

ITEM NO. 6 TEXT AMENDMENT TO LAND DEVELOPMENT CODE; SHORT TERM RENTAL (JSC)

TA-18-00079: Consider a Text Amendment to the City of Lawrence Land Development Code regarding Short Term Rental. *Initiated by City Commission on 2/20/18.*

STAFF PRESENTATION

Mr. Jeff Crick presented the item.

PUBLIC COMMENT

Ms. Rhonda Miller, 214 Lawrence Ave, spoke in favor of short term rentals and read a poem she wrote.

Mr. Dan Dannenberg, 2702 University Drive, said most of his street contained rental properties. He wondered who would monitor parties at short term rental properties. He expressed opposition to Short Term Rentals. He felt there would be no regulation.

Mr. Michael Davidson, Explore Lawrence, felt short term rentals should be regulated and felt the city recommendations were sound. He said the regulations played a valuable role in keeping tourism in the community.

Ms. Tena Santaularia, 1535 Kasold Drive, said Airbnb allowed her to take care of her properties and already provided regulations. She said Airbnb hosts are ambassadors for the city. She said she had more than one property. She felt that light regulations were important but did not want over regulations.

COMMISSION DISCUSSION

Commissioner Carpenter inquired about current non-owner occupied properties.

Mr. McCullough said they would need to come into compliance. He said it was not currently an allowed use under the code.

Commissioner Willey inquired about owner occupied short term rental accessory use.

Mr. Crick said it would be an administrative item. He said it would fall under rental licensing. He said Planning Commission would only see Special Use Permits.

Mr. McCullough said accessory uses were permitted by right as accessory uses.

Commissioner Willey asked about the additional burden of staff time.

Mr. McCullough said the known short term rentals could be absorbed into the staff workload with both Special Use Permits and licensing and inspection. He said the program could handle 160 additional short term rentals into the existing 18,000 rental properties.

Commissioner Sands inquired about the nature of the agreement that Airbnb has with the State of Kansas.

Mr. Crick said it was for tax collection. He said it was not required for other platforms and different platforms have different mechanisms to show they are compliant with state taxes.

Commissioner Sands asked if the City or State could restrict the use of certain platforms.

Mr. Crick said it would be extremely difficult since new platforms come and go.

Commissioner Sands asked if short term rentals were taxed at the same rate as hotels.

Mr. Randy Larkin said taxes would still be owed regardless of which company was used. He said the owner of the property would still have to remit taxes. He said if they do not then they would have issues with the State. He said Airbnb took an extra step and reached an agreement with the State to make it easier to submit taxes.

Mr. Davidson said Airbnb was taxed the same as hotels. He said Airbnb collects the money and then remits it to the City.

Commissioner Butler thanked Mr. Dannenberg for his comments. She said there may be benefits of having a text amendment with monitoring. She felt a text amendment was necessary for regulations.

Commissioner Culver asked if other community regulations had been looked at.

Mr. Crick said staff looked at many other communities and there was a large range. He said some were very complex while others had a simple permit.

Ms. Danielle Buschkoetter said there was a wide range in terms of what other cities do. She said the overarching theme was that it depended on what the community needed and what the community was looking for. She said there wasn't a best practice out there and it varied from community to community.

Commissioner Butler inquired about renting a property for 20 days.

Ms. Buschkoetter said it would depend on whether the property was owner occupied or non-owner occupied. She said most other cities say 30 days or under.

Commissioner Butler asked Mr. Buschkoetter to address Mr. Dannenberg's concerns.

Ms. Buschkoetter said the regulations would help staff have some kind of licensing in place to see where rental properties are within the community and identify issues and basic needs. She said it was not currently a permitted use and there were about 160 short term rentals in the community.

Commissioner Willey asked if single-family zoning where only 3 unrelated people were allowed was meeting the needs of the people currently doing short term rentals.

Ms. Buschkoetter said feedback was received about the occupancy standards.

Mr. McCullough said some of the Airbnb listings were for 10-12 people in larger houses. He said there was a congregate living land use as an alternative that could allow a higher occupancy. He said in the Oread District there were over 30 site planned congregate living uses. He said he could see those uses being converted to short term rentals which would be allowed in what the text amendment proposes.

Commissioner Sands inquired about parking requirements of one space per bedroom.

Mr. Crick said the zoning districts of RS or RM would be one space per bedroom.

Commissioner Sands asked how the text amendment would conflict with the parking requirement of the downtown district.

Mr. McCullough said if the text amendment was approved then the more restrictive would apply and a parking space would need to be provided.

Commissioner Willey asked how often owners have to live in a property to be consider owner occupied.

Mr. McCullough said the legal term is "the majority of the time."

Mr. Crick said owner occupied does not mean the owner has to be on-site during the rental.

Commissioner Willey asked if there were options for short term rental in Industrial zoning.

Mr. Crick said yes, residential uses in any district would be consistent across the table.

Commissioner Willey said she stayed in a short term rental recently at a conference in New Orleans. She said although she enjoyed her stay she was appalled there was only one exit, no working fire escapes, and no fire extinguisher. She felt standards would keep people safe.

Commissioner Culver said this was a great starting point and would need to be adapted as the industry evolved.

Commissioner Struckhoff said he was supportive of the text amendment.

Commissioner Willey felt the occupancy standards needed to echo what they would be for long-term rentals.

Commissioner Carpenter wondered if the hotel industry was purchasing property to use for short term rentals.

Mr. Davidson said the Marriott chain was looking at working with properties to put into their system.

ACTION TAKEN

Motioned by Commissioner Sands, seconded by Commissioner Paden, to forward the proposed amendment to Articles 4, 5, 9, and 17 of the Lawrence Land Development Code permitting short-term rental unit uses to the Lawrence City Commission with a recommendation for approval.

Unanimously approved 9-0. Commissioners Butler, Carpenter, Culver, Paden, Sands, Sinclair, Struckhoff, Weaver, and Willey voted in favor.