

approval then they may pursue a special use permit (\$595 application fee) through the standard process. If an SUP is granted then each following year the property owner must register and pay the \$50 registration fee.

Accessory dwelling units (ADU) are currently not allowed for rental to non-family members and therefore, this ordinance does not allow for short term rentals either. Staff has committed to reviewing all ADU rentals in the coming year.

Short term rentals are allowed in all residential zones with limited allowances for multi-family residential in R zones. Multi-family dwelling units are allowed to be used for Type 1 rentals in residential zones, and are limited for Type 2 rentals. The Type 2 rentals are limited to 1 or 25% of the building in residentially zoned multi-family dwellings if signatures are obtained. Multi-family units are allowed to be used for Type 1 and Type 2 in B, D and M1 zones as well, but without the 25% limitation as described in the residentially zoned multi-family.

To ensure the multi-family buildings do not become a hotel, each entity may have a maximum of four STRs per building.

Hosts will be required to obtain a business license. STR's will not be required to capture transient taxes. Taxing STR's would require two steps: an enabling statute from the state legislature, and a vote by the people of Kansas City. It would be an extension of the Convention & Tourism tax, a 7.5% tax on the total stay that the guest would pay, and the host (or platform on behalf of the host) would collect.

In an effort to treat STR's similar to Bed and Breakfast, we added B&B into the R-6 zoning district. We also amended the Bed and Breakfast section to allow for a manager to operate the B&B 95 days a year to allow the owner to not be on site.

Building Code Summary:

The following is a summary of how the different uses would be addressed under the building code. These are based on the understanding that all rentals are on a one-for-one basis (ie only one renting entity per dwelling unit), and the owner/occupant when present shares the same dwelling unit with the guest. Any proposal to rent out an individual dwelling/dwelling unit to multiple parties simultaneously would create a 'congregate living' arrangement, and would trigger evaluation under the IBC.

IRC scope [ie detached single family dwellings, detached two family dwellings (duplex), and townhouses (attached single family dwellings as defined)]:

- The IRC does not distinguish transient use, so short-term usage of a detached dwelling is not a change in use.

- This includes a legally existing dwelling unit in a detached accessory structure (if incorporated in the program in the future).

IBC scope [multifamily and mixed use -- anything not included under IRC]:

- Type 1 units (with time/use limitations as currently defined) -- will still consider them to be 'primarily nontransient' and therefore not a change of use.
- Any unit in multifamily buildings proposed to become fulltime short term rental **WILL** be considered a change of use (from IBC occupancy classification R-2 to R-1). This will trigger a full code evaluation and a new Certificate of Occupancy.

Groups Providing Input:

The following is a list of groups that have provided comments and ideas through this process:

- Residents - single family, multifamily owners and renters, condominium owners
- Bed and Breakfast owners
- Hotel industry
- Missouri Restaurant Association
- Platforms – Airbnb and Expedia
- UMKC School of Law

Recommendation:

City Plan Commission recommends approval of the Short Term Rental ordinance as presented.

Respectfully Submitted,

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