

Planning Commission

Joint Public Hearing with Town Council & Special Meeting Agenda

**Cape Charles Civic Center – 500 Tazewell Avenue
October 21, at 6:00 P.M.**

1. Call to Order
 - A. Planning Commission Roll call and establish a quorum
 - B. Town Council Roll call and establish a quorum
2. Invocation and Pledge of Allegiance
3. Consent Agenda
 - A. Approval of agenda format
4. Public Hearing:
 - A. Zoning Text Amendment (ZTA) 2024-01 application from the Town of Cape Charles to add in new regulations for Short Term Rentals (STRs) as a permitted use in certain identified zoning districts and the criteria required in the establishment and operation of an STR by amending the following sections of the Zoning Ordinance

Section 2.9 DEFINITIONS: delete “Dwelling, Seasonal” and add “Operator” and “Short-term Rental”

Add Short Term Rental as a by-right use in:

Section 3.2 Single Family Residential District R-1

Section 3.3 Residential Mixed District R-2

Section 3.4 Residential Multi-Family District R-3

Section 3.5 Commercial Residential CR

Section 3.6 Commercial District C-1

Section 3.7 Commercial District C-2

Section 3.8 Commercial District C-3

Section 3.9 Harbor District

Amend Section 3.16 (B) – Permitted Uses: Bay Crossing Planned Unit Development to specifically exclude STRs

Amend Section 4.2 (J) – General Regulations Applicable to All Districts – Accessory Dwellings by deleted (J) (2) (a), under Occupancy Characteristics the section on Transient Occupancy and adding language to (J) (2) (b) that STRs are not allowed in Accessory Dwellings

Amend Section 4.5 (B) (3) (a) (9), under Parking Regulations, by deleting “other temporary residences renting by the day or week”

Add new Section 4.12 Short Term Rental Regulations

At conclusion of public hearing, Town Council adjourns their meeting and can depart at this time.

5. Citizen Comment Period, for any item not subject to an advertised public hearing
6. Unfinished Business:
 - A. Zoning Text Amendment (ZTA) 2024-01 application from the Town of Cape Charles to add in new regulations for Short Term Rentals (STRs) as a permitted use in

certain identified zoning districts and the criteria required in the establishment and operation of an STR by amending the following sections of the Zoning Ordinance

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Add new Section 4.12 Short Term Rental Regulations

7. Announcements - Next Meetings:

- Special Session: Wednesday, October 30, 2024 @ 6:00 pm

8. Adjourn

Planning Commission and Town Council
Joint Work Session Legal Ad

TOWN OF CAPE CHARLES
Joint Public Hearing
Planning Commission & Town Council

The Cape Charles Planning Commission and Town Council will hold public hearing on Tuesday, October 21, 2024, at 6:00 pm in the Cape Charles Civic Center, 500 Tazewell Avenue, to receive comments on the following application:

- A. A Zoning Text Amendment (ZTA) 2024-01 application from the Town of Cape Charles to add in new regulations for Short Term Rentals (STRs) as a permitted use in certain identified zoning districts and the criteria required in the establishment and operation of an STR by amending the following sections of the Zoning Ordinance

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Amend Section 4.5 (B) (3) (a) (9), under Parking Regulations, by deleting “other temporary residences renting by the day or week”

Add new Section 4.12 Short Term Rental Regulations

This application, along with the completed proposed zoning text amendment is available for public review on our website at www.capecharles.org, under Agendas & Minutes / Planning Commission. Please contact the Planning Department at 1-757-331-2036, or by email at planner@capecharles.org if you have any questions or require additional information.

AD PLACED: Eastern Shore Post on Tuesday, October 1, 2024

AD TO RUN: Friday, October 4, 2024 & Friday, October 11, 2024

Agenda Item 4 (A)

Zoning Text Amendment Application



Zoning Text Amendment Application

Planning & Zoning Department
2 Plum Street; Cape Charles, VA 23310
757-331-3259 x30

planner@capecharles.org

Revised 03/2023

Taxes

Violations

Fee

Decision

Budge Code: MISPL 100-3100-1070

PART 1. APPLICATION NOTES

1. A pre-application conference with Planning staff is strongly recommended prior to submission of a zoning text amendment.
2. The Zoning Text Amendment application process typically takes about four (4) months.
3. A Zoning Text Application may be submitted by any Cape Charles property owner. It may only be advanced to either the Planning Commission or the Town Council for a public hearing following staff consultation with the Town Manager.
4. Either the Planning Commission or Town Council may submit an application for a zoning text amendment with the Town Manager, Zoning Administrator or Planning Director representing the application on behalf of the Town.
5. The application will need to receive an affirmative vote of the Cape Charles Town Council or Cape Charles Planning Commission to step in as the applicant and to set a calendar advancing the application to public hearing in compliance with the Code of Virginia Section 15.2-2285 and 15.2-2204
6. The applicant will be required to make a presentation to fully explain the request and demonstrate its need. The presentation should show how the proposed change supports and maintains compliance with the goals and objectives of the Comprehensive Plan.
7. The final decision will be made by Town Council, which approves zoning text amendments at their legislative discretion.

PART 2: APPLICANT INFORMATION

Applicant Name: **Cape Charles Town Council**

Cape Charles Address: **2 Plum Street**

Mailing Address: **2 Plum Street**

Email address: **jhozey@capecharles.org**

Phone: **757-331-3259 ext. 12**

If the applicant has property owned by an LLC, LP, or other form of corporation, list all landowners and their contact information.

PART 3: Description of Request

Answer all questions in this section. Attach additional sheets as needed.

Submission Date: **10/1/2024** | Zoning Ordinance Sections Proposed to be Amended (Sec. # and Title): **See below**

Existing Text: Proposed Short Term Rental Ordinance and applicable amendments to other existing sections. Sections to be amended:

Section 2.9-Definitions;	Section 3.7 - Commercial District C-2
Section 3.2 - Residential District R-1;	Section 3.8 - Commercial District C-3
Section 3.3 Residential Mixed Use District R-2;	Section 3.9 - Harbor District
Section 3.4 - Residential Multi-Family District R-3	Section 3.16 Bay Crossing Planned Unit Development
Section 3.5 - Commercial Residential CR	Section 4.2 (J) - Accessory Dwellings
Section 3.6 - Commercial District	Section 4.5 (B) (3) (a) (9) Off-Street Parking & Loading Standards
NEW SECTION TO BE ADDED: Section 4.12 - Short Term Rental (STR) Regulations	

Proposed Text: **See attached Proposed Short Term Rental Ordinance Amendment dated October 21, 2024 - 8 pages.**

PART 4: Written Narrative – Provide on a separate sheet(s)

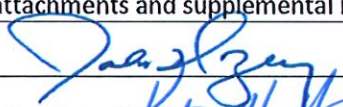
Provide a written narrative that, at a minimum, covers the following information:

- A) Relevant code section(s) to be amended and proposed changes to the Zoning Ordinance.
- B) Whether and the extent to which the proposed amendment is consistent with the comprehensive plan and any other applicable and adopted long range planning documents. Cite the document and page.
- C) Whether the proposed amendment conflicts with any provision of the Zoning Ordinance and any other regulations contained in the City Code or other applicable regulations.
- D) Whether and the extent to which the proposed amendment addresses a demonstrated community need.
- E) Whether and the extent to which the proposed amendment would result in a logical and orderly development pattern.
- F) Whether and the extent to which the proposed amendment would result in significantly adverse impacts on the natural environment, including but not limited to water, air, noise, storm water management, wildlife, vegetation, floodplains, wetlands, and the natural functioning of the environment.

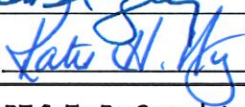
Whether to amend the text of this Ordinance is a matter committed to the legislative discretion of the Town Council and is not controlled by any one factor. In determining whether to adopt or disapprove the proposed amendment, the Town Council may consider any factor it deems applicable and consistent with the Code of Virginia, including but not limited to the Town's comprehensive plan, and the public health, safety, and general welfare.

PART 5: Applicant Certification

By signing this application below, I hereby attest to the truth and accuracy of all facts and information presented with this application and any attachments and supplemental information submitted with the application.

Applicant's signature: 

Date: 10/3/24

Zoning Administrator's Signature: 

Date: 10/3/2024

PART 6: To Be Completed by P & Z Department Staff

Date Application Received in Office:	Application #: ZTA
Planning Commission	Town Council
Date referred:	Date received from Planning Commission:
Action deadline (100 days from receipt):	Action deadline (max. 365 days from referral to PC):
Public hearing date:	Public hearing date:
Decision:	Decision:

Proposed Short Term Rental Ordinance
Amendment for Joint Public Hearing with
Town Council and Planning Commission



**Proposed Short Term Rental Ordinance Amendment
For Joint Public Hearing with Town Council and Planning Commission
October 21, 2024**

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***"

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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.

- 1. Short-term Rental in accordance with Section 4.15**

Section 3.3 Residential Mixed District R-2

In Section 3.3.D Accessory Uses.

- Add 6. Short-term Rental in accordance with Section 4.15**

Section 3.4 Residential Multi-Family District R-3

In Section 3.4.D Accessory Uses.

- Add 9. Short-term Rental in accordance with Section 4.15**

Section 3.5 Commercial Residential CR

Add new Section 3.5.D Accessory Uses.

- 1. Short-term Rental in accordance with Section 4.15**



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Section 3.6 Commercial District C-1

In Section 3.6.H Accessory Uses

Add 4. Short-term Rental in accordance with Section 4.15

Section 3.7 Commercial District C-2

Add new Section 3.7.D Accessory Uses

1. Short-term Rental in accordance with Section 4.15

Section 3.8 Commercial District C-3

Add new Section 3.8.C Accessory Uses

1. Short-term Rental in accordance with Section 4.15

Section 3.9 Harbor District

Add new Section 3.9.F Accessory Uses

1. Short-term Rental in accordance with Section 4.15

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.



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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



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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***
- 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.***



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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.

2. 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 years of age or younger, there shall be no more than two lodgers per bedroom; with the maximum number of overnight lodgers per dwelling being no greater than ten.

Occupancy of greater than 10 lodgers per STR 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.



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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 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



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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 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:



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- 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.*

Planning Commission and Town Council Staff Report



PLANNING COMMISSION & TOWN COUNCIL

STAFF REPORT

MEETING DATE: October 21, 2024

AGENDA ITEM: #: 3a

PREPARED BY: Katie H. Nunez, Planning Director & Zoning Administrator

DATE: October 3, 2024

Type of Application: Zoning Text Amendment
Applicant: Cape Charles Town Council

Proposed: Zoning Ordinance to address the regulation and administration of Short-Term Rental aka Vacation Rentals, specifically Amendments to Cape Charles Zoning Ordinance:

Section 2.9	Definitions;
Section 3.2	Residential District R-1;
Section 3.3	Residential Mixed Use District R-2;
Section 3.4	Residential Multi-Family District R-3
Section 3.5	Commercial Residential CR
Section 3.6	Commercial District C-1
Section 3.7	Commercial District C-2
Section 3.8	Commercial District C-3
Section 3.9	Harbor District
Section 3.16	Bay Crossing Planned Unit Development
Section 4.2 (J) - Accessory Dwellings	Accessory Dwellings
Section 4.5 (B) (3) (a) (9)	Off-Street Parking & Loading Standards
NEW SECTION TO BE ADDED: Section 4.12	Short Term Rental (STR) Regulations

LEGAL DEADLINE

For Planning January 4, 2025

Commission:

For Town Council
(Directory, not
Mandatory)

Can act upon receipt of recommendation from Planning Commission; if PC fails to provide recommendation within the prescribed deadlines, it is deemed a favorable recommendation by the PC. Town Council max time frame is 12 months from when referred to the Planning Commission:
October 20, 2025

Background:

The Town Council Strategic Priorities list, which was adopted on March 2, 2023, indicated that the newest priority to be tackled next by Town Staff was to Develop Short-Term Rental regulations/ordinance. This item was on the previous years' list but was preceded by 10 other priorities that needed to be addressed first.

In May/June 2023, the Town Manager convened an Ad-Hoc Work Group to research short-term rental issues. This committee developed the list of issues and possible means of addressing said issue and brought this forth to a joint work session of the Town Council and Planning Commission on November 2, 2023.

The intent of this work from the Ad-Hoc Committee was to: (1) develop solutions to protect and preserve the Town's sense of community while recognizing the STRs and their economic benefits and (2) to address the stress on the Town's infrastructure – water and sewer capacity; space on the beach, parking on the streets, etc. This meeting provided input, requested additional information and continued tasks for the Town Manager and ad hoc committee to continue working on proposed regulations.

On April 29, 2024, a Town Hall Meeting was held by Town Council and the Town Manager to solicit public input and comment on the issue of Short-Term Rentals and the issues identified thru the work of the Ad-Hoc Committee and possible solutions being considered. Said meeting was attended by over 100 members of the public and broadcast on the Town website via Facebook.

On June 13, 2024, the Town Council received a presentation by the Town Manager of the work of the Ad-Hoc Committee and the draft proposals developed as a result of the last 2 meeting. Some of the proposals would require a zoning text amendment and others would require amending certain sections of the Town Code. Town Council indicated what items were supported by the majority of the council members and what items did not achieve consensus.

Work continued with the next update at the Town Council meeting on August 8, 2024, with a detailed review of the proposed zoning ordinance text amendment as well as the Town Code amendments which received consensus support from the Town Council. The proposed amendments were then reviewed by the Town Attorney and finalized into the attached document called: "Proposed Short Term Rental Ordinance Amendment dated October 21, 2024, total of 8 pages."

I would refer you to the minutes of these respective meetings to obtain a full overview of the discussions and decisions reached by Town Council in the development of the proposed zoning text amendments concerning Short Term Rentals. See list with links to all below.

- November 2, 2023 Town Council Planning Commission Joint Work Session: [PACKET & MINUTES](#)
- April 29, 2024 Town Council Town Hall Meeting: [Minutes](#)

- June 13, 2024: [Minutes](#)
- August 8, 2024: [PACKET & MINUTES](#)

PROPOSED ZONING TEXT AMENDMENT ZTA 2022-01 from TOWN COUNCIL dated 10-21-2024

The specific text changes to all of the listed Sections of the Zoning Ordinance are fully listed in the attached document which are the subject of the joint public hearing on October 21, 2024.

In addition to this item being the next priority to be addressed from the Town Council's Strategic Priorities in 2023, short-term rentals were also identified in the Town's Comprehensive Plan as follows:

In the Housing Objectives & Strategies section on page 142, Item 5 states to:

- #5. Address the impacts of short-term rentals (STR) on the existing housing stock. (See also Economy Objective Strategy 1.a
 - a. Develop and maintain a Town inventory of short-term rental units in collaboration with local real estate/property management groups. Identify whether rentals are located within the Historic District or Bay Creek Planned Unit Development area.
 - b. Coordinate with stakeholders to identify how and when short-term rental units are used.
 - c. Encourage long-term rental conversions through legislation or regulation.

In the Economy Objectives & Strategies section on page 143, Item 1 states to:

- #1. Seek a healthy balance between year-round residents, tourists, and second homeowners in Cape Charles.
 - a. Develop short-term rental (STR) regulations to help protect the quality of life for year-round residents.

STAFF REVIEW:

The ZTA adds two definitions to the document concerning Short Term Rentals (STRs) and adds STRs as by-right accessory uses, subject to meeting the criteria requirements listed for STRs, to the Residential Zoning Districts, the Commercial Districts, the Harbor District and the Planned Unit Development (PUD) as well as a corrective item to the Bay Crossing Planned Unit Development to keep it consistent with the intent of that PUD when it was adopted in January 2023.

This ZTA cleans up Section 4.2 (J) under the General Regulations applicable to all districts, specifically the section addressing Accessory Dwellings and reiterating that STRs are not allowed in the Accessory Dwelling and also cleans up a section in the Parking Standards (Section 4.5 (B) (3) (a) (9)).

Lastly, a new section is being proposed, Section 4.12 Short Term Rental (STR) Regulations which detail the intent, purpose, implementation timeframe and requirements to achieving a STR Zoning Permit: (1) a Town business license from the Finance Department; (2) information to be supplied for the STR Zoning Permit to include name of property owner and operator of the STR with address & contact information of phone number/email/mailling address; business license # & proof of allowance by Homeowners' Association (HOA), if applicable to the property. Said section indicates this would be an annual permit with annual renewals if no permit violations. If the property is sold during the year, there is a requirement that a new business license and STR Zoning Permit be obtained as well as a new Safety Inspection by the Building Department. It limits the # of properties/units to 5 that could be owned by the same individual, whether that is thru corporations, partnerships or as individuals. The STR is required, once approved, to submit transit occupancy tax (TOT) in accordance with Town Code Chapter 18, Article V.

There is a prohibition on commercial gatherings in STRs. There is an established occupancy limit of no more than 2 lodgers per bedroom with a maximum # of overnight lodgers per dwelling being no greater than 10. The ordinance does include the ability to seek a Conditional Use Permit for an occupancy limit greater than 10 lodgers per STR, contingent upon the property containing more than 5 bedrooms and the property is able to accommodate sufficient off-street parking, and the property meets all other life safety requirements as may reasonably be required for such higher occupancy. Signage must comply with the Town's Sign Ordinance (Section 4.1). There is a refuse trash receptacle requirement for STRs; compliance with the Town's noise ordinance (Town Code Chapter 20, Article I, Section 20-3) is required as well as compliance with the Building Code and all required safety equipment (operable smoke detectors, fire extinguishers, and carbon monoxide detectors).

The ordinance further details the requirement for the Safety Inspection by the Code Official on an annual basis.

Lastly, the ordinance provides a specific detail listing of the types of violations and # of said violations for an STR and the penalties enforced by the Town.

PLANNING COMMISSION REVIEW:

The Planning Commission is requested to review the proposed zoning text amendment application from Town Council and conduct a joint public hearing with them on this application. This has been an unusual path to final formation since there has been significant public input obtained by Town Council leading to the creation of the ZTA application and document now under review and consideration. While there will be additional public comments received on this matter, this draft ordinance has been subject to scrutiny, review, and revision as a result of the public feedback and majority support from the Town Council members.

It is important to note that there are additional legislative elements that are contained in the Town Code which do not require Planning Commission review or recommendation where amendments or revisions are being proposed as well. These deal with Building Code (Chapter 8), Solid Water (Chapter 24) and Licenses, Taxation & Miscellaneous Regulations (Chapter 18). These changes are needed as part of the Short-Term Rental Regulations and are referenced through the proposed ZTA. These 3 Town Code Chapter amendments will be on the Town Council November 21, 2024, agenda for possible adoption and can be viewed in their entirety with that agenda packet.

PLANNING COMMISSION RECOMEMNDATION:

Staff is requesting the Planning Commission & Town Council to convene the public hearing and received all public input and comments as proposed. Staff is recommending the Planning Commission to recommend favorably the proposed ZTA Application 2024-01 to the Town Council. However, it is noted that the public hearing meeting may take a considerable amount of time, and the Planning Commission may wish to conclude the public hearing and adjourn the meeting due to the lateness of e meeting hour. If that is the case, then we have already selected the date of October 30, 2024 for the Planning Commission to hold a special meeting just to discuss and develop their recommendation on this application for the Town Council.

As always, staff is prepared and available to assist in the development of any motion on this matter.

Attachments:

- Attachment 1 – Application for Zoning Text Amendment Short Term Rental Ordinance 2024-10-01
- Attachment 2 – Proposed Cape Charles STR Ordinance 2024-10-02
- Attachment 3 – PC & TC Legal Ad 2024-10-21