

STAFF EVALUATION

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Case No.: Zoning Ordinance Amendment, ZOA24-0176

Planning Commission Date: May 16, 2024

City Council Date: June 12, 2024

General Information

Description of Proposal	The proposed amendment establishes a new zoning overlay district which will regulate the density and separation of short-term rentals operating within the City. The overlay describes general rules for how the separation and density applies to different types of short-term rentals, and creates 51 separate subdistricts each with a maximum number of possible short-term rentals permitted.
Relevant Existing Zoning Definitions	<i>Short-term rental. The provision of a room or space that is suitable or intended for occupancy for dwelling, sleeping, or lodging purposes to transient residents in exchange for a charge for the occupancy. This term does not include hotel, bed and breakfast 1, or bed and breakfast 2, as defined within this ordinance.</i>
Current Regulations	<p>Chapter 3 – Uses Permitted</p> <p>Sec. 3-2. – Table of uses permitted.</p> <p>The “Table of uses permitted” indicates that “short-term rental” requires approval of a Use Permit 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, 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.</p> <p>...</p> <p>Sec. 3-3. – Additional standards on uses.</p> <p>...</p> <p>(29) 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, 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 are subject to obtaining a use permit by city council and shall comply with the following additional standard:</p> <p>(a) 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 maintains compliance 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 by city council in order to continue operation.</p> <p>...</p>

Analysis

The proposed amendment establishes a new zoning overlay district which will regulate the density and separation of short-term rentals operating within the City. The overlay standards describe general rules for how the separation and density requirements apply to different types of short-term rentals. The overlay also creates 51 separate subdistricts each with a maximum number of possible short-term rentals permitted.

In December 2022, the City adopted a zoning ordinance amendment which required all short-term rentals to obtain a Use Permit in order to operate within the City, except that those forty-five which had already received a business license with zoning approval were given two years to obtain the Use Permit. This amendment would establish a zoning overlay district which applies to all short-term rentals, regardless of how they are approved.

This item is being brought forward in conjunction with Zoning Ordinance Amendments No. 24-0173, No. 24-0174, No. 24-0175, and No. 24-0177 which will together establish new restrictions on how and where short-term rentals can operate within the City, and will clarify other similar uses.

In preparing these amendments, staff worked with a group of stakeholders representing various neighborhoods within the City, short-term rental operators, realtors, a bed and breakfast operator, and others. In crafting the proposal, staff sought to balance protection of neighborhoods and community cohesion with the economic, tourism, and recreational benefits short-term rentals can provide the City. Staff has presented these proposed amendments to the group of stakeholders, as well as numerous interested organizations within the City of Hampton.

In order to achieve the desired balance, this proposed amendment creates a new zoning overlay district with fifty-one (51) subdistricts. In deciding on the appropriate boundaries for the proposed STR Zones, staff sought to separate areas of the City with the intent that a short-term rental would have minimal impact on properties outside of the STR Zone in which it was located. To achieve this, staff identified: (1) core areas of the City which are the subject of an adopted Master Plan, (2) major roadways, including interstates, arterials, and other major or historic connector streets, and (3) major waterways, including rivers, canals, and stormwater conveyances. These large roadways and waterways serve as physical boundaries between parcels and, therefore, will likely establish a physical divider between the impacts of uses on parcels, making them appropriate boundaries for the STR Zones. In establishing the dividing lines between the STR Zones, staff also sought to balance the general size and shape of the areas.

Within the proposed 51 subdistricts of the overlay, referred to as "STR Zones", the maximum number of short-term rentals equals 1 percent of the current dwellings within the STR Zone, rounded down. Each STR Zone establishes a separation requirement of 500 feet between short-term rentals, unless otherwise exempted. This separation would require that no property within the same STR Zone be approved to operate a short-term rental if any portion of it is within 500 feet of an already approved short-term rental property.

There are three exemptions to that separation standard, which are (1) to permit two short-term rentals to operate side-by-side, (2) to permit the short-term rentals who received the 2-year grace-period to continue to operate if they receive the necessary approval prior to the end of 2024, and (3) to indicate that the separation does not apply to multifamily dwelling buildings seeking to operate a short-term rental.

Staff recommends approval of ZOA 24-0176.