

Short-term Rentals Draft Regulations Questions w/Response

(Submitted via BeHeard Public Engagement Oct. 27 – Nov. 27, 2023)

Q. Does this pertain to yearly renters? They can be considered tier 3, as they fall under over 120 days? Thank you

Karie

Traditional rental properties (annually leased) are not subject to the proposed regulations **unless** the individual renting the dwelling is proposing to utilize it as an STR. The proposed regulations do permit a dwelling's "long-term resident" (i.e. owner or tenant) to seek licensure to use the dwelling as an STR. If a tenant were to seek licensure they would need authorization from the property owner first. If licensed, the dwelling would be subject to the rental day limitations applicable to the zoning district in which the dwelling unit were located.

Q. What is the justification for only allowing a person/entity to have one STR permit? According to the code, it seems it would be totally acceptable for someone to create an LLC specific to each property and have multiple permits held by multiple LLCs, all of which are owned by the same person. So is the idea just to force people to go through hoops to circumvent the "one-per-owner" restriction? It makes no sense, whatsoever.

Mikesy

The regulations contain a single licensure provision to ensure that no one operator is acquiring multiple properties, potentially along a single block, to operate as 'commercial' businesses. There was further concern that without such a licensure limitation the total number of dwellings purchased and subsequently converted to STRs would further impact the availability of attainable housing (ownership or rental) within certain neighborhoods of Columbia. To address possible circumvention of this regulatory limitation, the licensure process will include an LLC disclosure affidavit and review of an LLC registry. Both of these forms will be developed following adoption of the proposed regulations.

Q. How can you justify (And avoid grandfathering) taking away property rights from property owners who had the right to rent out there properties as STR when they bought the property? Any talk of it being illegal in the past is not true. There have been no regulations for STR's hence this proposed legislation.

Mspence1290

Short-term rentals (STRs) are not a recognized land use within the City's zoning regulations. Those presently in operation are doing so unlawfully. The City has chosen to not pursue enforcement action against those in operation in light of the on-going efforts to implement regulations. The lack of regulations relating to STRs does not automatically mean they are a permitted land use activity. The City is permitted to adopt land use limitations that are intended to protect the public's health, safety, and welfare. The

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proposed regulations provide a pathway for any operator of an STR the ability to legally license at least one (1) such property. Furthermore, the proposed regulations recommend a 365-day window for any operator to bring their STR into compliance with the proposed standards. As presently proposed, the regulations will require any operator with more than one STR to repurpose those dwellings back to their former non-STR use. The Commission contemplated the potential hardship that this may create and proposed the 365-day compliance period to allow for appropriate steps to be taken.

Q. If your business has an occupancy rate greater than 51% in a calendar year, and it exceeds the number of days allotted in the definition of Tier 2, is there an appeal process to the number of days (120) in a calendar year? Who will oversee and provide oversight management (enforcement) if a short-term rental exceeds the allotted number of days in a calendar year? Or, will this be an expectation of the business to self-report the number of days?

Randall Kilgore

At this time the proposed regulations do not include an appeal procedure to allow a Tier 2 STR to be operated more than 120 days. Based on the proposed regulations, the type of operation you describe would be considered Tier 3 and would only be permitted in the M-N, M-C, or M-DT zoning districts “by-right” or via a conditional use permit (CUP) in the M-OF district. The STR licensure, granted by the City, will stipulate the maximum number of days of rental authorized. The licensee will be expected to adhere to the limitation or be subject to licensure revocation. At this time the methods for tracking the number of rental days has not been fully determined.

Q. Was there any investigation into the current operations of the STR’s in Columbia? Or were there assumptions made about how and when STR’s are used by guest. I think if you look at the data you will see that there are many reasons people use STR’s in Columbia. Not just major events. And the 120-day limit is not sufficient for STR’s to serve the STR rental needs of the city. By lowering the rental limit you increase the number of properties needed to satisfy demand.

Mspence1290

In the development of the proposed regulations, Commission consideration was given to the multitude of reasons for why short-term rentals (STRs) are used within Columbia. Consideration of establishing rental day limitations was initially based on the number of football weekends (Friday-Sunday) annually, plus 6 days. After further consideration of the other activities (MU events, festivals, etc) occurring annually within the City and what was believed to constitute a commercial use in a residential neighborhood, the

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Commission concluded a maximum of 120 days of rental annually was appropriate. The choice of 120 days was supported by peer ordinance evaluation and consultation with other STR industry representatives.

It is important to note that any rental of a home to a guest for a period greater than 30 consecutive days is **not** classified as an STR, but rather a long-term rental which is not regulated by the proposed standards. The Commission's choice to establish the 30, 120, and unlimited rental day limitations was borne out of the belief that as rental days increase so does the 'commercial' nature of the operation and its impact on the neighborhoods in which they are located.

Q. What is the true estimate of additional expenses the city will incur due to enforcement of this regulation?

cgwalke2

While costs for implementation of the proposed regulations have been discussed, at this time there is not an estimate of what they may be. What can be confirmed, is that multiple departments with current staff resources will be utilized to assist in implementation of the regulations under consideration. Future and on-going costs will be dependent on the type of regulations ultimately adopted by City Council, the enforcement strategies employed, and any potential outside services contracted to administer/monitor particular aspects of the regulatory standards.

Q. From an equity perspective, how has the city reached out to the following subgroups of residents when a significant number of our neighbors directly affected by the decline in available housing are less likely to have digital access or digital savvy to participate in this public input process? For example, 1. Seniors without digital access or digital savvy who live in the neighborhoods immediately surrounding downtown; 2. Parents and their children without digital access or digital savvy who are on the edge of homelessness and are struggling to find a landlord to accept their housing choice voucher; 3. Neighbors without either digital access or digital savvy who have short term rentals on their street and have already been worn down by the party behavior of the earlier guests and have given up because they have no one to call or no way to reach the owner to insist and enforce better behavior, this is what I refer to as 'East Campus scenario', or the 'Brookside scenario', i.e. namely, since it makes no change in the outcome for a responsible neighbor to complain, they have stopped complaining. How are you adjusting/weighting the compilation results of your now closed survey (please publish the

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questions offered and identify the ward, county, and location of the persons who responded to the survey questions) to reflect the inherent bias that people who have had the ability to respond online, digitally, with digital savvy, and who are financially biased towards less regulation because they are outside investors, or unhosted owners, or the realtors who are delighted in a slowing market to pick up this profile of customer/client who make money buying/selling/gentrifying properties? Rigel Oliveri, national scholar in the area of fair housing, just last week, during a city sponsored meeting, recognized the difficulty that outside investors are causing in our local market as an unquantified, ill-defined, and unmeasured, fair housing issue. Respectfully submitted, Pat Fowler NCCNA Board President 573-256-6841 voice and text Our boundaries are Business Loop to the North, College Ave to the East, Walnut to the South and Providence Road to the West.

patfowler4firstward

The City of Columbia has undertaken several methods to engage the public on this matter. Foremost, this topic has been placed on the City's preferred public engagement platform BeHeard. Additionally, we have used traditional newspaper advertising (2 insertions), a press release, two email distributions to over 34,000 individuals including registered neighborhood associations, the Planning Commission listserv, the Chamber of Commerce/CVB listserv, Board of Realtors listserv, Housing Programs listserv, and Nextdoor (a community-wide forum with over 31,000 registered individuals). This level of outreach significantly exceeds that of any typically performed for other types of regulatory amendments proposed by the City.

Utilization of electronic forms of communication, while potentially not fully accessible by the members of the community you reference, is general standard practice with regulatory initiatives such as this and is viewed as the most efficient/cost effective means to reach the largest numbers of residents. The use of traditional media formats to communicate to those not having electronic forms of communication can always be improved. Within each communication distributed, the public has been given the opportunity to present comments via Beheard, by email, or by written correspondence. This proposed initiative has attempted to solicit public comment in as many forms as possible over a 30-day public review/comment period. This topic will also require public hearings before the Planning and Zoning Commission and City Council that are open to any member of the community at which they can offer public comments.

This topic has been the source of community discussion for over 5 years. The current draft has been prepared with consideration being given to the impacts that short-term rentals (STRs) have upon neighborhoods and the availability of attainable (ownership or rental) housing community-wide. The lack of adopted regulations has contributed to the frustration and feeling of hopelessness expressed. The proposed regulations would limit the potential conversion of the existing housing to STR usage, but is not a solution to the issue of landlords not accepting housing choice vouchers which is beyond the scope of this regulatory initiative.

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With respect to access to the survey questions used to gauge community interest regarding the regulation of STRs and respondent information, this can be found under the “New and Noteworthy” section of the City’s Community Development Department – Planning and Development webpage. The results of the engagement were also published as part of the May 4, 2023 Planning & Zoning Commission’s work session agenda and again as part of the July 24, 2023 Joint City Council/Planning & Zoning Commission agenda. Both agendas can be found at <https://www.como.gov/boards/planning-and-zoning-commission/> by scrolling through the list of Planning and Zoning Commission Meeting listed on the page.

Q. I have an Airbnb in R1. According to the draft, I’ll be turning it into a long term rental. What’s the timing for all this implementation? I have bookings out 6 months and will have to pay Airbnb for cancelling those bookings.

Kvncbrntt

Actual implementation of the ordinance depends on the Planning and Zoning Commission and City Council public hearing processes. A public hearing before the Planning Commission will occur on December 7, 2023. If action is taken on December 7, this matter would be scheduled for introduction before City Council on January 16, 2024. Final passage by City Council could occur as soon as February 5, 2024.

The "public hearing draft" proposes to allow 365 days from the "effective date" (i.e. day of adoption by City Council) for any STR to become compliant with the provisions of the ordinance. Council reserves the right to shorten or extend this recommended compliance period.

Given your intention to convert the dwelling to a compliant "long-term" rental you will need to register the property with the Office of Neighborhood Services and ensure compliance with the provisions of Chapter 22, Article 5 of the City Code. A lawful "long-term" rental must be issued a certificate of rental compliance.

Q. In the draft regulations, definitions Tier 2 and Tier 3 number of days in a calendar year are mentioned as 120-days and 180-days respectively. How were those numbers derived? Are they arbitrary numbers, or were they determined based on some assumption or criteria?

Randall Kilgore

A Tier 2 STR allows all dwellings to be rented for a maximum of 120 days in a calendar year. A Tier 3 STR does not have a maximum limitation, but rather allows a dwelling in certain non-residential zoning districts to operation 365 days in a calendar year. The decision to limit allowable rental days within particular zoning classifications was driven by an analysis of Columbia's local events, looking at peer city ordinances, considering the impact of affordable housing loss (rental or purchase), and

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the belief that residential neighborhoods were not created for commercial business operations. Based on existing local events such as football Saturdays, festivals, and graduations it was concluded that 120 days was a reasonable use of a dwelling for commercial purpose in a residential neighborhood. Exceeding 120 days was seen as "true" commercial operation not compatible with the underlying intent of the residential zoning districts.

It is worth noting that the proposed regulations do not apply any rental greater than 30 consecutive days to the same individual. Such a rental would be considered "long-term", not subject to accommodation taxes; however, would be required to be licensed under the provisions of Chapter 22, Article 5 [Rental Conservation Law] of the City Code. "Dual" registration of a dwelling **is permitted** by the proposed regulations and would allow an owner the flexibility in serving both short-term and longer-term guests.

Q. In the DRAFT regulations, page 2, Short-term Rental (Tier2), how was the number of days in a calendar year (120 days) determined? Is it an arbitrary number, or based on data that would suggest that should be the limiting number?

Randall Kilgore

The decision to limit allowable rental days within particular zoning classifications was driven by an analysis of Columbia's local events, looking at peer city ordinances, considering the impact of affordable housing loss (rental or purchase), and the belief that residential neighborhoods were not created for commercial business operations. Based on existing local events such as football Saturdays, festivals, and graduations it was concluded that 120 days was a reasonable use of a dwelling for commercial purpose in a residential neighborhood. Exceeding 120 days was seen as "true" commercial operation not compatible with the underlying intent of the residential zoning districts.

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Q. What is considered a STR? I know you have total days rented but for a property rented to the same person for 3 months would that be considered a STR?

GHagen

A dwelling that is rented greater than 30 consecutive days to the same individual **is not** considered an STR by the proposed regulations. Such a rental would be considered "long-term", not subject to accommodation taxes; however, would be required to be licensed under the provisions of Chapter 22, Article 5 [Rental Conservation Law] of the City Code. "Dual" registration of a dwelling **is permitted** by the proposed regulations and would allow an owner the flexibility in serving both short-term and longer-term guests.