

PLANS AND POLICIES COMMITTEE MEETING

June 12, 2024

2:00 p.m.

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

MEMBERS

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

MEMBERS

ABSENT: Callie Carroll.

COUNCIL/ STAFF

PRESENT: Jason Gage, City Manager; Collin Quigley, Assistant City Manager, Maurice S. Jones, Deputy City Manager; Brock Rowe, Director of Building Development Services; Dan Smith, Director of Public Works; Steve Childers, Director of Planning and Development; Corey Stinson, Assistant Director of Planning and Development; Randall Whitman, Principal City Planner; Bob Hosmer, Principal City Planner; Andrew Menke, Senior City Planner; Hannah Knopf, Senior City Planner; Daniel Neal, Senior City Planner; Angela Duran, Associate City Planner; 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.

GUEST: Jack McGee, *Springfield Daily Citizen*; Robert Isaacs, short-term rental operator; Colleen Appel, Springfield Tenants Unite; and Nancy Evans, Rountree Urban Land Institute.

Councilmember Abe McGull, Chair, called the meeting to order at approximately 2:21p.m. He welcomed everyone and reviewed the meeting's agenda topics. Roll call was conducted. Present: Derek Lee, Craig Hosmer, and Abe McGull. Absent: Callie Carroll.

Councilmember McGull turned the meeting over to Jason Gage, City Manager. Mr. Gage provided a brief overview of the agenda and advised Steve Childers, Director of Planning and Development had a presentation regarding short-term rentals, and City Attorney, Jordan Paul would discuss items from the last Committee meeting, which included questions regarding ADA and draft language requested for notices on Type 3 short-term rentals. Mr. Gage turned the meeting over to Mr. Childers.

Mr. Childers discussed the current process for Type 2 and Type 3 short-term rental applications, beginning with the notification process. He noted the City would mail a letter to all property owners within 500 feet of the property in question once a short-term rental application was received. The applicant was required to organize a neighborhood meeting and place a sign in the yard of the proposed short-term rental which provided information on the neighborhood meeting.

He described the second step in the application process, which was the consent requirement, and the applicant must obtain signed consent from 55 percent of adjacent property owners which included properties across the street. Mr. Childers pointed out the Short-Term Rental Ordinance language had created a complicated process for applicants and staff. He also pointed out neighbors not adjacent to the property in question but still affected by the property in question had no influence in the matter. Mr. Gage asked for clarification on the application approval when the property owner was non-compliant. Mr. Childers responded the application would be automatically approved upon receipt of signatures of 55 percent of adjacent property owners, and the application would be appealed if the signatures were not received.

Councilmember McGull asked for clarification on the block face requirement. Mr. Childers referred to the PowerPoint slide that displayed the density restrictions for block face, which was the third step in the approval process. He defined a standard block face as one short-term rental per every eight houses on a block face. He defined a short block face as four houses or less. If an applicant's property was on a short block face, it would automatically require the appeal process for approval. He pointed out the main challenge with block faces was not proximity, but the direction the houses faced. Multiple short-term rentals could be adjacent to, or within proximity of, each other as opposed to a density by radius of 500 feet. He explained the challenge to obtain owner information for adjacent properties, as they did not always match the Assessor's data, and required additional staff time and research.

Mr. Childers addressed the question of the number of potential short-term rentals in the city. He provided an example of a typical urban block in Springfield which had approximately four existing short-term rentals. He advised the current Code would allow 22 short-term rentals within the same neighborhood, and 7,000 to 9,000 short-term rentals citywide. He recommended removing short block and per block face density requirements for Type 2 short-term rentals and replace the 500-foot block face with a 500-foot radius proximity and eliminate the adjacent owner consent affidavit. He suggested all property owners within 500 feet of the property in question be given the opportunity to comment and contest the short-term rental, and the application would automatically be denied if 30 percent of those property owners signed a protest petition. The applicant could then appeal the denial. He also explained the proposed change to a 500-foot radius proximity would decrease the number of Type 2 short-term rentals allowed in a neighborhood. He used the same example of a typical urban block to show how the 500-foot radius would reduce the number of Type 2 short-term rentals from 22 to 5. He also noted the number would be reduced to 1,700 to 2,000 citywide.

Councilmember McGull asked for clarification on the notification process for neighborhood meeting. Mr. Childers advised everyone in the neighborhood would be notified and invited to the neighborhood meeting, but only the adjacent property owners influenced whether the short-term rental would be approved or denied.

Mr. Gage requested clarification on the 500-foot proximity radius and noted there were two applications: 1) Type 2 short-term rentals would be separated by 500 feet, and 2) the notice area would be the same as the protest petition area for a short-term rental. He also noted with the suggested change for a short-term rental application that met the 500-foot radius proximity and

zoning requirements and did not receive protest signatures up to 30 percent, the application would be approved. If the property in question was within 500 feet of another short-term rental, it would not be approved, and if the protest petition had signatures of more than 30 percent, then the application would be appealed through City Council. Mr. Childers answered affirmatively on all these points.

Councilmember McGull requested more information on how the changes would help staff. Mr. Childers advised the process would be easier to explain to applicants and create less confusion.

Councilmember Hosmer asked if the 500-foot radius requirement could be appealed by an applicant. Mr. Childers advised the distance would be measured upon request for an application, and if the request did not meet the 500-foot radius requirement, the owner would be notified, and an application would not need to be submitted. He also advised current short-term rentals would be grandfathered in.

Councilmember Hosmer asked about the timeline for the protest petition. Mr. Childers advised mailers would go out 10 days prior to the neighborhood meeting, and the neighbors would have up to 10 days to respond after the meeting. Mr. Childers noted the timeline could be altered if needed. He also noted under the current process, the signatures of the adjacent property owners would need to be notarized, which increased staff workload.

Councilmember Lee asked how many non-conforming short-term rentals the changes would create. Mr. Childers responded the density in the neighborhoods would be eliminated. Mr. Gage clarified there would be some legal non-conforming short-term rentals which were grandfathered in. Councilmember Lee referred to the previous example of an urban block in Springfield map, and noted there would be three legal non-conforming short-term rentals with the changes. Councilmember McGull noted the restrictions may increase prices for short-term rentals; however, they would be less competitive, and the neighborhoods would not be overrun with short-term rentals. Councilmember Hosmer noted based on the ordinance's current language, short-term rentals could be placed anywhere.

Councilmember Hosmer referred to a disgruntled citizen who was upset about the competition with illegal short-term rentals. He also expressed his opinion he would prefer 1,000 feet. Councilmember McGull requested proposed draft of the language at the next meeting for potential submittal to City Council.

Councilmember Hosmer asked to clarify this would eliminate block face, and the only appeal allowed would be the protest petition and at least 30 percent of the neighbors' signatures. Mr. Childers answered affirmatively.

Councilmember Hosmer requested a copy of a survey report the Neighborhood Advisory Committee (NAC) had conducted. Mr. Childers advised he would provide a copy of that report. Councilmember Lee advised he was at the last NAC meeting where a moratorium was discussed as members wanted a chance to voice their concerns and opinions to this Committee regarding the short-term rental process. Councilmember McGull recommended having staff provide the

draft language for discussion at the next Committee meeting to move it out of the Committee and submit it to City Council where members of the NAC could voice their opinion to City Council. Councilmember Lee advised the NAC would like a chance to contribute to the recommendations for City Council. Mr. Childers advised the NAC meeting was scheduled for August 2024. Hanna Knopf, Senior City Planner, offered to present the survey to NAC for insight on the general citizen consensus. Mr. Childers offered to provide his PowerPoint presentation at the next NAC meeting in August. Councilmember McGull and Councilmember Lee agreed with the recommendation. Councilmember Lee asked Ms. Knopf whether the survey report included recommendations from the NAC. Ms. Knopf responded the recommendations were not included, and the NAC would like more context to provide recommendations to City Council. Councilmember Hosmer asked that a copy of the language drafted by staff be provided to the NAC and to the Committee members. Councilmember Lee expressed his support for NAC to be a part of the changes for short-term rentals. He recommended pushing the next Committee meeting date to September to discuss recommendations from NAC's August meeting. Councilmember McGull suggested the Committee's recommendations from this meeting be provided to Ms. Knopf, so the NAC would have time to review and provide their feedback to the Committee at the meeting in July. Councilmember Lee reiterated his suggestion to push the Committee meeting to after NAC's August 14, 2024, meeting, to give NAC time to discuss recommendations. Mr. Gage expressed his opinion NAC members would need some time to gather input from their respective neighborhoods and report back to NAC. Councilmember McGull asked Mr. Childers if staff could meet with NAC. Mr. Childers advised affirmatively. Councilmember McGull and Mr. Gage discussed the timeline for a draft ordinance and input from NAC. Councilmember McGull advised the next Committee meeting would need to be pushed to late August to accommodate staff and the NAC.

Mr. Childers discussed Type 3 short-term rentals and comparisons with other cities. He explained how in more urban settings, comparable cities had changed their business models by increasing the number of short-term rentals in one building, mainly existing apartment buildings, and the intent was the occupancy and function of the building would not change from primarily operating as a residential building to primarily operating as a hotel.

Mr. Childers provided examples of limits for Type 3 short-term rentals in other cities. He stated St. Louis and Kansas City had limits of 12.5 percent for Type 3 short-term rentals in residential structures; Denver, Austin, and Oklahoma City Type 3 short-term rentals were required to be owner-occupied; in Bowling Green, the total number of units to be operated as a Type 3 short-term rental in one building was determined by the Board of Adjustment. Mr. Childers recommend in center city Springfield and commercial-zoned districts, a maximum of 2 units or 10 percent of the total units on premises, whichever was greater. Another recommendation was all other zoning districts would remain a maximum of three units per premise. Councilmember McGull requested clarification on Type 3 density. Mr. Childers responded it was a multi-family unit, but the key word was "premise" as there could be several multi-family units on one premise. Councilmember McGull commented on the reduction of footprints in the neighborhoods and moving them to commercial-zoned areas and multi-family units. Mr. Childers advised the goal was to create a balance between the two. Councilmember McGull expressed his support of the recommendations for Type 3 short-term rentals and asked to include them in the draft to change the short-term rental ordinance.

Councilmember McGull referred to the report on revenue collected from short-term rentals and contemplated some of the revenue collected could be used towards the housing issues. David Holtmann, Director of Finance, advised this revenue had been earmarked by the ballot.

Councilmember McGull thanked Mr. Childers for the presentation.

Councilmember Lee discussed the significant decrease in Type 2 short-term rentals with the new recommendations. He requested clarification on whether the PowerPoint slide of an example of an urban neighborhood in Springfield was a typical example on how the changes would impact the neighborhoods. Mr. Childers offered to provide additional scenarios of neighborhood blocks to show the impact of the new recommendations for Type 2 short-term rentals. Councilmember Lee commented on the impact on neighborhoods close to the hospitals. Councilmember Lee expressed his support for 500-foot radius, and wanted to ensure it was accurately described and stressed the importance of transparency for the public. Councilmember McGull expressed his opinion the recommended changes would preserve the quality and integrity of neighborhoods. He expressed his desire to provide a balance between neighborhood preservation and maximizing value of property.

Councilmember Hosmer asked about stronger enforcement of non-compliant short-term rentals. Mr. Holtmann responded out of the 99 cease and desist letters mailed out, the City was following up on 29 short-term rentals which were operating without a legal license and had not paid the Hotel/Motel Tax. Mr. Holtman advised the next step would be prosecution if these short-term rentals continued to be non-compliant. Councilmember Lee reiterated there were currently 29 illegal short-term rentals. Mr. Holtmann explained how the City obtained that number through the parameters of the compliance software. Mr. Gage requested clarification on the business license and the punitive results for non-compliance. Mr. Holtmann responded the owners must obtain a short-term rental license and apply through the Planning Department. If the owner was found to be in violation of the ordinance, then they were ineligible to obtain a license for a year.

Mr. Paul addressed last meeting's question regarding ADA compliance for short-term rentals. He advised there were no federal guidelines or enforcement actions, as well as private suits for ADA violations. There were some criteria which overlapped with short-term rentals for ADA compliance. However, these criteria would not apply to most Type 1 short-term rentals. For Type 2, the application would depend on new or existing construction. For existing structures, it would have to be reasonably cost-effective. He also pointed out the ADA was a federal regulation, and the City did not enforce it. He advised the City's building codes included some ADA requirements; however, the codes did not have the accessibility requirements for residential construction. Finally, he noted for Type 3, there may be ADA requirements because the International Building Codes would apply, and this would be the closest the City would get to enforcing ADA compliance.

Mr. Gage provided an overview of draft language for Type 3 short-term rentals. The inclusion of renters on the protest petition was discussed. Councilmember McGull expressed his opinion tenants could make any complaints to their landlords. Mr. Childers pointed out the inclusion of renters would be time-consuming for staff. Mr. Paul clarified for Type 3 short-term rentals, the

occupant notice language would be removed from the draft language, and a cap change to 2 units or 10 percent, whichever was greater, would remain.

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

The meeting adjourned at 3:16 p.m.

Prepared by Kristina D'Andrea