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County of Fairfax, Virginia

M E M O R A N D U M

DATE: June 7, 2017

TO: Board of Supervisors

FROM: Robert A. Stalzer RA Hugh Deputy County Executive

SUBJECT: Short-Term Rentals

At the Board Meeting that took place on the March 14, 2017, the Board directed staff to form a working group with the goal of drafting Zoning Ordinance regulations for short-term rentals (transient rentals of less than 30 days, like those found on Airbnb) in accordance with the grant of legislative authority in Senate Bill 1578. This new use will likely also trigger other code amendments, particular to Chapter 4, Taxation. The presence of short-term rentals in residential communities is a growing national trend within the new "sharing economy," and is prevalent in Fairfax County, as well. A search of on-line platforms such as Airbnb, VRBO, HomeAway, and others yields varying results in terms of the overall number of short-term rentals currently operating within the county, but staff believes that there may be upwards of one thousand units offered as short-term rentals throughout the county. These rental units range in size from a single room within a home to an entire home with eight or more bedrooms.

Staff has had discussions with several Board members, who have expressed interest in the county's regulation of short-term rentals because of activity occurring within their districts. This memorandum provides an update on the working group's efforts and discusses the interim efforts to regulate the illegal short-term rentals operating throughout the county.

Ordinance Timeline	
Immediate, ongoing	Conduct regular working group meetings; speak with interested stakeholders at Board members' direction; schedule and publicize public meetings
June 15, 2017	Update current short-term rentals' website to provide additional information about the complaint/enforcement process, a survey * link, and a listserv link

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June/July 2017	Planning Commission Land Use Committee or Policy and Procedures Committee
June 27, 2017	Land Use Aides Meeting
July 18, 2017	Board of Supervisors' Development Process Committee (Pre-Meeting July 6, 2017)
July through September 2017	Conduct additional outreach and input sessions from interested stakeholders on potential text of short-term rental zoning ordinance provisions
September/October 2017	Board authorization of a zoning ordinance amendment regulating short-term rentals
October/November 2017	Planning Commission public hearing
December 2017/January 2018	Board of Supervisors' public hearing and vote

* Office of Public Affairs and Department of Planning and Zoning staff, with Office of the County Attorney review, designed a survey (attached) to gauge the community's interest in a variety of restrictions on short-term rentals (e.g., time offered for rental, location in the county, size of home). The survey was then vetted by the Short-Term Rental Working Group. To ensure that it attracts the highest level of participation possible, it is intentionally short and simple, and it provides an opportunity for open comments. Should you have any concerns with the survey questions or the intended release of the survey next week, please contact me (703-324-3440), Donna Pesto, or Lily Yegazu (both at 703-324-1314) at your soonest convenience to discuss those concerns.

Current Regulations

The zoning ordinance does not permit any transient occupancy in most zoning districts, particularly residential districts. Short-term rentals of thirty days or less are, therefore, currently illegal throughout the county unless the owner/operator has a special exception for a bed and breakfast use. Current zoning ordinance regulations provide that a bed and breakfast special exception is only allowed in the RP (Residential-Preservation District) through R-2 single family residential districts. The special exception filing fee is \$16,375.

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Current Enforcement Activity

Presently, staff is investigating approximately fifteen complaints of illegal short-term rentals throughout the county. Staff anticipates that DCC (Department of Code Compliance) will soon issue several notices of violation. As noted in the timeline, staff is developing an enhanced website specifically dedicated to short-term rentals, which will include additional information regarding the complaint/enforcement process.

Outreach to Other Jurisdictions

Staff has met with other jurisdictions, including representatives from Alexandria, Arlington, Loudoun, the Virginia Municipal League, Virginia Association of Counties, and other interested parties, to discuss a uniform approach to short-term rental regulation. Such meetings will be ongoing. The next meeting is scheduled for July 20, 2017. At the Board's direction, staff has given specific consideration to the recently amended Arlington ordinance as a model. Arlington added a new use designation, "accessory homestay" to its list of permitted home occupation uses. "Accessory homestays" are:

- Not limited to owner occupied homes;
- Limited to the larger of either six lodgers, or two lodgers per number of bedrooms in the unit per night (but no more than allowed by Building Code);
- Required to have smoke detectors, fire extinguishers, and where applicable, carbon monoxide detectors accessible to all overnight lodgers;
- Required to comply with the building code; condominium and/or homeowners' association regulations;
- Prohibited in detached accessory buildings;
- Prohibited to be used for other commercial purposes such as parties, banquets, weddings, meetings, charitable fundraising, or any other gatherings for direct or indirect compensation.

Staff will continue to review and collaborate, where appropriate, with other jurisdictions in the development of proposed amendment to the Fairfax County Zoning Ordinance regulating short-term rentals. We look forward to discussing these topics with you in greater detail in the coming weeks.

Attachment: Short-Term Rental Survey

cc: Edward L. Long Jr., County Executive Patricia D. Harrison, Deputy County Executive Board of Supervisors Short-Term Rentals Page 4 of 4

> David J. Molchany, Deputy County Executive David M. Rohrer, Deputy County Executive Joseph M. Mondoro, Chief Financial Officer Elizabeth D. Teare, County Attorney Claudia Arko, Office of the County Executive Fred Selden, Director, Department of Planning and Zoning (DPZ) Leslie B. Johnson, Zoning Administrator, DPZ Donna Pesto, Deputy Zoning Administrator, DPZ Lily Yegazu, Senior Assistant to the Zoning Administrator, DPZ Laura Gori, Office of the County Attorney Sarah Hensley, Office of the County Attorney Jack W. Weyant, Director, Department of Code Compliance Jay Doshi, Director, Department of Tax Administration Juan B. Rengel, Department of Tax Administration Brian Worthy, Office of Public Affairs

Short-Term Rentals in Fairfax County Community Survey

As a result of the General Assembly passing <u>Senate Bill 1578</u> during the 2017 session, Fairfax County is developing regulations to govern the use of short-term rentals (transient rentals of less than 30 days, like those found on Airbnb and other online platforms) in the county. The regulations may address:

- Where these rentals would be allowed in the county
- How often they could be rented out
- What types of properties could be rented out
- How many people would be allowed to stay in a property at any one time

We want your feedback to help us develop the proposed rules. Please take this quick, 10-question [link to survey] by DATE.

For more information, including future public meeting dates, visit URL HERE. Please check back regularly if you'd like to participate in these meetings.

Fairfax County Zoning Ordinance Survey Questions Regarding Short-Term Rentals

- 1. Please select the option that best describes you? (Select one)
 - a. Fairfax County home owner (enter zip code)
 - b. Fairfax County renter (enter zip code) _____
 - c. Nonresident Fairfax County tourism-related business owner (enter zip code) _
 - d. Nonresident/Non-Business Owner
- 2. If you are a resident of Fairfax County, in what type of home do you live? (Select one)
 - a. Detached, single-family home
 - b. Townhouse
 - c. Condominium
 - d. Apartment
 - e. Mobile/Manufactured dwelling
- 3. Short-Term Rentals are rentals of less than 30 consecutive days that are often listed on platforms such as Airbnb, HomeAway, FlipKey, or Roomarama. Are you aware of Short-Term Rentals operating in your neighborhood? (Select one)
 - a. Yes
 - b. No
 - c. Not sure
- 4. Should Fairfax County limit the number of adult guests per bedroom in a Short-Term Rental? (Select one)
 - a. Yes (specify maximum) ____
 - b. No
 - c. No opinion
- 5. Should a Short-Term Rental operator be able to rent rooms to different people/groups during the same time period? For example, if there are three rooms available to rent, can one group book two rooms and a different person/group book the other room for the same period of time. (Select one)
 - a. Yes
 - b. No
 - c. No opinion

- 6. Should Fairfax County require that Short-Term Rental operators be present in the Short-Term Rental while it is being used? (Select one)
 - a. Yes
 - b. No
 - c. No opinion
- Should Fairfax County limit the maximum number of nights per year a dwelling may be rented as a Short-Term Rental unit if the <u>homeowner/operator is present</u> in the Short-Term Rental while it is being used? (Select one)
 - a. Yes (specify how many)
 - b. No
 - c. No opinion
- Should Fairfax County limit the maximum number of nights per year a dwelling may be rented as a Short-Term Rental unit if the <u>homeowner/operator is not required to be present</u> in the Short-Term Rental while it is being used? (Select one)
 - a. Yes (specify how many) _____
 - b. No
 - c. No opinion
- 9. Fairfax County should allow Short-Term Rentals in : (Select all that apply)
 - a. Detached, single-family homes
 - b. Townhouses
 - c. Condominiums
 - d. Apartments
 - e. Mobile or manufactured dwellings
- 10. Have you ever rented a room or entire home through a Short-Term Rental website? (Select one)
 - a. Yes
 - b. No
- 11. Please provide any additional comments you may have below.

Thank you for your input.