

MEETING DATE: October 25, 2022

STAFF: Tom Scannell, Community
Development Director

PROJECT NAME: UDO Amendment #54 – Short-Term Rental Amendment

CASE NUMBER / REQUEST: **Case 22-175-02– UDO Amendment #54 – Short-Term Rental Amendments** – An amendment to the Unified Development Ordinance pertaining to Short-Term Rental regulations.

APPLICANT: City of Independence

PUBLIC NOTICE:

- Public notice published in Independence Examiner – October 8, 2022

FURTHER ACTION:

Following action by the Planning Commission, this UDO Amendment is scheduled for first reading by City Council on November 21, 2022 and the public hearing/second reading on December 5, 2022.

RECOMMENDATION

Staff recommends **APPROVAL** of the proposed amendment to the Unified Development Ordinance.

PROJECT DESCRIPTION & BACKGROUND INFORMATION

PROJECT DESCRIPTION:

The City proposes Amendment #54 to the Unified Development Ordinance (UDO) related to Short-Term Rentals.

BACKGROUND & HISTORY: In 2018, the City of Independence proposed regulations for Short Term Rentals (STRs), which were approved by City Council. These regulations were developed by working closely with the Independence Hotel and Lodging Alliance, researching other municipalities around the country for best practices and consultation with staff from various City departments.

The STR regulations:

- created a separate and unique definition for short term rentals that is different from the existing bed and breakfast definition
 - limited the number of guests and guest rooms in a short-term rental
 - limited the number of days a short-term rental can rented
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- required a safety inspection of the short-term rental
- required a minimum parking requirement for a short-term rental
- required trash collection for short term rentals
- required the management of short-term rentals
- created a public hearing application process for the review by the Planning Commission of short-term rentals
- outlined the enforcement and penalties on short term rentals that do not follow the rules
- required business license numbers to be posted on short term rental websites

In late 2019, staff again researched best practices from around the country. This research led to additional changes to the STR regulations in the UDO, which included:

- Limit the number of Short-Term Rentals a single owner can operate to no more than five (5).
- Limit the density of Short-Term Rentals to no more than one (1) per eight (8) structures on a block face.
- Require all Short-Term Rentals to obtain a Rental Ready inspection prior to their annual business license renewal, beginning July 1, 2020.

Over the last couple of months, staff has been researching short-term rental regulations nationwide. We have developed the next proposed amendment to the short-term rental regulations (see attached). We color coded the text. **RED** text is existing text in the Unified Development Ordinance (UDO) while **GREEN** text is new text to be added.

This amendment would make the following changes to the UDO:

1. Creates new Use Section for Short-Term Rentals. The current UDO has the regulations for both bed and breakfast and short-term rentals (STRs) in one use section (i.e., Section 14-420). The regulations for Bed and Breakfast will remain in Section 14-420 while a new Section 14-424 Short-term Rentals will be added. Section 14-424 will have all of the regulations pertaining to STRs.
2. Updated Use Tables. The residential and commercial use tables have been updated to reflect the new Section 14-424 Short-Term Rental.
3. Modified Short Term Rental use description. The current use category description for short-term rental contains requirements (e.g., occupancy limits, type of structure where STRs are allowed, etc.), which has led to confusion. Those requirements that were in the description have been moved to the new Section 14-424 Short Term Rental and a more concise and descriptive description has been provided.
4. Added Definitions. Added four (4) new definitions – short-term rental, short-term rental operator, single family dwelling, and duplex dwelling unit. Additionally, the current dwelling definition has been modified to clarify what does not classify as a dwelling. These definitions will provide clarity in the short-term rental application process.

5. Added Section 14-424 Short-Term Rental. The existing regulations pertaining to short-term rentals are in **RED** text. The new text to be proposed is in **GREEN** text. A summary of those changes is described below.
- a. Added a purpose section.
 - b. The existing UDO regulations allow STRs in single family residential and duplexes and prohibits STRs in multi-family units. This is not changing but this section clarifies where short-term rentals are allowed.
 - c. Adds specifics on transient guest tax. It requires the short-term rental applicant to present evidence to the City that the City has a voluntary collection agreement in place with any web platform upon which the property will be listed for rental. In the event the City does not have such voluntary collection agreement in place, the property owner will be required to enter into a separate agreement with the City providing for the collection and remission of the taxes to the City.
 - d. Adds the requirement that no short-term rental shall be proposed within 500 feet from the property line of another existing or proposed short-term rental.
 - e. Requires a responsible agent for each short-term rental who must be on call 24 hours 7 days a week. Also requires that the contact information must be kept current.
 - f. Prohibits events such as weddings, parties, banquets and other large gatherings from being held at STRs.
 - g. Prohibits multiple bookings. A short-term rental can only be rented by 1 booking party.
 - h. Prohibits the owner from living in the STR while it is being rented.
 - i. Prohibits the STR operator from providing food and/or meals.
 - j. Requires a minimum level of insurance.
 - k. Clarifies that a STR cannot be transferred. If a STR is transferred, the new owner must seek approval of the STR.
 - l. Requires the posting in a prominent location the Good Neighbor Guide. This guide is designed to educate Short-Term Rental (STR) guests on the importance of being a good neighbor and respecting the neighborhood in which you are staying. In addition, the short-term rental operator is required to post in a prominent location of the dwelling the maximum permitted occupancy of the short-term rental, evacuation plan, parking plan, trash disposal plan, the noise management plan, responsible agent name and contact information, the street address of the short-term rental and short-term rental license number.
 - m. Requires a noise management plan that must include a continuous operation noise monitoring device(s) while the registered property is rented.
 - n. Clarifies that STR parking is only allowed on concrete, asphalt, paving stones or other hard durable surface is allowed.
 - o. Adds the requirement that a trash disposal plan is required to ensure that trash containers are not left outdoors in violation of City Code.
 - p. Specifies what information is required to be submitted with the short-term rental application. Information to be submitted include: parking plan, floor plan, trash

disposal and collection plan, fire escape plan, noise management plan and attestation that the owner is current on taxes, the owner has read and understand the short-term regulations of the UDO, the owner will not discriminate and comply with the Fair Housing Act, Civil Rights Act and American with Disabilities Act.

- q. Specifies that a short-term rental in a non-residential structure in a commercial district can be approved administratively provided it meets all UDO and applicable City Code requirements. Outlines an appeal process if the STR is not administratively approved.
- r. Adds a violation, penalty and enforcement provisions section.
- s. Adds a STR revocation process. The revocation process starts with the STR operator being cited for 2 or more offenses in a 3-month period, or provides false information on the application, or operates a STR that endangers the public health, safety or welfare, or does not pay transient guest tax, sales tax or property tax. The revocation process follows the same procedure used for granting a STR (i.e., a notice to surrounding property owners and public hearing before the Planning Commission). This also includes criteria for the Planning Commission to consider in the revocation. The Planning Commission makes a recommendation to the City Council on the revocation of STR.

EXHIBITS

1. New Section 14-424 Short-Term Rentals
2. Amended Section 14-420 Bed and Breakfast
3. Amended Sections 14-300-03 Residential Uses and 14-301-03 Commercial Uses
4. Amended Sections 14-200-05 Commercial Use Group and 14-201-01 General Terms
5. Updated STR Application
6. STR Attestation Form
7. Updated STR Application Submittal Requirements
8. Proposed Good Neighbor Guide