

# [Planning]: Concerns regarding proposed Short Term Rental Regulations

Ed Brent <ed.brent@gmail.com>

Sun, Dec 4, 2022 at 7:57 AM

To: planning@como.gov

Cc: City of Columbia Ward4 <ward4@como.gov>, sahadev rai <rai.sahadev@gmail.com>

December 3, 2022

Dear Planning and Zoning Commission Members, Mayor, and Members of City Council

We have lived in Ward Four since 1981 and own and operate two short-term rental homes. We are writing to you to express concerns about the draft Short-term rental regulations under consideration by the Planning and Zoning Commission.

#### MAJOR CONCERNS

- Proposed regs the opposite of earlier proposal for two STRs next door to each other
  - o Max of 1 STR certificate per <u>owner -</u> Why Only One STR per owner? And why prohibit spouses from owning different STRs? While there has been some support for not having large companies owning many STRs, past discussions have been open to a family improving their neighborhood by upgrading their own home and renovating a house next door and paying for the upgrades by offering both as STRs? Why such a sharp restriction on STRs with no numeric limit on LTRs?
  - o No closer than 300 feet to another Isn't there a better way to restrict density? Earlier draft regulations strongly encouraged having two STRs on neighboring lots to strengthen supervision, with a hosted STR and a neighboring non-hosted STR. In the extended delay in passing formal regulations, we attempted to meet that goal by offering two STRs on neighboring lots. Would it be reasonable to make an exception to the 300 feet restriction where there are only two STRs involved, owned by the same owner? The improved monitoring is likely even more important than density in neighborhood impact.
- Max occupancy 8
  - Shouldn't the maximum number of overnight guests be different than the number who could come to something like a family reunion?
  - o Also, why is this different from Bed & Breakfasts which are defined as having not more than five guest rooms and occupied by owners? Wouldn't that permit 10-12 residents at a time (including owners), and not even including infants or children rooming with their parents?
  - o Why not follow guidelines for sizes of rooms, requirements for bedrooms, etc (the International Property Maintenance Code), and why not instead base it on the number of guests, building size, available parking, etc, with larger buildings capable of handling the numbers permitted a wider range of activities and more guests?
- Not used for special events
  - o Why prohibit weddings, corporate events, etc? Particularly after COVID many more people than before are looking for small venues for cozy, safe, calm get-togethers. Family reunions, baby showers, parent weekends, graduations, birthdays, anniversaries, holiday gatherings, sporting events, festivals, homecoming, to name a few. How are these materially different from very small family-oriented weddings? How are they materially different from corporate events? And what is a corporate event? Do they include a job candidate staying overnight, an out-of-town work team staying a few days, a work retreat for a small campus department, a reception

for out-of-town corporate guests, or housing for visiting post-docs from a campus department? All of these have occurred, and mid-to-large STRs are very attractive places for them.

### ADDITIONAL CONCERNS

- Max of 120 days per year for Tier 2 logic?
- STR certificate not transferable is this similar to BNBs, other business licenses? If not, why not?
- R-1 Tier 3 not permitted
- Need business license & certificate of compliance w/in 180 days of effective date
  - What does this mean for existing advance reservations up to 365 days (e.g., graduations, homecoming)?

## **STR Value Proposition**

Value to Visitors

- STRs offer **family-oriented experiences** fundamentally different from hotels and in that sense do not compete directly with hotels. Families & close friends can be together in private space for family reunions, mother-daughter events, sporting events, supporting hospital patients, small weddings or receptions, funerals, etc.
- **STRs vary widely** serving needs of diverse visitors and regulations should facilitate strengths of each:
  - o "Affordable STRs" serve a common need for cost-conscious visitors such as large families for less than multiple hotel rooms
  - o "Magnet STRs" with special qualities also attract visitors and increase tourism, meeting a need at the other end of the economic spectrum. These include several larger expensive homes that often provide temporary housing for visiting dignitaries at events such as True-False or Roots & Blues, heavily recruited potential hires for businesses or universities, families of visiting football coaches, MU alums returning for induction into the Missouri Sports Hall of Fame, grammy-winning opening acts at Roots & Blues, and so on. Magnet STRs might be described as a combination of "high-end STRs" and "boutique STRs" and include, as examples, a number of historic homes, unusually cute or unique homes, architecturally distinctive homes, and net-zero homes.

Value to Community, Neighborhood, and Homeowners

- Provide income to maintain and preserve historic homes
- Use as an STR gives historic homes wider exposure to diverse people
- Provide income to maintain and upgrade properties reducing crime
- Help owners including retirees and widows/widowers to stay in their homes
- Advantages and disadvantages of STRs should be compared to other realistic uses of that property, not ideal uses.

Thank you for your consideration.

Edward Brent (ed.brent@gmail.com)

Sahadev Rai (rai.sahadev@gmail.com)



November 11, 2022

Mayor & Members of the City Council City of Columbia, Missouri P.O. Box 6015 Columbia, MO 65202-6015 VIA: EMAIL

Re: Short-Term Rental Code Amendments to the UDC

Dear Mayor & Members of the City Council:

The Columbia Board of REALTORS® is following the process of the City of Columbia reconsidering establishing an addition to the Unified Development Code (UDC) to regulate short-term rentals (STR). From previous public hearings, draft ordinances, and an inability of the Planning and Zoning Commission and City Council to agree on basic principles of a short-term rental ordinance, it seems the initial intent of the idea has been lost during the past four years. The Planning and Zoning Commission is proposing the addition of cumbersome regulations that unnecessarily complicate the issue and the community's basic needs. CBOR is advocating City Leaders focus on an STR ordinance that:

- 1) Defines and establishes STRs as a legal use in the UDC
- 2) Allows lodging tax to be collected on STRs
- 3) Creates parity with current rental regulations
- 4) Does not restrict property rights.

The original intent of creating a short-term rental ordinance in 2017 was to establish a means to collect the 5% lodging tax on short-term rental guests and to level the playing field between STR operators and the hotel industry in Columbia when accommodating transient guests to Columbia. The City Attorney has indicated that this can only proceed if STRs are established as a legal use. It has been estimated the City has lost over \$800k in lodging tax revenue since the STR discussions began.

The City already has a well-established code in the *Rental Unit Conservation Law*. This law requires registration and regular inspections of any residential property used as a rental within the City. This ordinance is understood by landlords, and enforcement by the City is straightforward. STRs could easily be accommodated within the existing processes for registration, administration, and inspection without the need of:

- 1) Distinguishing between a multi-tier system
- 2) Calculating the number of days a property is used as an STR
- 3) Requiring a separate approval process.

The Columbia Board of REALTORS® has a concern that the ideas still being considered for an STR ordinance will have a stifling effect on a property owner's rights. Those rights include the right of disposition, which translates to the title holder being able to sell, rent, or transfer ownership or use of their real property at will. This would include short-term rentals for residential use, no matter the length of tenancy. In addition, it has been proposed at times that operators of STRs would be forced to undergo an additional approval process to obtain a certificate of compliance. The proposed approval process has the potential to become a political decision as opposed to a ministerial act by either the Planning and Zoning Commission and/or City Council.

The CBOR is confident that adopting an ordinance that addresses the four (4) items addressed above will best serve the needs of the citizens of Columbia.

Sincerely,

Monica Hansman 2022 President

Columbia Board of REALTORS®

Dec 1, 2022

Attn: City of Columbia Planning and Zoning Commission City of Columbia Missouri PO Box 6015 Columbia, MO 65202-6015



Re: Amendments to the UDC for Short-Term Rentals

Dear Commissioners,

I am writing this letter regarding the proposed amending of the Unified Development Code (UDC) to define, establish, and regulate Short Term Rentals (STR) within the City of Columbia.

I am a long-term resident, a property owner, and a real estate investor in Columbia. Further, as an appointed officer of the board, I am representing the CoMo REI, a real estate investing club with a membership of 434 real estate investors whose focus is investing in property in and around Columbia. Our members own both long-term and short-term rentals and as such the proposed changes are of great interest to our organization.

Our organization understands the need for regulation so that safety, fair business practices, and issues impacting the best interest of the public can be accomplished. We also recognize the need for leveling the playing field so that STR do not have an unfair tax advantage when competing for customers visiting Columbia. To that end, we support the City in its efforts to develop a fair mechanism to accomplish this. Having said this, we have been deeply troubled by previous efforts of the city to define and regulate short-term rentals. In short, the past 4 year process of modifying the UDC was wrought with problems and many of the proposed changes, although well intentioned, were arbitrary, capricious, and trampled on the rights of property owners.

Unfortunately, the Planning and Zoning Commission is once again attempting to address STR but instead of starting from scratch, it is in the process of attempting to revamp a failed poorly written ordinance, an ordinance that was overly complicated and unnecessarily impinged on property owner rights. What our community is requesting is quite simple. Develop an ordinance that is simple and easy to implement and is without undue burden to property owners, which unfairly impedes their ability to make a living. What we are asking for is an ordinance that:

- defines and establishes STR as a legal use in the UDC
- 2. allows for a mechanism for lodging tax to be collected
- 3. treats STR the same as long-term rentals, both in compliance and registration
- 4. does not place undue financial burden on the property owner or their ability to transact business
- 5. does not prohibit STR operation in R-1 and R-2 zoned neighborhoods
- 6. does not put a complicated process in place to acquire administrative approval to operate STR
- does not establish occupancy limits that differ from long-term rentals
- 8. does not place a large workload burden on city staff

In short, we feel that STR should be treated the same as long-term rentals since the only differentiators are the length of stay and the frequency of use. I would encourage the council members to keep the modifications short and simple with the idea that they can be modified at a later date should there be a need, instead of putting an overreaching ordinance in place. Please feel free to contact me to discuss our position should you have any further questions. I can be reached at (573) 808-4204 or you can contact me by e-mail at JGalen001@gmail.com .

Sincerely,

Jeff Galen

Board Member CoMo REI 2000 E. Broadway, Suite 223 Columbia, MO 65201



## STR special work session

Peter Norgard <norgardp@gmail.com>

Mon, Nov 28, 2022 at 10:51 PM

To: Patrick Zenner <patrick.zenner@como.gov>, rita fleischmann <rita.altria@gmail.com>

Pat.

I took a moment to read over the draft STR regulation and it looks really good. I did have a few comments to convey:

- 1. Definitions: owner: the "County Accessor" should be "County Assessor"
- 2. Definitions: designated agent: the term "assume" is used in relation to the agent taking responsibility; to me this sounds like an informal arrangement and perhaps "assign" is the proper term to use here.
- 3. Definitions: transient guest: two terminologies are used to determine duration of a guest, but it is unclear which is really the desired one; it is reused later and that use makes it hard to figure out the correct one
- 4. 29-3.3(uu)(B)(2) limits on licensure: in the comment, you indicate a %-based limiting approach; how would this work? first come, first served? seems messy...
- 5. 29-3.3(uu)(B)(3)(iv) the language used to define an agent is repeated here; it would be cleaner and more portable to simply state "registered agent" rather than spell it all out again
- 6. 29-3.3(uu)(B)(6): I don't mean to bring this up as a complaint, but as a concern about creating too-onerous of a requirement. If a landlord has an apartment with rooms they wish to rent out as STRs (and do so), and one or more of their tenants has an apartment that they will be away from for a few weeks and seek to rent out, will this building come into non-compliance? If so, who will be judged at fault?

Thanks for shepherding this beast. Peter



## STR ordinance work session 11/29/22

William Shoehigh <br/>
<br/>
bill@shoehigh.com>

Wed, Nov 30, 2022 at 3:39 PM

To: Sharon Geuea Jones <sharon@jonesadvocacy.com> Cc: Patrick Zenner cpatrick.zenner@como.gov>

Commissioner Jones.

I want to share a couple of observations as you work through the ordinance with your commission. As I have previously mentioned, the use specific standards are not that "out of whack" from what we have seen other places, but real issues do exist regarding: a) the definition of secondary residence, b) requiring a conditional use permit for any secondary residence, and c) using spacing and separation standards as a way to deny conditional use permit applications for existing STRs currently in operation with no other issues and no grandfathering option available.

- 1. The requirement that the owner of a secondary residence reside in the residence "temporarily for time intervals less than their principal residence" is unnecessary and burdensome without a public policy purpose. Zero is a time interval. It seems ridiculous to ask a resident of Columbia whose principal residence is in Columbia to have a sleep-over at their investment property. I understand this has been voted on and approved but I want to point out this is something we have not seen anywhere else and we are struggling to understand what purpose it is supposed to serve
- 2. The requirement that any use of a secondary residence as a STR, for any number of days, will require a conditional use permit is a significant departure from the original iteration of the ordinance, which made use of a secondary residence for 95 days per year or less a permitted use in all residential zones. In fact, this provision will upon adoption be highly disruptive as most STRs on every platform fit this description. They will be out of compliance on day one, and there will be a surge of conditional use permit applications which will be onerous and costly for property owners and it introduces political risk into a process that should be administrative/ministerial in function. Very, very few STRs in Columbia will fit your tier one model.
- 3. Further complicating the issue are the proposed spacing and separation requirements, especially in the absence of a process to grandfather in existing STRs that have operated in most cases with no issues for a number of years. Other cities have used lotteries to determine winners or losers. Retroactive application of spacing and separation standards is not fair and will likely provoke significant pushback legal and political.

For the vast majority of partners on our platform, the first iteration of the ordinance imposed reasonable restrictions but it did not put them immediately out of business. This iteration – by requiring owners to reside temporarily in their secondary residence and to pursue a conditional use permit just to operate and to potentially be denied a permit due to retroactive application of spacing and separation standards – is a far worse version. Rather than shaping an ordinance to fit the market this version tries to shape the market to fit the ordinance. That will likely fail.

Thank you for your efforts in driving this process forward. We continue to support enactment of a reasonable ordinance that works on behalf of our partners, their neighbors and your community, and I don't want these criticisms to come out of left field when you entertain public comment. I respect you and your work too much to do that. The commissioners all are working earnest and sincerely at this task. I have witnessed that first hand and I commend you all for your service. This is a tough issue.

Bill Shoehigh

573/230-2940

November 10, 2022

To: City of Columbia Planning and Zoning Commission

Re: STR Regulations Working Draft

Dear Commissioners,

This letter serves as an opening of discussion between the Planning and Zoning Commission and a collective of 30 local Columbia short term rental (STRs) owners.

STR owners are by and large local residents in support of mutually beneficial regulations, remitting lodging taxes, and restrictions on outside corporations owning and operating STRs without local representation and management. However, we believe the current draft of regulations are far too restrictive, and the negative and unintended consequences to tourism, retail, restaurants, and neighborhoods will heavily outweigh any beneficial outcomes. We have assembled the below listing of preliminary questions for the Commission's consideration and response.

## **Overall Regulations**

- What perceived problem(s) is the Commission trying to solve with these regulations?
- Should these regulations be presented to council, what will the recommended timeline be for implementation and compliance?
- Who will police these regulations?
- We are fully opposed to the suggestion that no STRs will be allowed in R-1 and R-2 zoned neighborhoods, with the exception of primary residences under 120 days.

### Section 29.33,A,2-3

- What is the reasoning for a restriction of 120 nights per year?
- What are the regulations surrounding a "conditional use," have those been defined?

#### Section 29.33.B.2

- What is the reasoning for limiting licensure to 1 per owner?
- Would the Commission be open to a discussion regarding a less restrictive, yet still limited number per individual?

#### Section 29.33.B.5

 What is the reasoning behind a maximum of 8 occupants, how was this calculated? For example, why is this different from a 5-bedroom "Bed and Breakfast" that could sleep 10 or more? We encourage standardization of occupancy rules in accordance with existing occupancy regulations.

### Section 29,33,B.8

What is the reasoning for barring all special events, and how are these events defined?
 How will the regulations define a special event, ie. an out-of-town work team vs. a small family wedding? Is a baby shower a special event for example?

#### Section 29.33.B.9

- Is this requirement also required for long-term rentals?
- How will this regulation work if there is no room for additional off-street parking?
- Is this required for all proposed tiers of STRs?

#### Section 29.33.B.10

- What is the reasoning behind a 300 foot separation?
- How does that work in compliance with the proposed regulation of up to 5 STRs in a multi-family building?

## **General Questions/Concerns**

- Airbnb & VRBO are currently collecting MO, Boone, and Columbia taxes. Is the city receiving these? How can we access information on taxes the city has received?
- Has the Commission considered the impact on tourism dollars should the regulations be implemented as presented?
  - Taxes collected
  - Infusion of outside dollars being spent at our retail and restaurant establishments?
  - The value STRs bring to Columbia in providing additional lodging for high-traffic major events, such at Mizzou football, True/False, Roots and Blues, etc
  - Has the commission investigated the number of hotel rooms available in Columbia in comparison to the influx of tourists for major events?
- Has the commission considered the impact on the robust number of jobs created by STRs in Columbia, including cleaning crews, landscapers, local managers, etc that will be eliminated by these regulations. Especially regarding our cleaners, this regulation heavily impacts low-income families by removing their second stream of income.
- Has the Commission considered the impact on family and lower-income travelers who rely on STRs?
  - o Hotel rooms are not a viable option for larger families
  - o STRs are in many cases a more viable option for lower-income travelers
- Is the Commission defining any rental offering stays of 31+ days a long-term or traditional rental?

This is an outline of the report from the planning and zoning commission to the city council and other interested departments on the process and information used by the commission in crafting the proposed str ordinance. This draft outline is for officers only. A full draft of the report will be provided to the full commission for comment before being voted on and attached to the drafted ordinance.

#### Introduction

Short Term Rental (STRs) units are a growing industry nationwide and have been allowed to operate without enforcement in Columbia for the last three years.

Columbia is currently experiencing shortages in both available and affordable housing.

The ordinance crafted by the Planning and Zoning Commission attempts to balance the rights of homeowners to benefit from their property and the needs of the community for housing.

This is the third attempt at an ordinance that is both clear and concise. We believe we have found a way to balance the competing interests of the community and provide an easy to follow set of rules.

## Values and Priorities Considered During the Process

- Growing home ownership in Columbia encouraging people to invest in the place they live.
- Protecting the availability of long-term rentals want to make sure quality rentals are affordable for an average person or family.
- Encouraging community within neighborhoods get to know your neighbors and create a sense of community.
- Equitable participation in the STR market pushing back against regulations that concentrate STRs in areas that are primarily rental neighborhoods in order to "protect" owner-occupied neighborhoods.
- Provide clear direction and concise rules to members of the community who wish to engage in the STR industry.

### **Data Considered**

- Ward-by-Ward numbers on current STRs
- Multi-Family Housing numbers on STRs
- M-DT STRs

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