



Homestays/Short-Term Rental Study

Planning Commission Work Session
March 24th, 2026

Neighborhood Development Services
Missy Creasy, NDS Deputy Director

Agenda



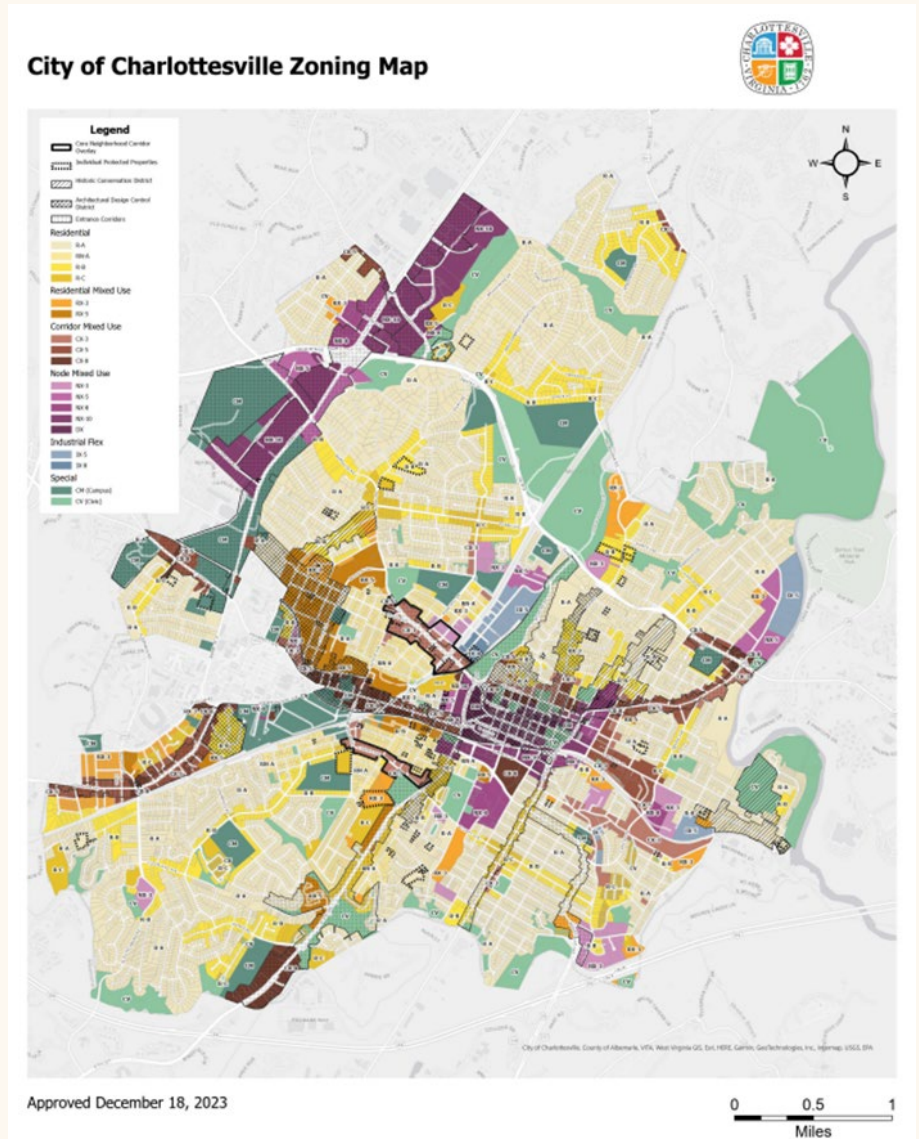
- Introduction and Overview
- Study Process
- Research and Data Insights
- Potential Options for Changes to the Development Code
- Community and Stakeholder Engagement
- Implementation and Next Steps

Project Webpage: [City of Charlottesville Homestay/Short Term Rental Study](#)

Homestay/Short Term Rentals (STRs) Study Overview



- What is a Homestay:
 - A residential property that is rented for less than 30 days
- What Properties are affected:
 - Homestays located within Residential (R-A, R-B, R-C) Districts (yellow-shaded areas)*
- Who can operate a Homestay:
 - Property owners who reside at the residence for at least 185 days of the calendar year
- Current issues and concerns:
 - The current code was created in 2015
 - The number of homestays have increased significantly
 - Existing policies may not support Comp Plan goals for housing and community stability



*Homestays in other Zoning Districts are considered "General Lodging" , permitted without special permit, and outside of the scope of this study



Current Regulations in Residential Districts

- The property owner must provide proof of residency by providing a photo ID
 - A voter ID doesn't provide proof of residency
- A Homestay Permit is valid for 1 year, with a fee of \$100
- The code states that an operator is required to have smoke detectors and carbon monoxide detectors, fire extinguisher
 - Code requires that a permit holder allow staff to access the premises once a year if notified in advance
- Must reside in the unit at least 185 days a year.
- Up to 6 adults and any number of children may lease a homestay.

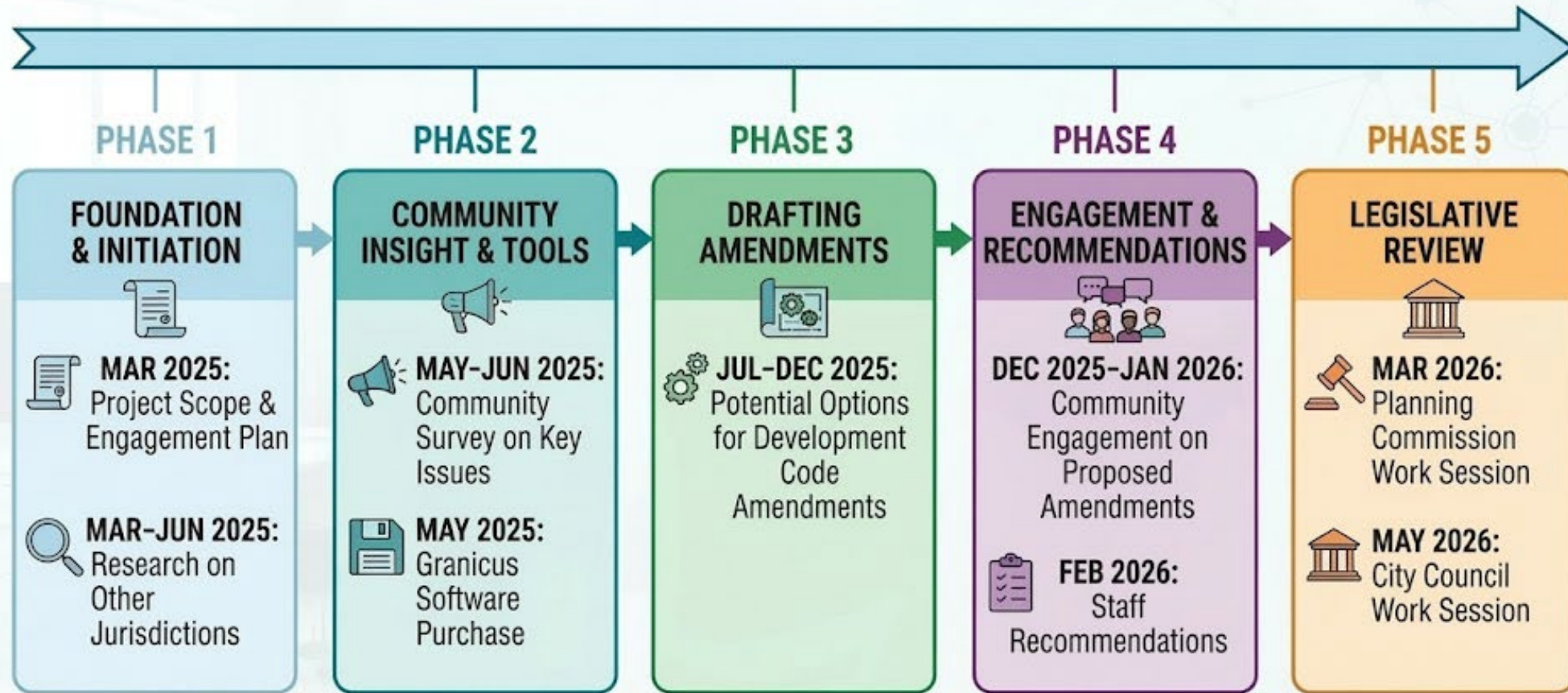
Study Process



Process Timeline



PROJECT TIMELINE & PROCESS FLOW: 2025-2026

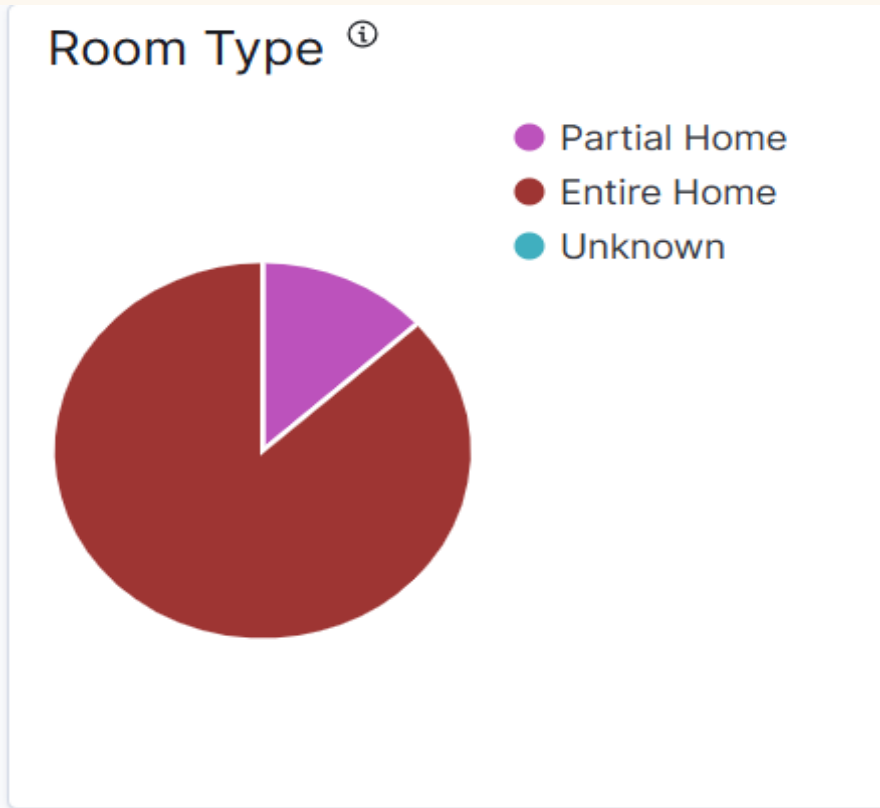


Research and Data Insights

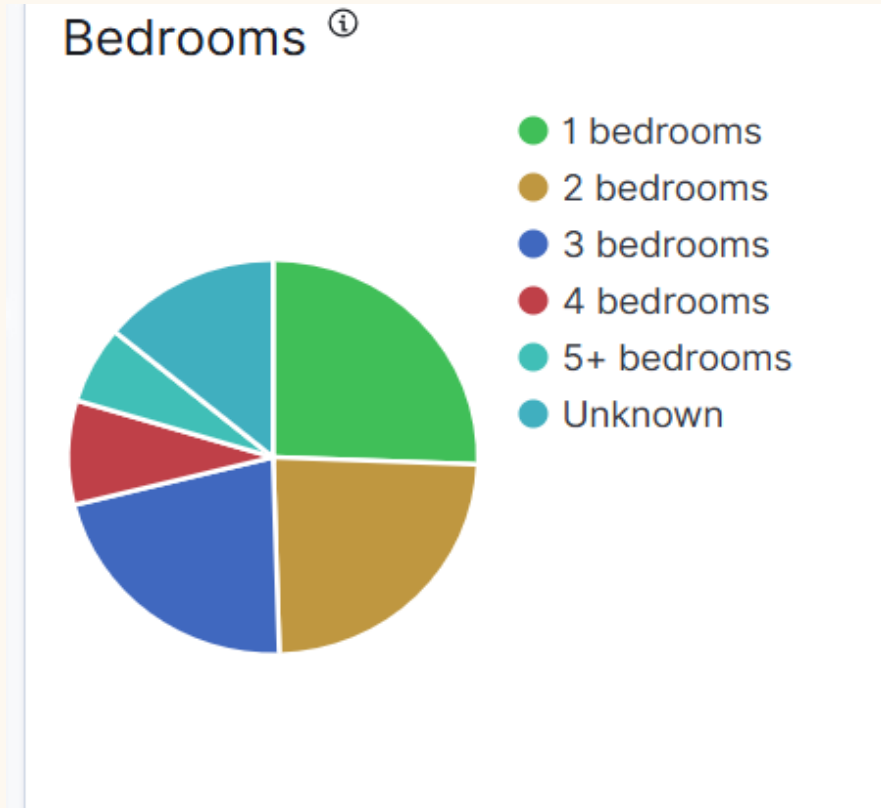


- Software tailored for City of Charlottesville
 - Locate Short Term Rentals
 - Assist with proactive enforcement and licensing
 - Ensure that all occupancy taxes are collected (9%)
 - Letter generation
- Highlights:
 - Identification of 529 short term rentals (83% on single family properties)
 - Tracks rentals from every platform
 - Catalogs rental history
 - Enforcement tool

Charlottesville Homestay Data



Source: Granicus
Entire home rental: 85%
Partial home rental: 15%



Source: Granicus
Rental Unit bedroom count:
1 bedroom: 25%
2 bedrooms: 24%
3 bedrooms: 22%
4 bedrooms: 9%
5+ bedrooms: 6%



Budgetary Impacts of Homestays: 2025

	STRs/Homestays	Hotels/Motels
Business Tangible Property Tax	\$12,390.82	\$182,998.80
Meals Tax	\$0.0	\$394,308.16
Transient Occupancy Tax	\$1,547,126.92	\$7,613,163.24
Business License	\$18,283.68	\$292,115.02
All Taxes Total	\$1,581,322.70	\$8,482,585.22

Key Takeaways:

- More revenue is generated from Hotels/Motels

Source: Commissioner of Revenue



Economic Impacts of Homestays Continued

Industries benefiting from Short Term Rentals

- Tourism dollars
- Wedding Industry
- Breweries and Vineyards
- Local restaurants and businesses
- Cleaning agencies
- Repair companies



Comparative Research

- Comparative Research Highlights (Other Localities):
 - Proof of Residency: Most localities (ex., New Orleans, Arlington, Blacksburg) require primary residency proof, similar to Charlottesville.
 - Permit Validity & Fees: Varies from annual to bi-annual, with fees ranging from \$40 (Greenville, SC) to \$560 (York, VA).
 - Inspections: Many require safety inspections (ex., smoke/CO detectors, evacuation plans) by city departments.
 - Guest Limits: Common to limit guests per bedroom (ex., 2 per bedroom) or total property (e.g., 6-10 total).



Comparative Research

- Comparative Research Highlights (Other Localities)
 - Proof of Insurance: Often required (ex., \$1,000,000 liability in New Orleans, Roanoke, York County).
 - Proof of residency requirements: driver's license, sworn affidavit,
 - all localities require documentation to prove that a property is owned by the applicant.
 - (New) Human Trafficking Certification
 - all Virginia Operator's will be required to comply with new regulation



State Code Provisions

- Virginia General Assembly passed new law which requires localities to allow for tenants to be able to operate a short-term rental with the permission of the landlord
- Only required if the City amends the current ordinance
- Opens up the use of Homestays to more operators
- Increases the number of potential Homestays
- Increases impact on neighborhoods

Proposed Options





Proposed Options

Amendment Area	Current	Proposed
Proof of Residency	Must provide proof of residency with a photo ID. Voter ID is not a valid form of ID.	An affidavit would be required in addition to a photo ID. Applicant to sign a statement that they agree to comply with all regulations in the homestay ordinance.
Permit and Validity Fees	\$100 for a 1-year permit	\$500 for a 3-year permit. The permit fee will help pay for the mandatory internal safety inspection.
Mandatory Safety Inspection	Operator is required to have smoke, CO detectors, and a fire extinguisher. Code requires that a permit holder allow staff to access the premises once a year if notified in advance.	Mandatory safety inspection before permit issued. Must have smoke, CO detectors, and a fire extinguisher. Bedroom square footage, 2 points ingress/egress, and an evacuation plan.
Maximum Occupancy	Up to 6 adults and any number of children.	Maximum occupancy of 2 adults per bedroom up to 8 people. Only bedrooms can be used for sleeping. Limiting the number of nights a homestay can be rented out to 90 days.
Required Training (proposed)	State mandated human trafficking training. Training certificate to be submitted at the time of application.	



Cost/Benefit of amending the ordinance

Benefits:

- More stringent requirement to demonstrate owner occupancy
- Internal Safety Inspection Requirement
- Occupancy allowance increased from 6 to 8 increases flexibility while still limiting potential for larger rentals that could have impact on neighborhoods
- Permit term reduces staff time need to approve permits on an annual basis

Costs:

- Increased staff time to conduct internal inspections
- Changing the code will require allowance for tenants to operate a short-term rental
- Potential impacts of allowance of more guests

Community and Stakeholder Engagement





Community Outreach

- Survey:
 - The City conducted an online survey about Homestays in the City of Charlottesville and received over 500 respondents
 - The survey was conducted from May 2025 to June 2025
- Community Meeting: December 3rd, 2025
- STR Advocacy Group Meeting: February 17th 2026
 - Group of local short term rental operators that wants to be included as Stakeholders in the development of proposed code amendments



Community Survey Highlights

The City conducted a survey with over 500 respondents

- Key Benefits:
 - Economic for Owners
 - Tourism Boost
 - Visitor Options
- Primary Concerns:
 - Housing Impact
 - Neighborhood Fabric
 - Nuisance: Noise, parking, traffic issues.

A subset of respondents indicated they had no concerns regarding short-term rentals, primarily those that identify as Resident-Homeowners.



Community Meeting Highlights

- Demographics:
 - Diverse participants from various neighbors, ages and housing situations attended the December event
- Benefits:
 - Homestays generate economic benefits, boost tourism and offer unique lodging options supporting local businesses
- Concerns:
 - Rising housing costs due to lack of availability
 - Loss of permanent resident base



STR Advocacy Meeting Highlights

- Through the Community Meeting, a group of STR operators organized and contacted the Zoning Division, with a different model for regulating homestays
- Feedback:
 - Pause the development of potential Development Code amendments to allow for more transparency
 - Understand why the proposals are being brought forward
 - Review the effects of STRs on affordable housing
 - Opportunity to incentivize creation of new accessory dwelling units
- Recommendations:
 - Replace 185-day rule
 - Local steward accountability
 - Fair permit & fee structure
 - Proportionate guest limits & occupancy

Key Findings and Staff Recommendations





Key Findings

- Community engagement indicates support for Short Term Rentals with increased enforcement efforts
- Current occupancy limits of 6 adults limits larger properties, but provides opportunities for many operators
- Strengthening requirements for home occupancy would be challenging to enforce
- ***There is an unknown potential impact of state code provisions requiring allowance for renters to operate homestays, with changes to local homestay ordinances***
- New software in place to assist with enforcement
- Dedicated staff member in place for permitting process and enforcement
- Safety inspections can occur without changes to the ordinance



Staff Recommendations

- Maintain existing ordinance, without amendments
- Strengthen monitoring of Homestay compliance, permitting requirements, and education about homestay requirements
- Monitor impacts of state code provisions requiring allowance for renter homestays throughout Virginia
- For homestays located in in other zoning (i.e. Mixed Use) districts (not subject to study during this effort):
 - Conduct yearly inspections
 - Consider potential for study of issues and opportunities as future NDS workplan priority

Thank You!

