



HAMPTON VA
COMMUNITY DEVELOPMENT

Short-Term Rentals Phase 2: Proposed Policy & Amendments

City Council
February 14, 2024



Agenda

- **Brief Background**
 - **Phase 2 Stakeholder Outcome**
 - **Staff Recommendations**
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Background



What is a Short-term Rental?

- State and local code:
Lodging provided for 30 days or less, that is not a hotel or bed & breakfast
- Commonly referred to as “AirBnBs” or “STRs”, frequently advertised on online platforms such as AirBnB and VRBO
- Requires a business license and Use Permit to operate in Hampton

History of STRs: Part 1

- **Prior to December 2013:**
 - Zoning Ordinance did not address
- **December 2013:** Zoning Interpretation
 - STRs are permitted by-right as an accessory use to single family dwellings
 - If the primary use is STR rentals, then it is a bed & breakfast, which required a Use Permit
- **November 2019:** Zoning Interpretation
 - The STR location must be the primary residence of the applicant (Primary residence = where applicant lives 6+ months of a year)
 - Thus, only 1 STR is permitted per person within the City

History of STRs: Part 2

- **Fall 2022: Phase 1 Stakeholder Engagement**
 - Potential state legislation prohibiting local control of STRs
 - Convened stakeholders to discuss Phase 1 of STR regulations
- **December 2022: Zoning Ordinance Amendment**
 - STRs are permitted only with an approved Use Permit (UP) in certain districts
 - Previous interpretations voided & previously legally-operating STRs provided a 2-year grace-period
- **Spring 2023: Phase 1 STR Stakeholder Engagement**
 - Continued to help refine set of recommended conditions for STRs being approved via UP process
- **August 2023: STR Implementation Pause**
 - City Council paused consideration of Use Permits to understand policy implications of STRs
- **December 2023: Phase 2 STR Stakeholder Engagement**
 - Staff convened Phase 2 Stakeholders to explore concerns about density and location of STRs and a by-right process

Phase 1 Stakeholder Composition

- **Susan Gaston** – Consultant/Virginia Peninsula Association of Realtors
- **Joyce Blair** – B&B Owner/Operator (Magnolia House)
- **Lynn Howard** STR owner and manager
- **Greg Garrett** – STR owner and realtor
- **Kathy Rogers** – Neighborhood Commissioner
- **Kevin Steele** – Neighborhood Commissioner, rental property owner
- **Elizabeth Parker** – Element Hotel (replacement for D. Reyes)
- **Michael Harris** – Board of Zoning Appeals member, citizen of Hampton, rental property owner

Phase 2 Stakeholder Composition

- **Joyce Blair** – B&B Owner/Operator (Magnolia House)
- **Lynn Howard** –STR owner and manager
- **Greg Garrett** – STR owner and realtor
- **Kevin Steele** – Downtown neighborhood representative, rental property owner
- **Glen Barron** – Buckroe neighborhood representative
- **Connie Vatsa** – Farmington neighborhood representative
- **Joe Griffith** – Phoebus neighborhood representative
- **Shawn Irving** – Merrimac Shores neighborhood representative
- **Jamie Chapman** – Grandview neighborhood representative


Phase 2 Stakeholder Outcome



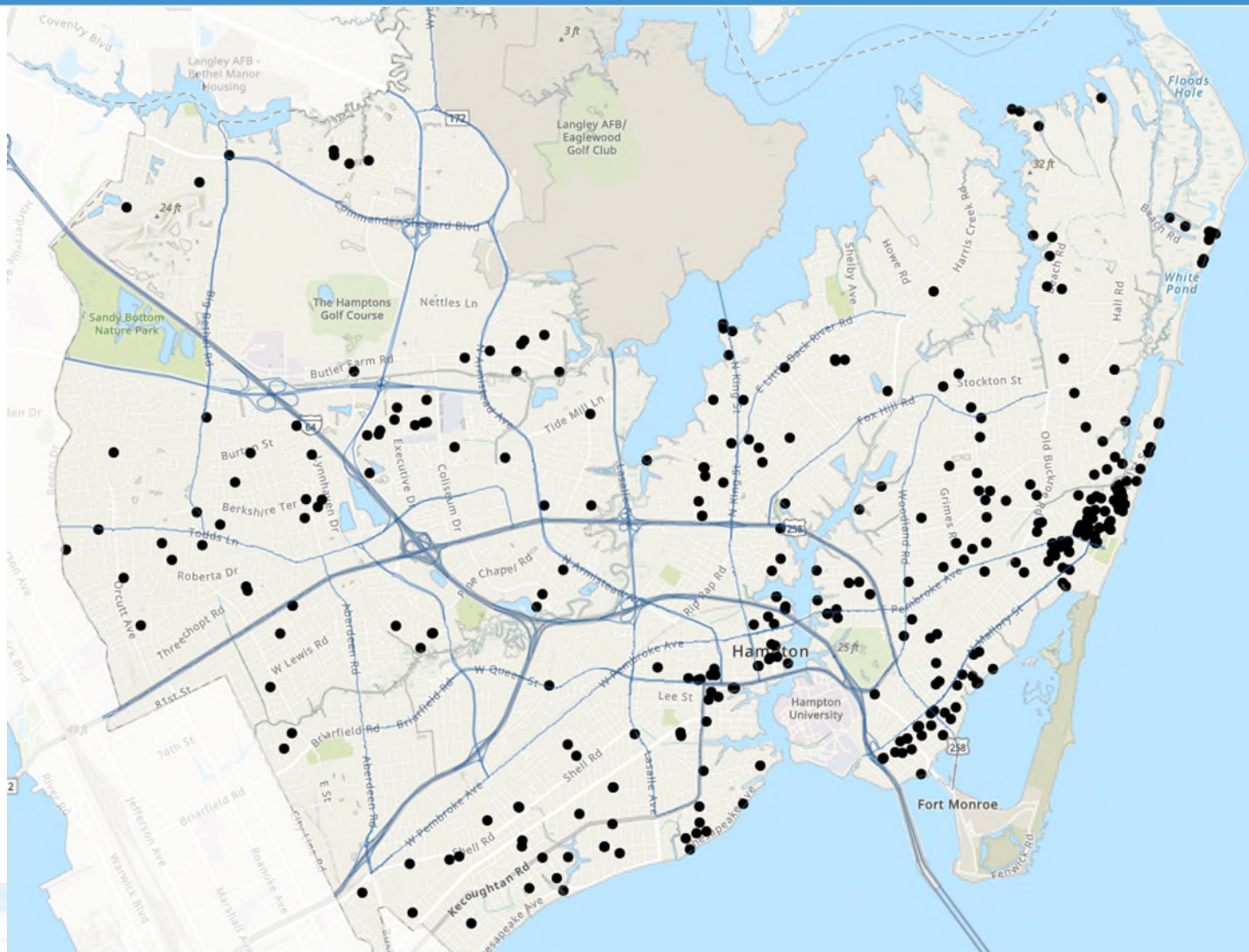
Phase 2 Summary

- Staff met with the Phase 2 stakeholders 7 times in December and January
- Unanimous consensus on a method of limiting density
- Specific responses for each stakeholder available in packet

Phase 2 Staff Briefings

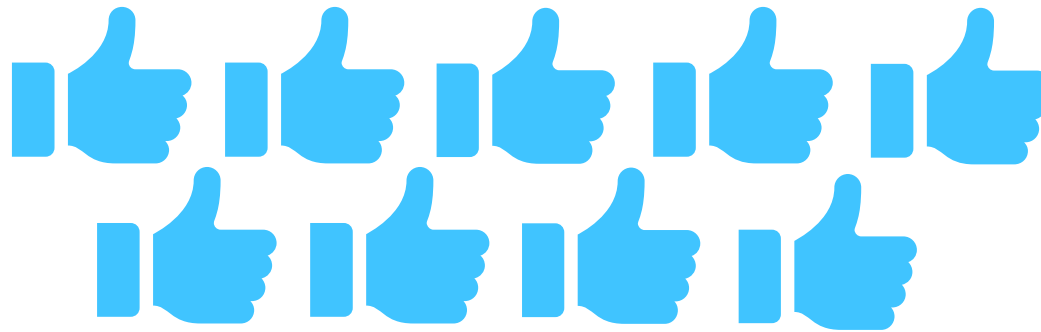
- Policy considerations
 - Legal briefings
 - Ordinance drafting parameters
 - Research about other approaches
 - Suspected STRs currently in operation
 - Complaint data
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Suspected STRs



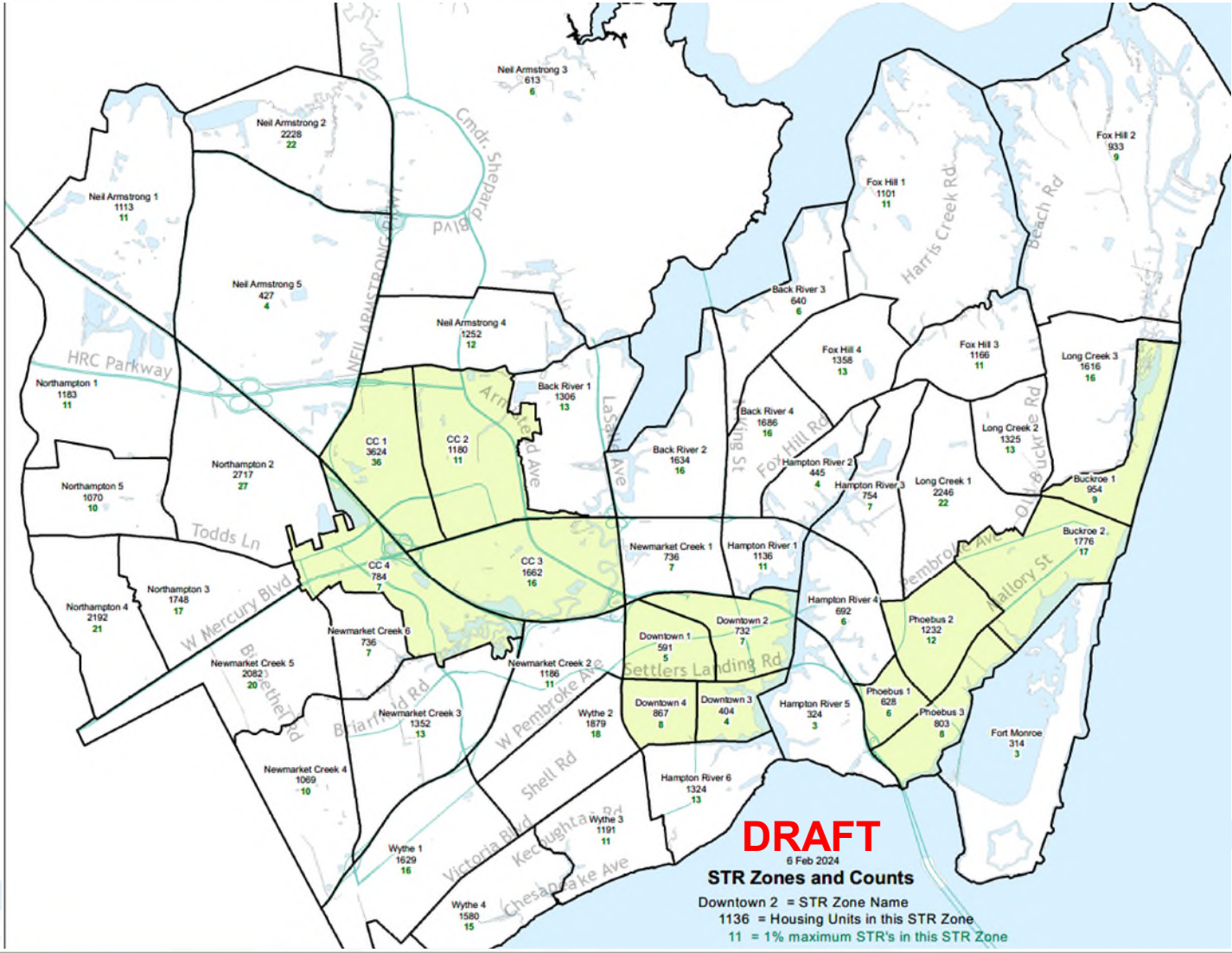
Density Method: STR Zones

Statement 1: Density of STRs within the city should be limited by using STR Zones similar to those shown in meeting 6.

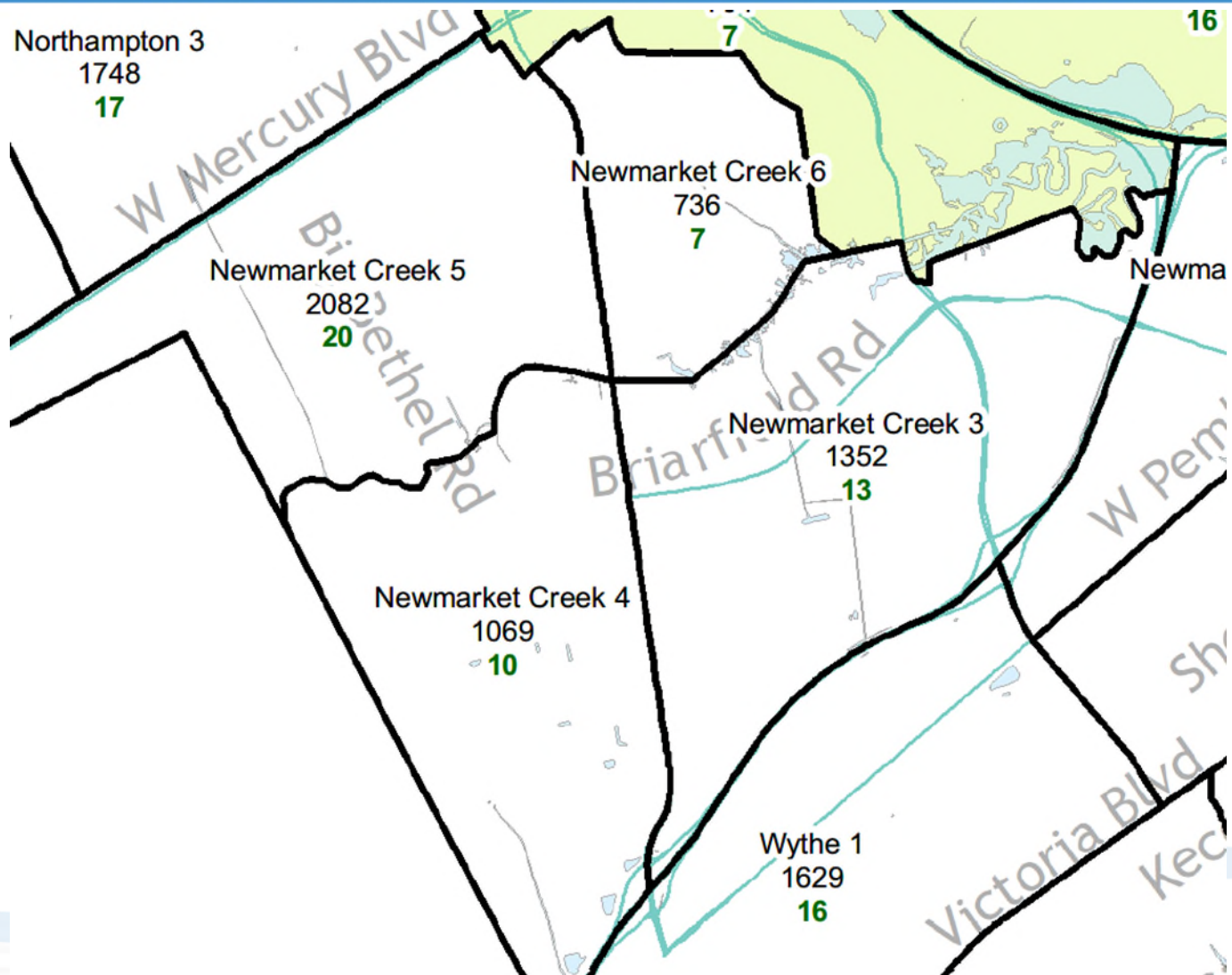


9 out of 9 Stakeholders Agree

Density Method: STR Zones

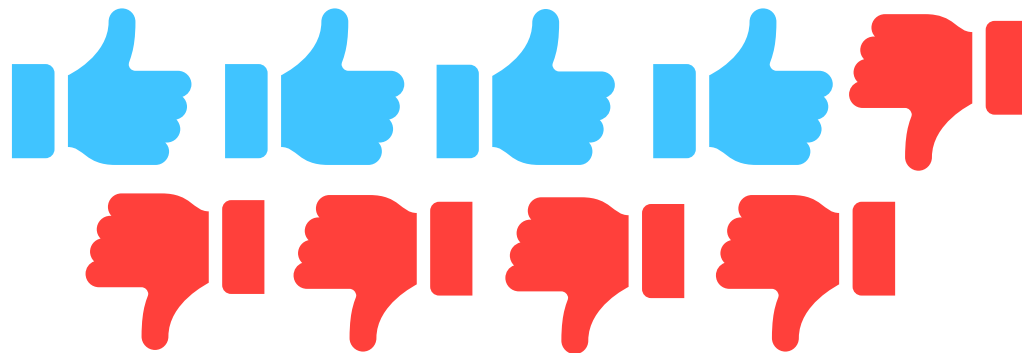


Density Method: STR Zones



Density Method: Block-face

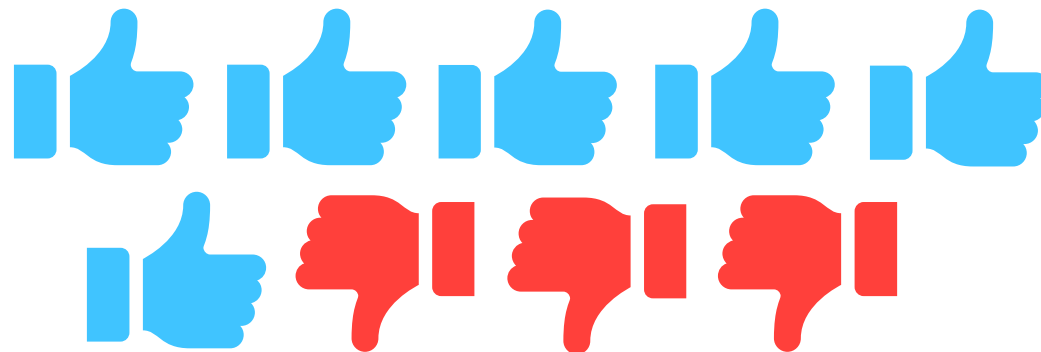
Statement 2: Density of STRs within the city should be limited by using a block-face approach.



4 out of 9 Stakeholders Agree

Density Variation: Destination Zones

Statement 3: STR Zones for the Destination Zones (Downtown, Phoebus, Buckroe, and Coliseum Central) should have a higher percentage of STRs than other STR Zones.



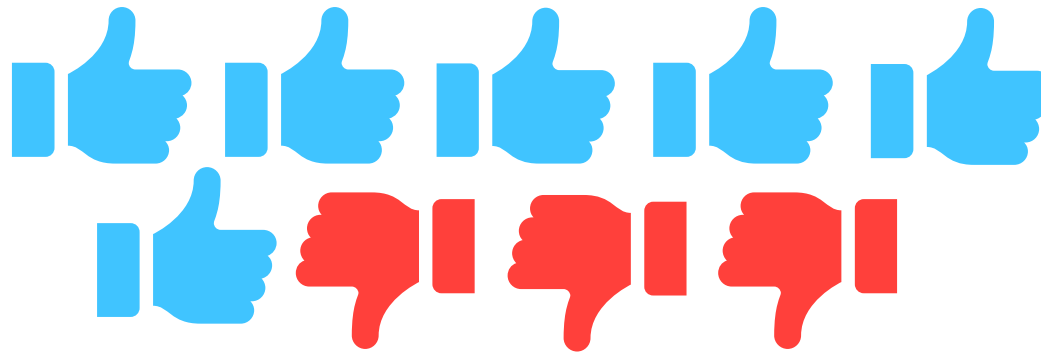
6 out of 9 Stakeholders Agree

Additional Feedback:

- Three responses suggesting a uniform 3% across all Zones
- Six responses suggesting a range between 2-5% within cores, and 0.5-2% elsewhere

Density Variation: Historic Districts

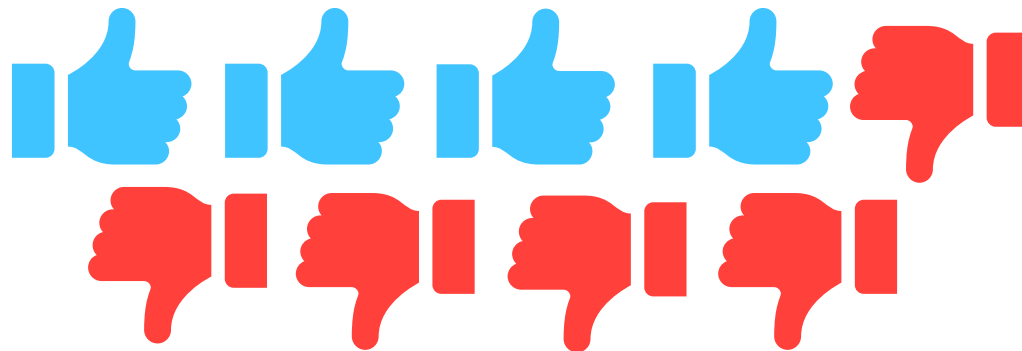
Statement 4: There should be fewer STRs in historic districts.



6 out of 9 Stakeholders Agree

Density Variation: Housing Venture

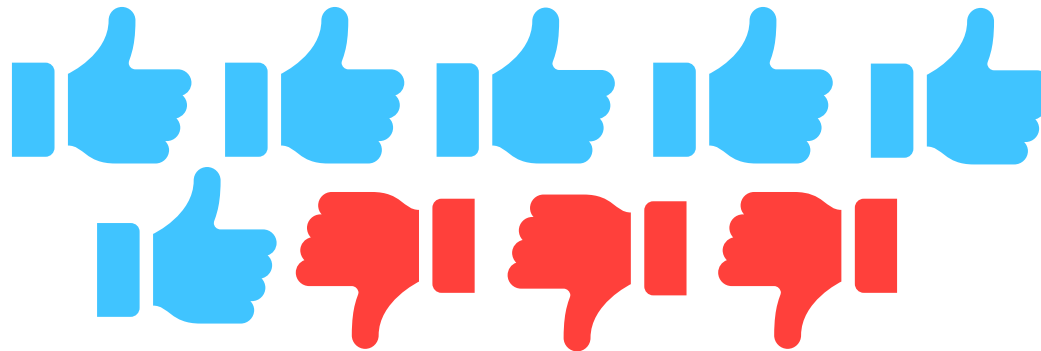
Statement 5: There should be fewer STRs in Housing Venture areas.



4 out of 9 Stakeholders Agree

Separation

Statement 6: There should be a separation requirement for STRs.



6 out of 9 Stakeholders Agree

Clustering
not allowed
and no
sandwiching:

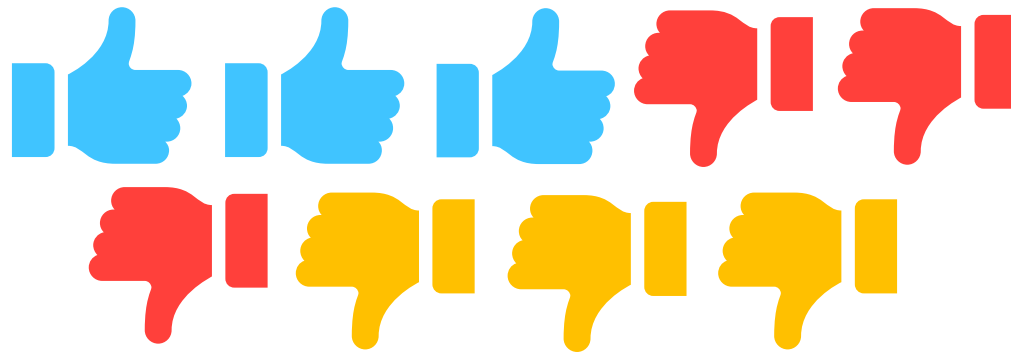


Clustering
allowed but
no
sandwiching:



Separation: No Clustering

Statement 7: STRs should be separated by at least two houses on the same side of the street and not directly fronting another STR across the street, when located in residential areas.



3 out of 9 Stakeholders Agree

3 out of 9 Stakeholders Disagree with Using Separation

Separation: Clustering Allowed

Statement 8: STRs may be directly adjacent to other STRs including across the street, but otherwise should be separated by at least two houses on the same side of the street when located in residential areas.

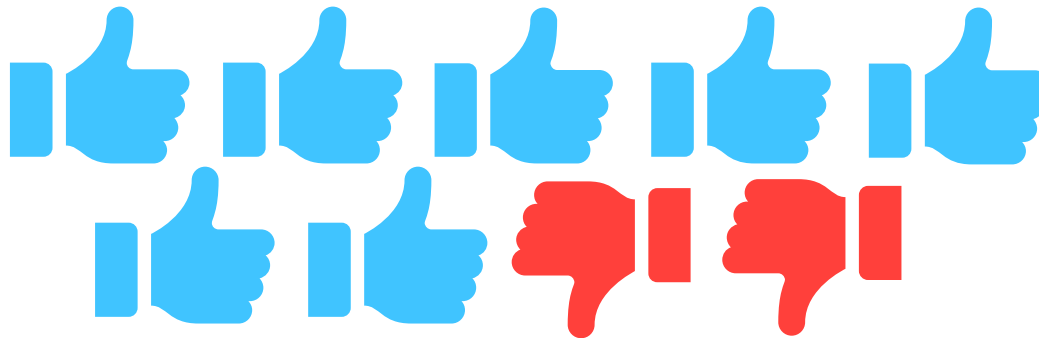


3 out of 9 Stakeholders Agree
3 out of 9 Stakeholders Disagree with Using Separation

Administration

Statement 9: All STRs should be approved administratively via the Zoning Administrator Permit (ZAP) when they meet the standard set of conditions.

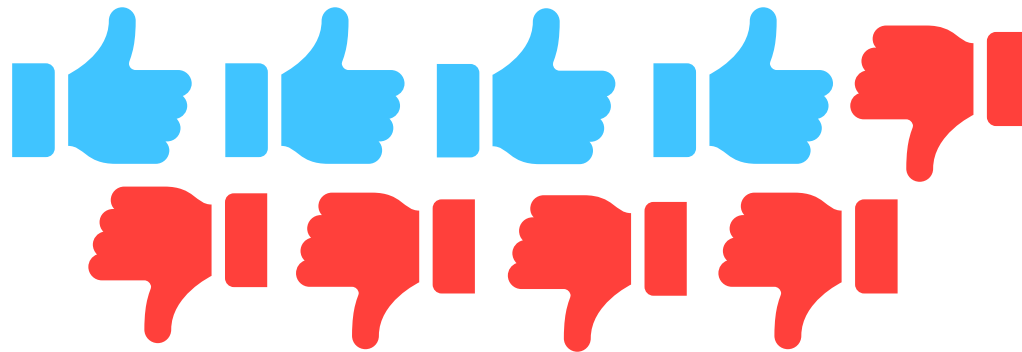
STRs which propose to exceed those conditions (such as by hosting events, or having more than 10 overnight guests or 5 bedrooms for lodging) would require approval of a Use Permit (UP) with appropriate conditions.



7 out of 9 Stakeholders Agree

Administration Alternative

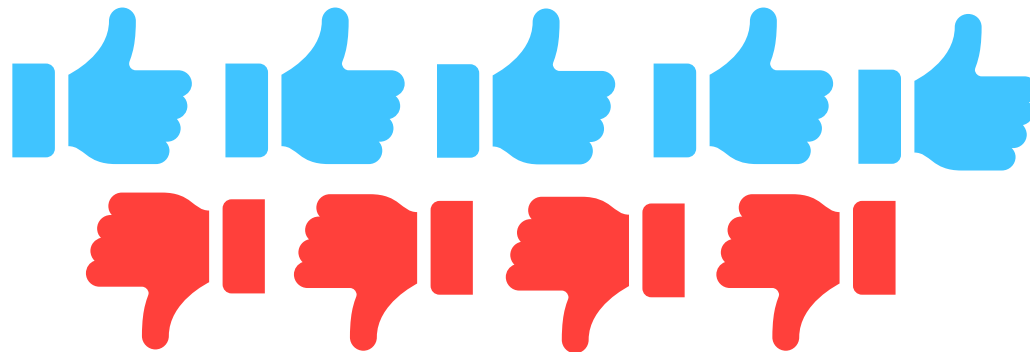
Statement 10: STRs outside of the Master Plan STR Zones should require a UP, while those within the Master Plan STR Zones should require a ZAP.



4 out of 9 Stakeholders Agree

Administration Alternative: Historic Districts

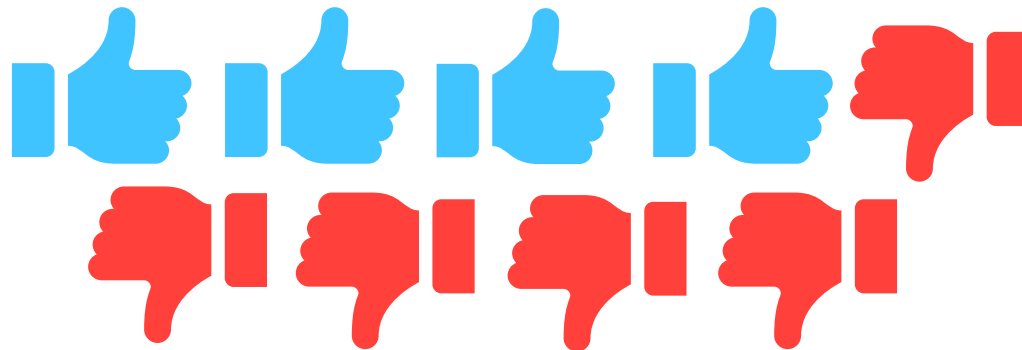
Statement 11: STRs within historic districts should require a UP.



5 out of 9 Stakeholders Agree

Types of STRs: Part-time

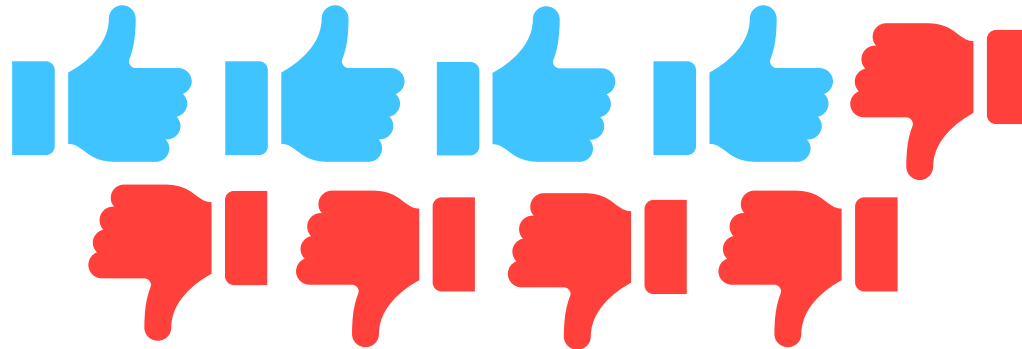
Statement 12: "Part-time" STRs should be exempt from and not count towards any density or separation requirements that apply to "full-time" STRs.



4 out of 9 Stakeholders Agree

Types of STRs: Owner-occupied

Statement 13: "Owner-occupied" STRs should be exempt from and not count towards any density or separation requirements that apply to "whole-house" STRs.



4 out of 9 Stakeholders Agree

Other Items

- Enforcement and staffing considered vital to success
- Support for collecting all appropriate taxes
- Regular re-inspections, with fee charged, is desired for continued compliance
- Desire to have authority to have UPs & ZAPs expire when owner or operator changes
- Start off with conservative density cap and adjust upward as necessary

Staff Recommendations



Staff Recommendations

- **Density cap**
 - Variation between destination zones (Master Plan cores) and elsewhere
- **Separation/clustering**
- **Permit process**

Staff Recommendations

- Density:
 - “STR Zones” will each have a maximum number of STRs
 - “3, 2, 1”
 - Equivalent of 3% of total housing units in Buckroe Destination Zones
 - Equivalent of 2% of total housing units in other Destination Zones (Coliseum Central, Downtown, and Phoebus)
 - Equivalent of 1% of total housing units in all other Zone

Staff Recommendations

- Separation/clustering:
 - STRs allowed to be directly adjacent, or directly across the street, but not “sandwich” a home
 - Allow clustering but limit to not more than 2 STRs adjacent on same side



Staff Recommendations

- Do not create separate zones for Housing Venture areas or Historic Districts
- Do not distinguish between part-time or full-time STRs
- Do not distinguish between owner-occupied and whole-house STRs

Staff Recommendations

- Administration:
 - All STRs must meet the adopted density and separation requirements
 - Enable administrative approval of STRs via a Zoning Administrator Permit (ZAP) when the STR:
 - Has not had any continued violations related to STR operation within 6 months
 - Meets standard conditions
 - Require Use Permit (UP) approval when not meeting certain standard conditions

Staff Recommendations

- ZAP Conditions:
 - Standard set being used now
 - RLP, floor plan, posted fact sheet, occupancy, parking
 - Re-inspection with fee every 2 years
 - No repeated STR violations within 6 months
 - Appeal of a revocation to City Council
 - Clarifying condition that STR cannot serve food (not a B&B) and not have too many rooms (not a hotel)

Staff Recommendations

- STRs which would require a UP:
 - Has had a repeated violation within 6 months
 - Exceeds residential building code classification of 5 bedrooms or 10 lodgers
 - Proposes events
 - Does not provide required parking on-site (e.g. using on-street parking credit)
 - Does not have improved parking surface for parking
 - Proposes signage

Staff Recommendations

- Does not recommend requiring a Use Permit for historic contributing structures
 - Majority of stakeholders did desire limitations
 - Appropriate if there is a desire to potentially waive or amend some ZAP conditions as they would apply to a historic structure (e.g. parking on lawns allowed to prevent construction of garage or driveway)
 - UP conditions would only apply to the operation of the STR – if the use ceased, the conditions would not apply
 - If there is a desire to protect historic structures, a historic zoning district would be a more comprehensive and effective path

Staff Recommendations: Moving Forward

- City Council implements policy for Use Permit reviews
- Staff begins work on amendments to adopt these recommendations – *May/June*
 - Enforcement to remain paused until compliance path is established
- Phased approach to beginning enforcement to manage the volume
 - Provide advance warning to operators due to their already accepted bookings