

Council Letter

City of Danville, Virginia



CL - 863

NEW BUSINESS M.

City Council REGULAR MEETING

Meeting Date: October 5, 2023

Subject: Consideration of a Code Amendment Request to Amend Chapter 41 Entitled "Zoning Ordinance" of the City of Danville, Virginia.

From: Renee Burton, Division Director of Planning

COUNCIL ACTION

1. Public Hearing
2. An Ordinance Amending Chapter 41 Entitled, "Zoning Ordinance" of the Code of the City of Danville, Virginia, 1986, as amended, More Specifically, to Amend Article 2, Section Y., Entitled "Short Term Rentals".

SUMMARY

Across the country, short-term rentals have become an issue due to the prevalent use of online rental platforms which allow residential properties to be used for temporary lodging. This has allowed travelers to opt to stay in residential properties, similar to hotels and motels, while traveling. As a result, temporary lodging now falls into one of four zoning categories: (1) Short Term rental, (2) Bed and Breakfast, (3) Hotel/Motel, and (4) Boarding House.

These visitors could include families on vacation, parents visiting children in college, people on business trips or a potential employee in town for a job interview. A thirty (30) day limit is often used to describe the difference between a short-term rental and a regular residential rental, which may include a period as short as a month. For zoning purposes, the specific time limit is not as important as the fact that a short-term rental is categorized differently than an ordinary residential rental. The use and its impact is different than an ordinary residential rental.

The following issues should be considered when discussing short-term rentals:

1. Presence of a Host: Like most localities, Danville currently requires a host be located within 50 miles for residential short-term rentals. Most localities still require an on-site host. When a host is not present, the short-term rental is likely in violation of local zoning regulations, is located in a specific zoning district, or is limited to a specific number of guest visits each year.
2. Enforcement: Regulations regarding short-term rentals can be difficult to enforce. This specifically applies to limitations on the number of guests, and the frequency of visits.
3. Registration: Virginia law permits localities to require an annual registration of short-term rentals. This registration may require a fee in order to maintain and enforce the registry. However, registration excludes short-term rentals which are otherwise licensed as a business, such as hotels.
4. Effect on Housing and the Neighborhood: Research and case studies indicate that short-term

rentals can reduce the availability of quality affordable housing. Short-term rentals can also result in residential areas which are primarily for tourist housing, rather than housing for local residents. Our most recent Housing Study indicates that there is a deficit of 606 single family homes available for purchase in the City of Danville. Conversion of single family homes from home ownership or rentals to Short Term Rentals increases this deficit, making it harder to provide quality housing for purchase and long term rental.

5. Relation to the Comprehensive Plan: The Danville: 2030 Comprehensive Plan contains goals which recommend the City support housing rehabilitation, specifically in distressed and historic neighborhoods. The Plan also suggests the continued use and reuse of existing buildings.
6. Parking: Parking could pose an issue in neighborhoods that rely on on-street parking for existing residents. Residents have expressed concern over the potential lack of parking with the influx of new short-term rentals.

To address the issues that Short Term Rentals bring to the City, Staff recommends amending Article 2 Section Y of the Zoning Code. Recommended amendments are noted in Exhibit A. Exhibit A, as submitted, includes, but is not limited to, creation of a Short Term Rental Permit with annual renewal, removes STR as an allowable accessory use, requires off-street parking and reduces the distance between STR property and property manager.

On September 11, 2023, the City Planning Commission voted 6 - 0 to recommend approval of the Code Amendment PZ23-00295 to amend Article 2.Y. titled Short-Term Rentals.

RECOMMENDATION

It is recommended that City Council adopt an Ordinance to amend Chapter 41 entitled "Zoning Ordinance" of the City of Danville, 1986 as amended, specifically, Article 2 Section Y titled "Short Term Rentals".

Attachments

1. Ordinance
 2. Exhibit A
 3. Commission on Architectural Review Recommendation
 4. Planning Commission Recommendation
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