



## Legislation Text

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**File #:** 24-0176, **Version:** 2

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Ordinance to Amend and Re-Enact the Zoning Ordinance of The City of Hampton, Virginia by Amending Chapter 9, Entitled "Overlay Districts" to Add Article VIII, Entitled "O-STR - Short-term Rental Overlay" to Add a New Overlay District Which Regulates the Density and Separation of Short-term Rentals

### **Background Statement:**

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 between short-term rentals, unless otherwise exempted, of 500 feet. This separation would require that no property within the same STR Zone can 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 to permit two short-term rentals to operate side-by-side, 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 to indicate that the separation does not apply to multifamily dwelling buildings seeking to operate a short-term rental.

**Recommendations:**

Staff Recommendation:

Approve with an effective date of July 1, 2024

Planning Commission Recommendation:

Approve with an effective date of July 1, 2024

**WHEREAS**, the public necessity, convenience, general welfare and good zoning practice so require;

**BE IT ORDAINED** by the Council of the City of Hampton, Virginia that Chapter 9 of the Zoning Ordinance of the City of Hampton, Virginia, be amended and re-enacted as follows:

**Chapter 9 - OVERLAY DISTRICTS**

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**ARTICLE VII. - O-HP DISTRICT - HISTORIC PRESERVATION OVERLAY**

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**Secs. 9-68 - 9-70. - Reserved.**

**ARTICLE VIII. - O-STR DISTRICT - SHORT-TERM RENTAL OVERLAY**

**Sec. 9-71. - Intent.**

- (1) The purpose of this article is to ensure the dispersion of short-term rentals throughout the city in a manner that suitably balances the economic development activity and entrepreneurial spirit of the use while maintaining the character of neighborhoods in a manner that creates a harmonious community. In order to achieve this balance, the Short-term Rental Overlay (O-STR) District establishes the maximum allowed number of short-term rentals as well as separation requirements within designated STR Zones. The boundaries of the STR Zones are derived from master plan area boundaries as well as major corridors and physical separators, such as waterways, drainageways, highways, and significant roads. The maximum density and minimum separation requirements are applied within each STR Zone so as

to mitigate the impact of short-term rentals on an appropriate scale.

(2) This article shall have an effective date of September 1, 2024.

**Sec. 9-72. - Severability.**

(1) If any section, subsection, sentence, clause, or phrase of this article is for any reason held to be invalid, unconstitutional, or otherwise unlawful, such decision shall not affect the validity of the remaining portions of this article.

**Sec. 9-73. - Establishment of boundaries.**

- (1) The Short-term Rental Overlay (O-STR) District shall be composed of fifty-one (51) subdistricts, referred to periodically as “STR Zones,” each having a unique identifying name.
- (2) The boundaries of such subdistricts are shown on the Short-term Rental Overlay District map, which shall be incorporated into the City’s official zoning map.
- (3) The regulations of this article shall apply in addition to the regulations of the underlying zoning district. In cases where the regulations stated herein conflict with those of the underlying zoning district, this article shall supersede the underlying zoning district.

**Sec. 9-74. -General standards and application.**

- (1) All of the additional standards on use contained within Sec. 3-3(29) must be met in addition to the requirements contained within this Overlay District in order to operate a short-term rental.
- (2) Grace-period short-term rentals as referenced by Sec. 3-3(29)(f), shall be exempt from the density and separation standards of Sec. 9-75 if they receive the required approval prior to December 31, 2024. However, grace-period short-term rentals shall still count towards the density and separation standards of Sec. 9-75.
- (3) The distance a short-term rental must be from another short-term rental as required within Sec. 9-75 shall be measured beginning from the property boundaries extending outwards in all directions. Where any portion of a property is within that distance, that property shall be prohibited from operating as a short-term rental except as otherwise noted within Sec. 9-74(3)(a), Sec. 9-74(2), and Sec. 9-74(5).
  - (a) Two (2), but no more than two (2), short-term rentals may abut on the side so long as the second short-term rental is complying with the required separation of any non-abutting short-term rental. In such case, separation from the two (2) abutting short-term rentals as required by Sec. 9-75 shall be measured extending outwards from the combined exterior property boundaries.
- (4) Separation between short-term rentals as required by Sec. 9-75 shall only apply between short-term rentals located within the same individual STR Zone.
- (5) Short-term rentals which operate within a building which contains multiple dwelling units on a single property shall not be subject to and shall not establish separation requirements as indicated by Sec. 9-75.

**Sec. 9-75. - Density and Separation Standards for Short-term Rentals.**

(1) The standards contained within Table 9-75.1 shall apply.

<b>Table 9-75.1: Density and Separation Standards by STR Zone</b>		
STR Zone name	Maximum number of permits for short-term rentals	Minimum separation between short-term rentals
Back River 1	13	500 feet
Back River 2	16	500 feet
Back River 3	7	500 feet
Back River 4	16	500 feet
Buckroe 1	9	500 feet
Buckroe 2	16	500 feet
Coliseum Central 1	36	500 feet
Coliseum Central 2	11	500 feet
Coliseum Central 3	16	500 feet
Coliseum Central 4	1	500 feet
Downtown 1	5	500 feet
Downtown 2	8	500 feet
Downtown 3	4	500 feet
Downtown 4	8	500 feet
Fort Monroe	3	500 feet
Fox Hill 1	10	500 feet
Fox Hill 2	9	500 feet
Fox Hill 3	11	500 feet
Fox Hill 4	13	500 feet
Hampton River 1	11	500 feet
Hampton River 2	4	500 feet
Hampton River 3	7	500 feet
Hampton River 4	6	500 feet
Hampton River 5	3	500 feet
Hampton River 6	13	500 feet
Long Creek 1	23	500 feet
Long Creek 2	13	500 feet
Long Creek 3	16	500 feet
Neil Armstrong 1	11	500 feet

Neil Armstrong 2	22	500 feet
Neil Armstrong 3	4	500 feet
Neil Armstrong 4	13	500 feet
Neil Armstrong 5	4	500 feet
Newmarket Creek 1	7	500 feet
Newmarket Creek 2	10	500 feet
Newmarket Creek 3	13	500 feet
Newmarket Creek 4	10	500 feet
Newmarket Creek 5	20	500 feet
Newmarket Creek 6	8	500 feet
Northampton 1	11	500 feet
Northampton 2	32	500 feet
Northampton 3	19	500 feet
Northampton 4	19	500 feet
Northampton 5	10	500 feet
Phoebus 1	6	500 feet
Phoebus 2	12	500 feet
Phoebus 3	8	500 feet
Wythe 1	16	500 feet
Wythe 2	18	500 feet
Wythe 3	11	500 feet
Wythe 4	15	500 feet

**Secs. 9-76 - 9-80. - Reserved.**

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