Memorandum City of Lawrence/Douglas County Planning and Development Services

TO:	Lawrence City Commission Lawrence – Douglas County Metropolitan Planning Commission
FROM:	Planning Staff
CC:	
Date:	For the April 24 th , 2019 Planning Commission Meeting
RE:	Response to Planning Commissions and City Commissioner Short-Term Rental Questions

Updates to this memo were made on April 19th, 2019 and are indicated in red below.

On Friday, March 15th, 2019, Commissioner Boley asked for additional information for the special use permits scheduled to be considered at the <u>March 19th, 2019 City Commission</u> <u>meeting</u> (<u>SUP-18-00571</u>, <u>SUP-18-00611</u>, and <u>SUP-18-00625</u>), the City Commission deferred these applications in order to address Commissioner Boley's questions regarding the effects of short-term rental uses in relation to questions about taxing and other items related to similar uses such as *Hotel, Motel, Extended Stay* uses.

In addition to these questions, both the public and the Lawrence – Douglas County Planning Commission have <u>posed some questions</u> they would like to be considered when analyzing a special use permit application. In total, the requested information included:

Commissioner Boley's Questions related to SUP-18-00571, SUP-18-00611, and SUP-18-00625:

- 1. What is the tax assessment for this property, by taxing jurisdiction and the total?
- 2. What would the tax assessment for this property be, by taxing jurisdiction and the total, if the property were taxed at the commercial rate applied to hotels?
- 3. Please compute the difference between the figures, by taxing jurisdiction and the total.
- 4. Is it possible to add a condition to the special use permit that would require the owner to remit the difference to the city annually?
- 5. Is it possible that a future property valuation will be done on the basis of an income generating property rather than a residence?

- 6. If so, is it possible that a higher valuation will be imposed upon adjacent properties?
- 7. What is the length of the street frontage for each of the properties?
- 8. What is the length of the street frontage for the Hampton Inn and how many guest rooms is that property authorized?
- 9. What is the category of the street in front of each of the properties?
- 10. What is the category of the street in front of the Hampton Inn?
- 11. Is it possible to add a condition that would limit the term of the special use permit to 3 years, as we did with the DARE Center?
- 12. Once an SUP is approved is there any restriction upon the transfer of the special use permit along with the property?
- 13. If there are no restrictions [on transferring the special use permit to another operator], why should any consideration be given to the history of prior use as a short-term rental by the Planning Commission or City Commission when deciding whether to grant a special use permit?
- 14. Please provide the pictures the commission was shown of the mobile home placed upon the lot across the street from Dr. Venida Chenault's house, as we considered the non-compliant use of that property.
- 15. When was the mobile home placed upon the property?
- 16. When was the first complaint received about the mobile home?
- 17. How many days later was the mobile home removed from the property?

Planning Commission and Citizen Topics:

- 18. Revise the special use permit application to seek information regarding the platforms utilized by the applicant and the listing numbers to view info on user comments if the short-term rental is currently operating in violation of the code.
- 19. Include rental map snapshot in every packet long and short-term.
- 20. Explore requiring the city's occupancy limit to be included in offerings on software platforms as a condition of any approved special use permit.
- 21. Require contact info to be shared with neighbors.
- 22. Should there be time limits on special use permits, or does license present an opportunity to revoke, or can a special use permit expire when owner changes?
- 23. Should there be a limit on guestrooms permitted and should that limit be tied to occupancy limits?

- 24. What are the minimum infrastructure requirements to be present for a short-term rental use?
- 25. How does the short-term rental use affect traffic in a neighborhood?
- 26. Should neighborhood support be required to gain approval of a special use permit?
- 27. How does the short-term rental use impact affordable housing?
- 28. What is the date of construction for the properties licensed as short-term rentals? (Updated April 19th, 2019)

Program History

At the request of the City Commission, staff submitted a <u>research report</u> that highlighted decision points related to the regulation of the short-term rental (STR) industry. The report outlined the benefits and concerns associated with homesharing, noted how other communities are addressing this growing industry, and reported on the zoning code regulations that the City of Lawrence currently has in place that prohibits their use. Finally, the report provided two options for the City to take moving forward: (1) maintain the prohibition of all STRs and address complaints as they are submitted, or (2) regulate STRs through zoning code changes and policies that mitigate the potential negative impacts.

Additionally, staff began to pursue development of a framework to regulate STRs. There was a public meeting held September 26, 2017, which marked the beginning of the public input process. There were approximately 30-40 community members and stakeholders that attended the meeting. Furthermore, an online survey was available through Lawrence Listens. There were 202 survey responses and 10 people or associations submitted written letters expressing their opinions on STRs.

At the City Commission's November 14th, 2017 work session, staff presented a <u>proposed</u> <u>framework</u> to balance the desires of STR operators while mitigating negative impacts. Staff also recognized that enforcement could be difficult and brought forward a framework that could be enforced and implemented within the current staffing levels. From the <u>City</u> <u>Commission's discussion</u>, staff revised that framework to include the <u>Commission's direction</u>. The City Commission <u>initiated a text amendment</u> to the City of Lawrence Land Development Code to incorporate short-term rental uses and directed staff to develop an ordinance for the licensing, inspecting and regulating of short-term rental properties.

That text amendment (TA-18-00079) established the process for permitting short-term rentals. It permitted an owner-occupied short-term rental use by right and required the approval of a special use permit for a non-owner occupied short term rental use. It also created Article 5 use regulations for short-term rental units. These regulations provide standards and guidance on residency requirements and site-related use standards to ensure compatibility with the areas surrounding the short-term rental uses. These use regulations would require all short-term rental units to comply with the existing occupancy limits established in Chapter 20, Section 20-601(d). A Land Development Code definition for "Short-Term Rental" was also be created in Article 17.

It also proposed changes included updating the Residential District Use Table (Section 20-402) and the Nonresidential Use Table (Section 20-403) to include "Short-Term Rental" as a Transient Accommodation, as well as updating the Off-Street Parking Schedule A (Section 20-902) to establish the minimum number of required vehicle parking spaces be 1 parking space per guest room for non-owner occupied short-term rental use.

The amendment was reviewed and approved by the Lawrence-Douglas County Planning Commission on <u>May 23rd, 2018</u> and was <u>unanimously recommended</u> to the City Commission. The City Commission considered this text amendment at their <u>September 18th, 2018 meeting</u> and <u>voted 3-2 to approve</u> the amendment on first reading. The second reading for this text amendment was considered at the Commission's <u>October 2nd, 2018</u> <u>meeting</u> and <u>unanimously approved</u> on the consent agenda. The short-term rental amendments and licensing program became effective on November 1, 2018.

(Update: April 19th, 2019) At the <u>April 16th, 2019 City Commission meeting</u>, additional questions were posed to staff about the amounts and age of short-term rental properties in the community. While the current number of listings for the Lawrence area on the AirBNB platform is approximately 230, there is some gradation to that number. Of those listings, approximately 60 are outside of the City of Lawrence, but within the general area. As staff has reviewed the website, they have found many properties that are listed multiple times, thereby inflating the number of listings. Based on staff's review and research of the properties, staff believes the true number of properties being listed on that platform to be closer to 140 properties. At the time writing, there are 45 licensed as owner-occupied, 3 approved special use permits for non-owner occupied short-term rentals, and 22 special use permits for short-term rentals in-process.

Review Standards

A special use permit is a means to authorize certain uses in zoning districts where they may be compatible with other permitted uses, so long as the use is reasonable and conforms to the conditions applied to it, which are designed to protect the interest of neighboring owners and uses.

The <u>Land Development Code</u> outlines its decision-making criteria and other process requirements in Section 20-1306. This section notes that the City Commission is the decision-making body (Section 20-1301(a)), and outlines the purpose of a special use permit.

(a) Purpose

The Special Use review and approval procedures provide a discretionary approval process for uses with unique or widely varying operating characteristics or unusual site development features. The procedure entails public review and evaluation of a use's operating characteristics and site development features and is intended to ensure that proposed Special Uses will not have a significant adverse impact on surrounding uses or on the community at-large. It also outlines the Planning Commission's role with special use permits in Section 20-1306(f).

The Planning Commission shall hold a public hearing on the proposed Special Use, review the proposed Special Use in accordance with the review and decision-making criteria of Section (i) and recommend that the City Commission approve, approve with conditions or deny the Special Use application.

Section 20-1306(i) provides the review and decision-making criteria for a special use permit application. These include:

- 1. Whether the proposed use complies with all applicable provisions of this Development Code;
- 2. Whether the proposed use is compatible with adjacent uses in terms of scale, site design, and operating characteristics, including hours of operation, traffic generation, lighting, noise, odor, dust, and other external impacts;
- 3. Whether the proposed use will cause substantial diminution in value of other property in the neighborhood in which it is to be located;
- 4. Whether public safety, transportation and utility facilities and services will be available to serve the subject property while maintaining sufficient levels of service for existing development;
- 5. Whether adequate assurances of continuing maintenance have been provided; and
- 6. Whether the use will cause significant adverse impacts on the natural environment; and
- 7. Whether it is appropriate to place a time limit on the period of time the proposed use is to be allowed by special use permit and, if so, what that time period should be.

As with other planning and zoning items in the state of Kansas, these criteria are based on the Golden Factors, which are the beginning point for land use and zoning decisions. In 1978, the Supreme Court of Kansas decided the case <u>Golden v. City of Overland Park</u> establishing the basis for considering and reaching a decision on zoning changes.

This court decision outlined the eight Golden Factors and have become institutionalized throughout Kansas as a decision-making criteria basis that the decision should be made based on the evidence submitted and the factors considered. Additionally, a recent court case also determined that special use permits are a land use change and should be considered by the same Golden Factors. Those Golden Factors include:

- 1. The character of the neighborhood,
- 2. The zoning uses of nearby properties,
- 3. The suitability of the property for the uses to which it is restricted,

- 4. The extent to which the change will detrimentally affect nearby property,
- 5. The length of time the property has been vacant as zoned,
- 6. The gain to the public health, safety, and welfare by the possible diminution in value of the developer's property as compared to the hardship imposed on the individual landowners,
- 7. The recommendations of a permanent or professional planning staff,
- 8. The conformance of the requested change to the city's master or comprehensive plan.

As noted in decision-making criteria number 7 above (Section 20-1306(i)(7)), the City Commission may place a time limit on the special use permit and the date the special use permit would expire. If it was desired for that particular use to be continued at that location, an applicant would be required to submit a new special use permit application, pay the applicable fees, and the Planning Commission would hold a public hearing, forwarding this recommendation to the City Commission for their consideration.

The ordinance and conditions that are established on the special use permit are items that transfer with the land and are not modified by the sale and transfer of the property to new ownership.

Similar to other code enforcement issues, the enforcement of a special use permit is a complaint-driven process. The revocation process is outlined in Section 20-1306(I), and notes that the City Commission is authorized to amend, suspend or revoke an approved Special Use in accordance with this subsection. The Land Development Code permits the City Commission upon its own initiative, or upon the recommendation of City staff or the Planning Commission, to establish a public hearing date to consider a proposed amendment, suspension or revocation of an approved Special Use. Newspaper, posted and mailed notices of the City Commission's public hearing shall be provided in accordance with Section 20-1301(q).

After the conclusion of the public hearing, the City Commission will consider all relevant evidence and information. The City Commission may amend, suspend or revoke the Special Use if it finds, based upon a preponderance of the information and evidence, that such action is supportable in fact. Any motion for the amendment, suspension or revocation of a Special Use shall clearly state the grounds, which may include incorporation of findings presented by City staff. Any motion for the amendment of a Special Use shall clearly state the terms and conditions of suspension and at what time further review is appropriate. Any motion for the amendment of a Special Use shall clearly state the terms and conditions of suspension and at what time further review is appropriate. Any motion for the amendment of a Special Use shall clearly state the terms and conditions of suspension and at what time further review is appropriate. Any motion for the amendment of a Special Use shall clearly state the terms and conditions of suspension and at what time further review is appropriate.

The code then requires that the City Commission shall make one or more of the following findings if it seeks to amend, suspend, or revoke the Special Use:

1. A condition of the Special Use has been violated;

- There has been a violation of the Land Development Code (Chapter 20); the Building and Construction Code (Chapter 5); the Residential Rental Property Code (Chapter 6, Article 13); or the Property Maintenance Code (Chapter 9, Article 6); and/or
- 3. Violation of any other applicable City Code provisions or any State or Federal law or regulation by the Landowner or Agents thereof, provided that such violations relate to the conduct or activity authorized by the Special Use or the qualifications of the Landowner or Agents thereof to engage in such conduct or activity.

It should be noted that these are only suggested factors and other factors may be important in an individual case.

Specific Topics

Based on the comments and concerns submitted by Commissioner Boley and also those noted by the Planning Commission and members of the public, the following list of topics is included for review. In some instances, similar questions were raised, so those have been grouped together when appropriate.

- Topic 1: What is the tax assessment for this property, by taxing jurisdiction and the total?
- Topic 2: What would the tax assessment for this property be, by taxing jurisdiction and the total, if the property were taxed at the commercial rate applied to hotels?
- Topic 3: Please compute the difference between the figures, by taxing jurisdiction and the total.

All three properties (630 Indiana Street, 1321 New Hampshire Street, and 1500 Rhode Island Street) are currently being assessed at the residential rate.

According to the <u>Douglas County Appraiser's website</u>, Article 11, Section 1 of The Kansas Constitution provides that: Real property shall be classified into seven subclasses and assessed uniformly by subclass at the following assessment percentages:

Property Type	Tax Rate
Residential property	11.5%
Commercial & Industrial property	25%
Vacant Lots	12%
Agricultural	30%
Not-for-profit (not subject to Section 501 of the Internal Revenue Code)	12%
Public utility, except railroad	33%
All other urban and rural real property not otherwise specifically sub-classified	30%

The formula for calculating residential real estate properties is:

Appraised Value * Assessment Rate = Assessed value * Mill Levy - \$46.00* = Taxes**

- * Residential properties receive a credit on the first \$20,000 of assessment on the general portion of the school mill levy. This calculates to \$46.00 per property.
- ** This will not include any specials that might be assessed such as sidewalks, streets, etc.

For a property appraised at Lawrence's current median value of \$185,020, it is estimated that the difference estimated tax dollars is approximately \$3,423.

Property's Appraised ((Total Value)	/alue	\$185,020			
		Residential	Commercial	Difference	
Current Tax Rate		11.50%	25.00%		
Property's Assessed Value		\$21,277	\$46,255	\$24,978	
Mill Rates					
State	State 1.500			\$37	
County	46.015	\$979	\$2,128	\$1,149	
Lawrence	33.278	\$708	\$1,539	\$831	
USD 497	54.427	\$1,158	\$2,518	\$1,359	
Total Millage	135.220				
Total		\$2,831	\$6,255	\$3,423	

Topic 4: Is it possible to add a condition to the SUP that would require the owner to remit the difference to the city annually?

It has been determined by the City Attorney's office that we cannot require the owner to remit the difference as it would constitute an illegal tax.

Topic 5: Is it possible that a future property valuation will be done on the basis of an income generating property rather than a residence?

It is important to note the difference between assessment and valuation. The assessment is based on determining the use/operation of the property, while the valuation is based on what the property could likely be sold for on the open market. The reassessment of a property is conducted based on many factors. As part of assigning a value to a property, an appraiser determines the age, quality, location, condition, style and size of the property. The appraiser then uses one or more of the following three methods to value real property:

- 1. The sales comparison approach, which compares the sales of similar properties to each other. The appraiser then adjusts for differences (for example, one house may have more square footage than another). This method works well for valuing homes.
- 2. The cost approach, which evaluates the cost to replace a property adjusted for its age and condition. This approach works well for new and unique properties.
- 3. The income approach, which generally reviews the income from rent to determine a property's value. This method works well for income-producing properties, such as commercial properties and apartment buildings.

The Douglas County Appraiser's office has indicated to staff that they would need to know for certain that a property is being utilized strictly for transient occupation before they could consider reclassifying it as commercial. They also indicated that a system to identify and track these situations would help in establishing a tax classification for these properties. The granting of a special use permit is adopted via an ordinance and available as a public record.

Topic 6: If so, is it possible that a higher valuation will be imposed upon adjacent properties?

While the property's use would be reviewed for tax assessment purposes, the valuation would be based on the design and context of the structure and what it would possibly be valued for on the open market. According to the Douglas County Appraiser's office there would be little to no effect on adjacent neighbors since the property would be viewed for its resale value as a residential property when the structure is designed principally for that use.

Topic 7: What is the length of the street frontage for each of the properties?

The frontage and street requirements are determined by the property's base zoning district. Article 6: Density and Dimensional Standards establishes the minimal lot frontage for each zoning district. Currently, residentially zoned lots typically require a minimum lot width of 40 to 60 feet.

Base Zoning District	RS40	RS20	RS10	RS7	RS5	RS3	RSO	RM12/ RM12D	RM15	RMO	RM24	RM32	RMG
Minimum Lot Frontage (Feet)	40	40	40	40	40	25	40	60	60	40	50	50	50

The Land Development Code does not prescribe a minimum lot frontage for nonresidential base zoning districts. However, it does prescribe minimum lot widths, which is similar to how minimum lot frontage works for residential zoning districts.

Base Zoning District	CN1	со	CN2	CD	сс	CR	CS	IBP	IL/IM	IG	OS
Minimum Lot Width (Feet)	50	50	100	25	100	150	50/100	200	100	50	-

Article 4: Use Table, of the Land Development Code establishes the base zoning districts that permit the Hotel, Motel, Extended Stay uses. Hotel, Motel, Extended Stay uses are not allowed in any residential districts; however, it is a permitted use in the MU (Primary/Secondary), CD, CC, CR, CS, IL and is allowed as an accessory use in the H Districts.

The current zoning and minimum required frontage for the three deferred applications are:

•	630 Indiana Street (SUP-18-00625):	RS5 District / 50 feet
•	1321 New Hampshire Street (SUP-18-00611):	RS5 District / 100 feet
_	1E00 Dhada Jaland Streat (SUD 10 00E71.	DCE District / EQ fact

1500 Rhode Island Street (SUP-18-00571: RS5 District / 50 feet

Topic 8: What is the length of the street frontage for the Hampton Inn and how many guest rooms is that property authorized?

According to the City's GIS system, the approximate frontage for the Hampton Inn (2300 W. 6th Street) is 928.51 feet, which comprises three sides of the parcel. That property was developed as a hotel in 1995 (SP-4-17-95) and was permitted for 89 guest rooms.



Figure 1: Frontage Measurement for Hampton Inn (2300 W. 6th St.)

Topic 9: What is the category of the street in front of each of the properties?

In most residential areas of Lawrence, the streets are typically categorized as local streets. There are some residences that would also front collector and arterial streets in some neighborhoods. The street frontages for the three deferred applications are:

630 Indiana Street (SUP-18-00625): Local road
1321 New Hampshire Street (SUP-18-00611): Local road
1500 Rhode Island Street (SUP-18-00571: Local road (Rhode Island St.) Collector (E. 15th St.)

Topic 10: What is the category of the street in front of the Hampton Inn?

As previously noted, the Hampton Inn is fronted on three sides by streets. The Future Thoroughfares Map in <u>*Transportation 2040*</u> designates W. 6th Street as a principal arterial, while Rockledge Road is designated as a collector street.



Figure 2: Street Designation for Frontage along Hampton Inn (2300 W. 6th St.)

Topic 11: Is it possible to add a condition that would limit the term of the SUP to 3 years, as we did with the DARE Center?

As noted in decision-making criteria number 7 above (Section 20-1306(i)(7)), the City Commission may place a time limit on the special use permit and the date the special use permit would expire. If it was desired for that particular use to be continued at that

location, an applicant would be required to submit a new special use permit application, pay the applicable fees, and the Planning Commission would hold a public hearing, forwarding this recommendation to the City Commission for their consideration.

Topic 12: Once an SUP is approved is there any restriction upon the transfer of the SUP along with the property?

Topic 22: Should there be time limits on special use permits, or does license present an opportunity to revoke, or can a special use permit expire when owner changes?

Special use permits are typically considered to be a land use permission for the land, and are not usually tied to a particular owner. This allows certain uses to continue operating as that use after an ownership change. With all short-term rental special use permits, staff has recommended conditions that per Section 6-13A04(a) of the City Code, a short-term rental license is required to obtain annually from the Planning and Development Services Department. If the short-term rental license lapses for a period of more than 12 consecutive months, the special use permit will be assumed to be abandoned. Reinstatement of the use will require review and approval of a new special use permit application.

Topic 13: If there are no restrictions [on transferring the special use permit to another operator], why should any consideration be given to the history of prior use as a short-term rental by the Planning Commission or City Commission when deciding whether to grant a special use permit?

While special use permits do run with the land, an operator's history can provide information on the expectation of future operations. In any event, any operator must comply with the City Code and the special use permit conditions.

Topic 14: Please provide the pictures the commission was shown of the mobile home placed upon the lot across the street from Dr. Venida Chenault's house, as we considered the non-compliant use of that property.

The full history of this item can be reviewed on the City Commission June 19th, 2018 agenda.



Figure 3: Photograph 1 of the Mobile Home on 801 Lincoln Street (Taken: June 5th, 2018)



Figure 4: Photograph 2 of the Mobile Home on 801 Lincoln Street (Taken: June 5th, 2018)



Figure 5: Photograph 3 of the Mobile Home on 801 Lincoln Street (Taken: June 5th, 2018)



Figure 6: Photograph 4 of the Mobile Home on 801 Lincoln Street (Taken: June 5th, 2018)

Topic 15: When was the mobile home placed upon the property?

As noted in the <u>City Commission agenda item from June 19, 2018</u>, the mobile home was placed on the property the morning of Friday, August 31st, 2017.

Topic 16: When was the first complaint received about the mobile home?

As noted in the <u>City Commission agenda item from June 19, 2018</u>, the first complaint was received on the morning of Friday, August 31st, 2017.

Topic 17: How many days later was the mobile home removed from the property?

The mobile home was removed on Monday, July 16th, 2018 (319 days).

Topic 18: Revise the special use permit application to seek information regarding the platforms utilized by the applicant and the listing numbers to view info on user comments if the short-term rental is currently operating in violation of the code.

Staff can revise the application to include this information if it's valuable to the application and consideration process.

Topic 19: Include rental map snapshot in every packet – long and shortterm.

The City of Lawrence <u>residential rental license map</u> has recently been updated to include short-term rental licenses. Both layers of long-term rental and short-term rental licenses are shown on the online interactive map, located on the City's website at <u>www.lawrenceks.org/maps</u>. Currently, the map is updated weekly.

Topic 20: Explore requiring the city's occupancy limit to be included in offerings on software platforms as a condition of any approved special use permit.

It may be possible to require a short-term rental operator to put certain information in their listing if that was required as part of the Short Term Residential Rental Property Code in Chapter 6 of the City Code. It may also be possible to require the short-term rental permit license number be required on the platform via a text amendment to that code chapter.

Topic 21: Require contact info to be shared with neighbors.

Section 6-13A06 of the Lawrence City Code requires that the owner's name, address, telephone number, cellular telephone number, and e-mail address, as applicable be provided as part of the license application.

For both an owner-occupied and non-owner occupied short term rental, public notice is sent to adjacent property owners. For an owner occupied short-term rental, neighbors within 200 feet will receive a one-time notice at the time the short-term rental unit is established and licensed. For non-owner occupied short-term rental, notice to neighbors within 400 feet shall be provided for the Planning Commission hearing through the special use permit process. Contact information is not required, but could be as part of a code amendment.

Topic 23: Should there be a limit on guestrooms permitted and should that limit be tied to occupancy limits?

As staff has noted in the special use permits for these applications, the level of intensity of a short-term rental use would be restricted by the occupancy limits permitted in the applicable zoning district and the amount of off-street parking provided. Many of the properties that have been considered to date have been properties with 3 to 5 bedrooms. However, it was noted during the September 26, 2017 public meeting that larger families may prefer a rental option with more guestrooms, which would not require multiple vehicles and would not violate the Land Development Code's occupancy requirements.

The code requires 1 parking space to be provided per guest room to ensure that all shortterm rentals, including those utilizing multi-dwelling structures, be able to provide enough parking to not displace or burden the adjacent neighborhoods with off-site parking. However, this does create a situation where a property may be available for a party that complies with the occupancy standards, but that property would need to provide a sizeable amount of parking, which may not be consistent Section 20-554(3)(iii) that states that the dwelling unit and site shall remain residential in appearance and characteristics. Internal or external changes that will make the dwelling unit and site appear less residential in character or function are prohibited. Examples of such prohibited alterations include, but are not limited to: construction of parking lots, paving of required setbacks, or the addition of commercial-like exterior lighting.

Topic 24: What are the minimum infrastructure requirements to be present for a short-term rental use?

Typically, with most land use development projects, the infrastructure that must be in place before the use can commence operation and/or receive a certificate of occupancy is the presence of public streets, water, and wastewater infrastructure. One aspect the City Commission has noted as a key infrastructure item is the presence of sidewalks within an area as a requirement for the consideration of a short-term rental special use permit.

Under the current Subdivision Regulations for Lawrence and the Unincorporated Areas of Douglas County, sidewalks are now required on both sides of the street for new developments. However, under previous subdivision regulations sidewalks on both sides were not a requirement. In those instances, the properties would be considered legal, nonconforming situations. The current codes do not retroactively require the construction of sidewalks to permit certain uses, but they would be required to provide those sidewalks during the redevelopment or reconstruction of the property.

Topic 25: How does the short-term rental use affect traffic in a neighborhood?

Traffic generation is a measurement of vehicle activity estimated for a property based on its land use. Traffic generation can be used to assess a use's intensity.

According to the Institute of Transportation Engineers Trip Generation Manual, the typical amount of traffic generated by a detached dwelling, which would be considered occupied 7 days a week, is predicted to generate 65 trips per week. This includes an estimated 9.44 trips per day during the weekdays, 9.54 trips on Saturdays, and 8.55 trips on Sundays:

Total Weekly Trips = (9.44*5) + (9.54+8.55) = 65.29 trips per week

Assuming that a non-owner occupied short-term rental is occupied less days than an owner-occupied short-term rental, it would be reasonable to assume that less trips would be generated from the property throughout the course of a week in most instances. It is also possible that some short-term renting occupants may generate a higher amount of trips than other short-term renting occupants.

Staff is not aware of any data addressing the question of whether those living in an area drive more safely than those visiting an area for the first time. Street networks are designed to accommodate all drivers.

Topic 26: Should neighborhood support be required to gain approval of a special use permit?

The City Commission, in denying 921 Holiday Drive (<u>SUP-18-00572</u>), <u>indicated</u> that the neighborhood's support of a short-term rental special use permit is a required aspect for a project's consideration. Presently, this is not a decision-making factor that is currently reviewed under the Land Development Code or Golden Factors, though a protest petition does require a four out of five vote to approve a special use permit.

Topic 27: How does the short-term rental use impact affordable housing?

Many cities throughout the United States and internationally are having similar discussions and concerns. This type of use creates a situation of competing values for many

communities: balancing the cost of housing with the economic gains from the growth of short-term rental services. While there have been some studies conducted on this aspect, currently there is a small, but growing, amount of research on the rise of short-term rentals and their impacts for land use and city planning policy.

Tourists and renters tend to be viewed as different populations within a community, which are traditionally served by separate land uses and separate economies. However, the short-term rental uses are bridging this traditional divide, which has impacts in both the traditional hospitality and long-term rental markets. While data is not readily available for the Lawrence market, it would be fair to assume that some of the distortion in prices for housing are influenced by the use of a property for a transient accommodation use, which has differing price point and income expectations for a non-owner occupied short-term rental.

Again, while data is not readily available, it is not unreasonable to assume that the price dynamic is altered by this overlapping of uses since some property owners have found or expect higher incomes due to the different occupancy patterns and the ability to change between the two traditional markets depending on the demand and price they can obtain for those specific uses. Therefore, it would not be unreasonable to assume that prices in both traditional economies would be affected by this new form of land use, which has the potential for short-term rentals to remove whole dwelling units from the permanent rental housing supply. In turn, this would be expected to increase pressures and rents on portions of the Lawrence housing market.

Topic 28: What is the date of construction for the properties licensed as short-term rentals? (Updated April 19th, 2019)

Using the city's geographic information system, staff reviewed the age and details for the properties that currently have a short-term rental license and also properties that have submitted or received a special use permit for a non-owner occupied short-term rental.

The total range of dates includes construction years from 1858 to 2018. Constructed dates by ranges:

- 2017 to Present 4 properties
- 2007 to 2017 4 properties
- Before 2007 65 properties

The full listing of dates is provided below:

Address	Zoning	Year Built	SUP Status (if applicable, otherwise Owner- Occupied)
1004 ILLINOIS ST	RM12D	1915	
1020 MAINE ST	RM12D	1938	
1022 NEW YORK ST	RS5	2006	In-Progress
1033 NEW JERSEY ST	RS5	1900	
1204 RHODE ISLAND ST	RS5	1900	In-Progress
1208 MISSISSIPPI ST	RM32-UC	1906	In-Progress
1220 E 12TH ST	RS7	2017	
1236 CONNECTICUT ST	RS5	1900	
1300 PENNSYLVANIA ST	RS5	1957	
1315 IOWA ST	RS7	1968	
1320 HASKELL AVE	RS7	1900	
1321 NEW HAMPSHIRE ST	RS5	1870	In-Progress
1325 NAISMITH DR	RS7	1958	In-Progress
1325 PENNSYLVANIA ST	RS5	1905	
1345 SUNCHASE DR	RM12D	1999	
1447 SUMMIT ST	RS5	1966	
1500 RHODE ISLAND ST	RS5	1910	In-Progress
1600 NEW HAMPSHIRE ST	RS5	1905	
1620 INDIANA ST	RS5	1977	
1719 W 9TH ST	RS7	1958	
1804 SAINT ANDREWS DR	PUD	1977	
1821 ALABAMA ST	RS5	1954	
1824 VERMONT ST	RM24	1956	In-Progress
1847 BARKER AVE	RS5	1910	In-Progress
1901 BARKER AVE	RS5	1922	
1904 JENNY WREN RD	PUD	1977	In-Progress
1922 BARKER AVE	RS7	1909	
203 ASPEN LN	RS7	2006	
2100 KENTUCKY ST	RS5	1920	
2114 MELHOLLAND RD	RS10	1971	In-Progress
2406 ALABAMA ST	PRD	1980	In-Progress
2457 MISSOURI ST	RS7	1961	
2500 CENTURY DR	RS5	1953	
2505 VIA LINDA DR	RS7	1995	
2510 W 24TH TERR	PUD	1984	
2517 RALSTON ST	RS7	2017	
2601 HARPER ST	RS7	1991	
2813 W 30TH ST	RS7	1990	

3033 KASOLD DR	UR	1957	
410 MINNESOTA ST	RM24	1952	
4136 DOOLITTLE DR	RS7	2012	
435 MICHIGAN ST	RM12	1900	
4523 LARISSA DR	PRD	2007	
4726 W 24TH ST	RM12	1993	
4914 STONEBACK DR	RM12D	1998	
4939 STONEBACK DR	RM12D	1999	
507 LANCASTER CT	RM12D	1996	
508 FLORIDA ST	RM24	1978	Approved
508 FLORIDA ST	RM24	1978	
545 OHIO ST	RS5	1900	In-Progress
611 ILLINOIS ST	RS5	1951	
630 INDIANA ST	RS5	1922	In-Progress
640 INDIANA ST	RS7	1890	
700 MISSISSIPPI ST	RS5	1880	
701 ALABAMA ST	RS5	1950	In-Progress
714 W 25TH ST 1,2,3,4	RM32	1960	In-Progress
718 ASH ST	RS7	2018	
718 W 25TH ST A,B,C,D	RM32	1960	In-Progress
737 CONNECTICUT ST	RS5	1900	
739 CONNECTICUT ST	RS5	1914	
810 KENTUCKY ST	RMO	1878	In-Progress
815 ALABAMA ST A	RS5	1978	Approved
815 ALABAMA ST B	RS5	1978	
821 MAINE ST	RS5	1920	In-Progress
822 SILVER RAIN RD	RS7	2015	
831 LOUISIANA ST	RS5	1900	
843 MASSACHUSETTS ST	CD-UC	1890	In-Progress
888 NEW HAMPSHIRE ST	CD-UC	2015	Approved
901 MADELINE LN	RS7	1955	
909 PENNSYLVANIA ST	RS5	2017	
921 MISSOURI ST	RM12D-UC	1900	In-Progress
930 E 15TH ST	RM12	1997	In-Progress
941 RHODE ISLAND ST 1	RM12	1858	In-Progress

Recommendation

Staff presents these topics for discussion to determine if the practices of reviewing individual special use permit applications should be revised, and/or if the codes establishing the short-term rental program should be revised. The Planning Commission's comments on each topic is tentatively scheduled to be shared at the City Commission's work session in May.