

STAFF EVALUATION

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Case No.: Zoning Ordinance Amendment, ZOA22-00010

Planning Commission Date: November 17, 2022 **City Council Date:** December 14, 2022

General Information

Description of Proposal The amendment, if approved, would add "Short-term rental" as a use within the R-LL, R-43, R-R, R-33, R-22, R-15, R-13, R-11, R-9, R-8, R-4, MD-1, MD-2, MD-3, MD-4, R-M, C-1, C-2, LFA-5, RT-1, BB-1, BB-2, BB-3, DT-1, DT-2, DT-3, PH-1, PH-2, PH-3, FM-1, FM-2, and FM-3 zoning districts with an additional standard and the approval of a Use Permit. The additional standard would provide a 2-year grace period to currently legally operating short-term rentals.

Relevant Existing Zoning Definitions *Bed and breakfast 1.* A building or portion thereof containing not more than nine (9) sleeping rooms, in which room and board or room are offered to transient residents.

Bed and Breakfast 2. A building or portion thereof containing not more than nine (9) sleeping rooms, in which room and board or room are offered to transient residents, and in which events may be held.

Hotel. A facility offering transient lodging accommodations to the general public for compensation and having ten (10) or more sleeping rooms, that may also have additional accessory services, such as meeting rooms, restaurants, and recreational activities.

Transient. Occupancy for periods of not more than thirty (30) days.

Current Regulations The current ordinance does not address short-term rentals, but an existing Zoning Administrator interpretation allows them as an accessory use only to a single-family dwelling. In order to be accessory to the single family use, the owner must live in the home for more than half the year. Operations not meeting that accessory use allowance would be categorized as a bed and breakfast and therefore would require obtaining approval of a use permit from City Council in the districts they are permitted.

Analysis

This amendment, if approved, would update the permitted uses included within the "Table of Uses Permitted" to add the "short-term rental" use within the R-LL, R-43, R-R, R-33, R-22, R-15, R-13, R-11, R-9, R-8, R-4, MD-1, MD-2, MD-3, MD-4, R-M, C-1, C-2, LFA-5, RT-1, BB-1, BB-2, BB-3, DT-1, DT-2, DT-3, PH-1, PH-2, PH-3, FM-1, FM-2, and FM-3 zoning districts with an additional standard and the approval of a Use Permit. The one additional standard provides for a 2-year grace period for those currently operating legal short-term rentals. Illegally operating short-term rentals and new ones proposed after this ordinance goes into effect, if adopted, would require the approval of a Use Permit prior to commencing operations.

ZONING ORDINANCE AMENDMENT ZOA22-00010**STAFF EVALUATION**

The General Assembly is expected to consider legislation in the next session, which could limit a locality's ability to regulate short-term rentals, especially if the locality has not adopted regulations prior to the State legislation. Given the circumstance staff recommends clarifying how the City regulates short-term rentals before that time. There is a current Zoning Administrator interpretation which addresses the use short-term rental. The interpretation permits the use as an accessory to single-family residences, which is not clear to the general public or easy to enforce, as the short-term rental must be incidental and subordinate to the single-family residential use.

The zoning districts proposed include all of the districts currently permitting either single-family dwelling or townhouse on fee simple lots. This is proposed in order to capture all possible districts where the existing Zoning Administrator interpretation would have permitted short-term rentals to operate, allowing the potential for any existing operation to become legally conforming if the appropriate approval is received within the grace period proposed. In addition, the amendment would allow for short-term rentals with an approved use permit as a primary use, rather than the current interpretation limiting them to only accessory uses.

The accompanying proposed amendment would add the definition of short-term rental to Chapter 2 of the Zoning Ordinance, and would modify the existing definitions of bed and breakfast 1 or 2 to clarify any potential overlap in terms.

Staff recommends approval of ZOA 22-00010.