

**AGENDA REPORT
PLANNING AND ZONING COMMISSION MEETING
October 10, 2019**

SUMMARY

A request by the City of Columbia to amend Chapter 29, Sections 29-1.11 [Definitions], 29-3.2 [Permitted Use Table], and 29-3.3 [Use-Specific Standards] of the City Code relating to revision of the definitions for “hotel” and “bed and breakfast”, creation of definitions for “short-term rental”, “short-term rental hosted”, “short-term rental un-hosted” and “transient guest”, and creation of new use-specific standards governing the establishment and operation of short-term rentals inside the City’s corporate limits. **(Case # 31-2019)**

DISCUSSION

On April 18, 2019, staff requested that continuation of the public hearings relating to the March 1, 2019 proposed draft regulations on short-term rentals be withdrawn. The request to withdraw consideration of the draft regulations was to permit the staff and the Commission an opportunity to more holistically address public concerns raised on the topic and to reset the public hearing process.

Since April 18, the staff and Commission have held a series (June 20, July 18, August 8, and September 5) of work session discussions to refine the March 1 draft regulations. Attached to this report are the proposed revised draft short-term rental regulations dated September 20, 2019.

The revised regulations have been modified as follows:

1. Includes new definitions for “hosted” and “un-hosted” short-term rentals. These definitions were developed with the intent of distinguishing operational characteristics of a short-term rental from minimum owner-occupancy requirements used to define “hosted” or “un-hosted” dwellings;
2. Reinstates the administrative approval option for “hosted” short-term rentals subject to transient guest occupancy limits;
3. Requires that a “hosted” short-term rental be occupied by the owner of record when rented to transient guests;
4. Requires that a designated “agent” be specified for all “hosted” short-term rentals for the purpose of being the “point of contact” in the owner’s absence. Such agent shall have an address within the City of Columbia and be available 24-hrs a day to response to short-term rental issues/complaints;
5. Provides clarity on how to calculate the maximum transient guest occupancy when a conditional use is being sought. Calculation is to be based upon bedroom and living/dining room square footage requirements as defined within the International Property Maintenance Code (IPMC);
6. Requires disclosure of “agent” designation, as part of the “Proof of Ownership” application criteria, and specifies when updating of such information must occur and in what period of time;

7. Requires all operator and designated “agent” contact information be posted, as part of the “Certificate of Compliance” posting criteria, within the dwelling;
8. Provides clarity that a dwelling unit cannot not be advertised as being available on an individual “room” basis and that the dwelling unit can only be offered for one rental reservation at a time. If additional transient guest occupancy remains available following the initial rental booking the proposed regulation make it unlawful to book a second reservation to maximum dwelling unit usage;
9. Eliminates provisions allowing the transfer of a short-term rental (hosted or un-hosted) “Certificate of Compliance” and conditional use, when applicable, upon the sale of a dwelling unit. Provisions applicable to the transfer of a long-term rental “Certificate of Compliance”, if the dwelling had been subject to dual designation, are not impacted. A new property owner desiring to establish the former short-term rental would need to comply with all proposed regulatory provisions.

In addition to the above technical revisions, the Permitted Use Table (Table 29-3.1) of the UDC is proposed to be amended to add “Short-term Rentals” under the “Guest Accommodations” land use category. This addition acknowledges that a short-term rental is a type of land use to which regulations are applicable. The choice of locating short-term rentals in this land use category was proposed out of convenience given the other uses presently within the category and their general similarity. The location in the table has limited impact on how the use is regulated.

Also within the table, a short-term rental is shown as being “A/C” within each of its permitted districts. This designation means that a short-term rental is considered a use allowed as an “A” (accessory) function to another principally permitted use within the zoning district. The “C” means that under certain circumstances a short-term rental could also require a conditional use permit if required by the underlying regulations (i.e. if the STR were not “hosted” in the R-1 district or if additional transient guest occupancy were desired).

The designation of A/C in the table should not to be confused with a CA as shown in Table 29-3.1’s legend. The CA designation is meant to convey that such a use is only allowed upon City Council’s authorization of a conditional use permit and that the use is accessory to another principally permitted use.

Finally, in the far right column of Table 29-3.1 there is a designation “pp”. This designation represents the “Use-specific Standards” to which a short-term rental must comply and correlates to the proposed regulatory standards under consideration. If approved by Council, all short-term rentals would be required to comply with these standards. The reason for creating “use-specific standards” is to assist in mitigating potential impacts that a land use may generate on adjoining lands or the community.

The attached revised draft regulations were posted to the Community Development Department webpage and distributed to the STR listserv on September 20, 2019. Additionally, attached to this report are all public comments received to date since the Commission re-engaged in discussion on this matter in June 2019.

It should be noted that comments received prior to the publishing of the revised September 20 draft reflect concerns generally expressed pre-April 18, 2019, and were based on the March 1 draft regulations. The comments received since publication of the revised draft have been limited; however, still express concerns relating to “un-hosted” STRs in the R-1 and R-2 districts as well as concerns about the conditional use permit process.

Staff believes the regulations presented are a reasonable exercise of the City’s police power and afford opportunities for short-term rentals to co-exist within our residential neighborhoods. The regulations are not without compromise on certain aspects of administration; however, were developed in the spirit of cooperation and a desire to address all viewpoints expressed. As has been discussed within work sessions and prior public hearings, the attached regulations are only a component of the complete regulatory structure that will guide the City in its management of this land use moving forward.

Prior to Council consideration of any recommended action on the attached regulations, the Law Department in coordination with the Office of Neighborhood Services, Business Licensing Division, and the Convention and Visitors Bureau, will be developing companion legislation that will establish the administrative, enforcement, licensing, and lodging tax components that have not been addressed within the attached document.

The aforementioned elements, while necessary for a fully functional regulatory process, fall outside the purview of the UDC and need to be developed once there a more affirmative determination to even create a land use regulatory process. The first step toward a more affirmative determination is a vote of the Planning and Zoning Commission on the regulations attached hereto.

RECOMMENDATION

Staff recommends adoption of the standards as submitted.

ATTACHMENTS

- Proposed text amendment (dated 9-20-19)
- Public Correspondence