

MINUTES OF THE ISLE OF PALMS
SPECIAL PLANNING COMMISSION MEETING
March 19, 2018

The Isle of Palms Planning Commission held a Special Meeting in the City Hall Conference Room, 1207 Palm Boulevard on March 19, 2018 at 9:00 a.m. Members attending included Ron Denton, Vince DiGangi, Richard Ferencz, Lewis Gregory, Bill Mills, Lisa Safford, and Phillip Pounds; the Director of Planning Douglas Kerr, the City Administrator Linda Tucker, and the City Attorney Stirling Halversen were present as well. Mr. Ferencz acknowledged that the press had been notified of the meeting and the agenda for the meeting was posted in City Hall and the Building Department to comply with the Freedom of Information Act.

DISCUSS FLOOD AMENDMENTS WITH OLDER HOMES

Mr. Kerr stated that the Planning Commission sent forward a recommendation to City Council to establish a 14-foot minimum elevation requirement and that Council expressed concern over the impact of the 50% rule on older homes. He stated that Council expressed a desire to relax the 50% rule, where possible, to make it more feasible for owners to keep the older homes and not raze them to be replaced with bigger homes, covering more area, and intended to be used by more people.

Mr. Kerr explained that certain provisions of the flood regulations are set by FEMA as minimum standards, which the City cannot modify. The only items that can be modified are the voluntary standards that are above-and-beyond the FEMA minimum standards. He noted that the 50% rule is a minimum standard, but the five-year tracking period is a voluntary standard and the 14-foot universal elevation requirement is a voluntary standard.

He stated that he had prepared two suggestions; the first was a broad reaching change that would eliminate the five-year tracking period for all legal, nonconforming structures, enabling owners to pull permits to do 50% improvements to their home as frequently as they like.

The second, more narrow suggestion, was to eliminate the 14' universal requirement for legal, nonconforming structures, so those structures would only be bound by the FEMA elevation requirements; therefore, a house that complies with the future FEMA standard would not be bound by a 50% rule at all.

Mr. Mills asked if the 50% rule was based on the value of the building and if this value was established by an appraiser or the County Assessor. Mr. Kerr answered that the limit to make improvements to a house was 50% of the market value of the house alone, exclusive of land value, and the value can be established either by private appraiser or by Charleston County Assessor. For example, a property with a

total value of \$600,000, where the house is valued at \$200,000 and the land is worth \$400,000, an owner could do a maximum of \$100,000 (50% of \$200,000) worth of work.

Mr. Pounds asked, if the Planning Commission eliminated the five-year tracking period, could an owner come in every week and pull permits for 49% of the value of the house? If so, would this be creating a dangerous loophole that could allow people to spend an unlimited amount on non-elevated homes?

Mr. DiGangi said that he has noticed that some of the older homes seem to be in poor condition, and he wonders if owners do not automatically stop improving their property because they feel certain that they could run afoul of the 50% rule, and they know that the current code structure will certainly lead to them ultimately being destroyed, therefore, it would be a waste of money to improve the houses.

Mr. Kerr answered that he thought this probably was the case with many of these older houses.

Mr. Mills asked if the logic that was originally used to develop the 50% threshold has changed and if it was wise to allow owners to spend an unlimited amount on improvements to houses that are susceptible to damage during a flood.

Mr. Kerr agreed that this discussion was really asking for a judgement of what the community should value more, keeping smaller, more affordable housing or being a more resilient community that would see less damage during a storm. He added that he did feel that the economics of the Isle of Palms today were very different from the economics when the 50% rule was established. He explained that the example has been made to him that a new roof, new siding, windows and air conditioning can cost 50% of the value of an existing structure, without any true upgrades. He added that because land is so valuable on the island, it results in houses not contributing as much to the value. Additionally, the cost of work has increased dramatically since the 50% rule was originally developed in the early 1970's.

Mr. Denton added that it was a choice of preserving some of the original character of the island or making the community safer during a flood event. He stated that the new building codes will make homes, even those that are not elevated, more robustly constructed than those that the island saw damaged in Hurricane Hugo.

Mr. Ferencz stated that he was of the mindset that preserving the older homes should be given favor over flood resistance in the two options being discussed.

Mr. Lewis stated that he did not like the idea of eliminating the tracking of the 50% rule altogether, as it creates a scenario where owners can pull multiple building permits in quick succession that leads to someone not having any realistic limit to how much can be spent. Ms. Safford stated that she agreed and would support changing the five-year tracking period to a one-year tracking period.

There was consensus that changing the tracking period from five years to one year was a good compromise.

Mr. Kerr asked if the group was interested in relaxing the regulations even further for those houses that complied with the future FEMA map requirements, but not the universal 14-foot elevation requirement. He did not believe that there were many properties that would be in this category, but that the areas around Carolina and Cameron Boulevards would be out of the flood zone entirely, so this provision would exempt any houses on the grade in these areas from having to comply with the 50% rule.

Mr. Ferencz stated that people looking to buy into the community who learn of the 50% rule may opt to buy elsewhere where they feel like they can improve their home overtime and not have to tear it down to improve it. He stated that he liked the idea of removing barriers from people buying and improving the older homes.

The group agreed that it would be good to eliminate the 50% rule altogether for those houses that will be compliant with the FEMA elevation requirements, but not the 14-foot universal requirement.

Mr. Ferencz made a motion to recommend that the five-year tracking period for the 50% rule be reduced to a one-year tracking period and to eliminate the 50% rule altogether for those houses that are compliant with the future FEMA elevation requirement, but not compliant with the proposed universal 14-foot elevation requirement. Mr. DiGangi seconded the motion and the vote was unanimous in favor of the motion.

ADJOURNMENT

With there being no further business, the meeting was adjourned at 10:05 a.m.

Respectfully submitted,

Richard Ferencz, Chairman