



Department Source: Community Development - Planning

To: City Council

From: City Manager & Staff

Council Meeting Date: June 5, 2023

Re: Short-Term Rental Regulations Update – Report

## Executive Summary

This report has been prepared to provide Council with an update on the public engagement efforts and responses obtained relating to the on-going regulatory efforts to address short-term rentals within the City of Columbia. The report is for informational purposes.

## Discussion

### **Background**

On December 19, 2022, a joint work session of the Council and Planning Commission was held to discuss the latest version of proposed regulations pertaining to the issue of short-term rentals (STRs). This activity follows the original preparation of standards on the same topic between 2018 and 2019. An ordinance was introduced in November 2019 which was subsequently amended, remanded to the Commission, and then removed from further consideration by Council in December 2020. At the time of its removal, Council requested that a new simplified ordinance be prepared that also evaluated the impact that such operations have on the City's affordable housing stock.

At the conclusion of the December 19, 2022 work session, Council directed the Commission and staff to obtain additional public input on the proposed regulations. Following the work session, staff, after consulting with the Commission, began the process of preparing questions for the collection of public input via the City's BeHeard public engagement platform as well as other traditional means of data gathering. A delay was encountered in the release of the BeHeard engagement notice (i.e. survey) due to staff awaiting information from the Commission relating to its data research that was provided to Council as part of its December 19 presentation. Notice of the request for public comment was posted to the BeHeard platform on or about February 15, 2023 and was left active until March 24, 2023.

The discussion that follows provides a summary of the public engagement results that were obtained over the course of the six-weeks that the engagement was left open on the BeHeard platform.

The following results have been shared with the Planning Commission during its May 4, 2023 work session. At the conclusion of that meeting, it was agreed that additional analysis of the written responses (Appendices II through V, attached) is necessary and that an additional meeting with Council to discuss the engagement results would be worthwhile prior to further public hearings on the regulatory amendment process occurring.



## **Public Engagement Process**

In response to the Council's direction and after conferring with the Planning Commission, Planning Division staff prepared a 7-question non-statistical/non-scientific survey (i.e a questionnaire) intended to discern public opinion relating to general regulation of short-term rentals and the preservation of affordable housing. The questions asked were intentionally broad and intended to capture public opinion toward possible STR regulation based on the topics generally contained in the Planning Commission's prepared regulations. The questions were not intended to capture more specific views.

To capture more opinions on the specifics of the proposed STR regulations, respondents were strongly encouraged to review the draft regulatory standards which hyper-linked to the BeHeard announcement and submit written comments to ensure that their thoughts were properly communicated to the Planning Commission and Council. Staff provided this encouragement as part of the descriptive "lead-in" paragraph that described the purpose of the engagement activity.

The survey asked the following yes/no questions:

- Do you presently offer any residence you own or rent as a short-term rental?
- Do you support limitations on the location of short-term rentals?
- Do you support limitations on the number of short-term rental licenses a property owner or authorized tenant may obtain?
- Do you support minimum regulation standards for short-term rentals?
- Do you support preservation of affordable housing within the City?
- Do you support limitations on the number of days a dwelling unit can be rented for short-term rental collection?
- Should such a day limit be established based upon the location of the dwelling?

As noted, public input was collected through the BeHeard platform. The survey was promoted widely, including the following avenues:

- Planning Department, Neighborhood News and Activities, and Housing Programs listservs (458, 480, and 600 members respectively)
- Nextdoor, an online service designed to bring neighbors and neighborhoods together, with 20,970 households currently registered
- Press releases
- City of Columbia social media platforms (Facebook, Twitter, Instagram)

The initial survey contained only the first five (5) questions identified above, and directed respondents to submit written comments to the Planning email ([planning@como.gov](mailto:planning@como.gov)) without providing an option within the BeHeard platform.

Input from the public led staff to add the option to submit written comment through BeHeard, revise the original five (5) survey questions to reduce ambiguity, and add questions 6 and 7 (as optional) regarding a day limit for renting STRs. BeHeard respondents who



provide responses the initial five (5) questions were contacted, via emailed, and offered the opportunity to resubmit their answers.

Responses to the BeHeard announcement were collected for a period of six weeks which closed on March 24, 2023. The engagement effort resulted in a total of 434 individuals submitted survey responses. In addition, 54 written responses were submitted, 28 through BeHeard and an additional 26 via the Planning Department email.

## **Response Analysis, Methodology, and Findings**

### ***Survey Response Analysis -***

Responses to the seven survey questions were aggregated by the following parameters:

- Overall responses
- Respondents by City Council Ward
- Respondents indicating they own STRs
- Respondents indicating they do **NOT** own STRs

During the survey review, it was noted that approximately one-third (1/3) of the respondents had not disclosed or knew what Ward they lived in, so additional analysis was conducted comparing overall results with those that did and did not disclose a Council Ward.

Based on the analysis of the data received, respondents were generally:

1. Not supportive of limitations on the location of STRs (63% against)
2. Not supportive of limitations the number of STR licenses held by an individual property owner (60% against)
3. Not supportive of limitation on the number of days an STR could be rented for revenue collection (71% against)
4. Strongly supportive of regulations that preservation of affordable housing (74% in favor)
5. Mildly supportive for minimum registration standards (59% in favor)

The findings presented above, for the most part, hold true throughout the aggregated analysis although there is some variation between Council Wards. For detailed analysis of all findings, please see **Appendix I** (attached).

During the May 4, 2023 Planning Commission work session, Commissioners expressed concerns that inclusion of responses received from individuals who were not residents of the City should be excluded from the staff's analysis. In response to this concern, staff performed another analysis separating out those respondents (54 total) that indicated they did not live in City limits from the overall results. The result produced by this additional analysis did not yield any substantial difference from the original results.

### ***Written Response Analysis -***



Written responses were evaluated by how they were received, with one group from BeHeard and the other from the Planning email. Staff evaluated these responses to identify common opinions, questions, and observations. ChatGPT (an artificial intelligence (AI) software) was used to enhance this review and clarify responses by entering the raw responses and then using the prompt “Review the following text and provide a summary of the comments”.

The summarized responses were then in turn re-entered into the software using the same prompt to generate the overall summaries that are provided below. Both the full and summarized responses from BeHeard and the Planning email are included in **Appendices II through V**. Please note that AI was used as a tool to enhance the review of the written responses—staff reviewed all ChatGPT-generated responses to ensure accuracy and edited as needed to correct for issues with interpretation and context.

The following are the overall summaries of this text analysis:

- **Summary of BeHeard responses:**

Based on the public input received, the most common opinion of short-term rentals is that they offer benefits to the community such as providing affordable housing, boosting the local economy, and creating job opportunities. However, there is a lack of consensus on how to regulate them. Some support limited regulations, such as conditional licensing systems and fees to fund city oversight, while others oppose stricter regulations on the number of rental days or limiting the number of properties an owner can have. There are also concerns that regulations may negatively impact affordable housing or unfairly punish all STR operators for the actions of a few. Overall, the opinions expressed suggest that STRs can be beneficial but require careful consideration of the regulations that are put in place.

- **Summary of [Planning@como.gov](mailto:Planning@como.gov) responses:**

The most common opinion expressed in the emails received is that short-term rentals should be regulated, but the proposed regulations should be reasonable and not infringe on property owner rights. Many authors expressed concern that the proposed regulations are excessive, unnecessarily complicated, and may impact their constitutional rights. They advocated for regulations that treat short-term rentals in the same way as long-term rentals and do not place undue financial or administrative burdens on property owners or city staff. Some authors also argued that short-term rentals are important for the local economy by providing additional accommodations for visitors. However, there are some differences in opinions on specific aspects of regulations, such as the use of 30 and 120 days to determine the amount of "business" being handled by the property or the need for surcharges on short-term rental conversions.



Planning staff presented the survey and written response analysis and summaries at the Planning and Zoning Commission work session on May 4, 2023. The PZC shared the following concerns during the discussion period after the staff presentation:

- PZC members expressed concern regarding the response rate of the survey as well as the number of written comments received. The small number of responses compared to the overall population of the City of Columbia was the main issue. Staff observed that these results are one part of the ongoing input on the process, which will be enhanced with further public input from public hearings and supplemented by all input received since the process began.
- PZC members also commented on the general nature of the seven survey questions, and that the survey may have been better had it asked more specific questions. Staff observed that the survey was designed to capture an overall snapshot of the public's feeling toward short-term rental regulations, and that written responses were strongly encouraged to help capture more in-depth observations.
- Several PZC members took issue with the City's use of the BeHeard platform—the consensus opinion was that members of the public may not be responding to the survey because BeHeard does not offer an option to respond anonymously.
- There was discussion regarding the definition of “minimum regulations”. Several members felt this was not clearly defined.

Given the questionnaire results from the BeHeard platform, the written public comments, and the concerns expressed by the Commission it would appear that this topic may require additional discussion prior to proceeding to a public hearing. At the closure of the May 4, 2023 work session, staff recommended that the Commission and Council seek to meet again in a joint-work session such that a clearer understanding of outcomes is established. It was further recommended that no additional public hearings on this matter be held until after the fall academic term begins such that all community members are available to participate in future hearings.

The delay in holding formal hearings was seen as an opportunity to review, in greater depth, the written responses to the engagement activity and consider possible ordinance revisions to reduce areas of expressed concern.

## Fiscal Impact

Short-Term Impact: N/A

Long-Term Impact: N/A



## Strategic & Comprehensive Plan Impact

### Strategic Plan Impacts:

Primary Impact: Not Applicable, Secondary Impact: Not Applicable, Tertiary Impact: Not Applicable

### Comprehensive Plan Impacts:

Primary Impact: Land Use & Growth Management, Secondary Impact: Livable & Sustainable Communities, Tertiary Impact: Economic Development

## Legislative History

Date	Action
12/19/22	Joint Council-Planning Commission work session

## Suggested Council Action

Report is provided for information purposes.