

**CHRISTIANSBURG TOWN COUNCIL
CHRISTIANSBURG, MONTGOMERY CO., VA.
SPECIAL MEETING MINUTES
JANUARY 17, 2019 – 6:00 P.M.**

A SPECIAL MEETING OF THE CHRISTIANSBURG TOWN COUNCIL, MONTGOMERY COUNTY, CHRISTIANSBURG, VA. WAS HELD AT CHRISTIANSBURG TOWN HALL, 100 EAST MAIN STREET, CHRISTIANSBURG, VIRGINIA, ON JANUARY 17, 2019 AT 6:00 P.M.

COUNCIL MEMBERS PRESENT: Mayor D. Michael Barber; Vice-Mayor Bradford J. Stipes; Samuel M. Bishop; Harry Collins; Steve Huppert; Merissa Sachs; Henry Showalter. ABSENT: None.

ADMINISTRATION PRESENT: Town Manager Randy Wingfield; Assistant Town Manager Andrew Warren; Executive Secretary Tracy Heinline; Town Attorney Jim Guynn; Finance Director/Treasurer Val Tweedie; Public Relations Director Melissa Demmitt; Director of Engineering Wayne Nelson; Planning Director Will Drake; Aquatics Director Terry Caldwell; Police Chief Mark Sisson. ABSENT: Clerk of Council Michele Stipes.

WORK SESSION

I. CALL TO ORDER

II. DISCUSSION BY MAYOR AND COUNCIL

A. Proposed homestay ordinances (Chapter 42, "Zoning" of the *Christiansburg Town Code* for the purpose of permitting and regulating homestay/short-term rentals as accessory uses to residential dwellings, and Chapter 18, "Finance and Taxation," as it relates to the proposed amendment).

A Public Hearing for the proposed ordinances was held December 11, 2019. As a result of citizen comments expressed during and since the public hearing regarding zoning ordinance changes, Council scheduled a work session to continue discussions specific to limits on the number of days per year a dwelling could be rented, safety inspections, and fees and taxes for homestay properties.

With regard to limits on number of days per year a dwelling could be rented, the focus was in not impeding the use of a property for homestay purposes, while ensuring that the homestay property was compatible with residential zoning and not detrimental to the surrounding neighborhood. Council discussed the proposed 90-day limit per year, which was opposed through most of the public comments received, and contrasted that to homestay guidelines in surrounding areas. Council also discussed owner occupancy during rental days, and differences between full-home/partial-home rentals.

Regarding safety inspections, Council discussed requiring annual safety inspections under the direction of the Building Department and Fire Department and the specifics of this type of inspection. Staff provided a write-up to Council describing the inspection process. Annual inspections would cost \$40, the same fee for similar inspections.

As potential regulations regarding finance and taxation, homestay hosts would be required to hold a BPOL License and pay the minimum \$30 business licensing fee. The 9% BPOL tax would be paid to the Town on homestay-generated income and reporting would be on a monthly basis. A 3% discount on total taxes due would be given for timely filing and payment as is allowed for all transient lodging locations. Currently, there is no means for filing BPOL taxes online.

Other items pertaining to homestays/short-term rentals discussed by Council include:

- Adding an effective date of July 1, 2019.
- Direct collection of lodging tax from Airbnb. It was noted that it makes some collection easier, however a downside would be that there is no way for the town to track homestay use in a given year.
- Virginia Municipal League does not support homestay businesses (Airbnb, VRBO, etc.) submitting taxes directly to localities on behalf of the property owners.
- Liability insurance would not be required for homestays in Christiansburg, but would be at the discretion of the property owner.
- Council to take action on the proposed homestay ordinance, Chapter 42, "Zoning" of the *Christiansburg Town Code* on January 22, 2019.
- Council will hold a Public Hearing on February 12, 2019 for proposed amendments to Chapter 18, "Finance and Taxation," *Christiansburg Town Code*, as it relates to homestay/short-term rental.
- Council will take action on the proposed amendments to Chapter 18, "Finance and Taxation," *Christiansburg Town Code*, as it relates to homestay/short-term rental.
- Violations could result in a \$500 fine; three violations would result in a suspension.
- Owner living/not living at homestay address during rental.
- State Code defines the term of stay for short-term rentals as no more than thirty consecutive days to the same individual. Would not be considered transient lodging if more than 30 consecutive days.
- Complaints received by other localities that permit homestays/short-term rentals, and the one complaint received by Christiansburg.

Councilwoman Sachs compared Airbnb with Uber as a new industry in demand in today's world and talked about the importance of meeting those expectations and demands. She cautioned Council that the decisions made now may affect other new businesses in the future and she questioned that homestays should be treated like a "business" that is required to pay taxes, and shouldn't be limited to the maximum number of days per year and other requirements. She also questioned if liability insurance should be required or optional, and stressed the importance of consistency in setting guidelines for businesses, and major and minor home occupations.

Councilman Huppert expressed concern with regulating the number of days a room could be rented each year, while at the same time requiring homestay owners to pay the 9% lodging tax and other fees, noting that it may hinder homestay owners from making a profit. He

expressed support allowing rentals 365 days/year with the owner of the home living there at least six-months of the year.

Councilman Bishop questioned the purpose of limiting the number of rental days to ninety. Councilwoman Sachs replied it was to maintain the sanctity of residential neighborhoods.

Councilman Stipes expressed support for placing requirements pertaining to owner occupancy to protect the sanctity of residential zonings, and agreed to consider increasing the number of allowed rental days. Councilman Showalter expressed support for requiring the property owner to live in the home during rental days.

No action was taken by Council. However, following is a recap of the changes to the ordinance agreed upon by Council:

- Homestays would pay the Town's 9% lodging tax on a monthly basis, with a 3% discount on total taxes due with timely filing and payment.
- Homestays would be permitted to rent a portion of the home 365 days per year, with the caveat that the owner must be present for no less than 6 months per year.
- Homestays would be required to pay \$30 Business License fee and obtain annual Town inspections.
- Three violations would result in a suspension.
- The ordinance would go into effect July 1, 2019.

III. ADJOURN

There being no further business to bring before Council, Mayor Barber adjourned the special meeting at 7:15 P.M.

Tracy Heinline, Executive Secretary

D. Michael Barber, Mayor