

Frequently Asked Questions: Short-Term Rentals Draft Regulations



What is a short-term rental (STR)?

A short-term rental (STR) is the **occupancy of a dwelling unit for a period of less than 30 consecutive days**. These rentals are often advertised and processed through online platforms such as Airbnb, VRBO and FlipKey and include both the rental of a whole house or apartment or only a room or rooms within a house or apartment.

Are STRs currently allowed in the City of Richmond?

A short-term rental is **currently not identified as a permitted use** in the City's Zoning Ordinance. Short-term rentals have been authorized through the approval of Special Use Permits.

How were the draft regulations developed?

On June 22, 2015, City Council passed a resolution (Resolution No. 2015-R42-47) directing the Planning Commission to propose changes to the City's Zoning Ordinance that would authorize short-term rentals of residential properties. The Department of Planning and Development Review provided an initial report to City Council in October 2015. From 2015-2016, the Virginia General Assembly was considering limiting or prohibiting local regulation of short term rentals. Therefore, community outreach and discussion on the short-term rental report and potential regulations were stopped pending guidance from the General Assembly as to the authority of localities to regulate this use.

In 2017, the General Assembly passed SB 1578 which preserves the ability for localities to establish local regulations and allows for the creation of a registry for short-term rentals. The City's proposed regulations were drafted after a review of legislation in other localities and current operations of short-term rentals in the city of Richmond. This included working with the Regional Tourism Office and the Richmond Regional Planning District Commission to examine best practices. Though many short-term rentals operate in the city currently (749 in March 2018), the City's Zoning Division has received few complaints regarding the use (4 complaints in 2018). The draft regulations were written from the perspective that the community is comfortable with the existing operations. Staff is seeking feedback through the public engagement process to confirm this assumption.

Where will STRs be permitted?

The draft regulations propose to permit short-term rentals as an **accessory use** in any zoning district that permits residential uses and in all types of dwellings including accessory dwelling units.

Who can operate a STR?

The draft regulations propose that both property owners and tenants of a residential unit qualify to operate STRs in their homes provided the home is their **primary residence** which is established by occupying the dwelling unit for a minimum of 185 days out of the calendar year. While tenants may be STR operators, **the property owner approval is required**. Additionally, for condominiums and co-ops, a **statement that the condominium or co-op board has approved** a request to use the dwelling unit as an STR is required.

Can all units in a multi-family building operate as STRs?

No, for any dwelling use in multi-family and mixed-use zones, a maximum of nine dwelling units, or twenty five percent (25%) of the total number of dwelling units, whichever is less, may be used as a short-term rental per the draft regulations.

How many nights can a STR operate?

The draft regulations limit the number of nights a dwelling unit can operate as a STR to no more than **180 nights**.

How many lodgers are allowed in a STR?

The draft regulations limit the number of adult lodgers to **2 per sleeping room**, except where the current edition of the Virginia Uniform Statewide Building Code requires fewer occupants. The proposed legislation further limits the number of sleeping rooms available for a STR to **5 sleeping rooms**. There is no limit on the number of children that can be associated with the adult lodgers.

Is the operator required to be on-site during the STR stay?

No, the draft regulations do not distinguish between hosted (where the operator occupies the dwelling unit during the stay) and unhosted (where the operator does not occupy the dwelling unit) stays. The operator must provide contact information with a phone number accessible 24-hours per day to the City.

Are there additional parking requirements to operate a short-term rental?

No, the draft regulations do not require any additional parking other than the parking that is currently required for the dwelling unit.

Can there be multiple rental contracts per night at one property?

No, the draft regulations allow only one contract per night and requires all lodgers to be associated with the same rental contract.

Can a renter host a party or wedding at an STR?

No, the draft regulations prohibit events such as parties, banquets, weddings, meetings, and any other gathering of persons other than the authorized lodgers from occurring during the rental.

What is the permitting process for STRs?

The City will require the operator to obtain a **Certificate of Zoning Compliance (CZC) for Short-Term Rental** on a biennial basis (every two years). **The fee will be \$300** which is intended to cover administration and monitoring costs. The CZC is an existing administrative process that includes Zoning and Building inspections. The CZC approval number shall be posted on all advertisements for the property.

Do STR operators have to pay any additional taxes or fees to the City?

Operators **in multifamily properties and single-family properties of 4 or more bedrooms** will be required to remit the **City's 8% transient occupancy tax** for the rental. The proposed regulations do not require the operators to obtain business licenses or be subject to business personal property taxes related to the rental activity.

How can I provide my thoughts on the draft ordinance?

Please complete the STR survey at www.surveymonkey.com/r/RichmondSTRsurvey by 5/31/19. Send comments to Marianne.pitts@richmondgov.com or (804)646-5207.