

# Short-Term Rentals (STRs)

## What is a STR?

- STRs provide transient accommodations on a short-term basis
- The property owner may or may not be present during the stay
- Technology improvements have helped improve STRs popularity

## What are some STR platforms?

- Airbnb is the largest STR platform in Lawrence
  - Approximately 130-140 active STRs
- Other platforms:
  - VRBO, HomeAway, FlipKey

## Are STRs currently allowed?

- STRs are not currently a permitted land use
- STRs are considered transient accommodations similar to Bed & Breakfast, Hotel, Motel
  - Accommodations for less than 30 days
- Enforcement of STRs is complaint driven

## Residential Uses\*

- Single-Dwelling
  - Accessory Dwelling Unit
- Duplex
- Multi-Dwelling
- Congregate Living
- Home Occupations
  - Commercial use in a residential district (e.g. tutoring, hair salon, accounting services)
- Transient Accommodations
  - Bed & Breakfast
    - Requires Special Use Permit
  - Hotel, Motel, Extended Stay

\*Article 4 of the Land Development Code

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  - Hotel, Motel, Extended Stay
  - STR

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## What are some positive impact of STRs?

- Sales tax and transient guest tax revenues
  - Airbnb has an agreement with the State of Kansas to collect and remit sales tax and transient guest tax from Airbnb users
- Additional income for hosts/operators
  - Help with property maintenance, mortgages, etc.
- Provides alternatives to traditional hotels, motels, and bed & breakfasts
- Accommodates peak demand events
- Can keep vacant properties from becoming blighted
- Helps guests “live like a local”

## What are some negative impact of STRs?

- Neighborhood impacts
  - Not knowing who is staying in STRs
  - Over-occupied
  - Party houses
  - Traffic and parking
- Safety
  - For hosts/operators, guests, neighbors
- Reduces affordable housing stock



## What were the potential code standards considered for the draft framework?

- Whether STRs should be limited to certain zoning districts
- Whether STRs should be licensed and what fee would need to be collected to cover costs of regulation
- Whether STRs must take place in an owner-occupied dwelling unit
- Whether all housing types are appropriate for STR use

## What were the potential code standards considered for the draft framework?

- Whether STRs require an inspection (similar to the rental inspection program)
- Whether existing occupancy limits should be maintained for STR use
- Whether STRs should be limited to a certain number of rentals per year
- Whether there should be limit on the number of STR units owned by individuals or corporations

## What were the potential code standards considered for the draft framework?

- Whether a notice should be given to neighbors when a STR is established
- Whether owners should provide the City and neighbors contact information to address nuisance complaints and other issues that may arise
- Whether proof of insurance should be required to operate an STR

## What has the regulation development process looked like?

- Input from stakeholders and community members
  - Meeting September 26, 2017
  - Lawrence Listens
  - Written Testimony
- Receive direction from the City Commission on priorities for the ordinance development

## Public Input

- Community Meeting Sept. 26
  - Approximately 30-40 people
- 202 responses on Lawrence Listens
  - Issues ranged from no regulations to complete prohibition of STRs
- 10 letters

## Staff recommended code standards

- Permitted in all zoning districts that allow residential uses (owner occupied vs. non-owner occupied)
- Taxation (TGT/Sales Tax)
- Annual license and fee
- Annual inspection and fee
- Proof of insurance
- Conform with current occupancy standards (including ADU standards)
- Resident Agent, if owner lives 40 miles outside City limits
- Notice to neighbors

Permitted in all zoning districts that allow residential use

- This includes single and multi dwelling units
- Distinction between owner occupied and non-owner occupied
  - Owner occupied: follow the framework set forth in STR regulations
  - Non-owner occupied: follow the RS districts bed & breakfast regulations and obtain a special use permit (SUP)

# Taxation

- All applicable taxes should be collected and remitted
- Airbnb signed an agreement with the State of Kansas to collect and remit all local and state taxes
  - The other platforms do NOT have a similar agreement and therefore that responsibility would fall to the operator of the STR



## Annual License, Inspection, and Fee

- Similar to rental inspection process
- Fees will be set to recover the costs associated with processing the application and inspecting the property
  - License fee is anticipated to be \$25 per unit
  - Inspection fee is anticipated to be \$50 per unit

## Proof of Insurance

- Homeowners will have to show proof of homeowner's insurance that includes a minimum amount of liability coverage

## Conform with Current Occupancy Standards\*

- Single-dwelling, residential (RS):  
maximum of 3 unrelated occupants
- Multi-dwelling, residential (RM):  
maximum of 4 unrelated occupants
- Exceptions: Congregate Living, Motel, Hotel, Extended Stay, Bed & Breakfast, Dormitory, Fraternity/Sorority House, Group Home, Assisted Living

\*Article 6 of the Land Development Code

## Accessory Dwelling Unit (ADU)

- Permissible in RS 7 – RS 40 zoning districts
- Either principal dwelling or ADU must be owner occupied (only one can be used as a STR)
- Must be registered with the City and meet standards set in Land Development Code
- Total number of residents may not exceed occupancy limits for the principal dwelling, plus one additional person

## Local Contact Person

- There must be a local contact person to receive notices and attend to issues as they arise.
  - They must live within 40 miles of City limits.
- If the owner lives more than 40 miles outside of City limits a resident agent is required to receive notices and attend to issues as they arise

## Notice to Neighbors

- A notification sent out to owners of property within 400 feet of the STR and to registered neighborhood associations
  - Notice would reflect that there is no right to appeal
  - Similar to Type B Home Occupation notices (e.g. tutoring, hair salon, accounting services, financial advice, legal services)
- Provides general information about STRs and how to file a complaint if an issue were to arise

## Next Steps

- Receive direction from the City Commission on what areas of an ordinance to pursue
- Bring forward a draft ordinance establishing the licensing and inspection program
- Process Land Development Code changes through a text amendment with Planning Commission review