

PLANS AND POLICIES COMMITTEE MEETING

May 15, 2024

1:30 p.m.

Councilman Denny Whayne Conference Room (Busch Building, 4th Floor)
840 Boonville Avenue

MEMBERS

PRESENT: Abe McGull, Chair; Callie Carroll; Craig Hosmer; and Derek Lee.

MEMBERS

ABSENT: None.

COUNCIL/ STAFF

PRESENT: Jason Gage, City Manager; Collin Quigley, Deputy City Manager; Maurice S. Jones, Deputy City Manager; Samantha Payne, Development Project Facilitator; Bob Jones, Grants Administrator; Steve Childers, Director of Planning and Development; Corey Stinson, Assistant Director of Planning and Development; Randall Whitman, Principal City Planner; Andrew Menke, Senior City Planner; Bob Atchley, Senior City Planner; Matthew Schaefer, Senior City Planner; Hannah Knopf; Senior City Planner; Daniel Neal, Senior City Planner; Angela Duran, Associate City Planner; Dan Smith, Director of Public Works; Brett Foster, Traffic Engineer; David Holtmann, Director of Finance; Brock Rowe, Director of Building Development Services; Brad Musick, Assistant Director of Building Development Services; David Holtmann, Director of Finance; Quincy Coovert, Licensing Supervisor; Jordan Paul, City Attorney; Laura Vales, Assistant City Attorney; Anita Cotter, City Clerk; Julie Greer, Deputy City Clerk; and Kristina D’Andrea, City Clerk Administrative Specialist.

GUESTS: Parker Padgett, KOLR10; and Robert Jacob, short-term rental operator.

Councilmember Abe McGull, Chair, called the meeting to order at approximately 1:30 p.m. He welcomed everyone and reviewed the meeting’s agenda topics. Roll call was conducted. Present: Callie Carroll, Derek Lee, Craig Hosmer, and Abe McGull. Absent: None.

Councilmember McGull noted the minutes of the April 10, 2024, meeting were in progress and would be available for consideration at the next meeting.

Councilmember McGull asked Jason Gage, City Manager, to provide a brief overview of the short-term rental process. He also extended appreciation to the staff for the Compliance Plan update at the suggestion of Councilmember Hosmer to ensure accountability for short-term rentals.

Mr. Gage introduced Steve Childers, Director of Planning and Development, who provided a presentation on short-term rentals.

Mr. Childers began his presentation with a brief of explanation of the purpose, which was to provide information on short-term rentals and to request direction from the Committee members on the next steps in the process and opportunities for changes. He provided a brief background of the ordinance for short-term rentals which was adopted in 2019, required short-term rental operators to apply for a business license, and included a 30-day grace period to apply. If the operators failed to apply within the 30-day grace period, they risked losing the ability to operate due to density restrictions.

Mr. Childers presented an interactive online map of locations of short-term rentals which were color-coded by type and noted the map was available on the City's website. He noted out of the 582 short-term rentals which had been processed, 312 were licensed. For Type 1 short-term rentals, which were owner occupied and in all-zoning districts, he noted out of the 117 which had been processed, 63 were licensed. For Type 2 short-term rentals, which were single-family residential or townhomes and not owner-occupied, 392 applications had been processed, and 205 were licensed. He noted the distribution requirement for Type 2 short-term rentals was one per every eight houses on a block face. He noted for Type 3 short-term rentals, which were in any other district besides single-family or residential townhomes, 78 applications had been processed, 44 of which were licensed. The density restrictions for Type 3 were no more than two short-term rental units permitted on a premise or any tract of land which consisted of one or more lots, under single or multiple ownership, which functioned as one unit.

Mr. Childers explained the number of short-term rental applications continued to increase since 2019, and the increase in the volume of applications placed a high demand on time and resources of the Planning staff. He reviewed the steps staff members used to process applications which included intake, packet and applicant communication, verification, department routing, and review and appeal, and how much time it generally took to complete the process. He noted Type 2 consumed more time than the other two types. He also noted Kansas City had approximately four employees who were solely dedicated to processing short-term rental applications.

Mr. Gage asked for clarification on the work involved with short-term rentals and why it was time consuming. Mr. Childers responded the real challenge was mailing out letters. He explained per the ordinance, all residents within 500 feet of the short short-term rental would receive letters from the City. This could be 100 residents within a 500-foot radius. Mr. Childers also discussed the thirty steps involved in the process for short-term rentals and noted that out of the 392 processed applications, 30 had gone to City Council with an appeal. He also noted the validation of ownership of a short-term rental could be tedious, as well as assisting owners through the application process. He noted Finance recently mailed 98 cease and desist letters. As a result, 42 applications were received in response to the letters.

Mr. Childers discussed the feedback from the survey sent to the Neighborhood Advisory Council. He noted out of 122 responses, the majority did not want to see more short-term rentals in their neighborhoods. The questions centered around whether short-term rentals benefitted Springfield.

Mr. Childers showed comparisons between Springfield and Kansas City since Springfield's Short-Term Rental Ordinance was originally modeled after Kansas City's. He noted Springfield had a higher percentage rate of short-term rentals per population than Kansas City. Since 2019, Kansas City had increased their restrictions and stopped all short-term rentals in single-family residential districts and had restricted short-term rentals to only being permitted every 1,000 feet in non-residential zoning districts.

Mr. Childers requested feedback from the Committee regarding restrictions for Type 2 and Type 3 short-term rentals. He stated the Planning and Development Department received a letter from Sleepover, a company that would enter leasing contracts with multi-family apartment owners and sublet those apartments as short-term or mid-term rentals for traveling professionals. He stated Sleepover had approximately 100 apartment units in Springfield. He noted a cap of two units per premise was specified in the ordinance restrictions for Type 3 short-term rentals, and he provided two options for consideration: 1) change to a percentage of units on premises or 2) cap the maximum of two rental units per premises if the premise/building had less than 20 total units. He discussed the inspections of short-term rentals, which was performed by Building Developmental Services, and whether changing the restrictions for Type 3 short-term rentals would place a burden on Building Developmental Services. He stated the short-term rentals in apartment complexes were already inspected by Building Developmental Services, and the change would not require more time, and therefore, would not be a burden.

Councilmember McGull thanked Mr. Childers for his presentation. He expressed his opinion regarding the value the Short-Term Rental Ordinance afforded to individuals who submitted applications for approval of their short-term rentals, as it equipped them with property rights, and it created revenue for the City which could generate its own self-supporting type of enterprise and allow some of the money to be earmarked for additional staffing dedicated to processing short-term rental applications.

Councilmember McGull addressed concerns for short-term rentals being used for parties and noted City Council had the ability to revoke any licenses due to the misuse of short-term rentals. He asked Mr. Childers if he was aware of parties being an issue. Mr. Childers responded Springfield Police Chief Paul Williams was asked if law enforcement received party complaints for these locations, and Chief Williams advised calls for these complaints were not very high. Councilmember McGull asked if the number of complaints was being tracked. Mr. Gage responded a pattern was not recognized for misuse of short-term rentals between nuisance calls received by Building Development Services and complaints received by the Springfield Police Department.

Councilmember Carroll expressed her opinion college towns with Division I football, like Springfield, impacted the growth of short-term rentals, especially in neighborhoods and areas surrounding the universities, due to families traveling to those cities to watch the games.

Councilmember Lee requested clarification on application fees and if the time processing an application was considered when setting the fee amount. Brock Rowe, Director of Building Development Services, answered a fee study had been completed, and staff hours were considered. Councilmember Lee made comparisons on costs related to establishing the program

for short-term rental licensing, including costs for the software to track unlicensed properties, which was greater than back taxes collected on short-term rental properties to date. Councilmember Lee wanted to put in perspective the total costs for the program, including the software, compared to the amount that had been collected. Councilmember McGull asked how much revenue was collected for short-term rentals, and David Holtmann, Director of Finance, responded it was several hundred thousand dollars.

Councilmember Hosmer expressed his opinion Type 1 short-term rentals were more likely home-based businesses, and the State Statutes would not allow City Council to regulate them. Councilmembers Carroll, Hosmer, and McGull debated the need for more short-term rentals. Councilmember Hosmer expressed his opinion no extension beyond 30 days should be offered to Type 2 short-term rentals because Springfield had more short-term rentals per capita than Kansas City and increasing the number of short-term rentals in Springfield was not necessarily beneficial to the community. Councilmember Carroll and Councilmember McGull expressed their opinions Springfield had not reached a market saturation.

Councilmember Hosmer asked how long Building Development Services had been inspecting short-term rentals, and Mr. Childers responded they had inspecting short-term rentals since the inception of the program. Councilmember Hosmer asked if the short-term rentals were ADA compliant. Mr. Childers responded he was not sure it was required but would ask Building Development Services. Councilmember Hosmer stated short-term rentals would be considered public accommodations, and he pointed out the Hotel/Motel Tax requirement and expressed his opinion they should be ADA compliant. Councilmember Lee advised single-family homes did not have to be ADA compliant, and it would be a massive undertaking to bring all short-term rentals into ADA compliance.

Councilmember Carroll asked Councilmember Hosmer if he was more concerned about the short-term rental owners or the people who rented them. Councilmember Hosmer expressed his opinion Springfield had been inundated with short-term rentals and advised he heard from members of the public that there were too many short-term rentals in Springfield. Councilmember McGull advised it would be arbitrary and capricious of the City Council to require a limit on the number of short-term rentals and not have a specific reason. Councilmember Hosmer noted the restrictions that Kansas City had in place. Councilmember Carroll expressed her support of short-term rentals.

Councilmember McGull explained the history of the Short-Term Rental Ordinance and expressed his opinion he did not believe there were any issues with the ordinance. He discussed the only change he would make would be to the protest letter that was mailed to surrounding properties, and suggested boldfacing the section that stated, "Failure to return the protest petition prior to the City Council meeting in the case indicates you do not oppose the application for short-term rental . . ." He expressed his support in providing an opportunity for adjacent property owners to the potential short-term rental to be heard and protest the short-term rental. He expressed his support of the Type 3 option to change the cap of two units per premises or a percentage of units on premises, whichever was greater. He referenced people who travel from other cities for a short-term job who did not want the obligation of a long-term lease. He also referenced a person who may have a child who is sick and, in the hospital, and this person may

want to stay in a place where they would be comfortable and create a home environment for their family.

Councilmember Hosmer asked for clarification on the discussion of the 1,000-foot distance requirement for Type 2 short-term rentals. Mr. Childers advised the 1,000-foot distance requirement was for group homes in neighborhoods, and one had not been established for short-term rentals. Councilmember Hosmer recommended a distance requirement for any new short-term rental application and to grandfather those who had already obtained their license.

Councilmember Carroll asked if most short-term rentals were close to universities and hospitals in Springfield. Mr. Childers referred to the location map, which showed most of short-term rentals were in Springfield's center city area.

Councilmember McGull requested any recommendations for changes to the Short-Term Rental Ordinance be brought to the Committee for review.

Mr. Gage asked if the Committee would like staff to research a variety of separations based on Springfield's square mileage. Councilmember McGull answered affirmatively and noted the findings could be discussed at the next meeting.

Councilmember McGull combined items number four and five on the agenda which were items previously addressed by Councilmember Lee. Councilmember McGull recommended moving discussions regarding these two proposals to Multistudio to draft the ordinances for the City, and he asked for input on this recommendation. Councilmember Lee expressed his opinion Multistudio was already reviewing the Codes and noted he did not agree with that recommendation. He expressed his opinion a decision needed to be made so the items were not left on the agenda. Councilmember Hosmer expressed his opinion the Committee should allow the experts and consultants to make the recommendations rather than vice versa.

Mr. Childers advised they were working with Public Works regarding the Administrative Subdivision Code and made it a priority with Multistudio. He noted a meeting was scheduled for June 4, 2024, to discuss the status of these issues. Councilmember McGull thanked Mr. Childers for the update. Councilman Lee recommended the issues be presented to City Council. Councilmember McGull explained he considered these items closed as they would be in a formal process. Mr. Gage clarified the topics would remain with the Plans and Policies Committee unless requested to be forwarded to the full City Council for their consideration.

Councilmember Carroll moved to adjourn. Councilmember Lee seconded the motion, and it was approved by the following vote: Ayes: Carroll, Hosmer, Lee, and McGull. Nays: None. Absent: None. Abstain: None.

The meeting adjourned at 2:27 p.m.

Prepared by Kristina D'Andrea