CITY OF JOPLIN COUNCIL AGENDA ITEM

ITEM

Council Bill 2021-299: Zoning Regulation Text Amendment – Short-Term Rental Uses

MEETING DATE

December 20, 2021

ORIGINATING DEPT

Planning, Development, & Neighborhood Services

REVIEWED BY

Director of Planning, Development & Neighborhood Services Troy Bolander; Director of Finance: Leslie Haase, City Attorney: Peter Edwards; City Manager: Nicholas Edwards.

SUMMARY

<u>Case 074-21:</u> Joplin Zoning Regulations Text Amendment – 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 – City of Joplin.

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.

PLANNING & ZONING COMMISSION TESTIMONY

Keegan Stanton, 602 S. Main Street, Joplin, MO. He stated that everyone should have received a copy of the ordinance along with the Staff Report. He stated he had a short presentation for the Commissioners, and it will also be presented to the City Council. We welcome your feedback and any comments you have. He proceeded with the presentation.

Following Mr. Stanton presentation, Mr. Eastman asked the Commissioners if they had any other questions?

Ms. Warren wanted to know what happens if a neighbor wants to apply, do they have to wait until the year is up and if so if the person wants to reapply to, they get priority over the neighbor?

Mr. Stanton stated that you would apply for the short-term rental permit one time. Each year, the operator will need to apply for their annual business license and be inspected. If the operator fails to renew the business license, they would be removed from the list of STRs currently operating, and a neighbor within that 200-foot radius may apply.

Mr. Eastman asked about collection of sales tax.

Mr. Stanton stated that there has been discussion on that, but that would at the discretion of the City Council.

Mr. Bolander stated that Legal and Finance is checking into the sales tax plus the lodging tax.

Ms. Steele asked who was responsible for ensuring that the posting of the material, the parking, the restrictions of the property use are being followed?

Mr. Stanton stated that would be our department.

Ms. Phillips asked what the other cities around us doing on this subject?

Mr. Stanton stated that was a lot of research that was completed. We model a lot of this after the City of Springfield's ordinance. We did make one major change that they were considering but didn't make. That was implementing a protest model to allow for neighborhood interaction to the process.

Ms. Steele stated that we have had a lot of these applications within the last several months. Now we have this regulation are they grandfathered in because they got in before this ordinance was done.

Mr. Stanton stated that they would continue to operate under their special use permit until it expires. Then they would have to cease operations or apply under the new system. We have waived the fee for them within the first year since they have paid for the Special Use Permit.

RECOMMENDATION

Staff recommends approval for Case 074-21.

Planning & Zoning Commission recommends approval for Case 074-21 (5 Favor, 0 Nays, 2 Absent)

ATTACHMENTS

CB 2021-299, Staff Planning Report, P&Z Commission Minutes

CB 2021-299

<u>Case 074-21:</u> Joplin Zoning Regulations Text Amendment – 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 – City of Joplin.

Keegan Stanton, 602 S. Main Street, Joplin, MO. He stated that everyone should have received a copy of the ordinance along with the Staff Report. He stated he had a short presentation for the Commissioners, and it will also be presented to the City Council. We welcome your feedback and any comments you have.

Current State of STRs is as follows:

- Required to attain SUP through P+Z Commission and City Council. 2 public hearings.
- Approx. 3-4 months.
- Not required to attain business license or be inspected.
- Zoning Code:
- No defined 'short-term rental' use.
- No unified, codified standards
- Classified as 'Bed & Breakfast'
- Within the City:
 - Unknown number of STRs currently operating but estimated to be around 70-100 via popular listing websites like Airbnb or VRBO. AIRDNA estimates 62 active rentals and 85 total rentals.
 - Only enforcing current requirement on complaint basis. Year-to-date, we have received complaints on 3 properties; 1 case has been closed, and 2 are ongoing.

Definition

A residential unit in which lodging is provided for time-limited durations for periods of time less than twenty-eight (28) consecutive days and may or may not be occupied by the proprietor.

Differentiated from Bed & Breakfasts and by-right leasing.

Permitted Districts:

Residential:Commercial:R-1 (Single-family Residential)C-O (Non-retail Commercial)R-S (Residential Suburban)C-1 (Neighborhood Commercial)R-2 (Two-family Residential)C-2 (Central Business)R-3 (Apartment House)C-3 (Commercial)R-4 (Townhouse)M-1 (Restricted Industrial)

Use Standards

- Occupancy Limitation:
 - 3-bed or fewer 2 per bedroom
 - 4 + bed 1.5 per bedroom

- Business license required
- Parking:
 - 1 space per bedroom
- No exterior changes
- No events
- Posting of materials
 - Contact info
 - Certificate of Occupancy
 - Business License
 - Trash collection schedule
 - Noise Ordinance
 - Statement on events

Application

- \$550 application fee in line with other fees.
- Must provide information to ensure compliance as well as legal description.
- 30-day turnaround to approve or deny applications by staff.

Administration

- Mimic protest model of other public hearing cases:
 - Send letter to those within 185 feet.
 - 15 days to return protest petition.
 - 30%+ protest occurrence results in automatic denial.
- Appeals may be made to Board of Adjustment.
- Director has discretion to revoke approved permits for violations.

Implementation

- Density limitations are waived for first 30 days following passage.
- Application fee waived for applicants with existing valid and approved SUPs for Short-term Rentals within the first year following passage.

Mr. Eastman asked the Commissioners if they had any other questions?

Ms. Warren wanted to know what happens if a neighbor wants to apply, do they have to wait until the year is up and if so if the person wants to reapply to, they get priority over the neighbor?

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renew the business license, they would be removed from the list of STRs currently operating, and a neighbor within that 200-foot radius may apply.

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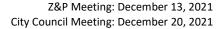
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Mr. Eastman asked if there was anyone to speak in favor or against of this case? There was not.

MR. MCCULLOUGH MOVED, SECONDED BY MS. PHILLIPS THAT CASE 074-21 BE FORWARDED TO THE CITY COUNCIL WITH THE RECOMMENDATION FOR APPROVAL. MOTION CARRIED WITH MR. EASTMAN, MR. MCCULLOUGH, MS. STEELE, MS. PHILLIPS, AND MS. WARREN "AYE". (5 IN FAVOR, 2 ABSENT)





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.

Section 1.

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.

Section 2.

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.

AN ORDINANCE amending Chapter 29-A, the Zoning Code, of the Code of Ordinances of the City of Joplin, Missouri, by amending Sec. 29A-201, Definitions, Article 25, Administration, and Appendix A, Land Use Table, by adding language to permit and regulate short-term rentals in certain districts.

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF JOPLIN, MISSOURI, as follows:

WHEREAS, the City of Joplin, Missouri (the "City") is a body corporate, home rule charter city, and political subdivision of the State of Missouri, organized and validly existing under and by virtue of the Constitution and laws of the State of Missouri; and

WHEREAS, Chapter 29-A, the Zoning Code, of the Code of Ordinances of the City of Joplin, Missouri (the "City Code"), was adopted for the purpose of promoting the public health, safety, comfort, morals, convenience, and general welfare of the City; and

WHEREAS, the City desires to amend Chapter 29-A of the City Code to clarify regulations and permitting regarding short-term rentals; and

WHEREAS, the City desires to protect the public health and safety by establishing reasonable regulations on short-term rentals regarding noise, neighborhood safety, neighborhood character, and other health and safety concerns; and

WHEREAS, the Council and the City of Joplin desires to establish fees to meet the reasonable expenditures of permitting short-term rentals; and,

WHEREAS, in accordance with procedures established in Chapter 29-A of the City Code, and Chapter 89 of the Missouri Revised Statutes, proceedings were initiated to amend Chapter 29-A of the City Code as hereinafter set forth; and

WHEREAS, public notice was given by publication in the Joplin Globe on November 27, 2021, a newspaper having a general circulation in the City of Joplin, Missouri, that public hearing of the Zoning and Planning Commission would take place on December 13, 2021 at 4:00 P.M., where the Zoning and Planning Commission of said City would consider the aforesaid amendments; and

WHEREAS, on December 13, 2021 at 4:00 P.M., the Zoning and Planning Commission did conduct said public hearing, and did evaluate the proposed amendments to Chapter 29-A of the City Code; and

WHEREAS, at said public hearing, the Zoning and Planning Commission did conclude and recommend to the City Council that the hereinafter described amendments to Chapter 29-A of the City Code should be approved.

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF JOPLIN, MISSOURI, as follows:

Section 1. Section 29A-201, "Definitions," of the Code of the City of Joplin, Missouri (the "City Code") is hereby amended by adding the following definition as a subpart, which subpart shall hereafter read as follows:

"Short-term Rental" means a residential unit in which lodging is provided for timelimited durations for periods of time less than twenty-eight (28) consecutive days and may or may not be occupied by the proprietor."

Other than as specifically set forth hereinabove, all other definitions and subparts of Section 29A-201 of the City Code shall be unaffected by this amendment and shall remain in full force and effect.

Section 2. Section 1 (Use Table), of Appendix A (Land Use Table), of Chapter 29-A (Zoning Code), of the Joplin Code be amended by adding the following use:

"Short-term Rental."

Section 3. Section 1 (Use Table), of Appendix A (Land Use Table), of Chapter 29-A (Zoning Code), of the Joplin Code be amended by permitting the following use in AG (Agriculture), R-1 (Single-family Residential), R-S (Residential Suburban), R-2 (Two-family Residential), R-3 (Apartment House), R-4 (Townhouse), C-O (Non-retail Commercial), C-1 (Neighborhood Commercial), C-2 (Central Business), C-3 (Commercial), and M-1 (Restricted Industrial) Districts:

"Short-term Rental."

- Section 4. Section 2 (Use Standards) of Appendix A (Land Use Table) of Chapter 29-A (Zoning Code), of the Joplin Code be amended by adding a new Section II, "Standards for Short-term Rental Uses," which subsection shall hereafter read as follows:
 - (1) Occupancy. Structures with three (3) bedrooms or fewer shall be limited to no more than two (2) persons per bedroom. Structures with four (4) bedrooms or more shall be limited to no more than one and one-half persons (1 ½) per bedroom. Where the total allowable occupancy calculation results in a fraction, the allowable occupancy limit shall be rounded up.
 - (2) License. Short-term rentals shall attain an annual business license.
 - (3) Display of materials. All short-term rental uses shall be required to conspicuously post the following information within the rental:
 - a. Name and contact information for the individual responsible for the day-to-day operations of the rental.

- b. A copy of the Certificate of Occupancy.
- c. A copy of the approved Business License.
- d. Refuse and recycling collection schedule.
- e. City of Joplin noise ordinance.
- f. A statement that no short-term rental shall be rented or used for the sole purpose of receptions, parties, weddings, or other similar event.
- (4) Events. No short-term rental shall be rented or used for the sole purpose of receptions, parties, weddings, or other similar event.
- (5) Exterior. There shall be no alteration to the exterior of a structure or site that changes the residential character of said structure or site.
- (6) Parking. Adequate off-street parking shall be provided at a rate of one (1) space per bedroom.
- (7) Residential Districts. In the "AG", "R-1", "R-S", "R-2", "R-3", and "R-4" residential districts, short-term rental uses shall be located no closer than 200 feet to any other licensed short-term rental use. Measurement shall be made from the nearest lot line of lot in question to the nearest lot line of existing licensed short-term rental uses.
- (8) Non-residential Districts. The "C-O", "C-1", "C-2", "C-3", and "M-1" non-residential districts shall be limited to not more than two (2) short-term rentals on a single property.
- Section 5. Article 25 "Administration," of the Code of the City of Joplin, Missouri (the "City Code") is hereby amended by adding a new Section 29A-2515 Short-term Rental Permits Applications:, which section shall hereafter read as follows:
 - A. Applications for short-term rental uses shall be filed upon forms prescribed by the City, setting forth the legal description of the lot, tract, or parcel of land, together with a general description of any building or structure thereon, including the approximate size, square footage, number of bedrooms, and number of parking spaces; location of the building and parking upon the lot, tract, or parcel; and any other information deemed necessary by the Director of Planning, Development, and Neighborhood Services.
 - B. Applications for short-term rental permits shall be submitted for approval to the Director of Planning, Development, and Neighborhood Services.

- C. A fee per Sec. 29A-2514 shall accompany each Short-term Rental Application. Said fee shall be deposited with the Director of Planning, Development, and Neighborhood Services at the time said application is filed.
- Section 6. Article 25 "Administration," of the Code of the City of Joplin, Missouri (the "City Code") is hereby amended by adding a new Section 29A-2516 Short-term Rental Permits Issuance:, which section shall hereafter read as follows:
 - A. Short-term rental permits shall be issued or refused by the Director of Planning, Development, and Neighborhood Services within thirty (30) days after receipt of an application or within such further period as may be agreed to by the applicant. No short-term rental permit shall be issued unless all requirements of the zoning and subdivision regulations are met. In the event of refusal to issue a short-term rental permit upon an application based upon noncompliance with the provisions of this ordinance, the applicant shall have the right to appeal to the Board of Zoning Adjustment as set forth in Article 23.
 - B. The Planning and Community Development Director shall provide written notice that a Short-term Rental Application has been received to owners of record of lands located within at least one-hundred eighty-five (185) feet of the property indicated in said application. Notices shall include a statement that a complete legal description is available for public inspection and shall indicate where such information is available. When the notice has been deposited in the mail, failure of a party to receive such notice shall not invalidate any subsequent action taken by the Director of Planning, Development, and Neighborhood Services. Such notice is sufficient to permit the Director of Planning, Development, and Neighborhood Services to issue or refuse a permit.
 - C. If a protest against such permit is filed in the office of the Director of Planning, Development, and Neighborhood Services, duly signed by the owners of thirty (30) percent or more, within an area determined by lines drawn parallel to and one-hundred eighty-five (185) feet distant from the boundaries of the property indicated in said application, the application for a short-term rental permit shall be refused by the Director of Planning, Development, and Neighborhood Services. Said protest shall be received by the office of the Director of Planning, Development, and Neighborhood Services no later than fifteen (15) days after the date of postmark on the written notice mailed to owners of record of lands located within at least one-hundred eighty-five (185) feet.
 - D. A permit issued by the Director of Planning, Development, and Neighborhood Services is subject to revocation under the terms of Sec. 29A-2511.
- Section 7. Section 29A-2514 "Fees," of the Code of the City of Joplin, Missouri (the "City Code") is hereby amended by adding the following fee as new subpart, which subpart shall hereafter read as follows:

Section 8. Implementation.

- A. Applicants filing an application for a short-term rental within the first thirty (30) days following passage of this ordinance shall not be subject to the density limitations set forth in Section II of Section 2 (Use Standards) of Appendix A (Land Use Table) of Chapter 29-A (Zoning Code), of the Joplin Code. Applications received after this initial period will be subject to said density limitations.
- B. Applicants who have a valid and current Special Use Permit for a short-term rental shall be exempt from any application fee for any application for a short-term rental within the first year following passage of this ordinance.
- Section 9. The portions of this Ordinance shall be severable. In the event that any portion of this Ordinance is found by a court of competent jurisdiction to be invalid, the remaining portions are valid, unless the court finds the valid portions of this Ordinance are so essential and inseparably connected that it cannot be presumed that the City Council would not have enacted such provisions without the others.

Section 10. This Ordinance shall be in full force and effect from and after its passage and approval.

PASSED BY THE COUNCIL OF THE CITY OF JOPLIN, MISSOURI, this day of, 2021, by a vote of	
	Ryan D. Stanley, Mayor
ATTEST:	
Barbara J. Gollhofer, City Clerk	
APPROVED AS TO FORM:	
Peter C. Edwards, City Attorney	