



**COLUMBIA SHORT-TERM RENTALS AD HOC COMMITTEE MEETING MINUTES  
WEDNESDAY, DECEMBER 14, 2022**

**CALL TO ORDER**

The Columbia Short-Term Rentals Ad Hoc Committee conducted a meeting on Wednesday, December 14, 2022 at 4:03 p.m. at City Hall (Council Chambers) 1737 Main Street, Columbia, South Carolina.

<b>Attendee Name</b>	<b>Title</b>	<b>Status</b>
Will Brennan	Member	Present
Howard E. Duvall	Member	Present
Tina N. Herbert	Member	Present

**OVERVIEW OF DRAFT ORDINANCE**

1. Proposed Short-Term Rental Ordinance - Mr. James Knox, Esq., Senior Assistant City Attorney

Councilor Duvall said I want to thank the neighborhoods and the short-term rental industry for their input over the last few months. We have been working on this for a year now and I think we have come up with something that is ready for prime time. It will be tweaked as it goes through the rest of the Council. It is a good ordinance and our attorney James Knox is going to explain where we are.

Mr. James Knox, Senior Assistant City Attorney said draft 12.7.22 is the most recent version. Section 5-400 makes it clear that this ordinance only applies to short-term rentals (STR) that are occupied for less than 30-days. This ordinance does not apply to hotels, motels, bed and breakfasts, or inns. It does not apply to rentals that are rented for 30-days or more. Sec. 5-401 covers definitions. Owner-occupied is defined as a dwelling unit that is lawfully classified as owner-occupied by the county and receiving the 4% special assessment ratio. Sec. 5-402 covers the regulations we have imposed on short-term rentals. Subsection a - an advertisement of an STR is sufficient enough to determine that it is being offered as an STR. Subsection b provides that a business license is required to operate an STR in the city. Subsection c (code compliance requirements) says that if you are going to operate an STR you have to comply with any all ordinances at all times. It emphasizes the big six.

Councilor Duvall stated that representatives from the STR industry wanted this ordinance to closely parallel the rental ordinance we passed five years ago.



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Mr. James Knox, Senior Assistant City Attorney explained that subsection d is the general liability insurance requirement. In order to operate an STR in the city, you must maintain a policy limit of at least one million dollars per occurrence. Subsection e (safety inspection) says if the city deemed necessary, the city can inspect a STR provided they give the owner or the local representative of an owner 24-hours' notice. Subsection f imposes certain record keeping requirements on the owner including the name and phone number of each guest that booked a short-term rental for the previous two years. Subsection g requires the property owner or his designee to take phone calls at any given time with any issues that may arise at the STR. Subsection h provides that permits are non-transferrable. In the event somebody sells an STR property and the new owner wants to operate it as a STR, they will have to get a new permit. 5-402 (i) says the minimum guest age would be 21 for the person making the booking. 5-402 (j) says the minimum stay duration is at least one night. 5-402 (k) requires the permit number that is issued by the city to be included in the online advertisement. 5-402 (l) is a requirement for certain information to be provided to the guest who stays at a short-term rental. 5-402 (m) imposes the parking space requirements, which is one space for every two bedrooms not to exceed six vehicles. In 5-402 (n), the maximum occupancy limit is two persons per bedroom plus an additional two people per dwelling unit. 5-402 (o) requires the owner or local representative to determine that the guest who booked the STR is in fact staying there. 5-402 (p) the owner or local representative would have to notify all households in a 200' radius of the STR that the property is being used as a STR and provided the contact information.

Councilor Herbert sought clarification on the intent of 5-402 (g). What if the owner is not local?

Councilor Duvall explained that the owner must have a local representative within 45 miles of the STR, if the owner is not local.

Councilor Brennan inquired about 5-402 (d). What type of increase in insurance will be realized by a STR owner versus an owner-occupied unit? What level of expense are we talking about?

Councilor Duvall said all of the STR owners we have worked with said that one million dollars is the minimum for them.

Councilor Brennan asked if an owner-occupied unit rents out for the weekend, is that most likely covered under their home insurance.

Councilor Duvall said yes.



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Mr. James Knox, Senior Assistant City Attorney reviewed section 5-403, which clarifies that in order to operate a STR in the city, the owner or local representative will need a permit from the city. The permit cycle is in 5-403(b). Renewals must be done by July 1 of each year. If you do not renew by July 31, that will result in the loss of the permit. All of the stakeholders agreed to add a clause to 5-403(a) that makes it clear that one permit is specific to one STR unit or address. You cannot use one permit to operate multiple STRs. 5-404 talks about the permit application and the associated fee. 5-404(a) provides that the city would have to provide a form to applicants and the minimum information that is required can be found in subsections one through eight. 5-404(b) provides the associated permit fees which are required to be paid at the time of application.

Councilor Herbert asked if a one-time late fee is assessed.

Mr. James Knox, Senior Assistant City Attorney clarified that it is a one-time late fee; six months after July 1 you would have to apply for a new permit. You would no longer be eligible to renew your existing permit. Come July 31, you have lost your permit. This is outlined in 5-403 (b). 5-405 provides criteria for issuing a permit. If an applicant meets those four elements in 5-405(a), the city has to approve and issue a permit within 30-days from application submission. 5-406 imposes a permit cap for non-owner occupied STRs located in a residential district. This will be determined after 90 days from the passage of this ordinance by looking at the number of permits issued for non-owner occupied STRs in a residential district. That number would be the cap. On day 91, additional applications for non-owner occupied STRs will be placed on a waiting list at no cost. As a permit becomes available, the city will notify the applicant of the opening and the person would have 10-days to apply. If they do not apply within 10 days or if the application is denied, the permit will go to the next person on the list. 5-407 says if someone possesses an STR permit and decides they want to rent the property out for more than 30-days, they would not have to get an additional permit under our existing rental regulation ordinance.

Councilor Duvall said if you have a STR permit, you are permitted to rent for a period longer than 30-days. If you have a regular permit, you are not permitted to rent for less than 30 days.

Mr. James Knox, Senior Assistant City Attorney added unless you get a short-term rental permit. 5-408 is the violations section. It is essentially the same violations we have for the existing rental ordinance. If the owner, local rep or any guests violate the city ordinance, that will constitute a violation for the purpose of this ordinance. Providing false or inaccurate information about a dwelling unit or short-term rental would constitute a violation. Failure to have a valid STR permit and operating a STR would also constitute a violation. 5-408(b) creates a point scale for violations, which is the same as our existing rental ordinance. 5-408(c) outlines the monetary



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penalties for violations. Once a permit accumulates 10 or more points, it will be subject to revocation proceedings, which are the same proceedings for our existing permit. 5-409 clarifies that if someone is subject to revocation, they have a six month waiting period before they can apply for a permit specific to the dwelling unit for which the revocation occurred. If someone has a permit revoked more than once for a dwelling unit, they are no longer eligible to apply for a STR permit for that unit.

Councilor Duvall said we will address the STR industry's request to provide additional permits under certain conditions. I plan to ask City Council to establish a committee to look at the data we will be gathering after the first 90-days. We will look at establishing a special exception that will go to the Board of Zoning Appeals for certain specified qualities. I want the committee to look at a procedure that involve the neighborhoods, the Board of Zoning Appeals and the STR industry. This committee will be established by resolution.

Councilor Brennan asked David Hatcher if there is a path forward to efficiently and effectively enforce what is being put into place and the added workforce to keep up with this.

Mr. David Hatcher, Housing Official said it will be a similar process to what we have in place with the rental ordinance. We will need two additional staff to maintain this and keep up with the points and fees.

Councilor Herbert asked David how long it is taking to approve our current permits.

Mr. David Hatcher, Housing Official said we generally turn them around in a few days.

Councilor Duvall said this is setup so that the first permit will last until July 1, 2024. It will be renewed on July 1 but the long-term permit is due January 1. It will help with the workload. We have representatives from STRs and the neighborhoods. I would like to ask Kit Smith to give us her opinion on where we are.

Ms. Kit Smith said I don't represent a formal group. We have been an informal group of neighborhoods throughout the city and mostly effected by STRs. I want to complement the STR group we have been working with. We've had good and meaningful discussions. We have come a long way with understanding one another's concerns and trying to reach a middle ground. I think this is a good one for Columbia. Most other cities in South Carolina are being most restrictive on the location in the neighborhoods. We are working with existing and future STRs to accommodate them. We are still concerned about what goes on in the neighborhoods. Is this going in the zoning ordinance?

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Councilor Duvall said no. It will be an ordinance standing alone from the zoning ordinance.

Ms. Kit Smith said I think the zoning ordinance will have to change. The rate of growth in Columbia has been substantial. Since we started this discussion, we had less than 200 and now we are closer to 1,000. It is growing by 18% per quarter. The quicker we can get this in place and find out exactly what is out there and how we can move forward together will give us great reassurance. We would like to get a copy of the checklist that goes with long-term rentals. Is a warning the same thing as a citation? If there is a big problem, you should not get a warning the first time around.

Councilor Herbert said certain things like shootings and guns would not be given a warning. That is a major offence. David, would shooting from a rental unit be five points or ten points?

Mr. David Hatcher, Housing Official said it is an automatic ten points for a serious violation.

Ms. Kit Smith said we are concerned about the permit situation. We had a good conversation with the STR industry. We agreed that there would be a finite cap that can stay until you change your mind. If the cap is not put in a specific geographic area, we will end up with all of them. We want guardrails around the location of the permits, perhaps within a mile of the existing permit. It takes the citizens to enforce this. We have to report things but we would also like to have a 24-hour phone number to call.

Councilor Herbert said I want to follow-up on the cap and making sure that one or two neighborhoods don't get all of the short-term rentals. Is the thought that the committee will assess the numbers once we get the data?

Councilor Duvall said that will be in the purview of the committee that will be formed.

Ms. Kit Smith said under this ordinance, permits can transfer. They can come in our neighborhood when a permit becomes available.

Councilor Herbert said we need to see where the concentration is. We don't have the data to make the decision.

Ms. Kit Smith said current data shows that more than 50% of them are in 29201 and 29205.



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Councilor Herbert said after 90 days, we will have a good sense of where everything is. I am assuming that people won't be turning permits in during the 90 days.

Ms. Kit Smith said that is well taken. Let me thank Mr. Duvall. He has been patient with me and our group. I respect the STR industry. Thank you again for all of your good work.

Mr. David Bergman said anybody getting a permit with the 90 days, will have it for a year. You will have 12 months for analysis and before anybody gives up their permit. I would offer my economic and data analysis experience. I also know short-term rentals. I am not a formal representative but I am trying my best to represent the views of other hosts in the area. I hope we can see the data on code enforcement for short-term rentals. I predict that we will see fewer violations for short-term rentals. Short-term rentals have increased and the demand for alternate accommodations has grown during COVID. As we get the data, I look forward to reexamining everything we have done. I hope this is something we continue to work through. The draft has come a long way. We have given a lot of feedback in the meetings. We lowered the permit fee, simplified the language, and removed requirements that were not enforceable. We still have a few concerns. A cap is better than a ban, but we prefer to have the free market to decide on the optimal level. A cap tends to limit economic activity and travel to the city. It will also open the city up to potential litigation. I recommend a full legal review of that.

Councilor Herbert clarified that this is a temporary cap while we go through the data.

Councilor Duvall said it is a permanent cap until it is changed by a vote of Council.

Mr. David Bergman said I worry about the 80% of hosts who are managing a single room or rental property. Is a business license too much? Perhaps if a certain number of properties are managed, a business license should be required.

Councilor Brennan agreed to look at that.

Councilor Herbert said you are required to have a business license if you operate a home-based business.

Mr. David Bergman said it may be helpful to have a flyer outlining the process. I am concerned about neighbor notification. It seems like 200 feet is a high bar to meet. That could be an entire apartment building. Perhaps we should remove the distance and use something more straightly forward that won't result in a lot of notifications in highly dense areas.



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Councilor Duvall asked if he meant contiguous neighbors.

Mr. David Bergman said that is my alternative because it could be impractical to address everybody within a 200' radius. A lot of hosts have guests who are 18 and that may be a better start. Can the points and violations be consistent for long-term and short-term rentals?

Councilor Herbert said the guest making or booking the reservation should be at least 21. Is there a connection between the person making the reservation and the person that stays? Sometimes, other people make reservations for me. I don't know how we will enforce that either.

Mr. David Bergman said the committee should consider allowing owners to transfer a permit between properties. If my permit is revoked at one property, I should not be prevented from applying for a permit at another location.

Councilor Duvall said the ordinance states that the city will not issue an STR permit for a dwelling unit that has been subject to a permit revocation more than once. We will look at that but I think it does what you are talking about.

Mr. David Bergman said in other municipalities they have challenges with enforcing permits and making sure that a black market is not being created because permits are no longer obtainable after 90-days. We need to have a plan. We want everyone to compete on a level playing field.

Councilor Brennan asked if the short-term rental industry has a working group. It would be great to have your help with looking out for things like that moving forward.

Mr. David Bergman said we do not have an official group but a lot of people in the group want to be a part of everything going on. You can't go out to Airbnb and find the location of a problem rental unless you go through a third-party service to obtain the data.

Councilor Duvall said we do plan to get a third-party administrator to help us with this. As Ms. Smith said, it is going to be up to us and you all to enforce this and make sure there are no black market STRs out there. Requiring permitted STRs to include their permit number in advertisements, will help us pick out the ones that are not permitted.

Councilor Herbert asked Mr. Knox to include a penalty in the ordinance for people who are intentionally operating without a license.



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Mr. James Knox, Senior Assistant City Attorney said Section 5-408 has a provision dealing with the operation of a STR without a permit. It constitutes a violation. I am hearing that you want an intent requirement.

Councilor Herbert said it will be a different statement if they were found intentionally operating after being given some level of notice.

**COMMITTEE DISCUSSION AND NEXT STEPS**

Councilor Brennan said I would like to thank everybody who participated in this process. I think we brought it far enough along that warrants going to full Council.

Upon a motion made by Mr. Brennan and seconded by Ms. Herbert, the Committee voted unanimously to schedule a work session to update the full Council and receive any comments, feedback or edits. After that, there will be readings in general City Council and opportunities for public input.

**ADJOURNMENT**

The meeting was adjourned at 5:04 p.m.

Respectfully submitted:

Erika D. Moore Hammond, CMC  
City Clerk