

June 1st STR Work Session Summary

(As Reported by Save Folly's Future on June 1, 2022)

18 Recommendations

All council members were present for the work session. It was an informal meeting to discuss the 18 proposals that were, for the most part, suggested by the STR Committee to better regulate Short Term Rentals. No votes were taken, council members simply gave their opinions and made suggestions, both pro and con.

What Happened? - The Mayor began with recommendation 1.4, the centerpiece of the Plan. Each member made comments, then the mayor skipped 1.1, 1.2 & 1.3 (More on that later). After 1.4 the mayor went to 2.1 and moved through each of the remaining recommendations, giving every council member an opportunity to comment. The Work Session lasted nearly one hour.

What Happens Next? - The mayor will ask his staff to take all the council's comments into consideration and write an STR ordinance. Expect to see the STR Ordinance to be introduced in July or August.

Was the STR Work Session recorded? - Yes, at least most of it.

Most of the work session is on one of two You Tube videos, however, comments from only one person giving their opinion about 1.4 is on video. There are several minutes of dialogue missing. Comments from all others discussing 1.4 was apparently not recorded. Those comments are not at the end of part I and not at the beginning of Part II.

The url's for the two You Tube videos are listed below:

Part I. https://www.youtube.com/watch?v=p-OAyTWm9_8 = 4min 9sec

Part II. <https://www.youtube.com/watch?v=AreMKfYR11s> = 50min20sec

Direct Links to the You Tube Videos are Below:

The Discussion began with 1.4 (The Cap System)

1.4 Cap will be set initially at 900. Going forward the total percentage will be 37% of all dwelling units in the entire city. The specific number of STR licenses allowed will increase as more dwellings are created but the total percentage will remain at 37.

- If there are more STR applicants than available licenses, a wait list will be created.
- Licenses can be lost for late renewal or no activity for 12 months.

What Happened? There was not much enthusiasm for the “cap system”. One person said, “we should tighten up the other rules first” and another comment was, “We should deal with the low hanging fruit first”. A majority seemed to be opposed to the cap and a couple members appeared to be undecided. No one said a positive word related to the cap. The mayor then said something like “We're probably now at 40%, how much is enough, 60% or more?”. There was no comment from any council member. The mayor apparently decided that if the “Cap System” had little to no support then 1.1, 1.2 and 1.3 would be moot, so he skipped all three and moved on. (Unfortunately most of the discussion related to 1.4 is not available for you to view.)

What's Next ? – No way to know but the cap was the centerpiece of the Mayor's Plan. If a majority of the council wants to remove the heart of the mayor's plan they may have to do it “on the record”. There is a good chance that 1.1, 1.2, 1.3 and 1.4 will be part of the STR ordinance.

1.1 Owner Occupied and Non-owner Occupied STRs are both subject to the new rules.

Not Discussed (See 1.4)

1.2 All current STR license holders can keep licenses and renew each year

- a) STR licenses do not convey upon sale of property (except to select relatives)
- b) Transfers or sales to grandparents, parents, spouse or children are allowed
- c) Licenses that are inactive for 12 months (without a good reason) will be lost.
- d) All new licenses after ordinance is enacted will be subject to “Cap System”

Not Discussed (See 1.4)

1.3. Every dwelling unit in the city will be subject to the new ordinance. Including all condo units and individual units within two family or multi-family buildings. (No exceptions)

Not Discussed (See 1.4)

2.1 Additional Fees will be Introduced, **in addition to the usual Business License fee.**

For: Owner Occupied STRs - \$1,000 Non-Owner Occupied STRS - \$2,000

What Happened? - Most council members thought the idea, had merit. Most felt the dollar amounts were too high, especially for small Owner Occupied STRs. It was generally agreed that the amount for Owner Occupied STRs should be much lower.

What's Next? - Expect to see additional fees, but they should be lower, at least for owner occupied STRs.

2.2 Most STR infractions will change from criminal to civil to enable immediate issuance of fines.

All Fines to be \$500.

“The Mayor recommends increasing the fines and immediacy of fines when there is a rental strike.”

Policy Changes:

- Change the STR ordinance to make all rental violations subject to \$500 civil tickets.
- Each conviction shall constitute a strike.
- After three strikes in a rolling 12 month period, the City will initiate a revocation hearing.
- If local agents cannot appear on site or respond to an emergency within 30 minutes, it will be a ticketed offense.
- Advertising for less than 3 nights will be a ticketed offense.”

What Happened? - All agreed that STR infractions should change from criminal to civil.

- \$500 will be the largest fine, but other infractions will be less.
- The 3 strikes policy was supported by most of the council.
- Most agreed that local agents do not have to be on site within 30 minutes but they must respond by phone within 30 minutes. They should have more time to arrive on site if the situation required an on-site visit.
- Most agreed false advertising by STRs should be a ticketed offense.
- The mayor agreed to remove the “3 night phrase” from this section

What's Next? - Most of 2.2 will be in the STR Ordinance

2.3 City will hire additional staff to oversee STR applications, issues, problems & complaints.

What Happened ? - Most were in support

What's Next? - Expect to see 2.3 in the ordinance

2.4 Accommodation Tax accounts must be paid in full before a renewal is allowed.

What Happened? - Most were in support of 2.4.

What's Next? - Expect to see 2.4 in the ordinance, with only minor tweaks.

3.1 Parking – Parking areas must be clearly marked. If there are not enough on-site spaces to meet parking requirements the number of overnight guests may be reduced. Alternative parking plans may be considered by city staff.

What Happened? - There were nearly as many opinions as council members. Some thought no regulations were in order, other comments were “I don't want to see a bunch of parking signs”, etc

What's Next? - Not sure, but 3.1 may reappear unchanged

3.2 All properties must be managed by a state regulated property manager or realtor.

What Happened? - Most felt 3.2 was an over reach, at least for Owner-Occupied STRs. There was general agreement that an individual property owner should be allowed to manage their own STR if they can do all the things that the city expects of a property manager. All seemed to agree that Non-owner occupied STRs would need to have a local property manager.

What's Next? - It's a toss up. 3.2 may disappear completely or reappear with softer language.

3.3 The City Notification System will switch from sending a letter to a “real time” system.

For Example: phone, text or email. (Also necessary for the proposed 30 minute notification system to function properly.)

What Happened? - Most agreed that something faster than certified mail was a good idea. .

What's Next? - Expect to see 3.3 slightly modified but the basic idea is likely to return.

3.4 Noise - Will now be a civil matter and a fine can be issued on the spot. More than one noise violation will require owner to install noise monitoring equipment.

What Happened? - The council agreed that infractions should be civil and not criminal but were split on the noise monitoring requirement.

What's Next? - Expect to see 3.4 in a slightly modified form

3.5 Minimum number of nights per booking = 3

What Happened? - Most opposed 3, some could support 2, Most opposed 1, Some wanted to get rid of 3.5 completely.

What's Next? - Expect to see the minimum number of nights = 2 , in the ordinance.

3.6 Certificate of Occupancy must be in hand before new builds or major remodels can apply for an STR license.

What Happened? - Most felt they could support 3.6.

What's Next? - 3.6 will probably remain unchanged

3.7 Building must meet the 2018 Property Maintenance Code by a third party inspection.

What Happened? - Most agree this was too much regulation, that the inspection should be focused on health and safety issues and several thought it should only be done for first time STR licensees. There was no discussion about who would do the inspections.

What's Next? - Expect to see a “Health and Safety Inspection Checklist”. How many items is anyone's guess.

3.8 Septic System - Owner must provide documentation that the septic system is rated for 120 GPD (Gallons per Day) per bedroom.

What Happened? - Most did not oppose 3.8.

What's Next? - Expect to see 3.8 again in its current form.

3.9 Number of bedrooms to be rented can not exceed the official number recorded by the Charleston County Tax Assessor.

What happened? - Most said yes to this proposal

What's Next? - 3.9 will probably reappear unchanged.

4.1 Quoted Directly: “Recommendation 1: The Mayor recommends developing a robust communications plan addressing all stakeholders to provide information on short term rentals. Policy: This could include a dedicated page on the website with a feedback form, a robust communication plan addressing all stakeholders to educate them on existing ordinances (STR and Noise) via the Sandspur and Folly Current, insert educational material into tax bills, how enforcement works with Public Safety, utilize TVPC to market beach as a family beach, and what tools they can appeal to Council for a Rezoning under a neighborhood preservation zoning overlay. Reasoning: Many stakeholders find the rules confusing or difficult to navigate. The City also wishes to be as transparent and helpful as possible. Public Information from the city about STRs for residents, licensees and tourists will be significantly improved.”

What Happened? - Most considered this proposal a laudable goal.

What's Next? - 4.1 is jam packed with ideas. Expect to see many of them again.