



The City of Lee's Summit
Action Letter
Planning Commission

Tuesday, July 11, 2017

5:00 PM

City Council Chambers

City Hall

220 SE Green Street

Lee's Summit, MO 64063

CALL TO ORDER

ROLL CALL

Present: 7 - Board Member Carla Dial
Board Member Jason Norbury
Board Member Colene Roberts
Board Member Dana Arth
Board Member Don Gustafson
Board Member Donnie Funk
Board Member J.Beto Lopez

Absent: 1 - Board Member Herman Watson

APPROVAL OF AGENDA

A motion was made by Board Member Roberts, seconded by Board Member Funk, that the agenda was approved. The motion carried unanimously.

APPROVAL OF CONSENT AGENDA

[TMP-0589](#) AN ORDINANCE VACATING A CERTAIN STORM DRAINAGE EASEMENT AND A CERTAIN SURFACE DRAINAGE EASEMENT BOTH LOCATED AT 1601 NW BLUE PKWY IN THE CITY OF LEE'S SUMMIT, MISSOURI.

A motion was made by Board Member Roberts, seconded by Board Member Gustafson, that the consent agenda was approved. The motion carried unanimously.

[2017-1379](#) Minutes of the June 27, 2017, Planning Commission Meeting

A motion was made by Board Member Roberts, seconded by Board Member Gustafson, that the minutes were approved. The motion carried unanimously.

PUBLIC HEARINGS

[2017-1375](#) PUBLIC HEARING - Appl. #PL2017-116 - SPECIAL USE PERMIT for a bed & breakfast homestay - 2710 SW Monarch Ct; Anthony Blogumas, applicant

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Chairperson Norbury opened the hearing at 5:02 p.m. and asked those wishing to speak, or provide testimony, to stand and be sworn in.

Mr. Anthony Blogumas gave his address as 2619 SW Monarch Court in Lee's Summit. He stated that he was running an Airbnb homestay bed and breakfast to help pay bills, property maintenance and child support during a time of unemployment. Chairperson Norbury noted that staff's report included three Recommendation Items and asked Mr. Blogumas if he agreed with them. Mr. Blogumas replied that he had not seen these, and Chairperson Norbury provided the wording. Mr. Blogumas then stated that he agreed and would comply with the recommendations.

Following Mr. Blogumas' remarks, Chairperson Norbury asked for staff comments.

Mr. Soto entered Exhibit (A), list of exhibits 1-16 into the record. He stated that last March the City had received a complaint about the subject property was being offered online for rental via Airbnb. After investigating, the City sent out a violation letter telling the owner that this use was defined under the UDO as a bed and breakfast homestay and that required a Special Use Permit. Under the R-1 zoning for this property, a bed and breakfast could offer no more than three bedrooms for overnight rent. It had been advertised as having four bedrooms, with a total of 8 beds.

In discussions with the applicant, he had explained his plan to comply with the ordinance requirements. He had requested two modifications, one of which staff supported and one they did not. The UDO did not allow a stay at a bed and breakfast of more than 14 consecutive days; and one of the requests was for stays of 15 days or more. Staff did not support that modification, as bed and breakfast establishments were basically short-term room rentals. Extended stays were more characteristic of commercial hotels. The other request was for a modification to the parking requirement. The UDO required parking for bed and breakfast establishments to be on the side or back of the property; and be screened from view from any adjacent residential properties. Mr. Soto displayed an aerial view of the cul-de-sac property, and stated that this was typical contemporary construction where access was provided through the front yard. When this part of the UDO was written, the assumption might have been that most bed and breakfast businesses would be in the older neighborhoods near Downtown. These had longer driveways that often accessed detached garages. In this instance, the driveway was wide enough for three vehicles, and went from the front of the property to a three-car garage; and the guests would be parking in the front area.

Concerning the full screening requirement, the driveway was located at the front of the house with direct access off the street and this made attempting to fully screen the driveway impractical. The aerial view clearly showed that this was typical of other homes in the surrounding area. Staff supported the requested modification to allow parking at the front of the property. While it was possible in this case to provide rear parking with access off Monarch Drive; however, this had some drawbacks including increasing impervious coverage and putting in a parking area very close to the adjacent lot to the north. Staff did not believe this would be a better option than granting a modification.

Mr. Soto acknowledged that this matter had come to staff's attention via a nuisance complaint. Staff was recommending approval of the SUP after meeting with the applicant and receiving written confirmation that he was aware of what the conditions were to operate a bed and breakfast at this location and intended to comply with those conditions. It was staff's understanding that he would be able to satisfy the requirements.

Mr. Soto added that staff had received protest petitions from surrounding property

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owners. He displayed an aerial map with the subject property was highlighted in blue and properties whose owners had signed protest petitions outlined in red. Staff did not yet have all the information verifying ownership; however, the map showed a 17 of these properties. The protest petitions, except for one, were notarized; and staff could not count non-notarized petitions. Some of the property owners were not within the 185 feet required for notification but had protested via the petitions. Although not all the property ownership was verified yet, it was likely that this met the 40 percent requirement to trigger a minimum six vote approval at the City Council level. Mr. Soto confirmed for Chairperson Norbury that this did not apply to the Planning Commission vote. He continued that the applicant had not previously been residing at this address while the rooms were being let, and a requirement for a bed and breakfast homestay was that the house serve as the operator's primary residence. The applicant would have to maintain this home as a primary residence in order to comply with ordinance requirements. Staff recommended approval of the SUP, subject to Recommendation Items 1 through 3.

Following Mr. Soto's comments, Chairperson Norbury asked if there was anyone present wishing to give testimony, either in support for or opposition to the application. He stated that each person commenting was limited to three minutes.

Ms. Amy Nau gave her address as 2712 SW Monarch Court and stated that she lived next door to the subject property. The Monarch View subdivision had 257 homes, a playground and a pool. Her primary objection was the usability of the adjacent property. The UDO stated as one of the SUP requirements was whether "the use will adversely affect the existing use or usability of adjacent or nearby properties." She noted that the development did not have sidewalks; so children, including hers, played in the street. The lack of sidewalks was the very reason she and her family had chosen a home on a cul-de-sac; this particular one included five children under the age of ten. The additional traffic created by the Airbnb customers, which would not normally be going through the cul-de-sac street, made it more difficult and dangerous for them to play outside. On at least two occasions, the renters had left black skid marks as evidence that they had been driving recklessly.

Further, at times there were enough cars parked at the b&b that there was no room for her own family's guests to park. Sometimes cars were parked on the street as well as the driveway. Consequently, the business had a definite impact on its adjacent neighbors. Ms. Nau produced photographs of cars of b&b guests parked outside the residence. There were a total of 18 the day she had taken the photos; and they blocked the street enough to block emergency vehicles if a need for them arose. Parking was limited in this neighborhood, with no feasible options for this kind of excess. She added that the children playing behind the house was not an option, as the b&b guests also used their back yard, as little as 10 feet away; and sometimes played drinking games. A privacy fence was not the answer; as Monarch View did not allow them. Again, the business was reducing the usability of its neighbors' properties.

Ms. Nau produced a review of this business on the Airbnb website. One woman reported having a nice stay but being accused of pilfering afterward. The response from the host and applicant was that "after [the guest and party] left the house, we had a few missing items and alcohol spilled in several locations that were not cleaned up; feathers all over the house and toys not for kids left in the living room." The reply had concluded that "our home and our kindness were taken advantage of." The review and response suggested that the applicant rented parts of the house out to people who were not responsible or respectful of property. The objections to the applicant not living in the home had been addressed by staff; however, she wanted to know what the verification process was. The neighbors knew he was not living there at present, which could be verified by the Airbnb reviews. Ms. Nau noted that while the application mentioned the three-car garage as a

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parking option, the Airbnb listing clearly stated that it was not. She stated that the number of available rooms and beds ensured that at any time there could be a dozen or more people in the house. She confirmed that a total of 18 petitions had been submitted to the City. Ms. Nau concluded by reading a comment about Airbnb:

“People choose to live in a city, a neighborhood, a building, a unit for a complex set of reasons and variables, all of which connect a group of people at a given time to a given physical place, in ways that might not be so obvious but exist nonetheless. These people add unique experiences, services and ideas to their communities for however long they remain there. Over time, a neighborhood forms an identity, with those collaborations and conflicts that make it both unique and universal. By sharing a place, purposely or incidentally, the people have shaped it. Airbnb disrupts this, and not in the way it disrupts the hotel industry. The person with that lease, whether a landlord or professional lister, is still sharing that space with all of those people in their building and their neighborhood. There is a profound responsibility that comes with that whether they acknowledge it or not. The host has chosen to disengage from their home by turning it into a commodity. Whether or not they have a right to is almost beside the point. The salient point is that they are also forcing their neighbors to make that choice by turning the neighborhood into a commodity as well. The hosts have forced their neighbors to see strangers coming and going constantly, to become just a little bit left engaged and connected to their home. Not just that they are not benefiting financially; they are incurring the majority of the social costs and losing what they thought their home was when they moved in. Maybe the Airbnb renter is okay with being in a cheaper hotel but the neighbors did not sign any lease to live in any kind of hotel.”

Ms. Gailla Rogers gave her address as 2717 SW Monarch Drive. She had moved there from Kansas City to Lee's Summit for the quieter atmosphere. She asserted that the Airbnb did impact the neighborhood. Their “neighbors” at that address were, in effect, this week's tenants and there were now people in the neighborhood that people did not know every day. She confirmed that parking space on this street was already limited. Parking within 30 feet of the stop sign, 20 feet of the intersection 4 feet on either side of a driveway or in front of the fire hydrant were all prohibited. Consequently, it was difficult to impossible for residents to park outside their driveways. She requested the Commission to consider the neighbors' concerns.

Mr. Tim Balistreri gave his address as 2709 SW Monarch Drive. He stated that he lived within view of the subject property and he felt like he was losing his neighborhood. He remarked that his impression was this was not a bed and breakfast but rather a de facto bordello. He had photographs of a gathering of about 15 people on the deck of the house. There was a constant flow of strangers in and out of the house, with the owner not on the premises, and he no longer felt safe letting his daughter play out in the yard on weekends. His neighborhood was starting to feel more like a business district than a neighborhood. He added that in that neighborhood, there was never a shortage of professionals interested in helping someone sell a home; and they did sell very fast. Since this situation had existed for about a year, he did not believe that financial pressure was a factor.

Mr. Thomas Miller gave his address as 2705 SW Regal Drive, adding that he had moved to the area three years ago after retiring from the Air Force. He noted that no one had known about this business at the time it had started; and he did not consider this a bed and breakfast establishment, in view of all the parties going on there. There was enough noise that everyone in the surrounding homes was aware of them; and there did not seem to be anyone in charge of the household. It was evident that this was a business; and the neighborhood was a residential one. An elementary school was nearby and people with children did not want large numbers of strangers coming and going. It was not an asset to the neighborhood and could even threaten the value of the homes, which

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was high at present.

Mr. Terry Santone gave his address as 2825 SW Carlton Drive, and stated that he was Monarch Two's Homeowners Association president. The Airbnb had been brought to his attention last March, and the HOA had subsequently filed a protest with the City. The HOA's interest was in the safety and prosperity of the neighborhood; and the Airbnb was not a positive influence in either respect. The neighbors had described a situation that did not belong in the neighborhood at all; and none of the Commissioners were likely to want it near where they lived. He noted that the applicant had said over two months ago that he would move into the house, but this had never happened. There was no one who was there on any regular basis; and the owner had no vested interest in the community other than making money. The applicant had already stated that he was doing this to make necessary payments; so it was not likely that he could make any improvements.

Ms. Jorjana Pohlman gave her address as 2333 SW Crown Drive, the first street just outside the boundary line on the map. She observed that Airbnb had not existed 18 years ago when the neighborhood was established; so there was no protective covenant preventing this situation. The covenants existed to protect homeowners and maintain their properties' values; and one reason she had moved there was to have this type of protection. She agreed with the other remarks saying that this was a business establishment, and the number of people going in and out of the house did not feel safe. People were not confident that their children were safe; and many young adults went running or walked dogs. The covenant did state that "no business conducted on the land or anything deemed a nuisance shall happen", as banning "noxious or offensive activity or anything which may become an annoyance or nuisance." She definitely considered this an annoyance and a nuisance.

Mr. Cameron Carter gave his address as 2716 SW Monarch Court. He stated that he and his family had moved from a Downtown Lee's Summit neighborhood because they were surrounded by rental properties and did not want to raise children where police had to be called about disturbances that often. Now he was wondering if or when this house would be a focus of disturbances; as people who stayed there often had large parties and police had been called once for parking violations and another time for noise, with blaring music and car alarms going off. This had been a quiet neighborhood; it was not anymore.

Chairperson Norbury then asked if the Commission had questions for the applicant or staff.

Mr. Gustafson asked if staff was aware of any similar uses in a Lee's Summit residential neighborhood. Mr. Soto did not have an exact number; however, Airbnb's website showed a little over 30. They had recently sent another Notice of Violation letter; and had heard of another complaint but at this point were not sure of the address. Mr. Gustafson believed there was a requirement at Airbnb for evidence that the zoning and general location were legal. Mr. Soto answered that he had not been contacted by Airbnb and did not know of any City staff who had. Mr. Gustafson asked what was the parking requirement; and Mr. Soto replied that for a homestay it was two spaces for residents plus one for each guest room. In this case that would be five spaces. If guests could use the garage that would provide three spaces, and the three car wide driveway might be long enough to use more than two spaces via stacking. Based on the ordinance that was enough to meet the minimum requirements. Garage spaces could be used to meet parking requirements. The purpose of the screening in the requirements was to minimize the visual impact of a larger parking area or parking lot; and this requirement applied to all zoning districts that allowed bed and breakfast use. This bed and breakfast application was the third City staff had seen; and the previous two had provided parking on the side of the residence as well as screening.

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Ms. Arth noted that the applicant's response said that "the number of guest rooms are 3, as the home is a [non] conforming 3-bedroom home." Mr. Soto explained that it was originally built as a three-bedroom house but a subsequent application to put in a finished basement had added a fourth. Ms. Arth asked if this would be the bedroom where the owner would stay, and how fire codes would be applied if that fourth bedroom had no outside exit. Chief Eden answered that residential occupancy fell under the International Residential Code, which did not fall under the Fire Code. The Fire Department's involvement here had been through the Special Use Permit and business licensing processes. They had been involved in this way with two bed and breakfast applications so far. This was classified under the Residential Code as an accessory use.

Mr. Funk noted that in his response the applicant had noted that the property had been used by nurses needing 90-day stays; however, the maximum length for a bed and breakfast was 14 days. Mr. Soto answered that this limit was the subject of the second modification request, with the applicant wanting terms of 15 days or more. Staff did not support this request.

Ms. Arth asked Mr. Santone if the HOA covenant addressed anything about parking. Mr. Santone replied that it did; and on-street parking was not allowed.

Chairperson Norbury noted that a question was repeatedly raised about the applicant not having lived on the premises; and what the enforcement would be. He also noted that staff had identified about 30 Airbnb establishments in Lee's Summit and it was not clear about which were in compliance with City codes. This was a fairly new kind of situation, and he asked how staff planned to address it. Mr. Soto acknowledged that they did not yet have a process set up for monitoring. To some extent it was complaint driven at this point.

Chairperson Norbury entered the presentation packet submitted by the Monarch View residents as exhibit 17 in Exhibit A. He then stated that the Commission did have the purview to place some restrictions on aspects such as parking and maximum number of guests. Some of this might be in the context of compliance with HOA rules. Ms. Yendes confirmed that the Commission could make recommendations for restrictions such as no on-street parking.

Chairperson Norbury then noted that the two approved bed and breakfasts were just west of Downtown; and the City would be seeing an increase in this type of business; and City staff and the Commission would have to figure out how to address all aspects including complaints. He asked how those two existing bed and breakfasts compared with this application. Mr. Soto answered that assuming the operation was run as the applicant proposed, it would be in compliance with City standards for a homestay and there would not be much difference. He acknowledged that this situation did not set the cleanest stage but from an operations standpoint the business would be similar.

Ms. Roberts asserted that a considerable difference existed between this operation and the previous two, regardless of what anyone could point to on paper. In the previous two cases the applicants had come in to discuss the business plan including plans for improvements to the property. This might be landscaping, historic restoration or something else but it all fell in the category of improvements that would impact the business in the long run. That was not happening in this case. This was a gray area, since the Commission was typically looking at land use and not the structure itself; however, they did have an interest in what would happen with the structure long term. She compared this situation to an old movie theatre that had formerly had other tenants but now screened older movies with some lower-grade aspects such as damaged and repaired seats. If the business model was to get every dollar out of a property it eventually deteriorated to the point of having no value, and she was concerned that this might be

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the scenario for the house in this application. In the first two cases the owners had positive business plans but that did not seem to be the intent in this case.

Ms. Vida Santone gave her address as 2825 SW Carlton Drive. She had not intended to testify; but she had not known that 30 bed and breakfasts were operating in town and the City seemed to not have any control over them. She hoped that this was a concern for City staff and that they were listening to the residents who felt their neighborhood was being ruined. They had strong concerns over safety and they felt that the community was falling apart with home values falling. The City needed to take this into consideration when approving a business in an already established community.

Mr. Mark Schaufler gave his address as 2685 SW Regal Drive. He pointed out that the application was for a bed and breakfast homestay, not a bed and breakfast inn, which was what the previous applications had been. These were not a permitted use in an R-1 zoned district. The UDO did seem to try to limit the intensity of use by limiting the number of guest rooms available, with an inn able to have 4 to 12 but a homestay limited to 3; but did not mention a maximum number of guests, guest's visitors, cars or where they could park. Theoretically people could park in the street, and all these things were influences on a neighborhood and not characteristic of an R-1 district. He asked that if the Commission did not deny the application they at least consider delaying the vote until the UDO requirements could be further evaluated. Concerning the 10-year SUP, the other businesses had clearly been investments and that made a ten-year term reasonable. In this case there was no apparent investment being made in the property nor a time frame to recover an investment. It was simply a home with rooms that were being rented out. He did not think this business warranted a 10-year SUP. Mr. Schaufler asked the Commissioners to vote no on the application.

Ms. Sheila Brock gave her address as 2848 SW Carlton Drive, and said she had lived in Monarch View for 14 years. She had just found out about this business; and as she lived alone she did not like the idea of people that no one knew constantly coming through the neighborhood. Her daughter had lived in a Downtown Lee's Summit apartment complex and had to move so she was also concerned about someone setting up a business that brought so many transients into the neighborhood. She asked if this was a potential eviction, and noted that the applicant had not discussed this business with anyone in the neighborhood when he had started it.

Mr. Schaufler wanted to know how staff intended to monitor the applicant's promises when Mr. Blogumas had not initially even notified the City or applied for a business license. The SUP application was a consequence of a complaint. Mr. Blogumas had subsequently told Mr. McKay that he intended to move into the house, and then had said he intended to sell it and move back out when that happened. Neither of these things had happened; and Mr. Blogumas' address was in Cleveland, Missouri. The City would need a very good monitoring system in order for the requirements set out in staff's report to be done. This hearing and application involved a community of people worried about their safety and their neighborhood.

Chairperson Norbury asked if there were further questions for the applicant or staff. Hearing none, he closed the public hearing at 6:12 p.m. and asked for discussion among the Commission members. Another person asked to make a comment, and Chairperson Norbury re-opened the hearing.

Ms. Iva Gilinsky stated that she wanted to answer all the comments and questions. She stated that three houses in the neighborhood were already being used via Airbnb. "Bed and breakfast" was not a correct category for the subject property; as they did not serve breakfast, a choice they made because the goal was to make money with the house. Mr. Blogumas had lost his job and the house was his only source of income and she was not

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sure why the neighbors were protesting about this one house. Mr. Cameron, a neighbor, had sent an email to Mr. Blogumas via Airbnb and she knew he used the website, so he might be concerned about competition. The people who used the service were decent educated and she had children and worked with the government in Washington, D.C. Despite what the neighbors had said Mr. Blogumas had come to City staff and no one was yet sure if this was a bed and breakfast homestay or inn, in terms of the host living in the house. He had been told by a City staff member that it would be better for him to not live in the house, as that would put the house in a different category. Now he was told this was not the right category; but he was willing to comply with the City's standard.

Ms. Gilinsky added that the complaints about cars and large numbers of people were based on a guest who had brought a number of other people with him without notice. At that point they could not do much other than whatever they could do accommodate over 15 guests. They did not get a call from the police or from any neighbor; and this happened twice but never after that. They now had two cameras in the house and had reduced the number of cars. Ms. Gilinsky added that on Independence Day week cars had been parked all through the cul-de-sac but she and Mr. Blogumas had not made any complaints. One of the incidents mentioned with a large number of people had actually been people attending her birthday party. The neighbors had not approached them to discuss the problems other than an angry letter from Mr. Carter. As for improvements, she had photos and other evidence that Mr. Blogumas had invested over \$100,000 in the house over the past 8 months; and they had not been aware previously that it was being used for parties. He did want to sell the house but had at present he was trying to get a lease via the mortgage. Foreclosure was the only other alternative. The neighbors were seeing only what they wanted to see; and had not mentioned any of the positive reviews from guests. They did intend to comply with the parking regulations as well as fire codes in respect to the basement bedroom. She did not have any record of police being called about the Airbnb guests, and pointed out that millions of people now used Airbnb and it was not illegal. Moreover, Lee's Summit did have a shortage of available rentals and this arrangement was a good one for people who traveled. She then mentioned that a neighbor behind them had commercial vans parked at his residence; and another resident on the cul-de-sac was a mechanic and had as many as six cars parked at one time. Others had sold cars from their home. Finally, the HOA was requesting over \$200,000 from the residents for cleaning the pond and she had checked on the price, finding a contractor who could do the work for half that. She had told the HOA but they had done nothing and had not answered.

Chairperson Norbury again closed the hearing, at 6:26 p.m. He thanked everyone who had attended for participating, but noted that remarks on both sides had been somewhat personal and antagonizing as well as not entirely relevant to the application. This is a new issue for the City that could not have been foreseen when Monarch View and other subdivisions were built. The UDO was not currently adequate to address the bed and breakfast alternatives that now existed, and this needed updating. The two prior applications had been in older neighborhoods with higher densities, although that did not mean a bed and breakfast business could not operate in a outlying subdivision. Many people operated businesses out of their homes, and guidelines and restrictions were intended to prevent any negative impact on surrounding properties and the neighborhood in general. Chairperson Norbury commented that he did not care for the disparaging remarks about renters, which this and other subdivision probably included; and this involved a residential use that might have crossed the line into a commercial use. He urged those present to be cautious about blanket judgments.

Nevertheless, he did not think that the principle of "easier to ask forgiveness than get permission" applied in this case. The apparent uses showed an intensity in terms of parking that could be a problem; and the circumstances of the neighborhood having no sidewalks and the HOA banning parking on the street suggested limitations on this kind of

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short-term rental. He added that residential subdivisions without sidewalks would not be allowed in present-day Lee's Summit. He intended to vote for denial on the basis of the use being too intense for this location; but the City would need to figure out how to address the proliferation of short-term rentals. That would have to include some maximum allowances for parking and numbers of guests.

Ms. Roberts said she also intended to vote for denial. This had been influenced by the Commission being asked to approve a Special Use Permit for a "bed and breakfast homestay" and she had not seen or heard anything indicating that was the use but rather a house rental that would not fit into this category. She agreed that the City needed to update the UDO concerning this type of business.

Noting the screening requirement in the UDO, Mr. Gustafson remarked that modifying that requirement for this location did not seem appropriate.

Hearing no further discussion, Chairperson Norbury called for a motion.

Ms. Arth made a motion to recommend deny Application PL2017-116, Special Use Permit for a bed & breakfast homestay: 2710 SW Monarch Ct; Anthony Blogumas, applicant; subject to staff's letter of July 7, 2017. Chairperson Norbury instructed that a motion needed to be to recommend approval or denial. Ms. Arth then amended her motion to recommend denial of the application. Mr. Funk seconded.

Chairperson Norbury asked if there was any discussion of the motion. Hearing none, he called for a vote.

A motion was made by Board Member Arth, seconded by Board Member Funk, that this Special Use Permit was recommended for denial to the City Council - Regular Session, due back on 8/10/2017. The motion carried unanimously.

Chairperson Norbury announced that this application would go on, along with the Planning Commission's recommendation, to be heard by the City Council, which would need a super majority vote to override it. People attending the hearing would have an opportunity to comment.

Chairperson Norbury announced a break at 6:35 p.m. The meeting reconvened at 6:45 p.m.

OTHER AGENDA ITEMS

[2017-1377](#)

Presentation on Multi-family Housing Needs Assessment Study for Lee's Summit, Missouri

Mr. Elam stated that staff had prepared this presentation with the assistance of a consultant, Vogt Strategic Insights (VSI), based in Ohio. He had given a similar presentation to the CEDC, although the numbers had changed somewhat since staff had received the final report. Not many multi-family housing starts had occurred during the economic downturn of the past decade. This changed beginning in 2014, when Northpoint presented the 309-unit Residences at New Longview. This project filled up very quickly. By 2016, Lee's Summit had at least five luxury apartment projects underway and discussions about saturation had begun by the end of that year. In March of this year, the City had issued an RFP for a market analysis, and VSI produced a draft report by May with the final draft finished in June. The study's purpose was to evaluate future market demand and support for new rental housing developments, with a specific focus on market rate and luxury multi-family demand. The study touched on affordable housing, as well as age restricted senior housing. It was important to include surrounding communities in order to evaluate the market as a whole and develop a 10-year forecast. These communities, and specifically the suburban market area, were Lee's Summit,

Independence, Blue Springs, Grandview, Overland Park, Olathe and Lenexa. Mr. Elam displayed a VSI map with these market areas color coded.

They had looked at a number of factors for a statistical trend analysis: population, age distribution, education, household characteristics, renter or owner, household income and housing values. These could be narrowed down to details such as when people were moving through the different housing options available. A field survey was done in order to take a look at the unit mix, vacancies, amenities, rent level and to determine the overall quality of apartment market. They had visited 27 projects in Lee's Summit, a total of 3,272 units; followed by 101 projects, with a total of 18,900 units in the other six suburban market communities. They had looked at factors like overall appearance, amenities, landscaping, and upkeep. The quality ratings for each place they visited ranged from upscale/high quality property ("A") to dilapidated and/or serious disrepair ("F"). The numbers they arrived at as the modern market mix and rate included only the projects rated A or B. The next map was color coded to show the locations of the projects in the suburban market area.

In the analysis the entire region showed an increase of population and household growth; but only Olathe showed a higher percentage growth in both population and households from the 2000-2010 census data. The greatest overall increase, about 21 percent in the next 10 years, was projected to be in the 65-74 year old age group. This would be accompanied by an increase in renter households. A demographic overview chart showed the Lee's Summit market area having a 5.5 percent increase in population and 4.4 percent increase in household formation between 2017 and 2027. Mr. Elam added that these were very conservative numbers, and the population could grow to as much as 100,000 by then. Much of this had been fueled by employment growth; and stable employment growth would be the main catalyst for additional market-rate housing.

At present the rental market had a 95.8 percent regional occupancy rate. A percentage over 95 was considered stable; while Lee's Summit's 98.4% occupancy rate was considered high and indicative of very strong demand. An analysis of the modern market rentals showed numbers of bedroom and bathrooms, square feet, range of rent and collected rent per square foot. The conclusion was that the demographic support for market-rate housing was supplemented by a 30 percent population increase from outside the area; although 70 percent came from existing households. Based on leasing requirements, they set a minimum eligibility for market-rate at a minimum of \$35,000 a year.

The next chart consolidated the findings into current and projected renter households and income-qualified renters, all for income ranges from \$10,000 and below to \$200,000 and above. The housing demand in 2027 was projected to be 2,319 units. A previous presentation had given 2,500 as the number; however, this was due to projects approved and under construction being counted. The additional 30% increase Mr. Elam had mentioned translated into 2,033 income-eligible renters added to the 4,743 Lee's Summit currently had, which added up to a demographic support base of 6,776.

Chairperson Norbury asked if that 2,319 number meant in addition to existing housing stock, and Mr. Elam answered that it did. He explained that with this demographic support base of 6,776, there were 2,304 existing modern units and 647 under construction with 1,506 currently approved through the preliminary development plan process. These three were subtracted from 6,776. Some assumptions were built in, such as all of the 1,506 approved units being constructed and the all of the existing modern units retaining their A or B quality level.

The senior households, defined as age 55 and over, could be served non-age restricted as well as age-restricted units. It did not include continuing care facilities or "buy-in" facilities such as John Knox Village. When units were age-restricted, 15 to 20 percent did well; and there would be a net 350 to 465 unit shortage.

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The study did deliver some conclusions about affordable housing. There was a clear pent-up market demand, both in Lee's Summit and around the country. The net support base of 3,836 income qualified renters was determined on the basis of 40 to 60 percent of area median household income. Many of this base lived in lower-quality market-rate alternatives, which did not include subsidized housing. Typically 10 percent of that base would respond to affordable alternatives, for an additional new 384 affordable housing units. Of the existing units, a net 42 to 61 were specifically for seniors. In conclusion, there was strong demographic support and market demand for additional rental housing in Lee's Summit; and additional modern alternatives could attract more rental households from outside. Again, these projections were considered conservative, as it was difficult to quantify changing housing preferences for age groups. The overall projected demand for market-rate housing was projected as 2,319 units, with 350 to 465 being for market-rate seniors (age 55 or over). Affordable housing would be 384, with 42-61 for seniors.

Chairperson Norbury asked for questions or comments from the Commission. Ms. Roberts asked if the 98.4% occupancy rate was only for luxury multi-family housing or across the entire market including affordable housing. Mr. Elam answered that it referenced luxury multi-family housing, and Ms. Roberts asked if he had the occupancy numbers for affordable housing. Mr. Elam answered that the purpose of the study was market-rate housing, not affordable housing. Chairperson Norbury added that according to the Housing Authority figures, there was a waiting list with about twice as many names as there were units. Ms. Roberts asked if the projects rated C or lower were considered affordable housing, and Mr. Elam answered that this was not necessarily the case as affordable housing could be rated B or A.

Ms. Roberts speculated that this could put some property owners in a position where it was not always in their financial best interest to keep their property at A level. If there was a pent-up demand for affordable housing situations might come up where it made more financial sense to drop the rents than to make needed improvements. Mr. Elam did not wish to speculate but noted that the 98.4 percent occupancy rate typically was for higher rents.

Mr. Gustafson asked if they had factored in the new Cerner Corporation campus, and Mr. Elam replied that staff had made VSI aware of it. It was in fact part of the stable employment growth projected to have a future impact. It was difficult to quantify, which was one reason for the emphasis on the numbers being conservative.

Mr. Funk asked if the A and B ratings were based on quality, amenities or location, and Mr. Elam answered that these were all factors. They were also looking at aesthetic considerations such as materials used, and at access to services.

Mr. Gustafson asked how these findings would fit into the Comprehensive Plan. Mr. Elam answered that at present Lee's Summit did not actually have zoning districts that just allowed multi-family development. An application for a multi-family development typically had to come with an application for rezoning or PMIX, which required a conceptual plan. The Comp plan currently had mixed use areas identified, but not multi-family residential areas.

Chairperson Norbury asked when the City Council would see this presentation, and Mr. Elam answered that it would be on July 20th. Chairperson Norbury remarked that the numbers were probably above what they were anticipated to be. He noted that the need for affordable housing units was far above what Lee's Summit currently had and well above the market-rate demand. It would be remiss and neglectful for the City to ignore that and focus on \$1,200 one-bedroom units all over town. He had worked with the Housing Authority on their new master plan process, and knew that finding a way to create additional affordable or subsidized units was a high priority. He strongly urged that staff encourage the Council to pay attention to this in addition to this part of the housing demand. He agreed that ignoring it did

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risk an increase in lower quality apartments whose owners had found that it was easier to find new tenants at a lower price than to do certain maintenance and improvements and keep rents high. Lee's Summit needed to increase its stock of affordable housing, and this was something the City had not paid attention to in decades, since the last Housing Authority project was constructed. He acknowledged that it was important to increase market-rate housing as well.

Ms. Roberts added that there was a market for housing that inexpensive but well-maintained. There was a significant difference between an apartment kitchen that had a new laminate countertop and one that had a cracked and stained granite countertop. Lee's Summit was more likely to end up with the damaged granite countertops if the demand for affordable housing was not addressed. She hoped that Lee's Summit would consider this aspect moving forward.

In conclusion, Mr. Elam stated that the entire study was available in the Publications and Reports sections of the City's website.

[2017-1378](#) Planning Commission Training

Chairperson Norbury stated that he would continue this item to the July 25th meeting, at the request of staff. He asked for a motion to continue.

A motion was made by Board Member Roberts, seconded by Board Member Funk, that the Planning Commission Training was continued. The motion carried unanimously.

PUBLIC COMMENTS
ROUNDTABLE

Mr. Elam announced that the CEDC would meet tomorrow at 4:30. He welcomed Mr. Joshua Johnson, who had started this week as Assistant Director of Development Services as well as Assistant Director of Planning and Codes Administration.

Mr. Funk complimented Mr. Soto on his work this month.

ADJOURNMENT

For your convenience, Planning Commission agendas, as well as videos of Planning Commission meetings, may be viewed on the City's Internet site at "www.cityofls.net".