

PLANNING COMMISSION
4:30pm, Wednesday, October 9, 2019
City Hall Conference Room
1207 Palm Boulevard, Isle of Palms, SC

MINUTES

1. Call to order

Present: Richard Ferencz, William Mills, Vince DiGangi, Phillip Pounds, Ron Denton, Lisa Safford, Lewis Gregory, and Douglas Kerr, Director of Planning

2. Public Comments

Arnold Karig, 5102 Palm Boulevard, asked the Planning Commission to consider the 2004 vision for the island's commercial district when discussing the plans for 1100 Palm Boulevard. He believes this plan to be valid and should not be changed to accommodate this building. He encouraged them to think about how zoning changes to that area will be realized in the future.

3. Discussion of short-term rentals with Sandy Stone, property manager

Mr. Sandy Stone, owner of Island Realty, stated the rental market on the Isle of Palms is "healthy," and that the vast majority of renters are aware of and compliant with the rules. He reviewed and commented on the revised list of proposed action items. He suggested that the time requirement for an owner's representative arrive on-site be extended to one hour from 30 minutes. He also shared with Commission members what island property managers post near every exit door of a rental property, informing renters of the noise ordinance in effect on the island.

He stated he had no issues with reducing the daytime maximum occupancy and amending the overnight parking time to coincide with nonresident times. He did not believe establishing a minimum length stay is a viable option as many renters are breaking up weeklong vacations at this time anyway.

Director Kerr explained the genesis of "5 founded complaints" when Mr. Stone expressed concern about the issue. Mr. Stone stated that property managers should definitely be made aware of all complaints so they can be dealt with in a timely manner.

Mr. Stone did not feel that establishing areas on the island where rentals are prohibited is worthy of further consideration. He distributed to Commission members copies of his reservation agreement (similar agreements are used by all island property managers) and reviewed highlights of what they expect of their renters. He said, "We do everything we can to be good stewards of the community."

He believed that Chief Cornett was currently working to improve the recordkeeping with regards to calls at rental properties. He spoke highly of the actions taken by a previous livability officer and hoped that such work could be emulated again.

With regards to “providing for verification of revenue and proof that all taxes and fees have been paid when license is renewed,” he suggested asking for the tax reporting account number on the business license application and renewal.

He did not think making advertising unlicensed rentals illegal was possible, but Director Kerr noted this is being done in the City of Charleston. Mr. Stone said sites like AirBNB and VRBO actively remove pictures from listings that include any sorts of numbers like licenses.

Lastly, he said that no property owner or manager wants an unsafe property and requiring a safety checklist would be no more than a checkbox on a form. He added that condominiums properties are responsible for the care of the exterior of those units.

D. Approval of the Previous Meeting’s Minutes

Mr. Mills made a motion to approve the minutes of the September 11, 2019 meeting, and Mr. DiGangi seconded the motion. The minutes passed unanimously.

E. New Business

1. Presentation regarding 1100 Palm Boulevard

Jeremy Graves of Basic Projects gave a presentation for a 27-room boutique hotel for consideration at 1100 Palm Boulevard. The hotel includes a membership-only pool, restaurant, and shared community workspace. He noted the concept is a “less intense use” than in other areas of the commercial district. There is no allowance for parking onsite, and the developers hope to lease parking from the City, using a 24-hour valet parking service.

Following the presentation, Director Kerr said there are two main questions the City needs to consider when deciding whether or not this hotel is a fit for the Isle of Palms: Should the City change the zoning in the area to allow for the hotel, and should the City enter into parking agreements to allow for this use? Commissioners expressed concern that allowing a hotel in that area could create other issues in the commercial district down the road.

Director Kerr said the Commission will need to consider a recommendation on this hotel next month.

F. Old Business

1. Consider recommendations for short-term rentals

Commissioners agreed to change the time requiring an owner’s representative to be onsite should be changed from 30 minutes to one hour. They briefly discussed the fairness of creating areas in which short-term rentals would be permitted. Shelly Miles and Beau Hollingsworth both agreed that you cannot eliminate all bad behavior with rules and that most of the bad behavior comes from poor management. They also expressed how much they missed

receiving up-to-date information about rental issues from the livability officer. Mr. Gregory pointed out that perhaps the Commission was reacting to a minimal amount of anecdotal evidence when there may not be a big problem with short-term rentals.

MOTION: Mr. Mills made a motion to eliminate the minimum stay requirement, and Mr. DiGangi seconded the motion. The motion passed unanimously.

MOTION: Mr. DiGangi made a motion to eliminate establishing areas where short-term rentals are permitted, and Mr. Gregory seconded the motion. The motion passed unanimously.

Director Kerr said he would take the items on which there was consensus and draft an ordinance for the Commissioners to review next month. These items included: changing the time for an owner's representative to appear onsite from 30 minutes to 1 hour, reducing the maximum daytime occupancy to twice the maximum overnight occupancy, formalizing rental license revocation after five founded complaints, and making advertising unlicensed rentals illegal. He will also speak with the City of Charleston more about the issue of requiring a license number to be posted in advertising. Commissioners also agreed to strike the safety checklist requirement.

2. Update on drainage planning

Director Kerr reported that the City has Thomas & Hutton under contract for the drainage projects. The smaller projects are expected to be completed over the winter. There will be a year of permitting for the larger, Phase III of the project before work begins next fiscal year.

3. Update on MOU with Water & Sewer Commission

Director Kerr reported the MOU will be on the next agenda for the Water & Sewer Commission. He explained the openings on the Commission, noting that the City has appointed two people to the Commission, which City Council will address at their October 22, 2019 meeting. He suggested a meeting between the Planning Commission and the Water & Sewer Commission might be a good idea after the election.

G. Miscellaneous Business – none

H. Adjournment

The meeting was adjourned at 6:51pm.

Respectfully submitted,

Nicole DeNeane
City Clerk

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.
 - (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~~forty (40) persons, including children as determined by Section 5-4-202, whichever is less.~~

(Ord. No. 2007-2, § 2(5-4-203), 3-27-2007)

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— 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)

Sec. 7-1-15. - Suspension and notice of proposed revocation of license.

When the License Inspector determines that:

- a. A license has been mistakenly or improperly issued or issued contrary to law;
- b. A licensee has breached any condition upon which the license was issued or has failed to comply with the provision of this chapter;
- c. A licensee has obtained a license through a fraud, misrepresentation, a false or misleading statement, evasion or suppression of a material fact in the license application;
- d. A licensee has been convicted of an offense under a law or ordinance regulating business, a crime involving moral turpitude, or an unlawful sale of merchandise or prohibited goods; or
- e. A licensee has engaged in or allowed an unlawful activity or nuisance relating to the business; or the licensee has demonstrated an inability or unwillingness to prevent the licensee's tenants from engaging in unlawful activities or creating nuisances related to the business;
- f. A licensee has had five or more complaints of unlawful activity within a single calendar year that are determined to be founded by the Police Department.

the License Inspector shall give written notice to the licensee or the person in control of the business within the City by personal service or certified mail that the license is suspended pending a hearing before Council for the purpose of determining whether the license should be revoked. The notice shall state the time and place at which the hearing is to be held, which shall be at a regular or special Council meeting within thirty (30) days from the date of service of the notice, unless continued by agreement. The notice shall contain a brief statement of the reasons for suspension and proposed revocation and a copy of the applicable provisions of this chapter.

(Code 1994, § 7-1-15; Ord. No. 1999-27, § 15, 10-26-1999; Ord. No. 2007-4, § 1, 3-27-2007)

Sec. 7-1-22. - Classification and rates.

SIC 6513; NAICS 53111—Lessors of Residential Housing Units—Less than Ninety (90) Days (Non-resident rates do not apply):

Minimum on first \$2,000: \$350.00 PLUS

Per \$1,000, or fraction, over \$2,000: \$4.60

The application shall require ~~documentation of a successful self-inspection of the property for all compliance issues as well as basic safety issues and~~ written acknowledgment by the licensee that a violation of this Code, either by the licensee, the licensee's property manager, or the licensee's rental guests, may result in the suspension or revocation of the license.

The licensee shall maintain on file with the City Business License Office the current telephone number, if any, of the residence and current twenty-four (24) hour per day telephone numbers at which the City may contact the licensee and, if applicable, the licensee's property manager. The point of contact provided must be able to be physically on site within one hour-30 minutes of receiving a phone call and must have the authority over the property to be able to remove tenants and address unlawful activity.

It shall be a violation of this Chapter for a short-term rental to be advertised without complying with the requirements of this Chapter.

It shall be a violation of this Chapter to advertise a short-term rental without displaying the business license number.

Notwithstanding any other provision of this chapter, license taxes for lessors of residential housing units-less than ninety (90) days shall be payable on or before September 1 in each year without penalty.

ORDINANCE 2019-__

AN ORDINANCE AMENDING TITLE 5, PLANNING AND DEVELOPMENT, CHAPTER 4, ZONING, ARTICLE 9, SHORT-TERM RENTALS, SECTION 5-4-203, MAXIMUM OCCUPANCY AT ANY TIME, OF THE CITY OF ISLE OF PALMS CODE OF ORDINANCES, TO LIMIT THE MAXIMUM OCCUPANCY AT ANY TIME TO FORTY (40) PEOPLE OR TWICE THE MAXIMUM OVERNIGHT OCCUPANCY, WHICHEVER IS LESS.

BE IT ORDAINED AND ENACTED BY THE MAYOR AND COUNCIL MEMBERS OF THE CITY OF ISLE OF PALMS, SOUTH CAROLINA, IN CITY COUNCIL ASSEMBLED:

SECTION 1. That Section 5-4-203 is hereby amended in its entirety to state as follows:

“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.”

SECTION 2. That should any part of this Ordinance be held invalid by a Court of competent jurisdiction, the remaining parts shall be severable therefrom and shall continue to be in full force and effect.

SECTION 3. That all ordinances or parts of ordinances conflicting with the provisions of this Ordinance are hereby repealed insofar as the same affect this Ordinance.

SECTION 4. That this Ordinance take effect and be in full force immediately.

PASSED AND APPROVED BY THE CITY COUNCIL FOR THE CITY OF ISLE OF PALMS, ON THE _____ DAY OF _____, 2019.

Jimmy Carroll, Mayor

(Seal)

Attest:

City Clerk

First Reading: _____

Public Hearing: _____

Second Reading: _____

Ratification: _____

ORDINANCE 2019-__

AN ORDINANCE AMENDING TITLE 7, LICENSING AND REGULATION, CHAPTER 1, BUSINESS LICENSES, ARTICLE A, GENERAL PROVISIONS, SECTION 7-1-15, SUSPENSION AND NOTICE OF PROPOSED REVOCATION OF LICENSE, AND SECTION 7-22-22, CLASSIFICATION AND RATES, SIC 6513; NAICS 53111- LESSORS OF RESIDENTIAL HOUSING UNITS- LESS THAN NINETY (90) DAYS, OF THE CITY OF ISLE OF PALMS CODE OF ORDINANCES, TO ADD CONDITIONS FOR THE SUSPENSION OF A RENTAL BUSINESS LICENSE, REQUIRE AN OWNER'S REPRESENTATIVE TO BE ABLE TO BE PHYSICALLY ON SITE WITHIN ONE HOUR OF RECEIVING A COMPLAINT, AND CONDITIONS FOR THE ADVERTISEMENT OF RENTALS.

BE IT ORDAINED AND ENACTED BY THE MAYOR AND COUNCIL MEMBERS OF THE CITY OF ISLE OF PALMS, SOUTH CAROLINA, IN CITY COUNCIL ASSEMBLED:

SECTION 1. That Section 7-1-15 is hereby amended by adding (f) to state as follows:

“Sec. 7-1-15 Suspension and notice of proposed revocation of license.

f. A licensee has had five or more complaints of unlawful activity within a single calendar year that are determined to be founded by the Police Department.”

SECTION 2. That Section 7-1-22 SIC 6513; NAICS 53111 is hereby amended by adding provisions to state as follows:

“Sec. 7-1-22. - Classification and rates.

SIC 6513; NAICS 53111—Lessors of Residential Housing Units—Less than Ninety (90) Days (Non-resident rates do not apply):

Minimum on first \$2,000: \$350.00 PLUS

Per \$1,000, or fraction, over \$2,000: \$4.60

The application shall require written acknowledgment by the licensee that a violation of this Code, either by the licensee, the licensee's property manager, or the licensee's rental guests, may result in the suspension or revocation of the license.

The licensee shall maintain on file with the City Business License Office the current telephone number, if any, of the residence and current twenty-four (24) hour per day telephone numbers at which the City may contact the licensee and, if applicable, the licensee's property manager. The point of contact provided must be able to be physically on site within one hour of

receiving a phone call and must have the authority over the property to be able to remove tenants and address unlawful activity.

It shall be a violation of this Chapter for a short-term rental to be advertised without complying with the requirements of this Chapter.

It shall be a violation of this Chapter to advertise a short-term rental without displaying the business license number.

Notwithstanding any other provision of this chapter, license taxes for lessors of residential housing units-less than ninety (90) days shall be payable on or before September 1 in each year without penalty.”

SECTION 3. That should any part of this Ordinance be held invalid by a Court of competent jurisdiction, the remaining parts shall be severable therefrom and shall continue to be in full force and effect.

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PASSED AND APPROVED BY THE CITY COUNCIL FOR THE CITY OF ISLE OF PALMS, ON THE _____ DAY OF _____, 2019.

Jimmy Carroll, Mayor

(Seal)

Attest:

City Clerk

First Reading: _____

Public Hearing: _____

Second Reading: _____

Ratification: _____