

Questions and Feedback from Short-Term Rental Public Information Meetings - Round Two

Tuesday, April 17th at 3:00 p.m.

INFORMATION:

- Based on the City of Columbia Lodging ordinance and how the lodging tax is applied, the definition of a Short-term rental (STRs) could be, at the most basic definition, somewhere you stay for less than 28 consecutive days.
- In March 2018 - over 1000 nights at over 100 different properties were booked in Columbia on AirBnB.
- STRs could easily be rolled into rental inspection ordinance (Chapter 22) to join other properties already being inspected. Need to start defining them in code.
- Many traditional rentals are being used as STRs right now.
- Many other cities don't have an established rental inspection program so that's most likely why they haven't folded them into STR programs/regulations.
- If we come up with registration, occupancy, or inspection for STRs, that will let the community know where we are and what is allowed. Don't want to be too limiting on short-term rentals.
- In the report: Will ask to lower number of rooms on ordinance laws and include STR language in the ordinance; consideration of tiered taxes.
- We don't have a way to tell someone they can't sign up with an online platform. We're taking this to City Council and it will take a long process for both online and offline STRs.
- Will send report to City Council and you will be informed of when it goes with an email. Trying to aim for May 7th, but might be later in May.

QUESTIONS AND ANSWERS:

Q: Why hasn't Community Development determined whether STRs are a hotel or rental and enforced the related codes? Why are they allowed to operate?

A: Because there is no classification so there's nothing to enforce.

Q: When the University of Missouri rented dorms, did they bring that to the City? Did they have regulations?

A: Let City know they were going to do that and paid all taxes. It was temporary and they don't fall under our codes and regulations.

Q: It seems we've gotten into two separate discussions: taxes and regulation. Can CVB or City require platform to start collecting taxes

A: The report will have to separate out the two topics for different paths regarding taxation and zoning (Chapter 29). There is some conditional use languages in the new

zoning code, and there will have to be lots of conversations about occupancy, parking, zoning, code, etc. Will eventually have to be a process that goes through Planning & Zoning. There's no reason to regulate something that isn't a problem, so we need feedback and direction from City Council.

Q: Who regulates hotels currently?

A: The City goes in and does an inspection. The Health Department and Fire Department execute those activities.

Q: Is the reason you are doing this because you want the money?

A: We originally approached this topic because the current city lodging ordinance defines a hotel as 12 rooms or more. We wanted to be prepared because if something ever happened statewide, we wouldn't be able to change our ordinance after that happened. We would like to lower the ordinance to 3-5 rooms. It may not be a lot of tax revenue now, but this is a growing industry that we needed to get ahead of.

Q: If a new term was agreed upon, could it be inserted into the code?

A: Yes, term or terms. Single room v. whole house, Year-round v. occasional, etc. May have to tier for certain allowed uses based on how it's used. We need to make sure that no matter what that terminology is consistent with anything that might be done statewide.

Q: How does CVB fit in the City organization?

A: The CVB is a department of the City of Columbia.

OPEN FEEDBACK & COMMENTS:

-You're saying let's go forward and do all these AirBnBs; for Tim Teddy, you can't just go into planning department and decide on your use. There has never been a let's let it happen until we figure out what to do. Instead of saying, "We have to make a platform agreement" why not tell hosts "You have to sign up with a platform we have an agreement with in order to be legal."

-Use framework rather than regulation. Thought behind the association idea would be to connect hosts because there isn't another way to connect with them.

-I agree that voluntary host group to get together and share information is great so that hosts can put out a good product. But we do need regulations so that the City and citizens know what is expected. Occupancy and financial are the two biggest issues. Want to encourage people to come to the city but need to look at how we're impacting our citizens. This is a new endeavor that's come along so there needs to be a documented ordinance.

-Thank you for having the meeting and taking the time. This is an issue that's not going away.

- Occupancy code now speaks to unrelated occupants and it puts us in a gray area for fair housing. So now I advertise by bedroom number and evaluate during application process. With STR, you rent based on number of people who can stay in the unit, but there's no way to say, "You can have a family of five stay here, but not five unrelated people." So I like the idea of so many people per room for STRs.
- In apartment lingo, short-term rental is anything less than a year. Not sure if I have a better term.

Thursday, April 19th at 6:00 p.m.

INFORMATION:

- Right now the code is not clear regarding STRs, so that will be shared with City Council.
- Some STRs are already complying with rental inspections
- In March 2017, there were 545 listing nights booked at 64 AirBnB properties. In March 2018, there were 1464 listing nights booked at 133 properties.
- As far as enforcing occupancy in residential areas with STRs, that is difficult to do.
- City of Independence in the same situation we are and is looking at rules. They are considering restricting to owner-occupied STRs.
- Our recommendations are pretty open right now. What we want Council to consider:
 - Right now the ordinance defines lodging property at 12 rooms or more. Asking to lower number of rooms, will ask for guidance. Will also ask STRs to be given a separate definition in an ordinance. Also possibility of tiered system. Will use extra funds to continue to promote Columbia destination at the CVB. An idea of forming an STR association was brought up at first round of meetings. The CVB thinks that is a good idea and would support/assist with that.
 - Currently the difference between a STR and traditional B&B is that the traditional B&B is considered a "lodging establishment" and as such is subject to license and inspection by MO Dept. of Health and Senior services. STR's do not have those requirements.
 - AirBnB is launching a tool for meeting planners - [Article Link](#)
- This is a pre-internet activity that's now exploded because of the internet. In the interim before decisions are made, as far as enforcement of occupancy, many of these houses are not falling under any ordinances.
- Some hotels are using AirBnB and so are some of our larger apartment buildings.
- On the occupancy topic, we would be curious to learn what other communities are doing, and that will be part of the research. If there was a registration component, that would be part of the agreement. Need to lay out expectations via ordinance. People want to do the right thing and play by the rules, so we need to tell them what the rules are.
- Will send report to City Council and you will be informed of when it goes with an email. Trying to aim for May 7th, but might be later in May.

QUESTIONS AND ANSWERS:

Q: What are the CVB's thoughts on the safety for individuals and hosts and neighborhoods?

A: All of the City departments involved in this discussion think safety is a priority. However, the City does not plan on being in the business of vetting people to host or visit.

Q: Have you looked at other towns and what they're doing for regulations?

A: We have looked at other comparative college towns, but many are where we are. Austin and Asheville have both worked on this topic, but many that are comparable have no regulation. Lawrence and Manhattan have just barely started.

Q: Some places use conditional use permits, is that something you're considering? How that different from regular inspections?

A: We are considering it only in that it's being used elsewhere. Some places are using conditional, special or temporary permits based on the community. This will be in the report as an option and it would be a different track to get the permit that would be more simple.

Q: You mentioned that this will split into a tax side and regulation side. Will one be resolved faster than the other?

A: There is no way to tell at this time, but we will take as long as we need to in order to do this right. There may be some interdependency and could end up on the same track, we will separate if it helps with public input so people can comment on each side of the issue.

Q: Aside from taxing, what are the drivers behind this process?

A: Started out with conversation with MHLA and found that this isn't something that's going away, it's something that's growing. Looked at current ordinance. Wanted to update it and tighten definition of hotel. Didn't want to be left behind moving into the future. Had to bring in other departments to have the conversation. Market was much bigger than I thought it was. We get occupancy info and the STR market has just continued to grow. Hotels and STRs are both partners to bring people to Columbia. People pick the destination first, then the lodging. We want to offer them an experience and STRs are a part of that.

Q: What will the City do to enforce things currently?

A: At this time, the best course of action is to call the police.

Q: What about for family guests? Are we going to reach the point where we can't have those?

A: No. There is no money exchanged for these types of visits.

Q: Realistically, what is the timeline?

A: If STRs are going to be treated as different type of residential, we will need to collect some data and opinions more thoroughly. And we still don't have direction from Council. We don't have a preconception of how long this will take.

Q: What if we advertise something for the future and rules change between now and then?

A: Like with anything else there will be period of transition. Won't have a cut off.

Q: What would a registration fee be?

A: No direction on fees now or registration. Any related fees are for administrative costs.

Q: How will you collect data for research?

A: We will use online data that's available, potentially some surveying and other opportunities to collect information.

OPEN FEEDBACK & COMMENTS:

-I have visiting nurses - they're not here for tourism.

-You could grandfather in all current hosts unless they've had a complaint.

-There is a big difference between someone who owns a house that doesn't live in it and uses it for a STR and maybe the neighbors are worried and an owner-occupied home. I would like to see that considered for taxation and regulation.

-I've talked to my neighbors, many have roommates to fill unused space. Hosts I know are owner occupied. Could this be an exemption to the tax? We're fulfilling a need for safe, clean spaces for people to stay at a reasonable cost. That could be many percents in addition.

-At some point, I will open up my house for a few days to STR and I won't living there. You're saying it's safer if the owner's on site, but that's not necessarily true.

-Having a property used in some manner means it's not vacant and I'm there taking care of it, so it's not being vandalized.

-Collecting lodging/sales tax, if you don't go through online platform, that opens up many other issues. Would have to be collected and calculated by the host. Sometimes it's economical to go outside the platform if you have regular guests. If you're going to write an ordinance, you have to make it doable.

-Seems it would be safer to have a house that's not your primary residence would be inspected. Not everyone online is or wants to be. If public safety is the key, the owner

shouldn't be allowed to live there either. If it's really about public safety, then that's the logical conclusion.

- People would agree that public safety is important. The smaller, owner-occupied hosts are a different class.

- AirBnB insures the host as part of the service. Looked it up, AirBnB protection extends to third-party liability as well for damages to neighbors during a short-term rental. Renters often don't have the same third-party liability for long-term rentals.

- I think that Columbia has such a variety of offerings makes our community better and stronger because people can get what they want. We don't want regulations to kill what we're doing.

- We don't want to regulate it to death and be a place where you can't do this. We're learning and meeting new sector of the community. Hoping we can keep moving forward together.

- When hosts give people good experience, it makes them want to come back