

SHORT-TERM RENTAL ORDINANCE: Annual Review

Unified Government City Planning Commission

May 13, 2024



Gunnar Hand, AICP
Director of Planning + Urban Design

Michael Farley, AICP
Former Ordinance Studies Division Lead



BACKGROUND & EXISTING CONDITIONS

- Short-Term Rentals (STRs) are classified as commercial activities under the UG Code of Ordinances
- Growth in these services creates a need for better administration and balance within neighborhoods



Mid-2000s to Mid-2010s

Airbnb, VRBO and other companies make short-term renting easy and popular

2017-2018

Amnesty period to allow property owners to apply for special use permits

2019

Administrative standards for short-term rentals adopted

HostCompliance hired to track online ads for STRs in KCK

2021

Launch of a specific short-term rental special use permit application

NOV 2022-APR 2023

Review and study of current ordinance for potential modifications

May 2023-Present

STR enforcement & education and data collection for annual report

May 2024

Presentation of annual report to City Planning Commission



KEY CONSIDERATIONS of 2023 STR ORDINANCE



TENANCY MODELS

- Owner-Occupation
- Long-Term Rentals
- Short-Term Rentals



ENFORCEMENT

- Limited Resources
- Equitable Application



NEIGHBORHOOD

- Emphasize Incremental Changes
- Provide Property Owners with More Uses for their Land
- Maintain Opportunity for Neighborhood Notice and Input



ECONOMIC DEVELOPMENT

- Revitalize without Displacement
- Promote Local Investment with Direct Community Benefits



ORDINANCE REVIEW OF 2023 AMENDMENTS



**STAFF
EXPERTISE**



**BEST
PRACTICES**



**PEER CITY
COMPARISONS**



**COMMUNITY
INPUT**

GOAL: Establish an owner-occupancy-preferred approach to short-term rental permits based on building typology and zoning district



DUAL-APPROACH PERMITTING

DOES THE PROPERTY:

- Have an off-site property owner *or* non-actively owner-occupied?
- Have an open zoning or property maintenance citation on the property?
- Have a history of police calls to the property?
- Fail to prove compliance with administrative review requirements?

NO

LEVEL ONE

ADMINISTRATIVE REVIEW

- Expedited process
- Fewer requirements (less noticing, no public meetings, etc.)
- Focus on owner-occupied houses and accessory buildings

YES

LEVEL TWO

SPECIAL USE PERMIT

- Standard process (~90 days)
- Established density limits
- Focus on broader neighborhood engagement



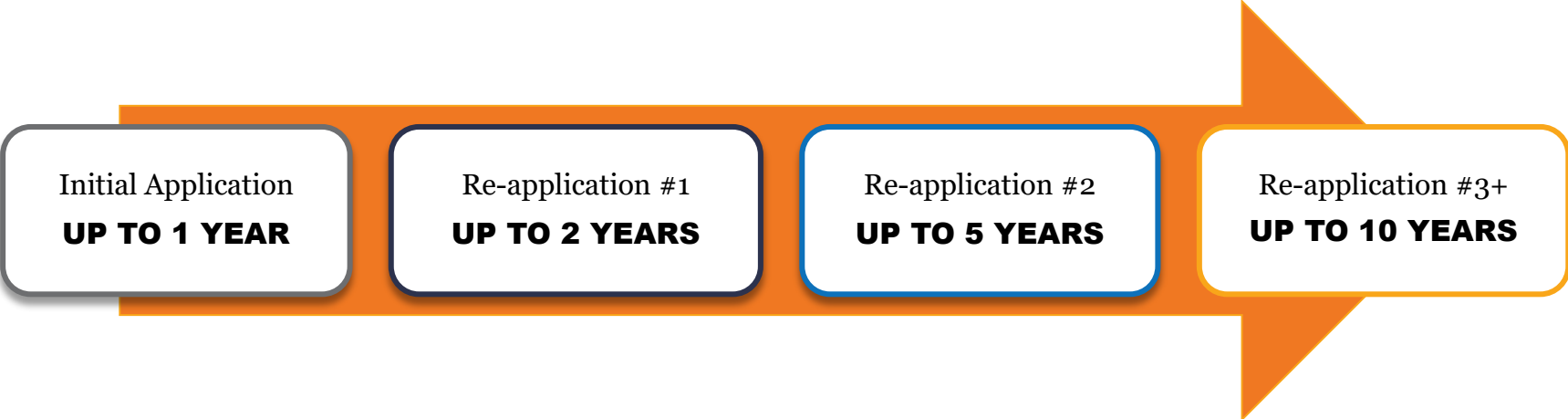
APPLICATION PROCESS AND TERMS



Administrative Review



Special Use Permit



DUAL-APPROACH PERMITTING

LEVEL ONE ADMINISTRATIVE REVIEW

- Expedited process
- Fewer requirements (i.e. less noticing, no public meetings, etc.)
- Focus on owner-occupied houses and accessory buildings

KEY FACTORS:

- Limited to only actively owner-occupied properties
- Dwelling unit type to be used (e.g. room/suite, full unit, accessory dwelling unit, etc.)
- Percentage of units used within multi-family residential or mixed-use buildings



SINGLE-FAMILY

- Owner's primary residence
- Accessory Dwelling Unit allowed based on owner-occupancy status and use of primary unit



DUPLEXES

- Owner residing in one unit
- Accessory Dwelling Unit allowed based on owner-occupancy status and use of primary unit



MULTI-FAMILY/MIXED-USE

- Owner residing in one unit
- Short-term rental unit maximums for "missing middle" housing (3-12 units) distinguished from unit maximums for large apartment building (12+ units)



DUAL-APPROACH PERMITTING

LEVEL TWO SPECIAL USE PERMIT

- Standard process (~120 days)
- More proof of standards required
- Focus on broader neighborhood engagement

Density maximums allow for up to one (1) non-owner-occupied residential or mixed-use building

KEY FACTORS:

- Follows the same process as all other special use permit requests
- Requires a neighborhood meeting for properties within 200 feet; public meetings with the City Planning Commission and Board of Commissioners; and approval by the Board of Commissioners
- A full-home inspection, either through the Kansas Department of Agriculture as part of a required Lodging Establishment License, or a licensed home inspector



SINGLE-FAMILY

- All residences with an off-site property owner, if not the only non-actively owner-occupied property on the block



DUPLEXES

- All residences with an off-site property owner, if not the only non-actively owner-occupied property on the block



MULTI-FAMILY/MIXED-USE

- Collectively for all units in an apartment or mixed-use building (3+ units) with an off-site property owner, if not the only non-actively owner-occupied property on the block



UPDATED DEFINITIONS: 2023



SHORT-TERM RENTAL

A rental less than 30 days. Exceptions include group homes; summer camps and campgrounds; hospitals and other facilities; nursing, convalescent, and senior assisted-living homes; and hotels and motels.



HOMEOWNER

An individual person or persons, corporation, government entity, nonprofit, or trust who holds ownership of the building and real property.



ACTIVELY OWNER-OCCUPIED

A residence in which the homeowner primarily resides for 272 days per year, does not primarily reside in another dwelling, and uses the dwelling address as their home address.



STREET BLOCK

ALL properties on BOTH sides of a street between one of the following: two consecutive, bisecting streets; a consecutive bisecting street and a change in street name; or two consecutive changes in street name if no streets bisect the street between the points the names change.



ADDRESSED LAND USE: 2023



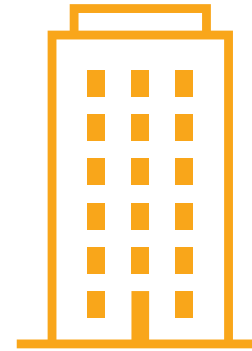
USE BY DISTRICT

Allowed in all residentially zoned properties, zoning districts that allow residential use, or legal non-conforming residences.



USE BY BUILDING TYPOLOGY

Allowed in single-family residences, duplexes, multi-family apartments, and mixed-used buildings.



DENSITY BY PARCEL

Only one (1) special use permit is allowed per parcel, but there can be multiple short-term rentals within a single parcel, depending on zoning and building type.



DENSITY BY STREET BLOCK

No more than one (1) parcel per street block is allowed to have a short-term rental special use permit, but there is no limit to the number of short-term rentals allowed through administrative review.



CODIFIED PROCESS: 2023



SUBMISSION REQUIREMENTS

Includes a safety home inspection, floor plans, guest book, holding an insurance liability policy, and posting the letter of approval.

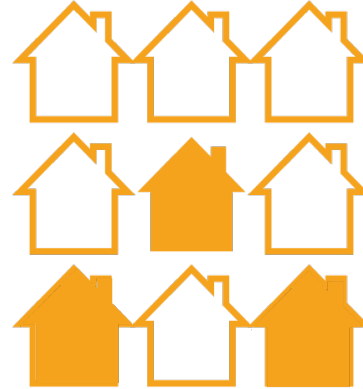


LENGTH OF TERM

Administrative review: Annual renewal

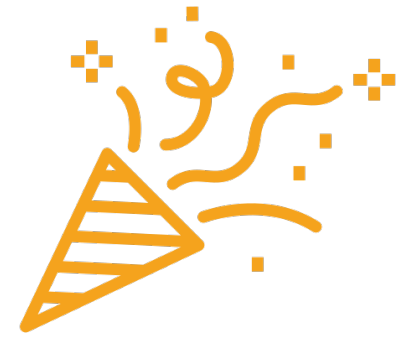
- Owner-occupied SUP:
- Initial- up to 2 years
 - 1st reapply- up to 5 years
 - 2nd+ reapply- up to 10 years

- Non-owner-occupied SUP:
- Initial- up to 1 year
 - 1st reapply- up to 2 years
 - 2nd reapply- up to 5 years
 - 3rd+ reapply- up to 10 years



LEGAL NON-CONFORMING PERMITS

Allow existing Special Use Permits to continue to run and be renewed, even if not in compliance with the density limits, so long as all requirements of the Zoning Code are followed.



PERFORMANCE STANDARDS

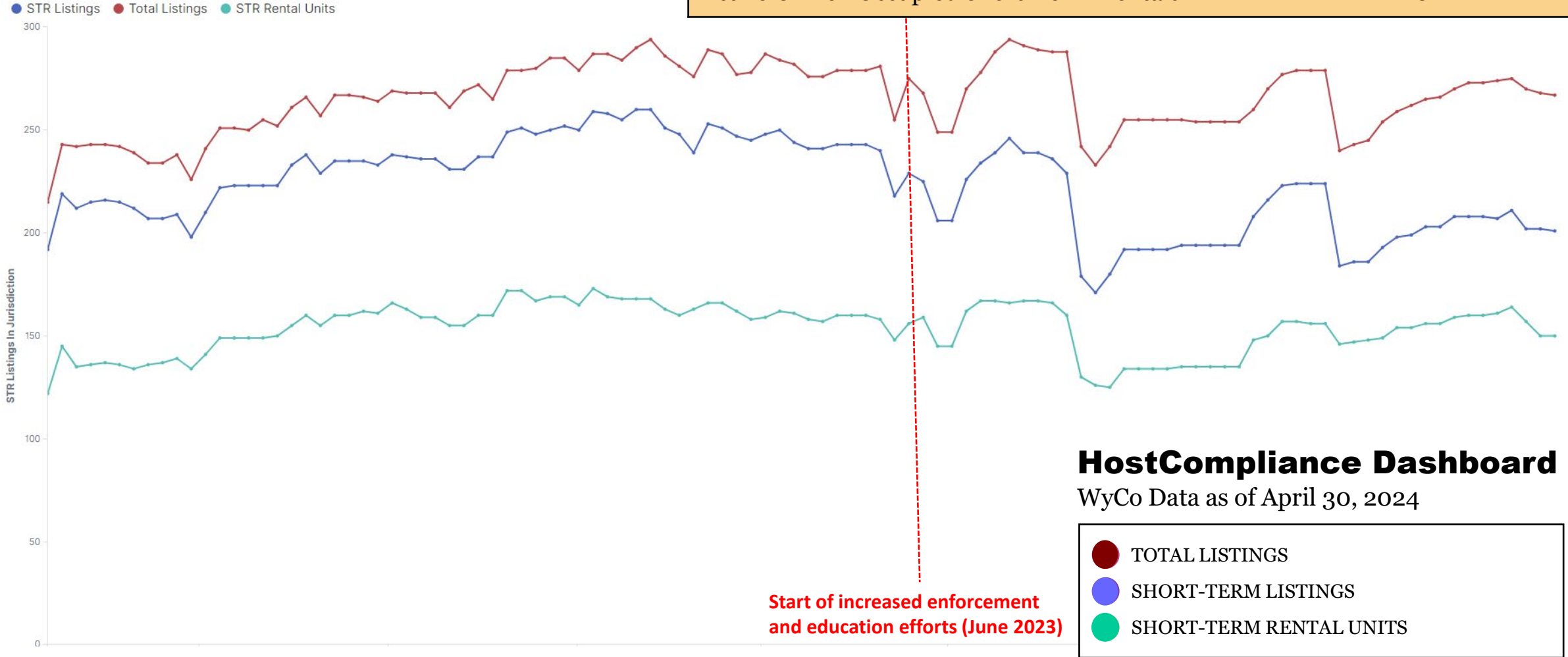
Set standards for off-street parking, neighborhood characteristics, maintaining a business license, and property owner responsiveness to noise/parties/complaints.



MARKET SNAPSHOT

- 36% of short-term rentals have a special use permit recorded with the UG

Number of Short-Term Rentals Currently Advertised in WyCo	160
New Short-Term Rentals in Last 30 Days	21
Active Short-Term Rentals Special Use Permits	47
Active Owner-Occupied Short-Term Rentals	10



EFFECTS OF ORDINANCE AMENDMENTS

<u>Short-Term Rental Metric</u>	<u>April 2023</u>	<u>April 2024</u>	<u>Percentage Change</u>
Number of Short-Term Rentals Currently Advertised in WyCo	166	160	-4%
New Short-Term Rentals in Last 30 Days	8	21	+163%
Total Active Short-Term Rental Special Use Permits	50	47	-6%
Total Active Owner-Occupied Short-Term Rentals Before May 2023	4	10 (5 more pending)	+150% (+275%)
Total Short-Term Rentals (All)	54	57	+6%
Compliance rate (Total STRs/Advertised STRs)	32.5% (54/166)	35.6% (57/160)	+10%

STR Application Notes (June 2023 – April 2024)

- STR Special Use Permits issued in 2022: 19
- STR Special Use Permits issued from June 2023 to April 2024: 44

STR Enforcement Notes (July – December 2023)

- Inspections/door hangers posted: 150
 - Cases Closed: 55
 - Compliant Properties: 46
 - Remaining Non-Compliant Properties: 49
- Compliance rate: 67% (closed cases and compliant properties)



EFFECTS OF ORDINANCE AMENDMENTS

<u>Short-Term Rental Metric</u>	<u>2022</u>	<u>2023</u>	<u>2024 (Jan. - Apr.)</u>	<u>Percentage Change (2022 – 2023)</u>	<u>Percentage Change (2023 – 2024)</u>
Locally retained STR tax revenue (annual reported)	\$151,084	<i>\$187,355</i>	\$87,399	+24%	N/A
Locally retained STR tax revenue (Q1)	\$26,144	\$41,743	\$40,221	+60%	-4%
Locally retained STR tax revenue (Q2)	\$31,141	\$43,921	\$47,178	+41%	+7%
Locally retained STR tax revenue (Q3)	\$47,392	\$51,569	---	9%	N/A
Locally retained STR tax revenue (Q4)	\$46,406	\$50,123	---	+8%	N/A
Locally retained STR tax revenue (Q1 & Q2)	\$57,285	\$85,664	\$87,399	+50%	+2%
Locally retained STR tax revenue (prior Q4, Q1 & Q2)	N/A	\$132,070	\$137,522	+4%	N/A

Notes

Bold = entirely after passage of STR amendments/increased enforcement efforts

Italics = partially after passage of STR amendments/increased enforcement efforts

Q1 = Released in January with data from September to November of the prior year

Q2 = Released in April with data from December of the prior year to February of the current year

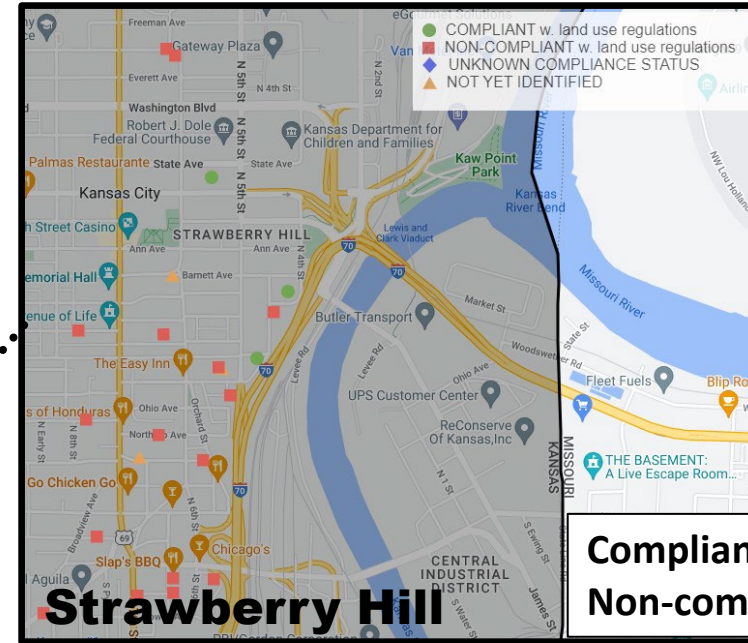
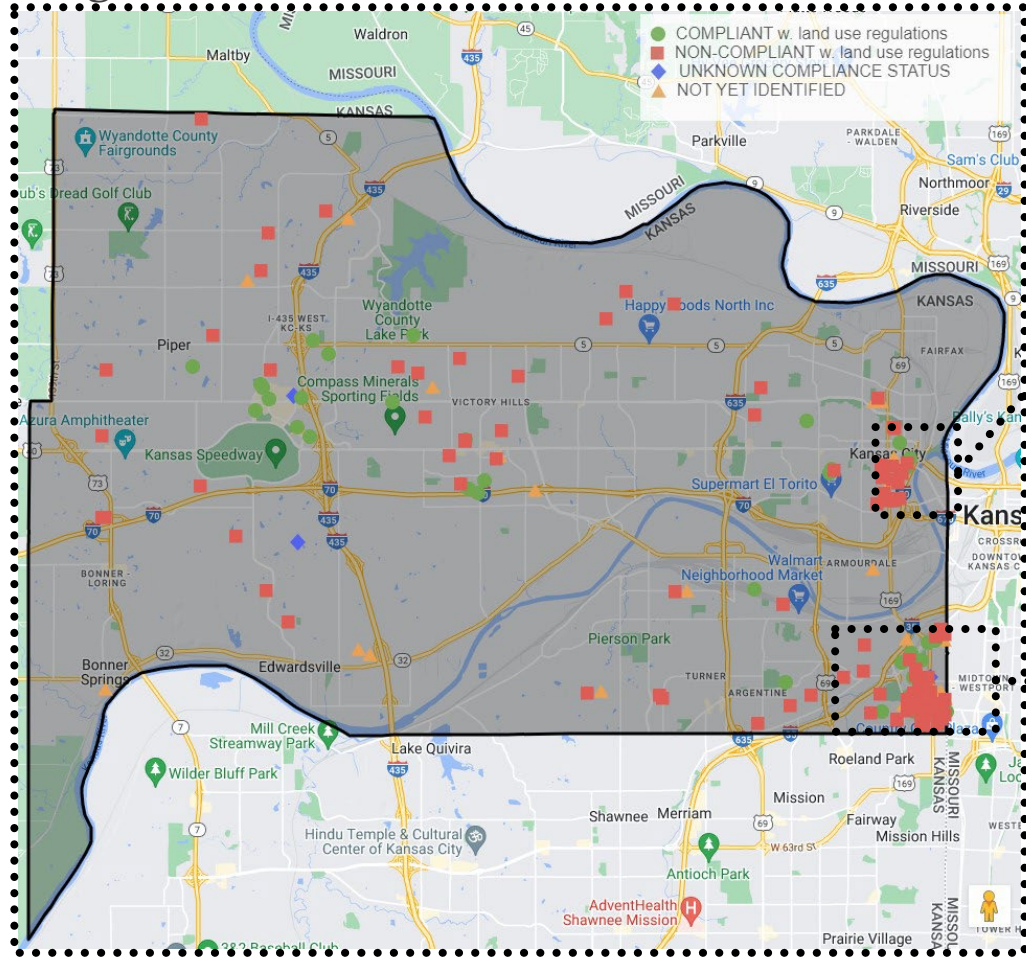
Q3 = Released in July with data from March to May of the current year

Q4 = Released in October with data from June to August of the current year

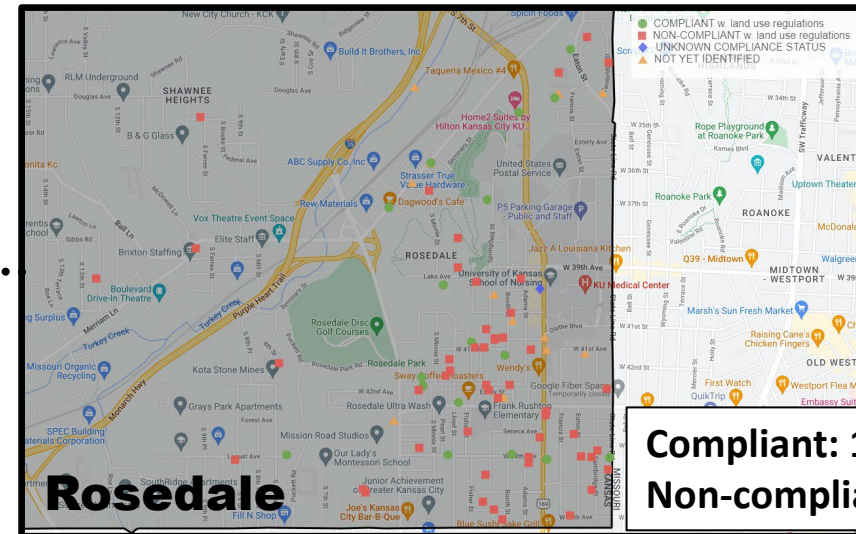


MARKET SNAPSHOT: MAY 2023

- Short-term rentals are concentrated in a few neighborhoods



Compliant: 3
Non-compliant: 16

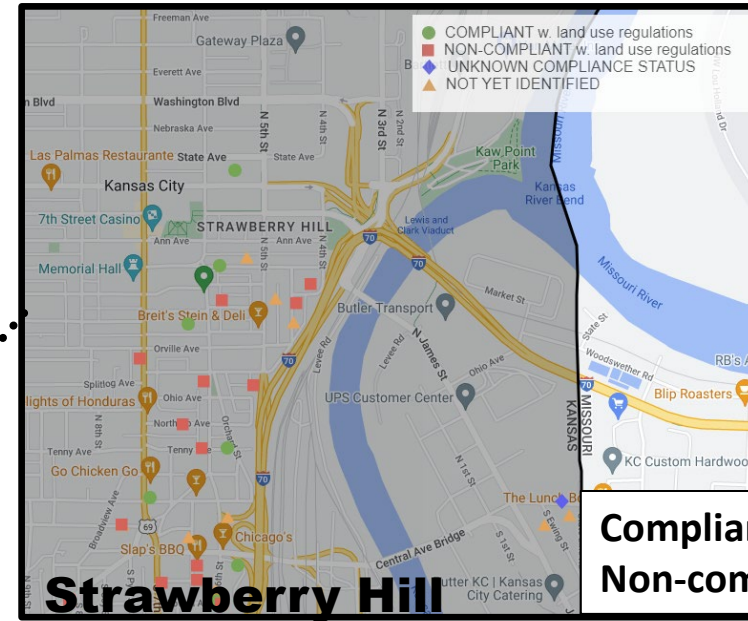
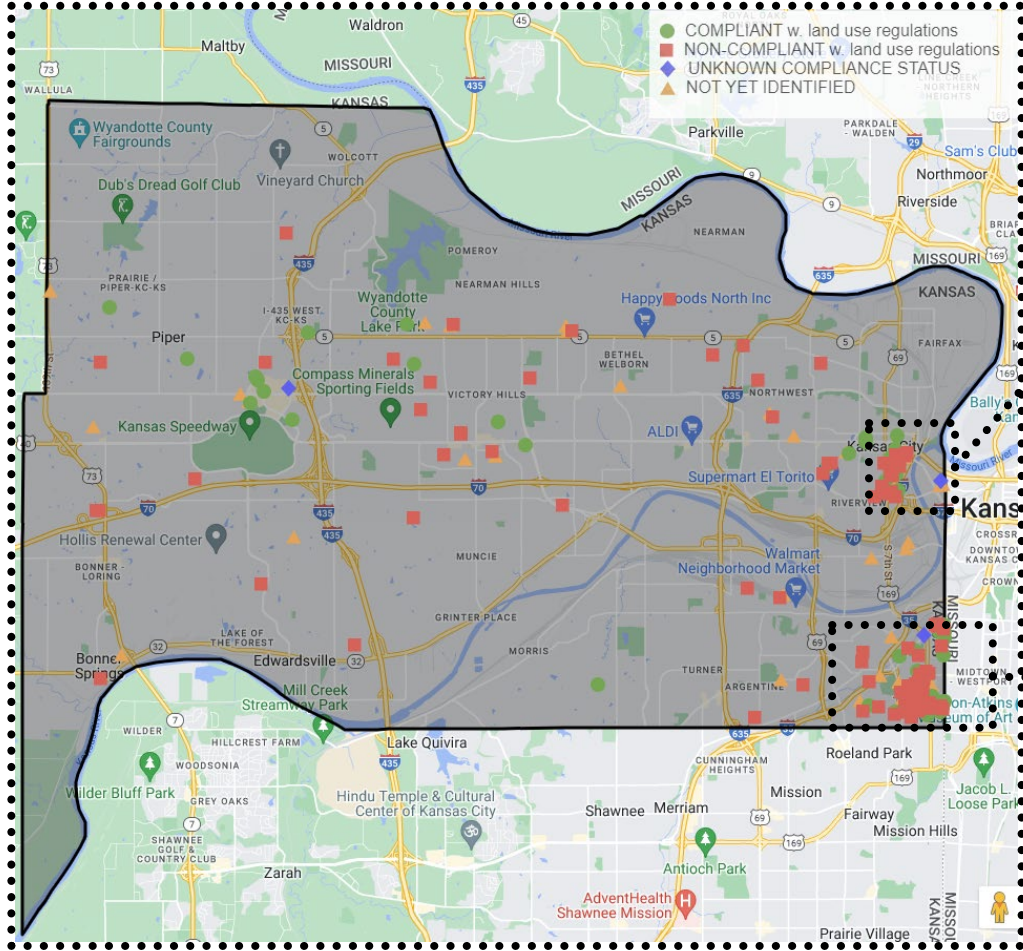


Compliant: 18
Non-compliant: 48

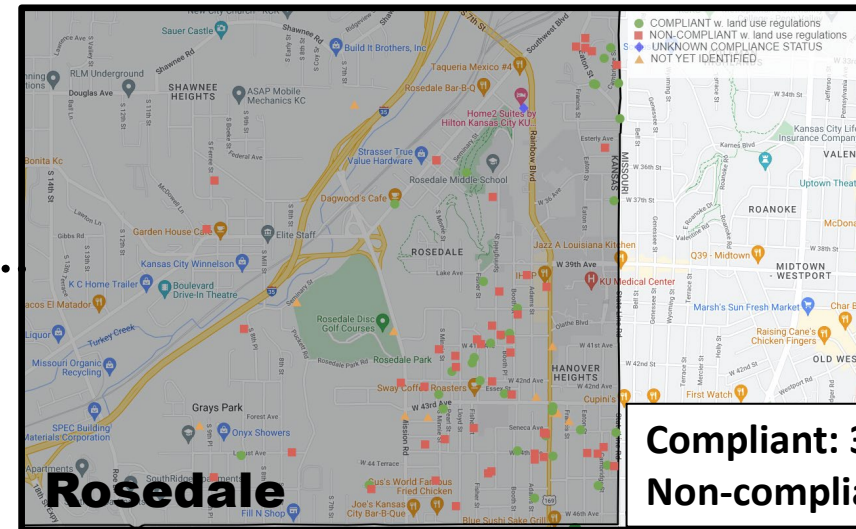


MARKET SNAPSHOT: MAY 2024

- Short-term rentals still remain concentrated in a few neighborhoods



Compliant: 7
Non-compliant: 13



Compliant: 32
Non-compliant: 46



QUESTIONS?



FOR CONSIDERATION

- **Suggested amendments to the short-term rental ordinance:**
 - Set a maximum of 25% of all units in a building may be STRs
 - Allow STR and long-term rental (LTR) licenses for the same dwelling unit, not just in the same building
 - Add up-to-date property taxes as a requirement for all STRs
 - Provide more guidance on STRs with shared driveways and other cross- or shared-access agreements
 - Clarify that requisite insurance must specifically include a rider for guests and/or guest actions
 - Require an annual fire inspection from KCKFD
 - Create a flat application fee, rather than a fee based on parcel size



FOR CONSIDERATION

- **Suggested amendments to the short-term rental ordinance (cont.):**
 - Prohibit use of pools by non-guests (i.e., “pool parties”)
 - Reduce the Special Use Permit STR density limit:
 - One (1) per every three (3) street blocks, or
 - Each STR has a 1,000-foot radius restriction buffer
 - Limit administrative review STRs to one (1) per street block
 - Limit or prohibit STRs within designated Historic Districts
 - For properties at or near the county boundary line:
 - Prohibit STRs within 1000 feet of any county boundary, or
 - Codify the location of an STR adjacent to the county boundary line as a performance standard



FOR CONSIDERATION

- **Provide additional funding to hire more zoning enforcement officers** in order to maintain and expand short-term rental enforcement and education/outreach efforts
- **Consider preparation efforts for the 2026 World Cup**, including both temporary and permanent short-term rental regulations such as one-time STR licenses or loosen restrictions on density or typology
- **Create a well-publicized and streamlined method for residents to report unlicensed or nuisance STRs**, such as a dedicated hotline, a menu option through 311, a dedicated button on the myWyco app, and/or a list point of contact on the STR page of the Planning Department website



CONCLUSION

OUTREACH & ENGAGEMENT

- **Commission and Elected Officials Engagement:**
 - ✓ City Planning Commission (Nov. 14, 2022, and Feb. 13, Mar. 13, & Apr. 10, 2023)
 - ✓ Administration & Human Services Standing Committee Meeting (Dec. 12, 2022, and Feb. 13, Mar. 27, & Apr. 24, 2023)
 - ✓ Board of Commissioners (Apr. 27, 2023)
- **Neighborhood Engagement:**
 - ✓ Strawberry Hill Neighborhood Association (Dec. 13, 2022)
 - ✓ Rosedale Development Association (Dec. 20, 2022)
 - ✓ Livable Neighborhoods Task Force (Jan. 26 & Mar. 23, 2023)
 - ✓ Central Area Business Association (Feb. 6, 2023)
 - ✓ Cathedral Neighborhood Association (Feb. 6, 2023)
- **Unified Government & Other Municipalities:**
 - ✓ Collected department feedback
 - ✓ Participated in regional short-term rental working group
 - ✓ Special session outreach meeting

ACTION ITEM(S)

- ❑ Continue to implement ordinance through outreach, enforcement, and making updates to applications and processes
- ❑ Present annual report on ordinance implementation to City Planning Commission, May 13, 2024



QUESTIONS OR ADDITIONAL FEEDBACK?

Reach out to the Department of Planning + Urban Design
PlanningInfo@wycokck.org
(913) 573-5750