

MEMO

DATE: June 14, 2019

TO: Planning Commission Members

FROM: Patrick R. Zenner, Development Services Manager

Re: Short-Term Rental Regulations – Follow up

The Planning and Zoning Commission last discussed the above referenced topic during its March 21, 2019 work session. This discussion followed the March 7, 2019 Public Input session on the Draft #3 of the proposed regulatory changes to incorporate standards into the UDC to address the rise in STR properties in Columbia. The creation of a set of UDC standards has been requested by Council and is related to proposed changes within the Lodging Tax.

Concerns expressed during the March 7 and previous listening sessions has been varied from a desire to not regulate STR to creating regulations that are more similar to or part of the current Rental Conversation Law currently in place for other rental housing. The development of the regulatory provisions has been challenging with an apparent impasse being reached on how best to balance R-1 neighborhood protections against the ability of a property owner to legally use their residence as an income property on a temporary basis.

As has been previously discussed, the development of regulations is within the purview of the City of Columbia. Several peer cities have adopted regulations that are either more or less stringent than those proposed in Draft #3. Some cities have an outright ban on STR's. It is staff's belief that the proposed regulations shown in Draft #3 struck a compromise; however, can be improved.

Given that the pending regulatory standards are an amendment to the UDC the Planning Commission is required to provide a recommendation to the City Council. The Commission could choose to submit a recommendation to do nothing, adopt standards that rely on the current Rental Conversation Law, modify the regulations presented in Draft # 3, dated March 1, 2019, or a combination of any of these actions.

The issue of changing the Lodging Tax language and expanding the definition of "hotel" to include STR is presently "on hold" awaiting the outcome of the Commission's deliberations. It is the desire of staff to have both code changes processed concurrently. While the Commission has not been given a

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deadline for completing a review and forwarding a recommendation, discussion on the UDC amendment began in November of 2018 and followed four meetings held by the CVB in late 2017 and early 2018 relating to changes in the Lodging Tax. At this juncture, staff would recommend that the Commission focus on the greatest points of contention within the currently proposed regulations, dated March 1, 2019. Based on prior public input the greatest points of contention appear to deal with the following topic area:

- (1) When should owner hosting be required and what should defines an “owner hosted” STR
- (2) Should STR be allowed in the R-1 district and if so how
- (3) Should STR registration and inspection follow the proposed structure offered in Draft # 3 or just utilize the registration process currently used for long-term rental.

Attached you will find the March 7, 2019 Staff Report, March 1, 2019 STR Regulations, and March 7, 2019 Planning Commission meeting minutes on this topic.

Please feel free to contact me with questions.

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