Z&P Meeting: December 13, 2021
City Council Meeting: December 20, 2021

STAFF PLANNING REPORT
Zoning Text Amendment

CASE 074-21 A request to review a text amendment to the City of Joplin's zoning regulations that addresses the time, place, and manner for short-term rental uses

APPLICANT City of Joplin

STAFF ANALYSIS

BACKGROUND

Short-term rentals are generally offered in residential areas as an alternative form of short-term stay compared to typical hotels and motels. They are leased for a little as one night, to as much as a few months. These rentals are typically listed for lease on aggregating websites like Airbnb or VRBO. While these websites do provide valuable information to hosts and guests, such as reviews and other vetting materials, those outside of the transaction of the stay are offered little to no information or protection.

Staff estimates that there are between 70 to 100 short-term rentals currently offered for lease within or adjacent to the City of Joplin. The vast majority of these are operating without an approved Special Use Permit under the current regulations. While short-term rentals have been around for almost a decade, it has not been until the latter half of 2021 that Planning staff began to receive complaints regarding short-term rentals. Most of these complaints were simply due to the short-term rental operating without an approved Special Use Permit, though a few cases did have complaints regarding noise, occupancy levels, and traffic.

EXISTING CODE

The present Zoning Code of the City of Joplin does not list 'short-term rental' as an explicitly defined use in the Land Use Table. Under the terms of the Zoning Code, the Director of Planning, Development, and Neighborhood Services has exercised his authority to classify this use under the 'Bed and Breakfast' use, seeing as the two uses have many shared attributes. The 'Bed and Breakfast' use requires a Special Use Permit in R-1 through C-O, inclusive, and is permitted by right in C-1 and C-2. In the past few years, this classification has worked to protect neighbors of short-term rentals through the Special Use Permit process by placing conditions on the operation of short-term rentals.

These conditions have been standardized in recent months to include:

- Occupancy limitations
- Posting of certain materials
- Parking requirements
- Restrictions on property being used for events

As previously stated, over the past year, city staff has received more complaints regarding short-term rentals that has led to a significant increase in the number of Special Use Permit requests, particularly over the last few months. These requests, as well as knowing the estimate of the number of outstanding short-term rentals operating without a permit, have, and will, contribute to a considerable amount of staff time to process, review, and guide these requests through the Special Use Permit process. City staff estimates that the necessary staff time to take one Special Use Permit request through from application to approval requires approximately 8.5 hours. This could increase with any case that produces significant protest.

Should this existing process remain in place for permitting short-term rentals with Special Use Permits, staff estimates that it could take between 1.5 to 2 years to process Special Use Permits for each of the 70-100 estimated short-term rentals presently operating.

Additionally, with the rise in requests for Special Use Permits for short-term rentals, staff finds that it is necessary to adopt a text amendment to recognize and regulate this particular use, rather than placing it in the same category as 'Bed and Breakfast.' Short-term rentals are no longer a niche use or fad, but a bona fide new type of land use.

Furthermore, the Special Use Permit process, while helpful in navigating the initial requests, is found to no longer be adequate for the City and the City's staff to be able to process, approve, and regulate short-term rentals with expediency or clarity. Feedback from both applicants for Special Use Permits as well as those who have protested or opposed requests have indicated that the Special Use Permit process is difficult to follow. There has also been comment on the length of time that applicants must wait – sometimes upwards of 3 months – due to public hearings before a Special Use Permit can be approved.

Creating a standardized procedural and regulatory framework is in the best interest of the city, its citizens, and short-term rental operators in order to manage expectations on behalf of each stakeholder, and optimize a process shown to be slow, inaccessible, and confusing to many. City staff therefore puts forth the proposed text amendment, laid out in the section below, to replace the existing process and regulations with a concise and consistent set of procedures and regulations that clearly reflect the unique nature of short-term rentals and their growing ubiquity.

PROPOSED TEXT AMENDMENT

The proposed ordinance consists of 10 sections. Each section is summarized below.

<u>Section 1.</u>

Addition of 'Short-term Rental' to the list of definitions. Short-term rental is defined as being in a residential unit that is rented for lodging. The rental period is written as less than 28 days so as not to overlap with the existing code that allows for leasing of property for 28 days or more. The final statement on occupancy by the proprietor differentiates this use from bed and breakfasts, which do require a proprietor on site.

<u>Section 2.</u>

Amends the Land Use Table in the Zoning Code to add 'Short-term Rental' to the list of uses.

Section 3.

Amends the Land Use Table in the Zoning Code to permit by right 'Short-term Rental' uses in the AG, R-1, R-S, R-2, R-3, R-4, C-O, C-1, C-2, C-3, and M-1 districts. This list of zoning districts coincides to every district that a residential unit may be located in.

Section 4.

Establishes the Use Standards that all Short-term rental uses would be required to follow.

- Occupancy is limited based on the number of bedrooms. In a structure with 3 or fewer bedrooms, the limit is at 2 persons per bedroom. Where a structure has more than 3 bedrooms, the limit decreases slightly to 1.5 persons per bedroom.
- An annual business license is required. This triggers inspections by zoning, fire, and building.
- Within each unit, in a place that is easily seen, the following info must be posted:
    - Name and contact info for the responsible party
    - Copy of Certificate of Occupancy
    - Copy of Business License
    - Trash collection schedule
    - Noise Ordinance
    - Statement on renting out for large events
- No rental may be rented out for large gatherings, parties, weddings, or other events.
- No alteration of the structure or site that changes the residential character.
- One parking space is required per bedroom.
- In residential districts, no short-term rental can be located closer than 200 feet to another short-term rental.
- In non-residential districts, no more than 2 short-term rentals would be permitted on any one property.

Section 5.

Establishes the application procedure for Short-term rentals. A standardized application will be provided by the city that is to be submitted to the Office of the Director of Planning, Development, and Neighborhood Services. At the same time, any additional materials as well as the required fee will be submitted.

Section 6.

Establishes the review and issuance procedure for Short-term rental applications. Permits will be issued or denied within 30 days of receipt of an application. Upon receipt, notice that an application has been received will be sent to property owners within 185 feet. Should protest of more than 30% of the area within 185 feet occur, the application will be denied. These limits were written to mirror the public hearing protest model. In this way, the neighborhood still has a say in allowing a Short-term rental in

their area.

The Director may revoke an issued permit for any noncompliance. Any applicant who disagrees with the Director's findings or decision may appeal to the Board of Adjustment.

Section 7.

Sets the application fee for a Short-term Rental at $550.00. This is identical to the fees for other public hearing requests such as rezoning.

Section 8.

Establishes the implementation of the ordinance. Within the first 30 days, the density limitation set forth in Section 4 above is waived. After 30 days, any applicant will be required to meet the density limit. Anyone with a valid and approved Special-Use Permit will be exempt from the application fee for the first year following passage.

Section 9.

Sets the severability clause, allowing portions of the ordinance to be struck down in court as opposed to the ordinance as a whole.

Section 10.

This Ordinance shall be in full force and effect from and after its passage and approval.

Staff finds the above regulations and procedures to be a balance between allowing what has become a popular and persistent new land use and maintaining strong protections for neighbors and neighborhoods through the Use Standards and protest model. By establishing the procedures through an administrative act, the process to apply, review, and approve a permit is not only more efficient, but also more accessible to individuals unfamiliar with city procedures.

Staff recommends approval of Case 074-21.