STAFF EVALUATION

Case No.: Use Permit No. 23-0223

Planning Commission Date: July 20, 2023 City Council Date: June 12, 2024

Prepared By: Urvi Patel, City Planner 728-5144 **Reviewed By:** Mike Hayes, Planning and Zoning Division Manager 728-5244

Reviewed By: Jessica Kraus, Assistant City Attorney

General Information

Applicant & Property Owners

Blossom by the Sea, LLC

Site Location 406 N Second St [LRSN: 12007148]



Requested Action	Use permit to allow for a short-term rental
Description of Proposal	The applicant is proposing a short-term rental at 406 N Second St. The property is \pm 0.1 acres and features an 805 square foot residence with one (1) bedroom.
Existing Land Use	One-Family Residential
Zoning	Two Family Residential (R-8) District; and Flood Zone Overlay (O-FZ) District
Applicable Regulations	As of December 14, 2022, City Council amended the Zoning Ordinance use table and additional standards for short-term

> rentals. This amendment created a definition and additional standards for short-term rentals. Short-term rentals in 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, 88-1, 88-2, 88-3, DT-1, DT-2, DT-3, PH-1, PH-2, PH-3, FM-1, FM-2, and FM-3 zoning districts are subject to obtaining a use permit by city council.

> Short-term rentals for which a business license was issued and zoning compliance was confirmed pursuant to Sec. 18.1-12 of the city code prior to December 14, 2022 may operate continuously in the same location until December 31, 2024 provided that the short-term rental remains compliant with all applicable City Code and Zoning Ordinance provisions during that time.

> After December 31, 2024, the short-term rental must obtain approval of a use permit from City Council in order to continue operation.

Surrounding Land Use and Zoning

North: Two Family Residential (R-8), single-family residence

South: Two Family Residential (R-8) District, single-family residence

East: Multiple Residential (R-M), apartments

West: Two Family Residential (R-8) District, single-family residence

Surrounding Zoning Map: R-9



Public Policy

Hampton Community Plan

The Hampton Community Plan (2006, as amended) recommends medium density residential for the subject property and adjacent properties.

Listed below are policies related to this request:

LU-CD Policy 7: Safeguard the integrity of existing residential neighborhoods.

LU-CD Policy 31: Encourage a mix of land uses that is appropriate for each district. Promote the efficient use of land and high-quality urban design.

ED Policy 4: Nurture small and start-up businesses.

ED Policy 6: Expand tourism, entertainment, and cultural opportunities within the city.

Future Land Use

The <u>Hampton Community Plan</u> (2006, as amended) designates this area as medium density residential.



Buckroe Master Plan

The property falls within the area governed by the <u>Buckroe Master Plan</u> (2005, as amended). The master plan recognizes Buckroe's distinguished past as an evolving vacation destination and aims to maintain its present identity as a family-oriented community. It sets forth guiding principles that call for low-scaled beach-oriented housing and supporting the unique coastal character of the architecture in Buckroe. Short-term rentals support these principles by maintaining the high-quality physical elements of the neighborhood and providing opportunities for visitors to experience and appreciate the coastal culture of the area.

Traffic/Parking	Staff does not anticipate that the requested use or operation would cause a significant or negative impact on traffic.
Community Meeting	A community meeting has not been scheduled at this time.

Analysis:

Use Permit Application No. 23-00029 is a request for a use permit to operate a short-term rental at 406 N Second St [LRSN: 12007148]. The property is zoned Two Family Residential (R-8) District. R-8 allows for the desired use subject to an approved use permit.

The applicant is Blossom by the Sea, LLC, represented by Terry Skawski. Terry Skawaski has owned the property since 2019 and, on behalf of the LLC, is requesting to operate a short-term rental in an 805 square foot single-family dwelling. The property is \pm 0.1 acres and features a residence with one (1) bedroom and one (1) bathroom. The applicant is proposing a strict prohibition on events and intends to have between three (3) and five (5) employees tasked with cleaning, maintenance, and property management duties. The property is in close proximity to the waterfront and other Buckroe attractions. As such, this short-term rental would provide tourist accommodations in or around the Buckroe community.

The property is located within the <u>Buckroe Master Plan</u> (2005, as amended) area south of Long Creek. The master plan recognizes Buckroe's distinguished past as an evolving vacation destination and aims to maintain its present identity as a family-oriented community. It sets forth guiding principles that call for low-scaled beach-oriented housing and supporting the unique coastal character of the architecture in Buckroe. Short-term rentals support these principles by maintaining the high-quality physical elements of the neighborhood and providing opportunities for visitors to experience and appreciate the coastal culture of the area.

The <u>Hampton Community Plan</u> (2006, as amended) calls for evaluating land use proposals from a regional, city-wide and neighborhood perspective. Land-use and economic development policies related to this land use application include safeguarding the integrity of existing residential neighborhoods, encouraging a mix of land uses that is appropriate and promoting the efficient use of land, and expanding tourism, entertainment, and cultural opportunities within the city.

The minimum parking requirement applicable to short-term rentals is one (1) parking space per two (2) bedrooms. A common space (e.g., living room, game room, family room) may be offered as an overnight sleeping area provided it is counted towards the parking requirement. In addition to the one (1) bedroom, the applicant is proposing to make the living room common space available for renters to use as an overnight sleeping

area, corresponding to a minimum parking requirement of one (1) space which is available within the driveway on the property.

Per §404.4 of the Virginia Property Maintenance Code (VPMC), for residential dwelling units, each bedroom is required to contain at least 70 square feet of floor area, and each bedroom occupied by more than one person must contain at least 50 square feet of floor area for each additional occupant. Based on the square footage provided, the bedroom is able to accommodate one (1) occupant. The living room may be used to sleep three (3) additional occupants for a maximum occupancy of four (4) overnight quests, which is reflected in the staff recommended conditions.

In order to minimize the impacts of the STR on the neighborhood and ensure the safety of guests, staff is recommending conditions related to designating a Responsible Local Person (RLP) by the operator, limitations on events, posting safety information and city regulations within the dwelling, and requiring an initial inspection before operation can begin.

The Use Permit process requires each application be reviewed on a case-by-case basis to ensure that the proposed use is compatible with surrounding neighborhoods and landuses. This property is zoned two-family residential, and the use of the property as a short-term rental is compatible with the surrounding public and private uses. The property has adequate on-site parking for guests to minimize impacts on the surrounding neighborhood and the available public parking.

The use permit process is a City Zoning Process, the purpose of which is to develop and enforce government regulations for specific use on a specific parcel of land not otherwise permitted by right in the zoning district, and where that specific use is not detrimental to surrounding properties. Private agreements related to a parcel, such as homeowners' association declarations, leases, or other similar documents, that may limit or prohibit certain uses on a parcel are not considered by the City during the use permit process, as such private agreements are not enforceable by the City.

Update for the June 12, 2024 City Council meeting:

At the November 8, 2023 City Council meeting, City Council deferred the short-term rental use permit applications on its agenda to the February 28, 2024 City Council meeting. This decision was made to allow sufficient time for the Council to receive legal guidance, explore various options to regulate density, and evaluate appropriate areas for short-term rentals within the City of Hampton. The deferral aimed to provide an opportunity for public engagement regarding the proposed path forward before any further action is taken on short-term rental use permits.

Since then, the Community Development Department (CDD) convened a group of community stakeholders to provide guidance on the second major phase of development of the City's STR regulations and practices. This group of convened stakeholders functioned as a "focus group" by providing feedback, guidance, and ideas

on particular areas of the regulations that needed to be addressed. The scope of the areas that the group was asked to address included: STR density, separation, suitable areas, types of STRs, and the permitting process. The stakeholder group was comprised of nine (9) members representing diverse perspectives, including those operating and managing STRs, a local Bed and Breakfast operator, and several local neighborhood leaders from a range of geographic areas.

Following the conclusion of these "focus group" meetings, staff formulated policy recommendations based on the feedback provided from community stakeholders and provided City Council and staff recommendation on Wednesday, February 14, 2024.

New guidelines have been proposed that will, among other things, limit the density of short-term rentals (STRs) to ensure that they don't affect the character of neighborhoods. The new proposed zoning district overlays would control the distribution and density of STRs across the city.

In order to limit density within an STR Zone, a maximum of 1% of the residential dwellings within each zone would be allowed to be an STR. This density cap aims to maintain the character of our neighborhoods while accommodating the growing demand for short-term lodging. Other key elements of the proposed regulations include:

- A required separation between STRs of 500 feet, except that two may be directly next door to each other
- Administrative permitting process, with a \$200 application fee and \$50 inspection fee
- Conditions addressing the operation of the rental, including safety and nuisances

Based on the set of proposed amendments, the proposed short-term rental is located in the Buckroe 1 Zone, in which the proposed amendments recommend a maximum of nine (9) STRs. Currently, the Buckroe 1 Zone features eight (8) permitted STRs and the proposed STR does not exceed the maximum number of STRs permitted. However, the proposed STR is within 500 feet of a permitted STR and would therefore not be compliant with the 500-foot buffer requirement proposed in the zoning text amendments. Additionally, the Use Permit application is eligible to convert to a Zoning Administrator Permit (ZAP) application on the day proposed ordinance amendments go into effect.



Staff recommends DEFERRAL of item no. 23-0223 to the City Council meeting after the proposed ordinance amendments take effect.

In the event this item is approved, staff recommends approval of item no. 23-0223 with fifteen (15) conditions.