



TOWN COUNCIL
Work Session
December 9, 2024
Cape Charles Civic Center
6:00 PM

1. Call to Order:
 - A. Roll Call

2. Items for Discussion:
 - A. [Short Term Rental Ordinance](#)

3. Adjournment



Council Amended Short Term Rental Ordinance

DOCUMENT LEGEND

Deletions of current zoning ordinance text are shown as “~~Black Strike thru~~”

Addition of whole sections or paragraph of zoning text are shown as “*Black Italic*”

Additions of a word or words to a sentence are shown as “*Black Italic Underline*”

Council Amendments: **RED UNDERLINE** or **STRIKETHROUGH** for additions and deletions

TOWN OF CAPE CHARLES ZONING ORDINANCE

ARTICLE II - GENERAL PROVISIONS

Section 2.9 Definitions

~~Delete “Dwelling Seasonal is a dwelling unit not used as a principal residence that may be occupied weekends and for brief periods during the year.”~~

Add “Operator means the proprietor of any dwelling, lodging, or sleeping accommodations offered as a short-term rental, whether in the capacity of owner, lessee, sublessee, mortgagee in possession, licensee, or any other possessory capacity.”

Add “Short-term rental means the provision of a room or space that is suitable or intended for occupancy for dwelling, sleeping, or lodging purposes, for a period of fewer than 30 consecutive days, in exchange for a charge for the occupancy. This does not include a hotel, motel or bed and breakfast.

Zoning: Article III District Regulations

Section 3.2 Residential District R-1

Add new Section 3.2. D ~~Accessory Uses. Conditional Uses~~

1. Short-term Rental in accordance with Section 4. ~~15-12~~

Any short-term rental (STR) that possessed a valid Town business license, certificate of rental occupancy and inspection, and remitted transient occupancy taxes to the Town during the twelve (12) months immediately preceding the effective date of this ordinance is considered grandfathered, but must meet the conditions of Section 4.12.

Section 3.3 Residential Mixed District R-2

In Section 3.3.D ~~Accessory Uses. Conditional Uses~~

1. Add 6. Short-term Rental in accordance with Section 4. ~~15-12~~

Any short-term rental (STR) that possessed a valid Town business license, certificate of rental occupancy and inspection, and remitted transient occupancy taxes to the Town during the twelve (12) months immediately preceding the effective date of this

ordinance is considered grandfathered, but must meet the conditions of Section 4.12.

Section 3.4 Residential Multi-Family District R-3

In Section 3.4.D ~~Accessory Uses. Conditional Uses~~

1. Add 9. Short-term Rental in accordance with Section 4.~~15-12~~

Any short-term rental (STR) that possessed a valid Town business license, certificate of rental occupancy and inspection, and remitted transient occupancy taxes to the Town during the twelve (12) months immediately preceding the effective date of this ordinance is considered grandfathered, but must meet the conditions of Section 4.12.

Section 3.5 Commercial Residential CR

Add new Section 3.5.D ~~Accessory Uses. Conditional Uses~~

1. Short-term Rental in accordance with Section 4.~~15-12~~

Any short-term rental (STR) that possessed a valid Town business license, certificate of rental occupancy and inspection, and remitted transient occupancy taxes to the Town during the twelve (12) months immediately preceding the effective date of this ordinance is considered grandfathered, but must meet the conditions of Section 4.12.

Section 3.6 Commercial District C-1

In Section 3.6.H ~~Accessory Uses. Conditional Uses~~

1. Add 4. Short-term Rental in accordance with Section 4.~~15-12~~

Any short-term rental (STR) that possessed a valid Town business license, certificate of rental occupancy and inspection, and remitted transient occupancy taxes to the Town during the twelve (12) months immediately preceding the effective date of this ordinance is considered grandfathered, but must meet the conditions of Section 4.12.

Section 3.7 Commercial District C-2

Add new Section 3.7.D ~~Accessory Uses. Conditional Uses~~

1. Short-term Rental in accordance with Section 4.~~15-12~~

Any short-term rental (STR) that possessed a valid Town business license, certificate of rental occupancy and inspection, and remitted transient occupancy taxes to the Town during the twelve (12) months immediately preceding the effective date of this ordinance is considered grandfathered, but must meet the conditions of Section 4.12.

Section 3.8 Commercial District C-3

Add new Section 3.8.C ~~Accessory Uses. Conditional Uses~~

2. ~~Short-term Rental in accordance with Section 4.15-12~~

Any short-term rental (STR) that possessed a valid Town business license, certificate of rental occupancy and inspection, and remitted transient occupancy taxes to the Town during the twelve (12) months immediately preceding the effective date of this ordinance is considered grandfathered, but must meet the conditions of Section 4.12.

Section 3.9 Harbor District

Add new Section 3.9.F ~~Accessory Uses. Conditional Uses~~

1. ~~Short-term Rental in accordance with Section 4.15-12~~

Any short-term rental (STR) that possessed a valid Town business license, certificate of rental occupancy and inspection, and remitted transient occupancy taxes to the Town during the twelve (12) months immediately preceding the effective date of this ordinance is considered grandfathered, but must meet the conditions of Section 4.12.

Section 3.16 Bay Crossing Planned Unit Development (Bay Crossing PUD)

Add to:

B. Permitted Uses. The following uses shall be permitted by right, subject to the yard, height, coverage and density requirements contained herein: all uses permitted by-right and as accessory uses in the R-3 District except short-term rentals, and Electric Vehicle Charging Station(s). Notwithstanding the foregoing, the following items from the Zoning Ordinance shall be not applicable (i) Item #35 from the C-1 District (any use allowed in the S-C District) and (ii) Item C from the C-1 District.

Zoning: Article IV General Regulations Applicable to All Districts

Section 4.2 Exceptions to the Regulations:

Section 4.2.J Accessory Dwellings

#2. Occupancy characteristics

~~DELETE: a. Transient Occupancy (also referred to as Short Term Rentals [STRs]) means any person(s) who, for any period of not more than thirty (30) consecutive days, either at his own expense or at the expense of another, lodges or obtains lodging at any hotel, motel, tourist home, or other facility. Accessory Dwelling Units may not be rented on a Transient Occupancy basis.~~

Amend by adding: a. b. Length of stay – Accessory Dwelling Units may not be rented as a short-term rental. An accessory dwelling unit may be occupied by any person or persons for a period no less than thirty (30) consecutive calendar days either paying a fee for such occupancy at his own expense or at the expense of another (30-day rental or greater). Upon request from any building, zoning, finance, or public safety official

acting on behalf of the Town of Cape Charles, the owner of the subject lot of record upon which the accessory dwelling unit sits shall provide occupancy documentation and/or information as requested in writing.

Section 4.5 Off-Street Parking and Loading Standards

Section 4.5 (B) (3) (a) (9) – the Table on Minimum Parking Space Requirements

Amend by deleting: 9. Bed and breakfasts, ~~other temporary residences renting by the day or week~~

ADD New Section: 4.12 Short-Term Rental (STR) Regulations

A. Purpose and intent

- 1. The purpose and intent of this section is to regulate Short-term rentals (STRs). STRs are common in America today, including in the town. However, given that they are commercial uses which must co-exist with residential uses, and often in neighborhoods not designed for commercial activity, limits and regulations are needed. This article is intended to provide the requirements to allow these certain limited commercial uses in town zoning districts containing residential uses per Article III.***
- 2. The regulations for short-term rentals are designed to accommodate an STR owner's and operator's limited commercial use in a way that is safe for the guest, meets town requirements, does not change the character of the town, and fits in with the districts in which STRs operate.***
- 3. This Section is intended to work in tandem with the town's business license requirements as contained in the Town Code, as a measure for the town to monitor the number of STRs and enforce regulations.***
- 4. Owners and operators are allowed a one-year grace period, from the date Zoning Ordinance No. 20241121A is adopted, to come into compliance. However, this grace period is not intended to limit or change existing rules and regulations, including but not limited to requirements to obtain a business license, pay taxes, and comply with the building code.***

B. Permitting Requirements

- 1. A short-term rental unit shall not be operated until an annual business license is issued in accordance with Town Code Chapter 18, Article II by the Finance Department.***
- 2. A short-term rental unit shall not be operated until a Short-Term Rental (STR) zoning permit is issued by the Planning Department. The application for a zoning permit will require, as a minimum, the following:***
 - a. Name of owner and operator of the short-term rental property***
 - b. Address of the short-term rental property***

- c. *Town business license number*
 - d. *For operators that are a lessee or sublessee, an attestation that the property owner has granted permission for use of such property as a short-term rental*
 - e. *Contact information for all owner(s), operator(s), and property management companies (if applicable), to include: names, telephone numbers, mailing addresses, and e-mail addresses. If ownership is via partnership or corporation, a list of all partners, officers, and shareholders (as appropriate) must be provided with the same contact information*
 - f. *Contact information, ~~which will be publicly available~~, for a 24 hour/7 day a week contact who is the responsible party to address immediate concerns associated with a short-term rental, and who has the authority to act as the owner's and operator's agent*
 - g. *If the property is governed by a homeowners' or condominium association, proof that authorization to operate the short-term rental was provided by the homeowners' or condominium association*
 - h. *Certification that Town prepared STR training information has been reviewed annually*
3. *Short-term rental zoning permits will be valid for one year and may be renewed each subsequent year, if there were no permit violations, and upon approval of the associated annual business license and re-inspection.*
4. *Any change to information on the short-term rental zoning permit application will require notification to the Planning Department within 10 business days.*
5. *Any change in ownership of the property or short-term rental owner or operator will require a new application for the business license, short-term rental zoning permit, and inspection within 20 business days.*
6. *An owner (which includes, but is not limited to, corporations or partnerships, and entities or individuals that are stockholders, members or partners in corporations, companies, or partnerships) may only operate up to five short-term rental units within the entire town.*
7. *An operator is not prohibited from offering a property as a short-term rental solely on the basis that such operator is a lessee or sublessee, provided that the property owner has granted permission for such property's use as a short-term rental. However, a lessee or sublessee is limited to one short-term rental within the town. An operator will be required to meet any subleasing requirements, if any, from any applicable homeowner's or condominium association.*

C. Additional Requirements

1. *Every short-term rental is required to submit transient occupancy tax (TOT) in accordance with Town Code Chapter 18, Article V.*
1. *Short-term rentals are only permitted in those districts as specified in Article III.*

3. Simultaneous short-term rentals under separate contracts in the same dwelling are prohibited.

4. Commercial gatherings providing direct or indirect compensation, including but not limited to luncheons, banquets, parties, weddings, charitable fund-raising, commercial or advertising activities, or other similar occurrences are prohibited.

5. Occupancy: ~~Excluding children five twelve (12) years of age or younger, There~~ shall be no more than two lodgers per bedroom, ~~plus two~~; with the maximum number of overnight lodgers per dwelling being no greater than ten. ~~Occupancy shall not exceed any limit set by the Uniform Building Code or local building code official.~~

Occupancy of greater than ~~10 lodgers per STR above~~ may be approved through a Conditional Use Permit, provided ~~the structure possesses more than five qualifying bedrooms~~, the property can accommodate sufficient off-street parking, ~~and~~ the property meets any other life safety requirements as may reasonably be required for such higher occupancy, ~~and the property does not exceed the UBC or local building code official limitations.~~

The town retains the right to investigate violations and complaints of permit violations, and to periodically contact STR lodgers to determine occupancy. If town investigators determine that a violation has occurred, notice of such violation will be provided to the STR zoning permit holder or agent who will be responsible to cure the violation.

6. The business license and emergency information must be conspicuously posted inside each rental, including the 24/7 contact information for the STR responsible party.

7. Signage is to comply with Article IV, Section 4.1.

8. Refuse requirements: one- and two-bedroom dwelling units used as short-term rental units will require one trash receptacle; three or more-bedroom units will require two receptacles, or more as may be required by a Conditional Use Permit. Owners and operators are required to maintain the receptacles so that they do not overflow.

9. Lodgers and their guests will be required to observe noise requirements contained in Town Code Chapter 20, Article I, Section 20-3.

10. Safety Equipment: Operable smoke detectors, fire extinguishers, and carbon monoxide detectors shall be present in compliance with the Virginia Uniform Statewide Building Code.

11. Under no circumstances shall the issuance of a certificate of zoning compliance (permit for short-term rental) by the Administrator (town) be construed as abrogating, nullifying or invalidating any other provision of Federal, State or local law: any deed covenant or property right; or any homeowners' or condominium association bylaw, or rule.

D. Inspections

- 1. An initial inspection will be required for all short-term rentals in accordance with Town Code Chapter 8, Section 8-4.**
- 2. An annual re-inspection by the building code official or designee is required when filing for a short-term rental business license renewal.**
- 3. The Building Code Official or designee maintains the right to inspect a short-term rental, based on complaints or reasonable suspicion, to verify that the rental is being operated in accordance with the Virginia Uniform Statewide Building Code, the permit, and other applicable laws and regulations.**

E. Violations

- 1. A Short-Term Rental (STR) zoning permit may be denied for any of the following violations:**
 - a. Failure to obtain/maintain a town business license**
 - b. Failure to pay all town real property taxes**
 - c. Failure to pay all business taxes from the prior year**
 - d. Failure to file and pay (if applicable) payment of transient occupancy taxes due the town for the previous three months or more**
 - e. Falsifying town forms or applications**
 - ~~f. Other applicable non-STR town zoning violations~~**
 - g. Failure to provide responsive actions to issues raised to the 24/7 contacts, as determined through town investigations**
 - h. Two ~~or more~~ violations of safety/building code requirements within the same calendar year, that are not cured following reasonable notice**
 - i. Two ~~or more~~ violations of occupancy limits within the same calendar year, that are not cured following reasonable notice**

Reasonable notice is satisfied when an authorized town official notifies the zoning permit holder or agent of a condition violating requirements of this section, and 24 hours pass without resolution of the violation.

Note: individual nuisance or noise violations will be issued directly to the offending party in addition to any consequence to the zoning permit holder.

Violations may be investigated by the Town Manager, Treasurer, Zoning Administrator, Building Code Official, Police Chief or their designees as appropriate. Once investigated, violations pursuant to this section will be issued by the Zoning Administrator.

- 2. An owner or operator, whose Short-Term Rental (STR) zoning permit has been denied pursuant to this Section, shall not be eligible to obtain another STR zoning permit for the subject short-term rental for the entire succeeding calendar year. Thereafter, the owner or operator will be required to apply for a new business license, STR zoning permit, and an inspection.**

3. Before the denial of Short-Term Rental (STR) zoning permits is made effective, the town shall give written notice to the short-term rental owner or operator as noted on the STR zoning permit. The notice of permit denial under the provisions of the section shall contain:

- a. A description of the violations constituting the basis of the denial, suspension or revocation;**
- b. If applicable, a statement of acts necessary to correct the violation(s): and**
- c. A statement that the owner may have a right to appeal the notice of a permit denial within 30 days in accordance with Code of Virginia Section 15.2-2311 (A) and that the decision of permit denial shall be final and unappealable if not appealed within 30 days.**