



**Special Joint Meeting
City Council and Planning Commission**

3:30 p.m., Tuesday, June 21, 2022

Council Chambers
1207 Palm Boulevard
Isle of Palms, South Carolina

Public Comment:

All citizens who wish to speak during the meeting must email their first and last name, address, and topic to Nicole DeNeane at nicoled@iop.net no later than **3:00 p.m. the business day before the meeting**. Citizens may also provide public comment here: <https://www.iop.net/public-comment-form>

Agenda

1. **Call to order** and acknowledgement that the press and public have been duly notified of the meeting in accordance with the Freedom of Information Act.
2. **Citizens Comments** – All comments will have a time limit of three (3) minutes.
3. **Purpose** – Presentation and discussion of recommendations developed by the Planning Commission for the regulation of short-term rentals.
4. **Adjournment**

Short Term Rental Joint Meeting

Isle of Palms

City Council & Planning Commission

3:30, p.m., Tuesday, June 21, 2022

City Council Request

June 22, 2021

- *“Very specifically, the Planning Commission should be looking at livability issues and potentially caps on short-term rentals.”*
- **Determine the need for a moratorium on short-term rentals**
- **Prepare recommendations for City Council**

History & Background Information

- 2001- Council requires business licenses for all rentals
- 2002- Council limits the size of new houses
- 2005- Council requests Planning Commission analysis and recommendations
- 2006- Council establishes occupancy limits
- 2010- Council limits max occupancy of 12 people
- 2019- Council requests Planning Commission analysis and recommendations
- 2020- Council enacts five complaints and license revoked
- 2021- Council requests analysis and recommendations on cap

2019 Review and Recommendations

Issue to be Addressed	Priority	Current Requirement	Proposed Action Item	Recommendation	Pros	Cons
Minimize disruption to neighbors	1	Maximum overnight occupancy established based on size of rental				
	1	Maximum occupancy at any time is 40				
	1	Maximum cars parked overnight based on size				
	1	Informal three convictions results in revocation				
	1	Notice of rules required to be posted				
	1.1		Require that an owner's representative can always be physically on-site within one hour of a call	Enact ordinance	PD could improve response to complaints	Reduces owner's flexibility in managing their property
	1.2		Reduce maximum occupancy for daytime down from 40 to twice the maximum overnight occupancy	Enact ordinance	Could reduce parties at smaller rentals	
	1.3		Amend overnight parking time to coincide with nonresident times	Refer to Public Safety for consideration	Would keep renters cars off the roadway	Could push cars onto rental property
	1.4		Reduce the overnight occupancy to a maximum of 12 people when a rental is sold	Eliminated from consideration in September	Over time could reduce impact of large rentals	Could reduce resale values
	1.5		Establish a minimum length stay	Eliminated from consideration in October	Could lead to more family oriented visitors and less party groups	Will reduce tax revenue collected by the City
	1.6		Publicize rental manager contact on www.iop.net	Eliminated from consideration in September	Empowers neighbors to deal with problematic renters	
Eliminate problem rentals	2.1		Formalize rental license revocation after five "founded complaints"	Enact ordinance	Could lead to the reduction of problem rentals	
	2.2		Improve the ordinance definition of "disturbances"	Eliminated from consideration in September	This was suggested by Livability Sergeant	
	2.3		Ensure owners are made aware of every complaint	This is happening now	Owners should be able to better manage	
Maintain rental balance	3.1		Establish areas where short term rentals are not allowed	Eliminated from consideration in October	Could keep rentals out of areas they have not traditionally been	Impacts owner's property rights
	3.2		Improve the record keeping including location, manager, police calls, citations issued (cause), convictions, dismissals, etc.	Working on this now	Will produce data that can be used to better identify problems	
	3.3		Require that Livability Officer provide an annual accounting to Council documenting changes in % of rental units by neighborhood, # & type of valid complaints and disposition, impact on neighborhoods, etc.	Working on this now	Will allow Council to identify trends that could have a negative impact and put safeguards into effect	Requires staff time, which is scarce
Ensure residents get benefit	4.1		Provide for verification of revenue and proof that all taxes and fees have been paid when license is renewed		Should increase revenue to the City	Requires staff time, which is scarce
	4.2		Increase penalty for noncompliance and provide a graduated penalty for all violations	Eliminated from consideration in September	Should encourage compliance	SC code limits what penalties a city can impose
	4.3		Make advertising unlicensed rental illegal	Enact ordinance	Improves enforceability- per City of Charleston	
	4.4		Require license number be posted on any advertising	Enact ordinance	Should highlight noncompliant properties	
Ensure renters safety	5.1		Require owners to document self inspection for compliance/ safety inspections as prerequisite to obtaining license	Eliminated from consideration in October	Should lead to safer rentals	Requires staff time, which is scarce

2021 Collection of Information by Planning Commission

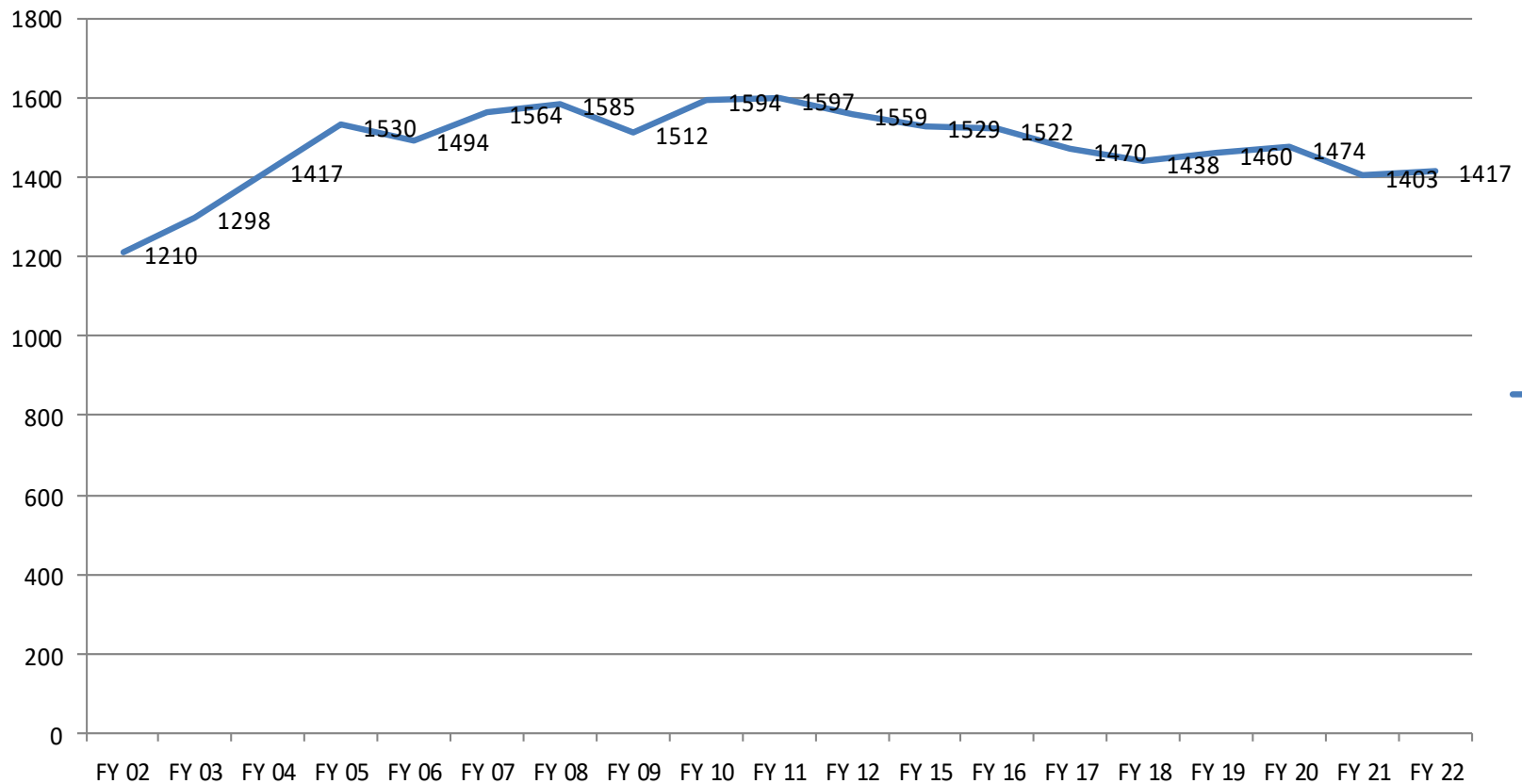
- Reviewed ordinances from other communities
- Requested data from City staff
- Developed custom tool using County tax data and City rental license data
- Implemented Graphic Information System (GIS)

2021 Database Application Creation

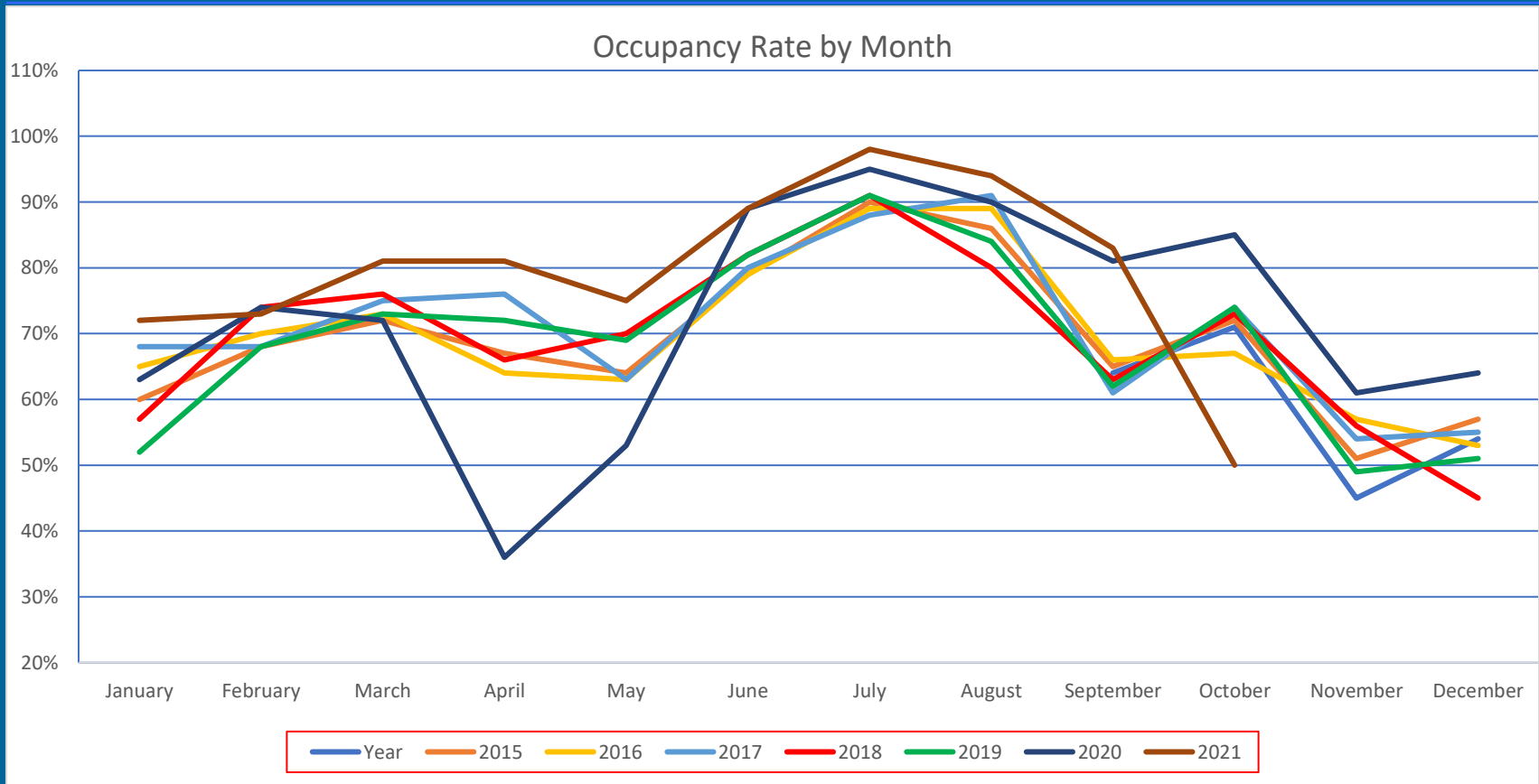
- City rental licenses information
- +
- County assessment information:
 - Values
 - Assessment rate (4% or 6%)
 - Size (square feet, number of bedrooms, baths, acreage, etc.)

Identified Trends - Licensing

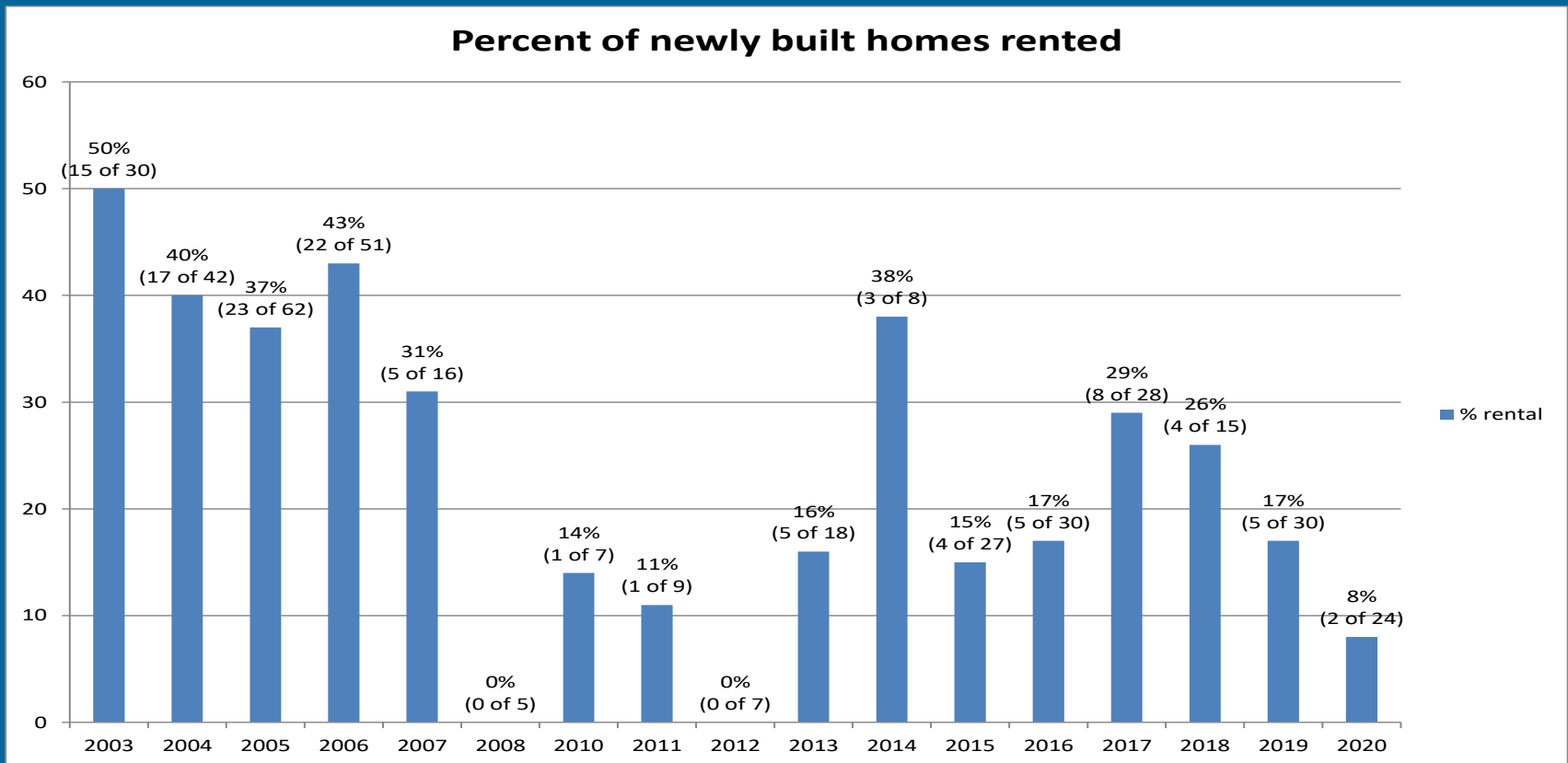
Short Term Rental Licenses per Year



Identified Trends – Rental Occupancy

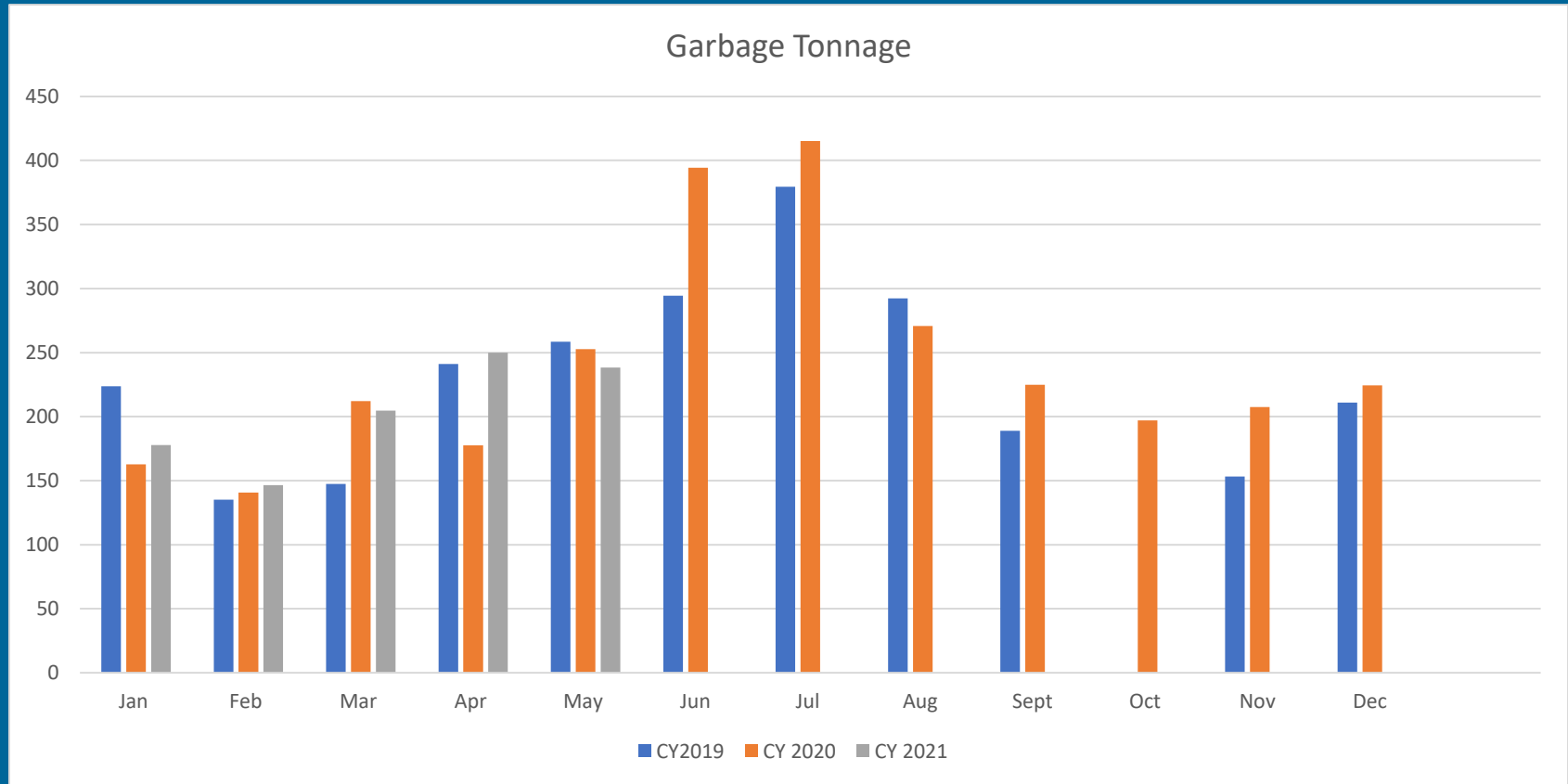


Identified Trends – New Built Rentals per Year

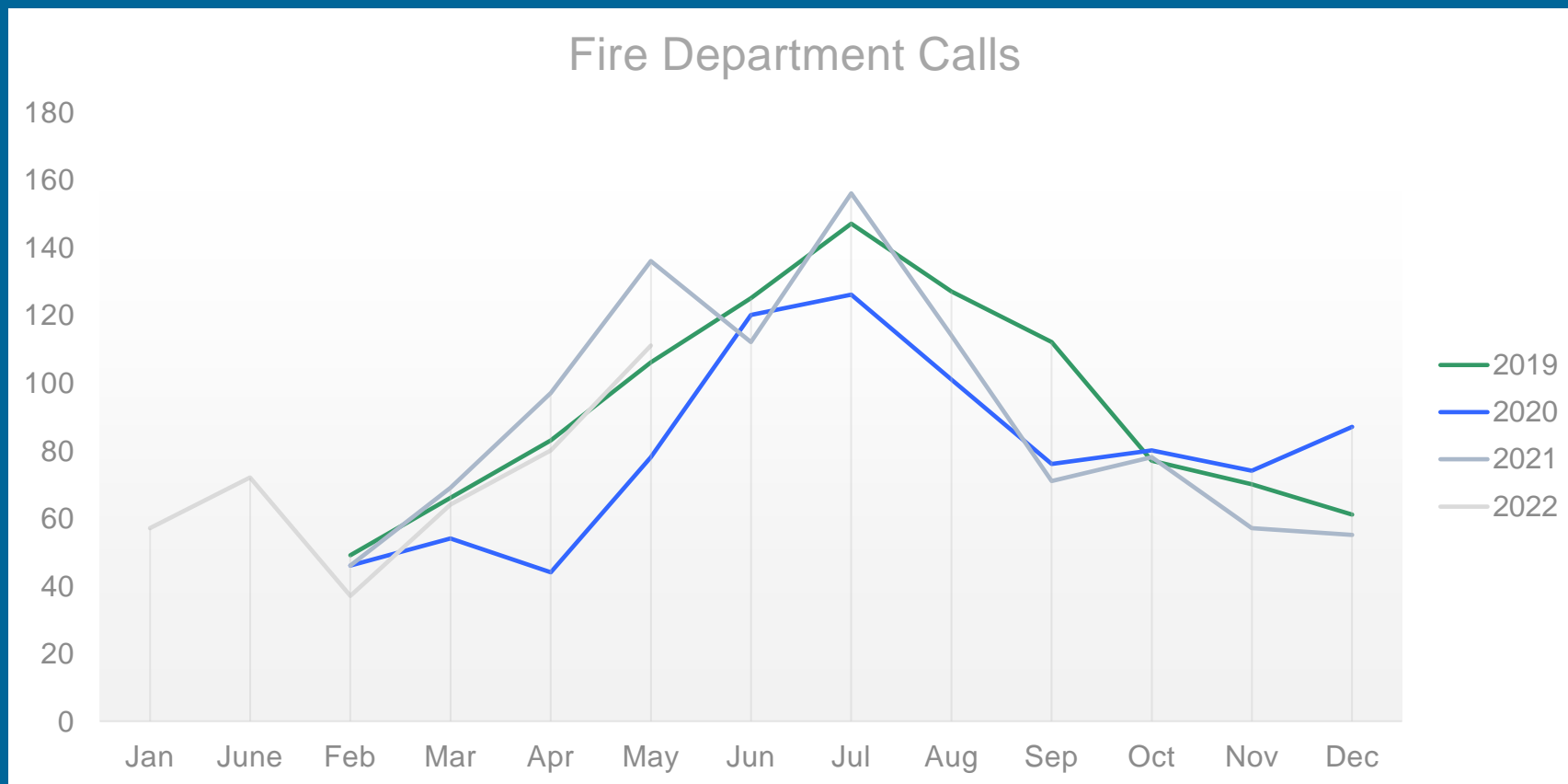


Created 11/6/08; modified 7/15/21

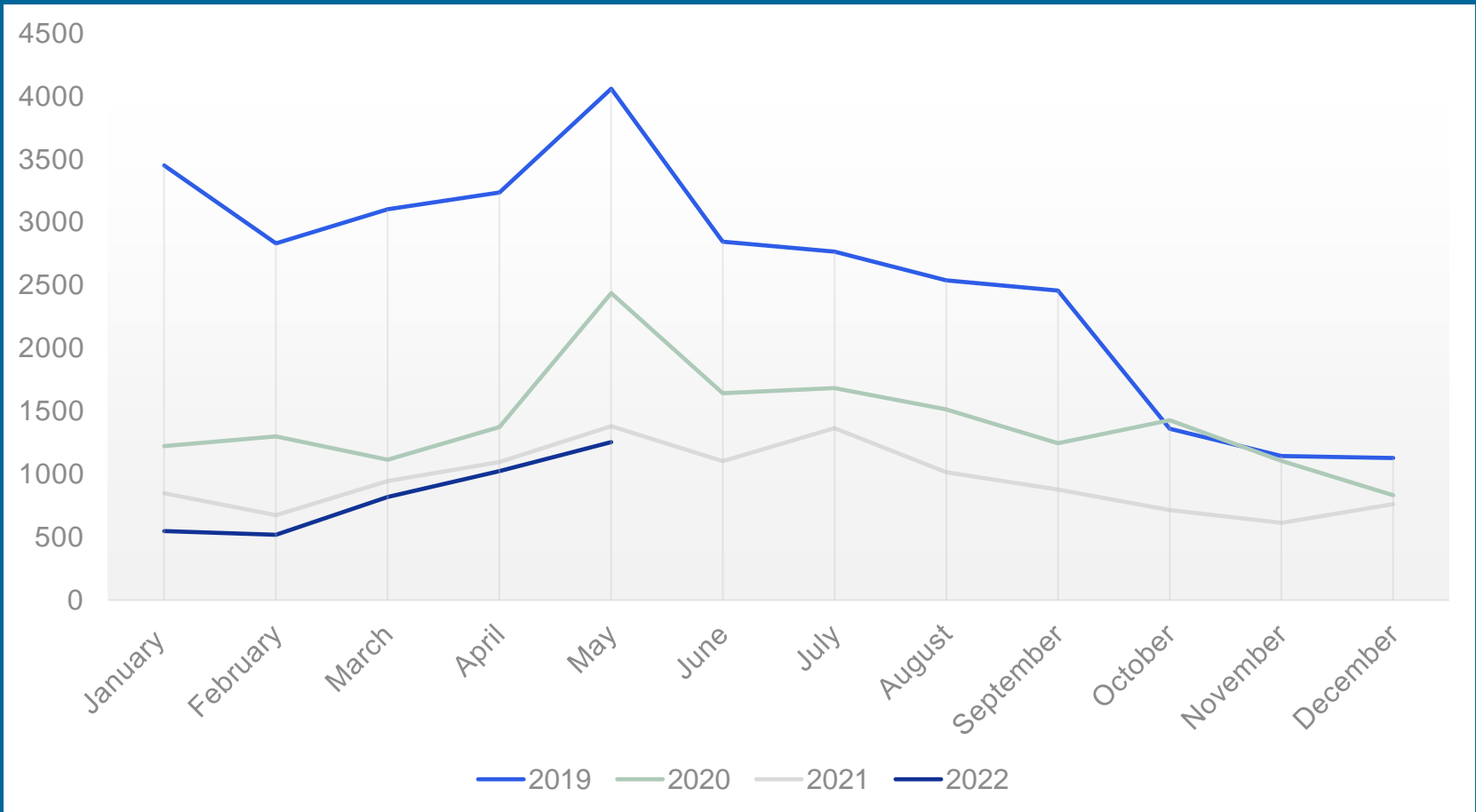
Identified Trends – Garbage



Identified Trends – Fire Calls for Service

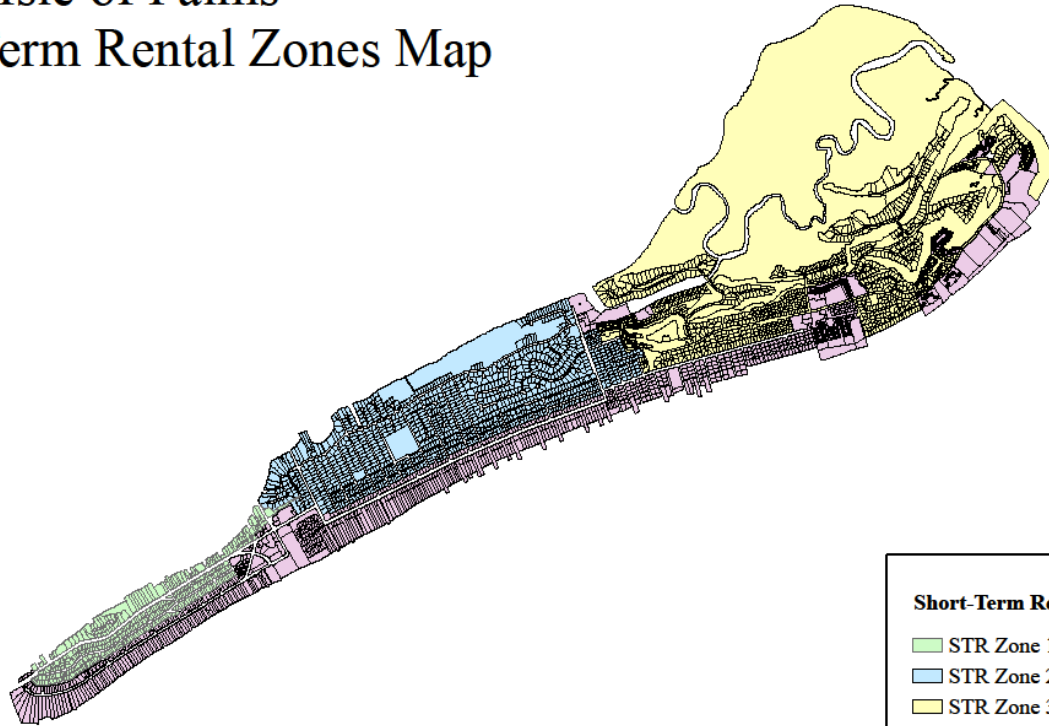


Identified Trends – Police Calls for Service



Proposed Zones Map

City of Isle of Palms Short-Term Rental Zones Map



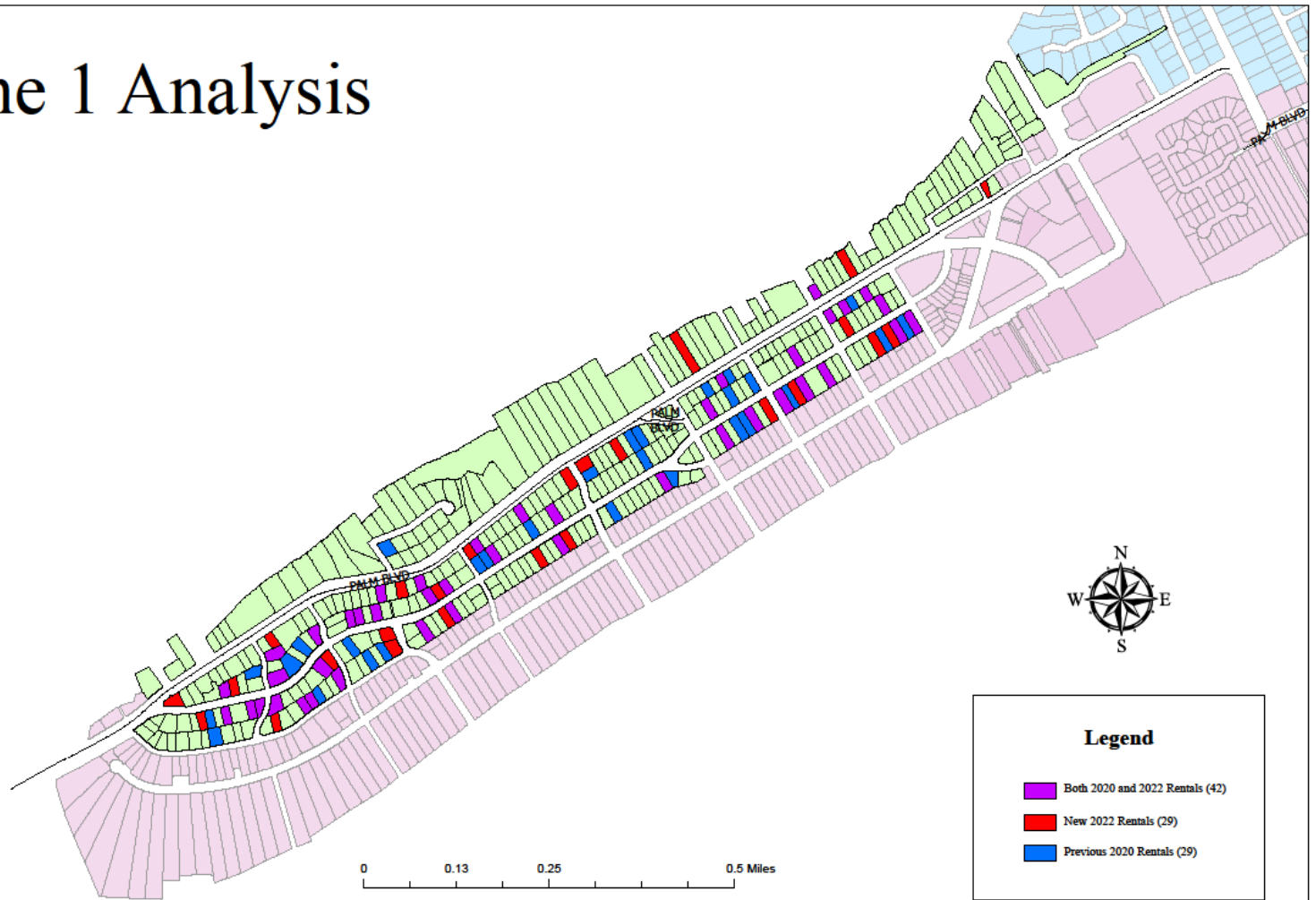
Short-Term Rental Zones

- STR Zone 1
- STR Zone 2
- STR Zone 3
- Uncapped



Zone 1

Zone 1 Analysis

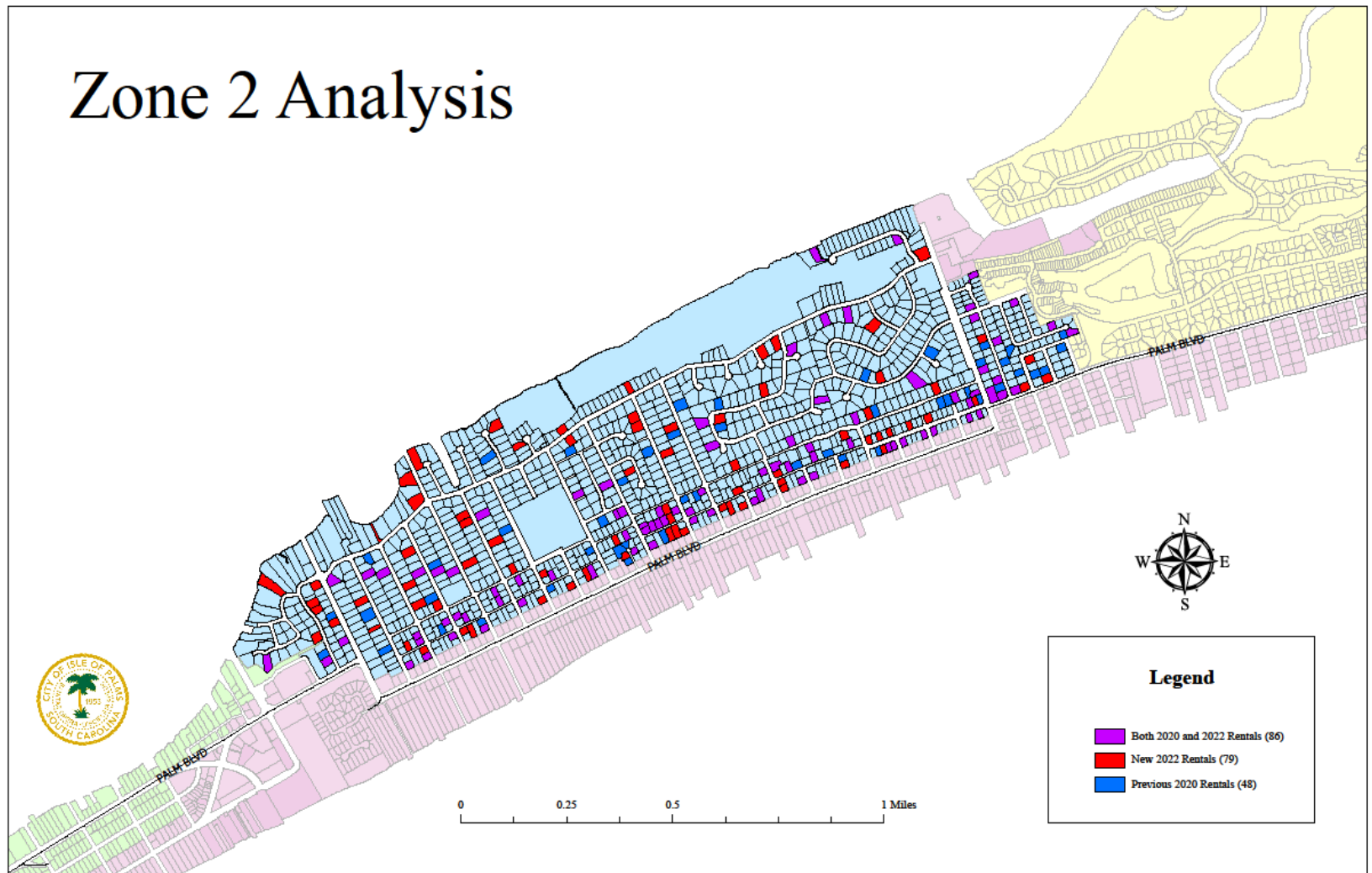


Legend

- Both 2020 and 2022 Rentals (42)
- New 2022 Rentals (29)
- Previous 2020 Rentals (29)

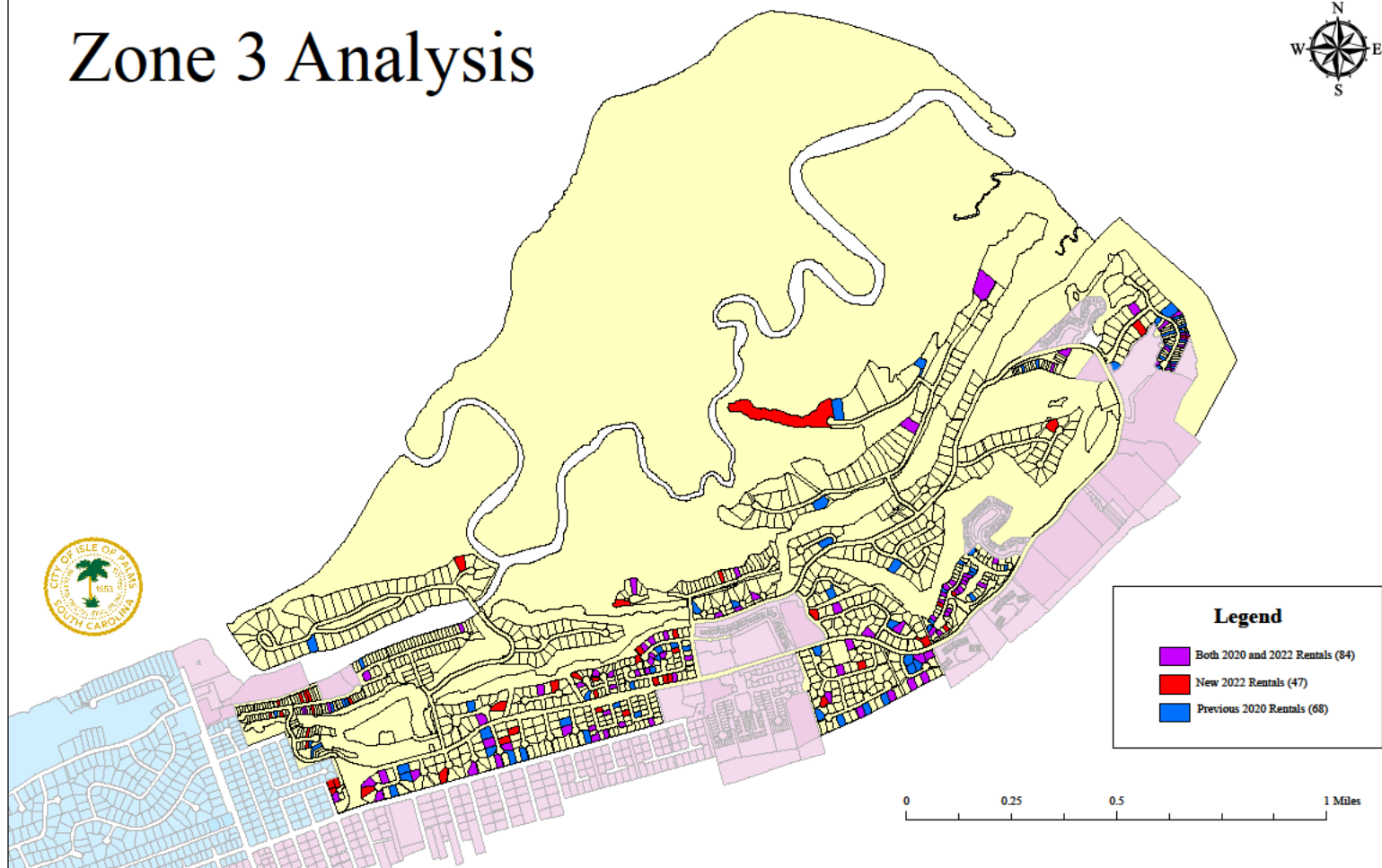
Zone 2

Zone 2 Analysis



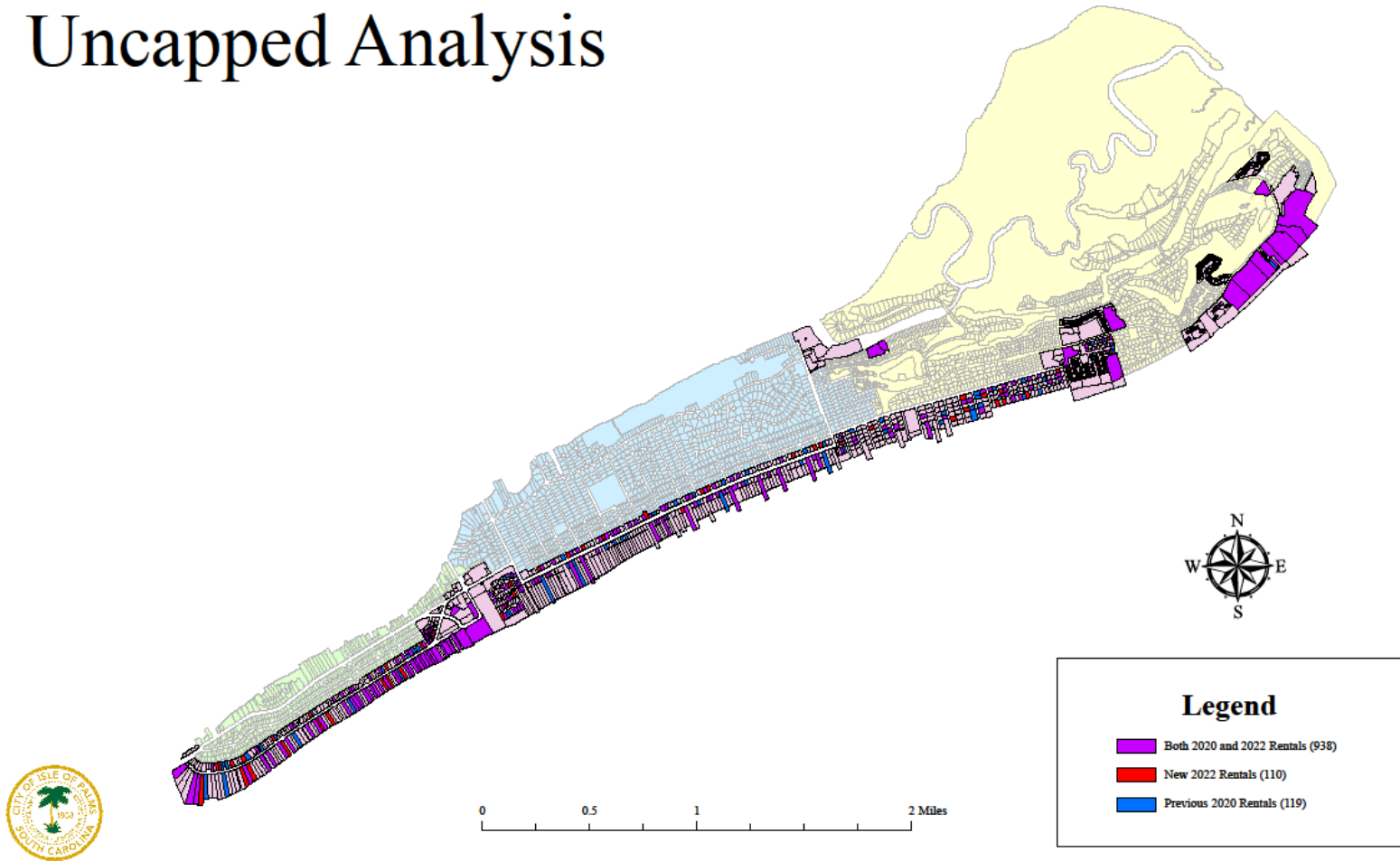
Zone 3

Zone 3 Analysis



Uncapped Areas

Uncapped Analysis



Full Analysis

	Total STR Licenses 2020	Total STR Licenses 2022	Homes that had STR License in Both 2020 and 2022	Homes that had STR License in 2020, but fell off in 2022	New STR licenses in 2022
Zone 1	71	71	42	29	29
Zone 2	134	165	86	48	79
Zone 3	152	131	84	68	47
Uncapped	1057	1048	938	119	110
Total	1414	1415	1150	264	240

What Issues/Concerns City Wants to Address?

- Increase of short-term rentals in areas that have historically had low numbers of rentals
- Migration of short-term rentals to areas that have historically had low number of rentals
- Impacts to livability of full-time residents

Planning Commission Recommendations

- Establish a cap of rental licenses for each zone at 10% higher than 2020 licenses
- Areas with more than 25% of the properties already in the short-term rental market (Ocean Boulevard, Palm Boulevard between 21st and 41st Avenue, ocean side of Palm Boulevard between 41st and 57th Avenues, Palmetto Boulevard, all commercial properties, and all multifamily properties) would be exempt from the cap
- When a zone meets its cap, a waiting list would be established and licenses would be issued on a one-out, one-in basis
- Property owners holding a short-term rental license will have preference to renew their annual license
- Short-term rental licenses would be transferable when properties are sold
- Limit occupancy of newly constructed or licensed homes in capped areas to 8
- When a rental property converts to non-rental for 1 year +, the occupancy limit reverts to 12 in uncapped areas and 8 in capped areas
- Review the short-term rental regulations annually- particularly trends in un-capped areas

ISLE OF PALMS
CODE OF ORDINANCES
Title 5 - PLANNING AND DEVELOPMENT
CHAPTER 4. - ZONING
ARTICLE 9. SHORT-TERM RENTALS

ARTICLE 9. SHORT-TERM RENTALS

Sec. 5-4-201. Definitions.

The following words, terms and phrases, when used in this article, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

Short-term rental means the use of any dwelling, including the lot upon which the dwelling is located, anywhere within the City whereby the dwelling is leased or otherwise made available by the owner to another person for a term of three (3) months or less. Any reference in this article to dwelling, residence or rental shall mean a short-term rental.

(Ord. No. 2007-2, § 2(5-4-201), 3-27-2007)

Sec. 5-4-202. Maximum overnight occupancy.

- a. The maximum overnight occupancy of an existing residence for which the owner is holding a valid short-term rental license on June 22, 2010, shall be limited to the greater of:
 - (1) Two (2) people per bedroom, plus two (2) people.
 - (2) One person per two hundred fifty (250) square feet of gross heated floor area in the entire house.
 - (3) Six (6) people.
- b. The maximum overnight occupancy of an existing residence for which the owner is not holding a valid short-term rental license on June 22, 2010, shall be limited to the greater of:
 - (1) Two (2) people per bedroom, plus two (2) people.
 - (2) Six (6) people.
- c. The maximum overnight occupancy of a residence permitted for new construction after June 22, 2010 shall be the same as prescribed in section 5-4-202(b) or twelve (12) people, whichever is fewer.
- d. The maximum overnight occupancy of an existing residence that is altered or reconstructed after June 22, 2010, shall be prescribed as follows:
 - (1) If the maximum overnight occupancy of the residence prior to alteration or reconstruction was less than twelve (12) people, then the maximum overnight occupancy of the altered or reconstructed residence may be increased to the number of people prescribed in:
 - (a) Section 5-4-202(a) or twelve (12) people, whichever is fewer, if the owner was holding a valid short-term rental license on June 22, 2010.
 - (b) Section 5-4-202(b) or twelve (12) people, whichever is fewer, if the owner was not holding a valid short-term rental license on June 22, 2010.

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- (2) If the maximum overnight occupancy of the residence prior to alteration or reconstruction was twelve (12) people or more, then the maximum overnight occupancy of the altered or reconstructed residence shall not be increased.
 - (3) If the alteration or reconstruction results in a decrease in number of bedrooms or floor area of the residence, then the maximum overnight occupancy shall be reduced as prescribed in:
 - (a) Section 5-4-202(a), if the owner was holding a valid short-term rental license on June 22, 2010.
 - (b) Section 5-4-202(b), if the owner was not holding a valid short-term rental license on June 22, 2010.

e. Children under two (2) years of age shall not be included in determining the maximum overnight occupancy.
(Ord. No. 2007-2, § 2(5-4-202), 3-27-2007; Ord. No. 2010-08, § 1, 6-22-2010)

Sec. 5-4-203. Maximum occupancy at any time.

Notwithstanding any other provision of this article to the contrary, at no time shall the total number of persons at a residence exceed forty (40) persons, including children, or twice the maximum overnight occupancy as determined by section 5-4-202, whichever is less.

(Ord. No. 2007-2, § 2(5-4-203), 3-27-2007; Ord. No. 2020-04, § 1, 8-25-2020)

Sec. 5-4-204. Maximum number of vehicles.

The maximum number of vehicles that may be located at a residence between the hours of 11:00 p.m. to 9:00 a.m. shall be limited to one (1) vehicle per approved bedroom or one (1) vehicle for every two and one-half (2½) people allowed under the maximum overnight occupancy. In no instance shall the number of vehicles allowed be less than two (2).

(Ord. No. 2007-2, § 2(5-4-204), 3-27-2007)

Sec. 5-4-205. Written notices to be conspicuously posted inside and outside residence; Penalties for removing notices.

A written notice provided by the city which contains information about certain ordinances generally impacting tenants of Short-term Rentals shall be affixed to a conspicuous location inside the residence located within fifteen (15) feet from the main entrance to the residence and maintained at such location by the owner and displayed at all times. A written notice provided by the city which contains information about the city's noise ordinance shall be weatherproofed and affixed to a conspicuous location on any exterior deck, porch, patio, pool or other gathering area of the residence and maintained at such location by the owner and displayed at all times. It shall be unlawful for any person to destroy, hide, obstruct, conceal or remove the notices required by this section.

(Ord. No. 2007-2, § 2(5-4-205), 3-27-2007; Ord. No. 2009-14, § 1, 10-27-2009; Ord. No. 2015-07, § 1, 7-28-2015)

Editor's note(s)—Ord. No. 2015-07, § 1, adopted July 28, 2015, changed the title of § 5-4-205 from "Written notice to be conspicuously posted in residence; Penalties for removing notice" to read as set out herein.

Sec. 5-4-206. Provisions are cumulative.

All provisions contained in this article shall be cumulative to all other Federal, State and City laws, ordinances and regulations to which an owner or tenant may be subject regarding the ownership, use, rental or occupancy of a residence.

(Ord. No. 2007-2, § 2(5-4-206), 3-27-2007)