

MINUTES OF THE ISLE OF PALMS  
PLANNING COMMISSION MEETING  
November 19, 2008

SPECIAL MEETING

The Isle of Palms Planning Commission met in City Hall, 1207 Palm Boulevard on November 19, 2008, at 5:00PM. Members attending included Barbara Bergwerf, Pat Campbell, Ron Denton, Sandy Stone and Dick Watson; also the Director of Planning, Douglas Kerr was present. David Stevens was absent. 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.

Chairman Denton called the meeting to order and explained that the purpose of the special meeting was to discuss the issues of short term rentals and the size of houses with the Isle of Palms Neighborhood Association. He explained that this was the first meeting of a series to discuss these issues with interested groups.

CITIZEN COMMENTS

Mr. Denton asked if there were members of the audience that would like to make any comments.

Mr. Raih addressed the Commission and explained that he had worked on the development of the short term rental program that is currently in place and he appreciated the efforts of the Commission, but he wanted to stress the importance of the group focusing on facts and numbers.

Mr. Carroll addressed the Commission and explained that he thought that it was good for the Commission to talk with various groups and he hoped that the Commission would meet with the Business Council as well. Mr. Denton answered that they would be doing this in the future.

Mr. Mitchell addressed the Commission and he explained that he had four children and his family would have a hard time fitting in a small house and he was hopeful that nothing would be done that would make the island less attractive to owners wanting to invest in properties on the island.

DISCUSSION WITH THE ISLE OF PALMS NEIGHBORHOOD ASSOCIATION

The Association was represented by Ms. Catherine Malloy, Mr. Jeff Evans, Ms. Nancy Mackey, Ms. Rene Mueller, Mr. Paul Reddy and Ms. Diane Oltorik. Ms. Malloy thanked the Commission for meeting with the Association and explained that the Association was a group of neighbors and their primary objective is to

preserve the residential character and quality of life for the residents of the Isle of Palms. She explained that the Association was concerned that the island had reached a tipping point and she was hoping that a balance could be found that would preserve the residential character of the island. She explained that she felt that the residents were the back bone of the community and that there was concern that the island may become less attractive to prospective residents. She explained that the island needed to be proactive in ensuring that when the housing market rebounds that the proper controls are in place to ensure the residential character of the island is maintained. She explained that the Associations objectives are very close to those stated in the City's Comprehensive Plan.

Mr. Jeff Evans explained that he too hoped that a balance could be met that satisfies the needs of all interested parties. He explained that he felt that the island was going to be redeveloped as older houses are removed and replaced with new homes. He explained that he felt that the island had a perception problem and that prospective buyers and future residents see a confusing mix of rental homes and full-time residents, which is not attractive to many potential future residents. He explained that at his property on Hartnett Boulevard the regulations would allow the construction of a 6,000 square foot house, which would allow 24 rental guests, which he does not think is in keeping with the neighborhood. He felt that stricter regulations would help properties values, because buyers would know that their investment would be protected.

Mr. Denton asked how the group felt about the idea of creating a new residential zoning district, which would be back from the ocean and would be more restrictive in size and rental requirements. Ms. Bergwerf explained that to carve out sections of the island, would be to give different levels of protection to different residents, which she did not think was equitable. Ms. Malloy stated that the Association agreed that this would leave some residents unprotected.

Ms. Oltorik thanked the Commission for all of their hard work. She explained that the Police Department does not count noise complaints from full-time residents as a livability issue. Mr. Evans added that he was concerned about the accuracy of the livability data that the Commission had received from the Police Department. Ms. Mackey agreed that the numbers are not accurate.

Mr. Reddy explained that the Association was concerned with losing neighbors. When a house is transferred from a full-time resident to a rental, this is a loss to the community.

Ms. Muller explained that the average household size of Americans as published in the census is much different from what the short term rental regulations on the Isle of Palms allows. She added that the definition of a "family unit" in the ordinance allows one person or two people related by blood or marriage living together; or a group of not more than four people not related by blood or marriage but living together. She stated that in her opinion the rentals are operating as group homes and she felt that they should be required to be issued a variance to operate. Mr. Denton explained that the Commission has been assured that short term rentals do not violate the City code.

Mr. Evans explained that he felt it was an issue of density in the homes and the more people that are allowed to be in the homes, the more likely problems are to arise.

Ms. Mackey explained that the City of Folly Beach is in the process of amending their zoning code to limit the size of a house based on the size of the lot size with a maximum house size of 4,500 square feet.

Ms. Malloy added that her research shows that investment properties will not sustain a community. These communities are not fully occupied and are more cyclical depending on the economy. Mr. Denton asked if there is any data that supports this statement. Ms. Malloy answered that there are numerous articles on the issue including giving Fort Meyers, Florida as an example.

Mr. Stone explained that the island has definitely seen a major change in the past 40 years. However, he said that he does not see the redevelopment of many of the old homes as a problem, but often times an enhancement to the community. He explained that he is in the rental business and there has not been any growth in this business for three years and he does not foresee any future growth. He explained that there was a time when it made financial sense to build rental properties, but that time has passed.

Ms. Mackey explained that this is a temporary situation that will change in the future. Ms. Evans added that there will be another boom in the economy and this is the perfect time to put regulations in place that would keep the balance.

Mr. Kerr asked if the Association had come up an idea of what would fix the problems. Mr. Evans said that there had been a lot of discussion on the issue and there were a lot of ideas about how to regulate new construction. He said one idea that he had was capping the occupancy of new construction to 12 people. He explained that this would impact the design of the house and take

away the incentive to build overly large houses with numerous bedrooms for rental purposes. Mr. Stone stated that he was hearing that the Association is more concerned with the occupancy than with the size of the house.

Ms. Muller explained this was also an issue of property rights and she bought her house with the understanding that she was in a single-family zoning district and there would be no large rentals around her. She added that there are Supreme Court decisions that show that the City is misinterpreting the definition of a single-family residence. Mr. Watson asked if she would be willing to share the legal evidence with the Commission and she answered that she would.

Mr. Watson explained that he felt that his right to rent his property is impacted at the time when it begins to interfere with his neighbors' well-being and that he hoped that people that are impacted would contact him and the Police Department. He added that he felt that it was the responsibility of the owners and the Police to ensure that the neighbors are not impacted.

Mr. Evans said that enforcement will not answer all of the issues, because there will still be a loss of residents. Mr. Stone answered that there is not anything that he can find that indicates this is a realistic possibility. Mr. Evans stated that he did feel the time would come when it will make economic sense for developers to build houses for rental purposes again.

Mr. Campbell explained that he has been here a long time and he sees there is a bit of revised history being written. He explained that there has been a healthy rental industry for ever and the percentages on 4% property and 6% property has stayed very steady. He agreed that densities have changed and the people coming to the island have changed. He explained that the community was built as a blue-collar town and that has changed. He explained that in the early 80's he was informed that it was a difficult sale to get a permanent resident to buy on the island, because it had a constant influx of visitors.

He explained that what he is hearing is that it is not the size of the house, but how people coming to the island behave. He stated that once we begin controlling sizes of houses and how people are entitled to live, we are treading on thin ice. He explained that he felt that a lot can be accomplished by improving the enforcement of the existing regulations.

Ms. Malloy reiterated that the Association does not advocate doing away with rentals or capping the number of rentals. She said there is a lot of misinformation circulating about the Association having a desire to do away with

rentals and this is not accurate. She said that they are proposing to limit the number of occupants in newly constructed rental houses in the SR1 and SR2 zoning district to 12 people. She stated that she would not object to an owner building a 7,000 square-foot home, but they could never rent it to more than 12 people.

Ms. Mackey asked Mr. Stone if he thought that limiting a home to 12 people would affect the rent ability of that home. Mr. Stone answered yes, that renters on the internet search to the most bang for the buck and reducing the capacity would be a detriment to those rentals.

Ms. Mackey asked if a seven and one-half million dollar house is more likely to go into the rental program or be a residence. Mr. Stone answered that even for a three million dollar house, an owner would have to gross three hundred thousand dollars in rental income and it can not be done. Additionally, the people that have three million dollars to invest are savvy and they are not going to invest so poorly.

#### ADJOURNMENT

Mr. Denton thanked everybody for their input and with there being no more business, the meeting was adjourned at 6:55 p.m.. Respectfully submitted, Ron Denton, Chairman.