City of Kansas City, Missouri
Docket Memo
Ordinance/Resolution #: 230816
Submitted Department/Preparer: City Planning
Revised 8/3/23

Docket memos are required on all ordinances initiated by a Department Director. More information can be found in Administrative Regulation (AR) 4-1.

Executive Summary

Rezoning an area of about .18 acres generally located at 3244 Paseo Blvd from District R-0.5 (Residential) to District B1-1 (Neighborhood Business). CD-CPC-2023-00114

Discussion

The property owner is seeking to rezone 3244 Paseo Blvd to allow for the site to be eligible for a Short Term Rental (STR) Permit.

Key Points:
- Request to rezone from R-0.5 (Residential) to B1-1 (Commercial) allowing a variety of commercial uses, including nonresident short-term rental, which is the owner's intended use.
- Due to a policy change made by the City Council during its last term, new nonresident short-term rentals are prohibited in residential districts.
- The property is currently operating as a short-term rental without proper permits.
- Passing this ordinance would allow any commercial use permitted in District B1-1 on the subject property, not just nonresidential short-term rentals.

Explanation of Citywide Business Plan Answers:
There is anecdotal evidence that the proliferation of short-term rentals negatively impacts the housing market for traditional renters/owners. Owners who rent a home on a short-term basis can earn significantly more revenue than those who rent a home on a long-term basis (i.e. 31 or more days). As a result, short-term rental owners can often easily outbid a traditional buyer, reducing stock, and driving up the cost of housing. This ordinance runs counter to the housing-related goals of the CWBP.

Fiscal Impact

1. Is this legislation included in the adopted budget?   ☐ Yes   ☒ No

2. What is the funding source?

Not applicable, this is a zoning ordinance authorizing the rezoning of a private property.

3. How does the legislation affect the current fiscal year?
Not applicable, this is a zoning ordinance authorizing the rezoning of a private property.

4. Does the legislation have a fiscal impact in future fiscal years? Please notate the difference between one-time and recurring costs.
Not applicable, this is a zoning ordinance authorizing the rezoning of a private property.

5. Does the legislation generate revenue, leverage outside funding, or deliver a return on investment?
This ordinance authorizes commercial uses, like lodging, which may generate revenue.

Office of Management and Budget Review
(OMB Staff will complete this section.)

1. This legislation is supported by the general fund.	☐ Yes	☒ No
2. This fund has a structural imbalance.	☐ Yes	☒ No
3. Account string has been verified/confirmed.	☐ Yes	☐ No

Additional Discussion (if needed)
There is no account string to verify as this ordinance has no fiscal impact.

Citywide Business Plan (CWBP) Impact

1. View the [FY23 Citywide Business Plan](#)

2. Which CWBP goal is most impacted by this legislation?
Housing and Healthy Communities (Press tab after selecting.)

3. Which objectives are impacted by this legislation (select all that apply):

☒ Maintain and increase affordable housing supply to meet the demands of a diverse population
☐ Broaden the capacity and innovative use of funding sources for affordable housing

☐ Invest in neighborhood stabilization and revitalization to reduce blight, ensure sustainable housing, and improve the wellbeing of residents while sustaining their diverse cultures

☐ Ensure all occupants of residences have quality, efficient, and healthy housing with minimal economic or regulatory barriers

☐ Address the various needs of the City's most vulnerable population

☒ Utilize planning approaches to improve the City's neighborhoods

Prior Legislation

Ordinance 230267 APPROVED

Amending Chapter 88, Code of Ordinances, by repealing Section 88-321, Short Term Rental Regulations, and enacting in lieu thereof a new section of like number and subj ect matter; repealing Sections 88-110-03, 88-120-03, 88-130-04 and 88-140-03, Uses, and enacting in lieu thereof new sections of like number and subject matter; repealing Section 88-260-03, Use Regulations and Lot and Building Standards (Urban Redevelopment) and Section 88-280-04, Use Regulations and Lot and Building Standards (Master Planned Development), and enacting in lieu thereof new sections of like number and subject matter; repealing Section 88-810-1582, Short Term Rental Intermediary; and appropriating $ l,000.00 for the purpose of educating the public about the new regulations; all in order to establish the zoning districts in which short-term rentals are permitted to be located and effectuate the transfer of the regulation of short term rentals from Chapter 88 to Chapter 56 of the Code of Ordinances; and recognizing this ordinance as having an accelerated effective date.

Ordinance 230268 APPROVED

Amending Chapter 56, Code of Ordinances, by enacting new Article VIII, entitled "Short-Term Rental Registration," which would become effective June 15, 2023, and requires short-term rentals operating in the City to register with the City on an annual basis, pay an annual registration fee, certify various safety information and the identity of the natural person who will reside on the property as a long-term resident or such person who has management control and responsibility for the short-term rental, and provides zoning and density restrictions for non-resident short-term rentals, penalty provisions for both short-term rentals and their booking service providers for noncompliance with such registration requirements, and places recordkeeping requirements on both short-term rentals and their booking service providers.

Service Level Impacts

Impacts expected.

As noted above, during the previous term, the City Council determined that nonresident short-term rentals should be prohibited in residential districts due to the negative impacts imposed by such uses on surrounding residents. Because the subject property is zoned residentially, the only path available to the owner is to rezone to a commercial district. Passing this ordinance may send the message to owners in the same situation

that rezoning is a reasonable path to take and could result in an influx in requests to rezone individual properties in the middle of residential areas from residential zoning to commercial zoning. This would not only impact the neighborhoods in which they are located, but could significantly increase staff workload for both the City Planning and Development Department and the Neighborhoods Services Department.

See City Plan Commission Staff Report for more information.

Other Impacts

1. What will be the potential health impacts to any affected groups?
   Not applicable, this zoning ordinance authorizes a rezoning which has not been evaluated for its health-related impacts.

2. How have those groups been engaged and involved in the development of this ordinance?
   Not applicable, this rezoning ordinance authorizes a rezoning which has not been evaluated for its health-related impacts.

3. How does this legislation contribute to a sustainable Kansas City?
   City Planning and Development Staff evaluated this against sustainability goals/objectives in The KC Spirit Playbook and does not believe the proposal contributes.

4. Department staff certifies the submission of any applicable Affirmative Action Plans or Certificates of Compliance, Contractor Utilization Plans (CUPs), Non-Discrimination documents, and Letters of Intent to Subcontract (LOIs) to CREO prior to the legislation entry request in Legistar.

   No - CREO's review is not applicable (Press tab after selecting)
   Please provide reasoning why not:
   Click or tap here to enter text.

5. Does this legislation seek to approve a contract resulting from an Invitation for Bid?

   No(Press tab after selecting)

6. Does this legislation seek to approve a contract resulting from a Request for Proposal/Qualification (RFP/Q)?

   No(Press tab after selecting)