2

Yes: 5

No answer: 1

**Question: Assuming sandwiching is not allowed, should the City allow STRs on adjacent properties?**

No: 3

Yes: 5

## **SHORT TERM RENTAL STAKEHOLDER FOCUS GROUP**

### Meeting #7 Notes – 1/30/2024

#### **Items of general consensus:**

All agree that strong enforcement is needed.

- Suggested that the City secure funding to staff an “STR division”

Inspections should be frequent.

- All agree; most agree to annual schedule.

#### **Questions and concerns from the group:**

Can we regulate waterfront properties differently than others?

What is the plan to prevent abundant LLC ownership of Hampton properties?

What can/should be done to aid covenant communities in enforcing their own STR prohibitions?

Is it possible to lobby the state to allow localities to tie permits to owners and not properties?

- Proposed: Require use permit *and* license.
  - o Problem: Realtors can be exempt from licensure requirements

There is a fear that people could game the separation system by acquiring use permits in order to block STRs from adjacent properties.

Can we use STR tax revenue to help affected neighborhoods, establish an STR division in city government, or combat homelessness?