

	Agenda Title:	Agenda Date:
	Comprehensive Plan Amendment (CPA) 2026-01 and Zoning Text Amendment (ZTA) 2026-01– Public Hearing and New Business	January 15 th , 2026
	Subject/Proposal/Request: CPA 2026-01: Application from the Town of Cape Charles to Amend page 41, <i>Accessory Dwelling Units</i> , by removing language that prohibits ADUs from being rented for less than 30 days and ZTA 2026-01: Application from the Town of Cape Charles to amend CCZO Section 4.1 (codified reference section is Ch. 32, Article IV, Section 32-91(j) to allow Accessory Dwelling Units to be used as Short Term Rentals and to add new section in Section 4.14 (codified reference section is Ch. 32, Article IV, Section 32-104) to allow for only one structure on a lot have an STR Zoning Permit per calendar year and to prohibit ADUs from the plus two occupancy allowance contained in Article IV, Section 32-104 (c) (5)	
Town of Cape Charles	Attachments:	For Council:
	1) Staff Report to Planning Commission with all listed attachments, including Resolution of Intent, Comp Plan page 41, CCZO Section 4.1 (J) (2) (a) and Section 4.14 & Zoning Text Amendment Application 2) Written Comments from Greg & Emily Gentry; Robin & Scott Sims 3) Proposed Ordinance adopting CPA 2026-01 as recommended by the Planning Commission 4) Proposed Ordinance adopting ZTA2026-01 as recommended by the Planning Commission	
	Staff Contact(s):	Reviewed by:
	Katie Nunez, Director of Planning and Zoning Administrator	Rick Keuroglan, Town Manager

PLEASE NOTE: The Zoning Ordinance Section references have been updated to show the Codified Zoning Ordinance sections. The Zoning Ordinance was codified into the Town Code and was published to the Town website on December 29, 2025. The only change from the advertised public hearing is the code section #s.

Proposed language changes are shown in RED with strikethrough for deletion and GREEN for addition of language.

Joint Public Hearing on Comprehensive Plan Amendment (CPA) 2026-01 to amend page 41 of the Cape Charles Comprehensive Plan concerning Accessory Dwelling Units and to specifically delete language that prohibits ADUs from being rented for less than 30 days; **said hearing is being done simultaneously with the hearing on Zoning Text Amendment (ZTA) 2026-01** to amend Cape Charles Zoning Ordinance Section 4.1 (now referenced in the Town Code as Chapter 32, Article IV, Section 32-91 (j))

COMPREHENSIVE PLAN AMENDMENT (CPA) 2026-01

Housing – Accessory Dwelling Units (pg.41)

The Town of Cape Charles adopted ordinances in February 2019 that permitted accessory dwelling units under certain conditions, with adequate safeguards to protect the character of the existing residential neighborhood. This strategy is intended to develop new, moderate-cost rental housing while preserving the large, older homes and allowing more flexibility for elderly homeowners to stay in their homes. Among the conditions of approval for accessory apartments is that the accessory dwelling unit be “clearly subordinate to” the main unit. This is achieved by requiring that the unit be less than a specified percentage of the original house’s square footage. ~~In addition, these units cannot be rented for less than 30 days.~~

ZONING TEXT AMENDMENT (ZTA) 2026-01

CCZO Section 4.1 (J) (2) (a) **UPDATE of Section Citation as of 12/29/2025 to Chapter 32, Article IV, Section 32-91 (j) (2) (a)**

Length of Stay –An Accessory Dwelling may either be rented as a short-term rental or long-term rental; by ~~An Accessory Dwelling Unit may not be rented as a short term rental. An Accessory Dwelling Unit may be occupied by any person for no less than 30 consecutive calendar days,~~ either paying a fee for such occupancy at his/her own expense or at the expense of another ~~thirty (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. If an Accessory Dwelling Unit is going to be rented for less than thirty (30) days (Short-Term Rental), the Owner must comply with Section 4.14 of the Cape Charles Zoning Ordinance.

Proposed Language to add in Section 4.14 (STRs) of the Cape Charles Zoning Ordinance **UPDATE of Section Citation as of 12/29/2025 to Chapter 32, Article IV, Section 32-104**

A property with a legal Accessory Dwelling Unit (ADU) in accordance with Article IV, Section 32-9 (j) may apply for only the primary dwelling unit or accessory dwelling use

to receive an annual Short Term Rental Zoning Permit; there will be no allowance for both dwelling structures to be utilized as a Short Term Rental in the same calendar year. If the ADU is applying for an STR Zoning Permit, the requirements outlined in the STR Ordinance must be met to establish # of applicable bedrooms and occupancy for the STR. The ADU is prohibited from the plus two occupancy allowance contained in Article IV, Section 32-104 (C) (5)

Background:

At the Town Council July 17, 2025 Regular Meeting, Council received a proposal from the Cape Charles Historic District Civic League to amend the Zoning Ordinance to allow Accessory Dwelling Units to be utilized as Short Term Rentals. Council agreed to take up this proposal as a future Zoning Text Amendment after referral to the Planning Commission for review and to recommend a comprehensive document that may include changes to the Comprehensive Plan as well.

The Planning Commission took this matter up at their September 22, 2025 work session where they received an inventory of accessory structures throughout the historic district which included the notations as to which of these structures were also classified as Accessory Dwelling Units.

This matter was referred back to the Town Council at their October 16, 2025 meeting where they substantially agreed to a proposed Zoning Text Amendment application but allowed staff to conduct further review and research into the accompanying, proposed Comprehensive Plan Amendment. Staff returned the proposed Comprehensive Plan amendment to Town Council at their December 18, 2025 meeting where Council finalized the CPA2026-01 text amendment and authorized staff to send both the CPA2026-01 and ZTA2026-01 to public hearing.

Item Specifics:

The Planning Commission held a public hearing on Tuesday, January 6, 2026 on both CPA2026-01 and ZTA 2026-01. Staff reviewed the process and specifics of the two items being discussed and the proposed changes to each.

Commissioner McDonald asked for clarification on staff recommendation to Town Council regarding the prohibition of “plus two” to the occupancy section of the Short Term Rental ordinance relative to the Accessory Dwelling Units.

I responded that there are three components of the Zoning Ordinance that must be followed:

- 1) Accessory Structures (garages, sheds, gazebos, etc.) - no greater than 550 square feet if the front lot frontage is less than 80 feet, which is the general rule to a legal lot in the district of 40 x 140 or 5,600 square feet. There are only requirements within this section of the ordinance (setback requirements, separation distance from the main house to the accessory structure);
- 2) Convert or build the accessory structure to an Accessory Dwelling Use (ADU) – the requirements are a) floor area not to exceed 45% of the main residence and b) one kitchen, one bathroom and one sleeping area. A kitchen does not have to have a

stove. There are different ways to qualify as to what is a kitchen. During the composition of this ordinance, we debated about bedroom vs sleeping area and it was intentional to not use the term bedroom as a result of the discussion and various examples that came forward.

3) Allow STRs in an ADU – need to look at the requirements in the STR ordinance, specifically where we use the term bedroom and we did define bedroom pursuant to the Building Code and the # of bedrooms determines the occupancy limit of the STR. Bedrooms are square footage based at 70 sq. ft for one person; for two people, total of 100 square feet) (50 ft per person), and for each additional person in that one bedroom, it will require another 50 ft.

Commissioner Ashworth asked if the staff know of any ADU that is greater than 550 square feet. I responded in the affirmative that there are some that are larger and were constructed prior to the ordinance authorizing ADUs or occurred and the Town allowed it without applying the ordinance requirements to that development.

Public hearing was called to order and the following comments were provided:

1. Claudette LaJoie, President of the Cape Charles Historic District Civic League – she provided her comments in writing as well as verbally. She stated that she is appreciative that this zoning text amendment to allow ADUs be used as STRs is advancing through the public hearing process; however, she does not support any different rules be applied to ADUs that what is allowed all other STRs in the Town, specifically referring to the prohibition on the “plus two” re: occupancy contained in this draft ZTA tonight.
2. Sam Jones, 538 Monroe Avenue – supportive of only one STR on a given property (either the main house or the ADU can be an STR in a calendar year, but not both); retain all of the elements of the Accessory Structures section of the ordinance; retain the parking requirements in the ordinance concerning ADUs. One of the fundamental questions that should be considered is whether the Town really needs any further STRs or is the market saturated at this time. He provided his comments in writing as well.

The following written comments were submitted and read into the record:

1. Greg & Emily Gentry – opposed to the “plus two” prohibition re: occupancy.
2. Robin & Scott Simms – opposed to the “plus two” prohibition re: occupancy.

An additional verbal comment was received from Scott Simms, 401 Madison Avenue. He would like the Town to consider some further language that would allow a process of administrative consideration if a medical emergency or life circumstance should arise to allow a property owner to move the STR from the primary to the ADU during the calendar year.

The chairman also recognized Greg Gentry of 542 Jefferson Avenue for an additional verbal comment – we have an ADU greater than 1,000 sq. ft (2 bedrooms, 1 ½ bath and kitchen area) and the town allowed it and everyone knows about it.

Commissioner McDonald motioned to close the public hearing and was seconded by Commissioner Holloway. Motion was carried unanimously.

Recommendation:

Planning Director Nunez asked the Planning Commission as a whole if they were generally supportive of the Zoning Text Amendment and they indicated favorably. Based upon that input, she recommended that the Planning Commission take up the Comprehensive Plan Amendment application first.

Commissioner Ashworth motioned to recommend to Town Council to pass CPA2026-01 as presented and was seconded by Commissioner McDonald. The motion was passed unanimously.

DISCUSSION ON ZTA2026-01 by the PLANNING COMMISSION

The Commission, as a whole, has no objections nor proposed changes to the Proposed Zoning Text Amendment outlined for CCZO Section 4.1 (J) (2) (a), now found in Town Code at Chapter 32, Article IV, Section 32-91 (j) (2) (a)

ZONING TEXT AMENDMENT (ZTA) 2026-01

CCZO Section 4.1 (J) (2) (a) UPDATE of Section Citation as of 12/29/2025 to Chapter 32, Article IV, Section 32-91 (j) (2) (a)

*Length of Stay –An Accessory Dwelling may either be rented as a short-term rental or long-term rental; by ~~An Accessory Dwelling Unit may not be rented as a short-term rental. An Accessory Dwelling Unit may be occupied by any person for no less than 30 consecutive calendar days,~~ either paying a fee for such occupancy at his/her own expense or at the expense of another ~~thirty (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. *If an Accessory Dwelling Unit is going to be rented for less than thirty (30) days (Short-Term Rental), the Owner must comply with Section 4.14 of the Cape Charles Zoning Ordinance.**

Commissioner Holloway stated that the comments received during the public hearing concerning the prohibition on the “plus 2” language re: occupancy within the ADU ordinance should be deleted because of the possibility that there could be an ADU that could be applicable to the “plus 2” consideration outlined in the STR Ordinance.

Commissioner Newman concurred with Commissioner Holloway. He noted that this will probably create some gray areas for the Building Official as he conducts inspections of the ADU under the criteria and definitions contained as part of the STR ordinance since one refers to “sleeping area” whether is no definition of said term in the ordinance and one refers to “bedroom” and it is defined in the ordinance. He stated that there should probably be some criteria that the Building Official would follow to determine what is the

bedroom within the ADU space. Ms. Nunez read the entire definition of bedroom to the Commission, which is:

Bedroom is a room or space within a structure intended for sleeping. Requirements include:

- (1) A minimum size of 70 square feet; if more than one person occupies the room, there must be 50 square feet per occupant.*
- (2) Access to a bathroom without crossing another bedroom.*
- (3) Every bedroom must have access to natural ventilation and have a permanent heat source.*
- (4) Two means of egress: one that leads to the rest of the home without going through another bedroom and one that leads directly to the outside. If the outside egress is a window, it must be at least five point seven square feet (5.7 SF) and can be no more than 44 inches from the room floor, unless there is a permanent step installed. It shall be illegal to have locking bars or grates covering an egress window.*
- (5) Ceiling height must be no less than seven feet.*

Commissioner Ashworth motioned to delete the last sentence of the proposed new section as follows and was seconded by Commissioner Holloway

Proposed Language to add in Section 4.14 (STRs) of the Cape Charles Zoning Ordinance **UPDATE of Section Citation as of 12/29/2025 to Chapter 32, Article IV, Section 32-104**

A property with a legal Accessory Dwelling Unit (ADU) in accordance with Article IV, Section 32-9 (j) may apply for only the primary dwelling unit or accessory dwelling use to receive an annual Short Term Rental Zoning Permit; there will be no allowance for both dwelling structures to be utilized as a Short Term Rental in the same calendar year. If the ADU is applying for an STR Zoning Permit, the requirements outlined in the STR Ordinance must be met to establish # of applicable bedrooms and occupancy for the STR. ~~The ADU is prohibited from the plus two occupancy allowance contained in Article IV, Section 32-104 (C) (5)~~

The motion was passed unanimously.

Commissioner Stramm motioned to recommend to Town Council ZTA 2026-01 application to Town Council as presented for CCZO Section 4.1 (J) (2) (a), now found in Town Code at Chapter 32, Article IV, Section 32-91 (j) (2) (a) and for new section to add in Section 4.14 (STRs) of the Cape Charles Zoning Ordinance, now found in Town Code at Chapter 32, Article IV, Section 32-104 with the proposed deletion of the last sentence of "The ADU is prohibited from the plus two occupancy allowance contained in Article IV, Section 32-102 (C) (5). Commissioner Ashworth seconded and the motion was passed unanimously.

TOWN COUNCIL ACTION

Town Council is requested to hold the public hearing on both Comprehensive Plan Amendment (CPA) 2026-01 and Zoning Text Amendment (ZTA) 2026-01 and to consider the recommendation from the Planning Commission on both applications.

I have informed the Building Official of the Planning Commission recommendation on this proposed Zoning Text Amendment, and he has some concerns about implementation that he would like to raise with Town Council. He was on a scheduled absence from the office at the end of last week and was not able to get his written comments finalized for inclusion in this staff report. He will be working on that and will provide to the Town Clerk for distribution to the Town Council as soon as possible.

Staff is prepared to assist the Town Council with the development of proposed motions for both public hearing items but will have prepared the two Ordinances based upon the Planning Commission recommendations.