



COLUMBIA SHORT-TERM RENTALS AD HOC COMMITTEE MEETING MINUTES THURSDAY, SEPTEMBER 29, 2022

CALL TO ORDER

The Columbia Short-Term Rentals Ad Hoc Committee conducted a meeting on Thursday, September 29, 2022 at 4:02 p.m. at City Hall (Council Chambers) 1737 Main Street, Columbia, South Carolina.

| Attendee Name | Title | Status | Arrived |
|------------------|--------------|---------|---------|
| Will Brennan | District III | Present | |
| Howard E. Duvall | At-Large | Present | |
| Tina N. Herbert | District I | Present | |

PUBLIC INPUT ON SHORT-TERM RENTALS

Councilor Duvall said we are a committee appointed by City Council to hear positions on the short-term rental ordinance. There is no ordinance discussion today. This is a public hearing to listen to different sides of the argument on short-term regulations.

Ms. Kit Smith presented data from www.AirDNA.co demonstrating a concentration of STRs in downtown neighborhoods. The 18% quarterly growth is striking. It went from 600 to 1,000 in three years. The most impacted zip codes are 29205 with 232 active rentals and a 14% growth rate and 29201 with 198 active rentals and a 10% growth rate. STRs disrupt the fabric of the community. These two zip codes are already inundated with student rentals and this compounds our problem of the impact on the affordability of housing and long-term rents.

Mr. David Bergman said we are talking about one percent of the housing stock. This is not moving the market. This is not overrunning the neighborhoods. If it is more than one percent, let us talk about other solutions. I was asked to request one more meeting on behalf of those who could not be here today. We haven't seen the code enforcement data as it relates to STRs. We had our first meeting and we were introduced to an ordinance that bans STRs before we had any discussion. Now we are hearing about another ordinance that was drafted behind closed doors. We ask that the subcommittee put together a working group with the impacted areas.

Mr. Michael Anzelmo said one of the main concerns that can benefit both sides is the way to use revenue that the city can generate from these short-term rentals and allow the residents to have comfort with how this is used. I know you have ongoing litigation with Airbnb and other entities about tax, fees, and revenue. You are in a good spot to be able to tax these entities. They operate much like hotels. To overlay a similar tax that you impose on hotel stays would allow the city to generate revenue in addition to the license fees. I suggest that you enhance your code enforcement department. That would show the neighborhoods that we have an outlet, situations are regulated, points are enforced and the city is helping us manage the situation in our neighborhoods.



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Ms. Kelsey Kennedy said before I started my business, I was on food stamps. I could barely pay my mortgage. I couldn't afford daycare but I couldn't afford to work. My business allows me more time at home with my daughter, more financial freedom and an opportunity for others to enjoy this beautiful historic city. The word investor has a negative view. The short-term rental community is made up of a small group of people who are just like you. The data shows that there is a need for short-term rentals here. To propose such harsh regulations against our business is not fixing the problem that you think we are. The problem is a few long-term and short-term investors whose character shows in their rentals. I hope you are able to draft regulations that are fair and just.

Ms. Susan Cohen said we are not against short-term rentals. I represent the South Carolina Restaurant and Lodging Association. While my overall goal is to represent and promote the traditional lodging industry, we have members who are short-term rental owners, management, etc. Across the country we have seen that well-meaning, unregulated short-term rental situations have gotten out of hand. How can we work together to make this work for everybody? Limit them, license them, and level the playing field. They are businesses and they need to be in a commercial area. We need to know where they are and who they are.

Mr. Jim Ray said I own a short-term rental and I am for regulations. They have to be fair. If you over regulate any industry, you are asking for a black market to be created. Can you tell the hotel industry or the long-term rental industry that they can only rent their property for 50% of the time? It has to be a level playing field. Short-term rentals should be regulated the same. If someone breaks the law at a hotel, that person gets into the trouble. The hotel doesn't get shut down after three violations. Capping the number of short-term rentals is not a good idea. You are capping the economic growth of Columbia. That is a bad idea.

Ms. Wendy Bergman said my husband and I were fortunate to purchase an investment property in Earlewood. We poured our blood, sweat and tears into an extensive renovation of a dilapidated 1919 home that was formerly a rental. We were approached by other STR owners and asked to manage their homes. Being a STR host or manager is not an easy job. We are held to high standards and we can't defer maintenance. We have an established network of service providers that have grown with us. Our dollars go back into the local economy. We provide an opportunity for guests to shop, dine and stay locally. Some guests consider moving to Columbia. We are currently housing Hurricane Ian evacuees. It is important to collaborate between all sides of this issue and find a solution that fits our unique needs.



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Mr. Gustavo Bueno, Elmwood Park resident said our house sat on the market for six months and it was in bad shape like many of the houses in the neighborhood. I see a lot of the STR people doing good work in maintaining the houses. I have an Airbnb in one unit because that helps us speed up the renovation process. The overall rent in the neighborhood is relatively low. It is not a good investment for landlords of long-term rentals. I am for some regulation as long as it is based on science and numbers. If we sit down with the right data and make an educated decision, we can come up with an agreement where everybody is close to being happy. I don't want to see all my neighbors become a STR. Data without context is not useful

Mr. Jesse Stevenson said I am a real estate broker, property manager and an investor. I don't think Columbia is a traditional tourist town. We have people who come but I don't foresee whole neighborhoods becoming STRs. There aren't that many people coming to Columbia for vacation. Regulation is good. Long-term rentals are not required to be in a commercially zoned area and some streets are full of nothing but long-term rentals. It is still a business in a residential neighborhood. I don't see why the licenses can't be transferred. I would hate to see a cap. That is a backhanded way of ending it. You should always be able to have new permits issued in the future. Only 1% of the houses in the Columbia market are STRs.

Mr. Matt Carroll said who we want to be as a city and what issues are we trying to correct. There is an overall rental issue. Is the current long-term ordinance accomplishing what it needs to accomplish? I don't think that 832 houses creates a citywide nuisance. Is this a big enough problem that we need to go through all of these discussions? Demand has increased which has caused supply to increase. There are a lot of reasons why STRs are necessary. Everyone is in favor of some sort of regulation and tax. Revenue is also generated by the businesses next to STRs. If my short-term rentals are banned, they will become long-term rentals.

Mr. Dennis Wiehl said I serve on the Shandon Neighborhood Council. The strong distinction between owner-occupied and non-owner occupied should be maintained.

Mr. Noah Harris said I love Airbnbs. We discovered Airbnb as a guest before we became a host. We own a real estate company with 100 properties. I help people who want to buy a home. It is important to understand that Airbnb allows us to have options when we are trying to figure out what to do with a property. A lot of this stuff is temporary. I would not have lived in 29201 ten years ago. Those neighborhoods are nice because of people like us.



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Mr. Tim Williams said I am the owner and broker in charge of 803 Realty. STR has gotten a negative narrative. One common misconception is that we get a lot of party folks. If that happens, we can immediately remove nuisance guests. It takes landlords longer to remove those tenants. The STR industry is competitive and we have to keep our properties at a high standard which will increase property values in neighborhoods. We don't advertise short-term rentals when selling properties. It is a stretch to think you can only dictate the sale to an individual family. Secondary homes are taxed at 6%. The city is getting a tremendous amount of revenue off of the higher tax rate. I am for regulation, permitting, and inspections.

Mr. Aaron Bedding said a lot of negative things get done in the name of the fabric of the neighborhood. Please don't make any rules for the "fabric of the neighborhood" reasons. The occupancy rates are going down. We are reaching a tipping point. There will be a natural cap based on supply and demand. These nice homes will be sold or rented. There is no down side.

Ms. Sara Bedding said I am for STRs with regulation. Most hosts are not malicious. We work very hard to make a business profitable and we care about the neighborhood. I am worried that there are a lot of feelings and thinking, but there is not a lot of data. I ask that we get hard data on what is happening and then make decisions with both sides having equal say.

Ms. Kate Culley, Housekeeping and Operations Manager at Heartwood Furnished Homes said thank you for hearing all of the different perspectives today and all the other meetings. I want to give you a perspective of the little fish in this big pond. That is our cleaners, maintenance staff and support staff. I hear about hosts, owners and investors, but the people who are just trying to make a living are the real investors. We have 25 cleaners from a range of backgrounds. They are mostly single moms. The short-term rental industry gave me financial value and self-esteem. One of our best cleaning teams is a former teacher and a disabled combat veteran who now have their own short-term rental. I encourage you to consider these people who live in Columbia.

Mr. Hart Traylor said we want to see this city thrive. I have worked in residential real estate since 2009. In my experience, the majority of buyers are looking to achieve the American dream of purchasing real estate; owning a home they can occupy. We are not seeing major corporations and big investment groups buying up all the houses and turning our neighborhoods into short-term rentals. I work with a number of investors and they are average Joes like you and me. They bought properties that were in disrepair, fixed them, and increased property values. There are more opportunities to get into short-term rentals for maintenance. We like Airbnbs. You have an opportunity to decide how we will embrace short-term rentals.



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Ms. Vanessa Traylor said this is a legitimate need in a healthy housing market. We must have some level of short-term rentals and most of the people here are providing excellent options. I feel as if owner-occupied properties need to have more freedom. They should be exempt from most of this. The pricing and financial side is extremely high. I am looking for my first investment property but it is expensive to invest here.

Ms. Catherine Fleming Bruce said I hope you will look at the reality of each residential area. Some blocks are very different. The block I live in has a lot of institutional and commercial interests and very little residential. You all are doing a great job. Some of the meetings did not have a lot of STR owners that look like me. I am not a STR owner. One day I would like to do that but there is language that is going to cut off people who can get into the STR business. I would like to see diversity in the population of the people who are doing that. Owners are able to create a revenue stream for themselves. We want an opportunity to address the racial wealth gap. We want our neighborhoods to retain peaceful enjoyment and we are able to provide host opportunities for others.

Ms. Emily Bryan, Rosewood Neighborhood resident said she had to call the police to report a strange man drinking a beer near her home. Neighbors said drug dealers rent the Airbnbs. I stay in Airbnbs because it is easier to stay in. I want it regulated so that it is safe.

Mr. Rick Lackland, Director of Sales and Marketing for the Doubletree Conference Center / Lake Murray Country Regional Tourism Board member said we work very hard to bring tourism to Columbia. Lake Murray is alive and well. We will host World Bass Fishing with 25 countries coming into Columbia. We have five presidential suites and 33 junior suites that can house eight people. We pay a 13% occupancy tax. I report to a single owner of our hotel. He pays taxes and there are guidelines and regulations. The tax helps to rebuild our roads and our parks. Hotels are being built in Columbia and they have to follow city and state guidelines. We are asking for an occupancy tax that puts everyone on an equal playing field and also refurbish our city.

Mr. Jim Daniel, President of the Wheeler Hill Neighborhood Association said Wheeler Hill has one short-term rental owned and managed by a LLC. The owner lives in Silicon Valley and he has agreed to limit the number of cars. Charleston spent two years on this and they ended up with three different sectors for short-term rentals. Effective October 1, the Department of Revenue will require people who rent rooms to have a retail license and electronically file and pay accommodations taxes. We had an issue with not having anyone to call on weekends about parking. There is an emerging law around the country that says short-term rentals in a residential neighborhood is a commercial establishment and a zoning violation. We do need to have a registration with the name of the owners and someone we can contact here to address issues.



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Mr. John Wilkinson, President of the Elmwood Park Neighborhood Association shared a statement on behalf of the board. We are behind the times on this issue and we can learn from other cities. What are the benefits to the residents who have built these wonderful residential neighborhoods? Elmwood Park is the closest residential neighborhood to downtown Columbia. Our neighbors have expressed legitimate concerns about the proliferation of short-term rentals and the impacts on safety and quality of life. There is a tipping point where the sense of security starts to spiral downward. Our neighbors also recognize the benefits of short-term rentals for our community. We have several STR investors and they contribute as much to our neighborhood as any neighbor. We are seeking outcomes that benefit and protect residents and homeowners. We supported the city's business friendly initiatives. Let's not lose sight of neighborhood friendly initiatives. We would like to express our strong support of regulations that eliminates bad actors and protect our communities. When City Council approves this ordinance, we expect that it will be backed with the resources to actually and swiftly enforce it.

1. Presentations Received on Short-Term Rentals
2. Letters Received on Short-Term Rentals
3. Emails Received on Short-Term Rentals

COMMITTEE DISCUSSION AND NEXT STEPS

Councilor Brennan said thank you to everybody that came out to the second of three hearings. We look forward to the third meeting. We will follow-up on the recommendation to have a conversation. Hopefully we will come back with something that works for everybody.

Councilor Herbert said I also want to thank everyone for coming out. We have to have courageous conversations. As the city of Columbia takes on new issues, we must have the conversations and balance the needs of everyone. I look forward to furthering the conversation with my fellow council members and you all. If you sent me an email, I received it. Thank you for your passion about the subject because we need to hear your thoughts and positions.

Councilor Duvall said I too want to thank you for your attendance today and the comments you have constructively made. I can ensure you that we want to produce an ordinance that is fair to the STR industry and the neighborhoods and will benefit the city of Columbia. We will be working with members of the industry and other people who are interested in this topic to see if we can come up with a well-balanced ordinance.



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ADJOURNMENT

The meeting was adjourned at 5:15 p.m.

Respectfully submitted:

Erika D. Moore Hammond, CMC
City Clerk