

**AGENDA REPORT
PLANNING AND ZONING COMMISSION MEETING
June 5, 2025**

SUMMARY

A request by the City of Columbia to amend Sections 29-1.11 [Definitions], 29-3.2 [Permitted Use Table], 29-3.3 [Use-specific Standards], and 29-6.4(m) [Conditional Use Permit] of Chapter 29 of the City Code (Unified Development Code) pertaining to the regulation of residential dwellings used for the purposes of short-term rental (STRs), also known as AirBnBs or VRBOs. The amendments propose revisions to definitions specifically tailored to STRs, revisions to the permitted use table indicating what zoning districts allow STRs, and revisions to the STR Tier structure and conditional use permit requirements.

DISCUSSION

On February 5, 2024, Ordinance 025562 was adopted establishing Chapter 29 (Unified Development Code) regulations governing the use of a dwelling or structure as a short-term rental (STR) also known as an AirBnB or VRBO. The “effective date” of this ordinance was June 1, 2024, with a “full compliance” date of June 1, 2025. At that time, Council requested that staff prepare a “one-year” report on progress toward bringing dwellings being used as STRs into compliance. The requested “one-year” report was presented to the Council at their March 17, 2025 meeting.

The report offered several observations regarding the administrative impacts that adoption of the regulations has created on the staff, the Planning Commission, and the City Council. The report also noted that of the approximate 475 operating STRs within the corporate limits that only approximately 38 applications for licensure had been received. As of preparing this report, a total of 75 STR applications for licensure have been submitted. Of these, 3 were withdrawn, 28 have been for 120-night administrative STRs, and 44 have been for 210-night CUP STRs. On average no fewer than 2 calls weekly have been received with some weeks since the beginning of 2025 containing as many as 4-5 calls. On average engaging with an operator seeking guidance can range from between 30-60 minutes.

The processing of an STR application depends on the Tier of STR sought. Review of an administrative STR can take between 30-45 minutes to verify application content and often result in repetitive follow-up communications an applicant to ensure a “complete” submission has been received. While these applications are the least complicated they still often result in a combined expenditure of Community Development staff resources that can range between 2-3 hours. This amount of application processing time is not all that is expended in the STR licensure process. Staff from both the Housing and Neighborhood Services Department as well as the Business License Division of the Finance Department have personnel involved in ensuring full regulatory compliance. A conservative estimate of all expended hours to license an administrative STR is likely between 10-15 hours per application.

On the opposite end of the STR application spectrum are those submissions requiring a conditional use permit (CUP). Such applications involve a much rigorous review that includes:

1. Two public notifications (early & public hearing)
2. Responding to public inquiries (in-person, phone and/or email)
3. Preparation of a Planning Commission report and attendance at a public hearing
4. Preparation of a Council report
5. Preparation of legislation to enact the CUP
6. Action by Council at a public hearing
7. Application follow-up and distribution to other business units for final licensure

Not only are the above 7 steps necessary to process a STR CUP request, but the same application evaluation process for administrative STRs must be followed. Additionally, once a STR CUP is approved the licensure review processes of Housing and Neighborhood Services as well as the Business License Office must be completed. A conservative estimate of all expended hours to license an STR that requires a CUP approval is likely between 15-20 hours per application.

As a result of these observations, the report presented to Council on March 17 included several proposed modifications to the existing STR regulatory structure. These proposed revisions included:

1. Eliminating Tier 1 (30-nights)
2. Establish two Tiers of STRs with a single rental night limitation per Tier.
3. Reconsider when a conditional use permit (CUP) is required.

At the conclusion of the report presentation, Council directed staff to proceed in the preparation of the proposed revisions and engage with the Planning Commission to hold the necessary public hearing. Staff met with the Commission during its scheduled work sessions on April 24, May 8, and May 22 to go over and discuss the attached proposed regulatory changes governing short-term rentals.

The following is a summary of the changes made to the existing provisions governing short-term rentals. The proposed changes will affect Sec. 29-1.11 [Definitions], Sec. 29-3.2 [Permitted Use Table], Sec. 29-3.3 [Use-specific Standard], and Sec. 29-6.4(m)[Conditional Use Permit] of the Unified Development Code (Chapter 29) of the City Code.

Sec. 29-1.11 [Definitions] Revisions

The following definitions are to be **deleted**: “Long-term resident” and “Principal residence”.

These changes are proposed given the new STR Tiers have a single number of permissible nights and do not rely on this ownership or occupant differentiation. Furthermore, the change is intended to simplify the complexity of the application. Moving forward an individual applying for a license is either the “Owner” of the property or the “Authorized Tenant” of the owner of the property.

The following definition is being **deleted**: “Short-term rental (Tier 1)”.

This Tier of STR has been unused since adoption of the regulations is not believed essential to fulfill the licensing objectives. All 75 applications received to date have been for either 120-nights or 210-nights. Staff has explained the purpose for the Tier to operators, but none have expressed interest in it given its significant night restriction. As part of Commission discussion with respect to elimination of this Tier, it was concluded given the administrative provisions for obtaining a STR Certificate of Compliance as well as a Business License were not simplified elimination of the Tier was acceptable.

The following definition will be **added**: “Authorized tenant”.

This definition was necessary since a tenant was previously defined under the term “long-term resident”. The criteria to qualify as an “authorized tenant” (i.e. having a long-term lease for the dwelling) is unchanged from what was required when defined as a “long-term resident”. This change makes clear that both property owners and tenants of long-term rental dwellings have access to the STR licensure process.

All references in definitions to “long-term resident” have been modified to reflect “authorized tenant”. Additionally, the definitions for Tier 2 and Tier 3 have been modified to become consistent with their new Tier number, respectively.

Sec. 29-3.2 [Permitted Use Table] Revisions

The Permitted Use Table has been modified by the deletion of Tier 1 and to reflect that the remaining two Tiers of STRs are either “P” (permitted) or “C” (conditional) uses within their identified zoning classifications. The prior designation of “CA” (Conditional Accessory) has been removed given that use of a dwelling for more than 50% of the year as an STR makes that use the “primary” activity occurring within the dwelling.

These revisions are proposed to increase efficiency in obtaining compliance with dwelling unit licensure rates and to simplify the regulations generally by having a uniform maximum number of rental nights within each Tier. While a 120-night option does exist within proposed Tier 1, it is only likely to be used when a site cannot comply with the minimum parking standards needed to support higher occupancy levels and/or the operator does not desire to make site improvements to overcome the required parking impediment. The majority of the applications submitted have sought 210-night CUPs even while disclosing that within the past 12-months they were used less than 120-nights. The trend of obtaining the most expansive license and “growing into” it may be a driving factor for why operators are seeking the higher nightly limit.

Sec. 29-3.3(vv) [STR Use-Specific Standards] Revisions

This section of the STR regulations is where the most significant changes are proposed. The changes range from elimination of existing Tier 1 to a complete re-working of current Tier 2 such that the trigger for a conditional use permit is no longer based on “long-term resident” status or the number of annual rental nights being sought. Furthermore, changes to current Tier 3 are generally technical and include ensuring that it is clear that this Tier permits dwellings to be used 365-nights for STR purposes and under certain circumstances will require a conditional use permit. There was discussion with respect to removing the conditional use permit requirements for the M-OF zoning district; however, after significant discussion those changes were not pursued.

The most significant changes to the use-specific provisions have to deal with current Tier 2, future Tier 1. As noted, this Tier has been completely re-worked in an effort to simplify the licensure process by creating a single 210-night annual operation allowance and removal of the distinction between a “long-term resident” and “investor” operated STR. STRs in this revised Tier would fall into two categories of use – Permitted or Conditional.

The Permitted use category of new Tier 1, would allow applicants whose property is not impacted by being within 300-feet of another **licensed STR**, having open City Code violations, being within 1000-feet of a public school, and being capable of providing all required on-site/off-street parking to support guest occupancies greater than 4 would be eligible to obtain an STR license for 210-nights.

Additionally, under the Permitted use category of new Tier 1, an applicant would be capable of receiving a 120-night license for a maximum of four guests if the subject property did not comply with the general parking requirements. This provision is proposed to ensure all home owners, regardless of their on-site/off-street parking situation, can participate in the STR market. This licensure caveat was also included to off-set the loss of eliminating current Tier 1 which did not require any additional parking for a 30-night STR.

The Conditional use category of new Tier 1 is reserved for applicants and dwellings that trigger any of the following criteria: begin within 300-feet of another **licensed STR**, having open City Code violations, or being within 1000-feet of a school. Any application requiring a CUP must meet all regulatory required parking standards irrespective of the number of nights sought for licensure.

As side from the major structural changes noted above, remaining amendments to the STR use-specific standards are focused on clarity of each regulatory provision and/or removal of language that is no longer applicable given more than a year has elapsed since the regulations were initially adopted.

Sec. 29-6.4(m) [Conditional Use Permit] Revisions

The revision to this section of the UDC proposes to add the CUP criteria of “being within 1000-feet of a public school” to the Criteria of Approval that the Planning Commission and Council must consider specifically with respect to short-term rental CUPs as shown in Sec. 29-6.4(m)(2)(iii).

Conclusion

The proposed regulatory changes outlined above and shown within the attached amendment offer an opportunity to reduce the number of CUP applications that are processed by the City in relation to short-term rental dwellings. Of the 475 active short-term rentals only 72 have been licensed and of those 44 have require a CUP. If the current regulatory standards are maintained and the distribution of applications remains constant with 60% requiring a CUP, it is possible that 3,627 manhours may be expended to process 242 more STR applications. This expenditure of manhours appears to be disproportionate when considering the other pressing land use and regulatory needs that the staff, the Planning Commission, and the Council desire to engaged in.

The proposed revisions do not impact the core values embodied in the STR regulations. The changes do not remove the limitation on the number of licenses that an individual can obtain and there is no expansion of the maximum number of nights that a dwelling can be used as an STR in its respective zoning district. The proposed changes recast when a conditional use permit is required and make it clear who is eligible to obtain a license – either the property owner or an authorized tenant. And while the lowest Tier of STR usage is proposed to be eliminated, it is a Tier that has gone unused for a complete year and is unlikely to be used moving forward as a result of the other regulatory processes that must be met to obtain an STR Certificate of Compliance and Business License. The effort expended in succeeding to obtain these additional regulatory approvals is not seen as worthwhile with a 30-night STR; therefore, the applications received to date have sought either 120- or 210-nights STR approvals.

RECOMMENDATION

Approve the proposed text change as presented.

SUPPORTING DOCUMENTS (ATTACHED)

- Proposed Text Amendment

PUBLIC NOTIFICATION

Public hearing ad published within the Columbia Tribune on May 20, 2024. No correspondence has been received.

Report Prepared/Approved by Patrick Zenner