COMMUNITY DEVELOPMENT COMMITTEE AGENDA

A meeting of the Community Development Committee will be held at 3:00 pm, Thursday, July 21, 2022 via Conference Call at 1-929-205-6099, Access Code: 759694505. The agenda will be as follows:

- Invocation

 a. Public Participation

 Any person who speaks at a Community Development meeting shall conduct himself or herself in a manner appropriate to the decorum of the meeting and is asked to observe Section 2-28 (a) of the Code of the City of Charleston, Rules of Decorum. Violation of the Rules of Decorum may result in the forfeiture of audience before the Committee and/or removal from the meeting.

 Citizens may participate virtually by telephone or leave comments for the Committee by completing the form at http://innovate.charleston-sc.gov/comments/. If requesting to speak by telephone, please provide your name and telephone number. Requests to speak at the meeting and comments must be received by 12:00 p.m., Wednesday, July 20th.

 b. Approval of Minutes
 1. June 16, 2022

c. Old Business
None

d. New Business:
 1. Increasing Affordable Rental Units for Households Experiencing Homelessness in the City of Charleston - Presentation by Heather Dillashaw, Senior Manager, Housing and Community Development, ICF

 2. Rental Registration Program Ordinance - Robert Summerfield, Director, Planning Preservation and Sustainability and Dan Riccio, Director, Livability

 3. Discussion regarding frequency of meetings for the Community Development Committee of City Council

 4. Adjourn
In accordance with the Americans with Disabilities Act, people who need alternative formats, ASL (American Sign Language) interpretation or other accommodation please contact Janet Schumacher at (843) 577-1389 or email to schumacherj@charleston-sc.gov three business days prior to the meeting.
AN ORDINANCE

TO AMEND CHAPTER 7, ARTICLE IV-HOUSING, OF THE CODE OF THE CITY OF CHARLESTON, SOUTH CAROLINA, TO ADD A NEW DIVISION 4 IMPLEMENTING A PILOT PROGRAM FOR THE REGISTRATION, LICENSING, AND INSPECTION OF RESIDENTIAL RENTAL UNITS AND PROVIDING REGULATIONS, FEES, VIOLATIONS, AND PENALTIES THEREFOR.

BE IT ORDAINED BY THE MAYOR AND COUNCIL MEMBERS IN CITY COUNCIL ASSEMBLED:

Section 1. Chapter 7, Article IV-Housing, of the Code of the City of Charleston is hereby amended by adding a new “Division 4-Rental Housing Regulations Pilot Program” to read as follows:

“DIVISION 4 - RENTAL HOUSING REGULATIONS PILOT PROGRAM

Sec. 7-125. - Purpose.
WHEREAS, it is the desire of the City to protect and promote the public health, safety, quality of life, and welfare of its citizens; to establish rights and obligations of owners and occupants relating to residential rental units in the City; and to encourage owners and occupants to maintain and improve the quality of rental housing within the community.

WHEREAS, the City further desires to implement a rental registration program that maximizes the effectiveness of City resources in rental property code enforcement, identifies all rental units in the City and their landlords on a continuous and recurring basis in order to accommodate the fluctuating nature of the residential rental market, and economically focuses City resources toward chronic offenders.

WHEREAS, City records indicate there is a greater incidence of noise, trash/garbage, unkempt yards, and nuisance in areas with a high percentage of residential rental units, compounded with the City’s inability to enforce Code violations due to absentee landlords.

WHEREAS, there is also a growing concern in the community regarding the decline of general conditions of residential rental units and the City’s inability to enforce Code violations or the International Property Maintenance Code due to absentee landlords.

WHEREAS, the challenges stated above put public health and safety of all City residents at risk.

WHEREAS, the Eastside neighborhood experienced the highest rate of disturbance calls per number of rental property in 2021 of any residential neighborhood on the peninsula;

WHEREAS, in an effort to address these concerns, the City will conduct a pilot program applicable to residential rental units located in Eastside neighborhood during its first phase, as shown on the map attached hereto as Exhibit A; and

REVISED [2022.07.11]
WHEREAS, staff will report monthly to City Council on the effectiveness and administration of the pilot program with the expectation that it shall be expanded to the entirety of the City of Charleston, as deemed appropriate by City Council in terms of time, place, scope, and resources.

WHEREAS, City Council shall retain the discretion to determine when and where to expand the pilot program, including whether to continue, modify, or discontinue the pilot program.

Sec. 7-126. - Definitions.

Unless otherwise expressly stated, the following terms shall, for the purposes of this division, have the meanings shown in this section. Where terms are not defined, through the methods authorized by this section, such terms shall have ordinarily accepted meaning such as the context implies.

_Citation_ means a charge or formal written accusation of violation of a municipal, state or federal law, regulation or ordinance.

_Dwelling_ means any building, structure or part thereof, used and occupied for human habitation or intended to be so used, and includes any outhouses and appurtenances belonging thereto or usually enjoyed therewith.

_Dwelling Unit_ means any one or more rooms arranged for the use of one (1) or more individuals living together as a single housekeeping unit, with cooking, living, sanitary and sleeping facilities.

_Family_ means:

1) An individual;
2) one (1) or more persons related by blood or marriage with any number of natural children, foster children, stepchildren or adopted children, plus not more than two (2) unrelated persons living together as a single housekeeping [unit]; or
3) A group of not more than four (4) persons not related by blood, marriage, adoption, or guardianship, living together as a single housekeeping unit, except that for properties in non-residential zoning districts containing twenty (20) or more dwelling units the maximum number of unrelated persons allowed in a single housekeeping unit shall be six (6).

_Good Faith_ means honesty in fact in the conduct of the transaction concerned.

_Landlord_ means owner, lessor, or sublessor of the premises, whether a person, firm or corporation, including any professional management company or other agent of the landlord exercising control over the premises.

_Occupant_ means any person(s) living and sleeping, either or both, in a dwelling or dwelling unit. A family of related persons shall be counted as one occupant.

_Offense_ means any violation of local, state, or federal statutes or ordinances which results in a forfeiture of bond, plea of guilty, no contest, acceptance into pre-trial intervention, alcohol
education program or a determination of guilt by a court or a jury. For purposes of this division, all violations for which charges are made during one response by law enforcement officers which result in a forfeiture of bond, acceptance into a pre-trial intervention program, alcohol education program, conviction, or a plea of guilty or no contest collectively shall be deemed one offense.

Owner means any means one or more persons, jointly or severally, in whom is vested (i) all or part of the legal title to real property, as may be shown of record in the land records of this State or (ii) all or part of the beneficial ownership and a right to present use and enjoyment of the premises.

Organization includes a corporation, government, governmental subdivision or agency, business trust, estate, trust, partnership or association, two or more persons having a joint or common interest, and any other legal or commercial entity.

Person includes an individual or organization.

Premises means a residential rental unit and the structure of which it is a part and facilities and appurtenances therein and grounds, areas, and facilities held out for the use of tenants generally or whose use is promised to the tenant.

Professional Management Company means any company licensed by South Carolina Department of Labor, Licensing and Regulation as a real estate broker or property manager.

Residential Rental Permit District shall mean an area subject to the provisions of this Division 4 upon designation by City Council.

Residential Rental Unit or Rental Unit means a room or group of related rooms within a dwelling or dwelling unit, held out for use and occupancy as a living facility for tenants generally, or whose use is promised to the tenant for use and occupancy as a living facility for a period exceeding twenty-nine (29) consecutive days. Whenever the words residential rental unit or rental unit are stated in this Code, they shall be construed as though they were followed by the words “or any part thereof.” Exceptions shall be the following:

1) Dwelling units occupied by individuals who were under a written contract, prior to a citation for violation(s) of this division, to purchase the residence after the contract has been reviewed for validity of purchase by the City attorney; or
2) Dwelling units owned and operated by the United States of America, the State of South Carolina, or any agency thereof, including the Housing Authority of the City of Charleston;
3) Dwelling units owned and operated by any institution of higher learning which operates housing for its faculty, staff or students; and
4) Short Term Rentals or STRs, as defined in Section 54-120.

Responsible Local Representative means a person having his or her primary place of residence or business office within thirty (30) miles of the premises and designated by the landlord as the agent responsible for operating the premises in compliance with the ordinances adopted by
the City. The responsible local representative may be a professional management company. For the purposes of this division, the term "agent" shall also include Responsible Local Representatives.

Rent means the consideration, whether pursuant to a written or oral agreement, statute, or ordinance, embodying the terms and conditions concerning the use and occupancy by a tenant of the premises.

Rental Agreement means all agreements, whether pursuant to a written or oral agreement, statute, or ordinance, embodying the terms and conditions concerning the use and occupancy of the premises.

Single Family Dwelling means:
1) A separate detached building designed for and occupied exclusively as a residence by one family; or
2) A building designed for and occupied exclusively as a residence by one family, being attached by means of a common dividing side wall or walls to one or more buildings likewise designed for and occupied as a residence for one family. A single housing unit occupies each structure from ground to roof and independent access is available for each unit from the outside. Such attached one-family dwellings are commonly referred to as “town”, “patio”, or “row” houses.

Tenant means a person entitled under a rental agreement to occupy the premises to the exclusion of others.

Sec. 7-127. - Residential Rental Permit District.
Whenever the City Council shall determine a particular residential area of the City is negatively impacted by livability and related issues associated with residential rental units, it shall have the discretion to expand this pilot program to such area and will consider the City’s capacity and resources in making such determination. Once Council has determined to extend this program to an area, it shall provide all owners of dwelling units located within the area at least 60 days’ written notice via regular mail of the commencement date of the program.

Sec. 7-128. - Rental permit required.

a) No landlord shall operate any residential rental unit within a residential rental permit district unless that landlord holds a current rental permit issued by the City of Charleston for the residential rental unit named therein.

b) Before a rental permit can be granted, the landlord shall certify that the premises complies with the minimum standards of the Code at Chapter 7, Article IV, Division 3.

c) Permits are not transferable.

d) The permitting year shall be for twelve (12) months following the issuance of the permit. When a business license is required pursuant to section 7-132, the permitting year for the applicable rental permits shall be issued for the twelve (12) month period of May 1 to April 30.

e) Renewals of rental permits after 60 (sixty) days of the expiration date will be assessed a late penalty fee of five percent (5%) of the unpaid fee per month.
f) Each individual residential rental unit requires its own rental permit.

Sec. 7-129. - Permit fee.
   a) The annual permit fee for each residential rental unit shall be computed in accordance with
      the current residential rental permit rate schedule, designated as Appendix A to this article,
      which may be amended from time to time by the Council.
   b) All required fees shall be paid before a rental permit is issued, to any landlord for any rental
      unit, including any past due fees assessed for abatement work by the City pursuant to
      Chapter 21, Article III, Division II, Section 21-65.

Sec. 7-130. - Issuance of rental permit and inspections.
   a) The Director of Livability & Tourism shall issue a rental permit for a residential rental unit
      to the applicant upon:
      1. Written certification by the landlord that the premises comply with the minimum
         code standards as set forth in section 7-128(b);
      2. Written certification by the landlord that the landlord is in compliance with the
         provisions of this division with respect to any other residential rental unit owned or
         managed by the landlord; and
      3. Proof of that all fees have been paid as required by section 7-129 of this division.
   b) Once a rental permit has been issued for a residential rental unit, the unit shall be subject
      to inspection to ensure compliance with the City’s minimum code standards. Such
      inspection may be performed by either (i) a third party that has successfully completed
      International Property Maintenance Code certification testing or (ii) the City’s public safety
      and housing officer or his authorized designee. Every rental unit must be inspected at least
      once every five (5) years.
      1. A rental unit that fails to pass an inspection shall, within thirty (30) days, correct
         all defects noted on the inspection report and schedule a subsequent inspection of
         the premises. A rental unit that fails to pass an inspection will not be eligible for a
         permit renewal until it has passed a subsequent re-inspection of the premises.
      2. By applying for a rental permit, the landlord or its agent agrees to allow inspection
         of the rental unit for violations of this division, as well as violations of the
         International Property Maintenance Code, upon request by the City and after at
         least forty-eight (48) hours’ notice to any occupants of the rental unit; however, this
         provision shall not be interpreted as authorizing the City to conduct an inspection
         of a rental unit without obtaining either the consent of an occupant or a warrant.
   c) The City will maintain an electronic database containing the registration information listed
      in section 7-131(a) for every rental permit issued.

Sec. 7-131. - Application and business license.
   a) Applications for a rental permit to operate residential rental units and for renewal thereof
      shall be on a form provided by the City of Charleston. Such form shall set forth the
      landlord’s name, address, and telephone number, the residential rental unit address(es),
      name, address, and telephone number of the responsible local representative, and additional
      information as outlined on the application for rental housing. A responsible local
      representative need not be listed where the landlord submitting the application resides
      within a thirty (30) mile radius of the City of Charleston. Multiple permits can be requested
on one application when there are multiple rental units owned or managed by the same landlord. An application may be submitted either by the landlord or its agent.

b) Owners of two (2) or more permitted residential rental units shall also be required to obtain a business license pursuant to Chapter 17, Article II, and shall comply with all business license and revenue collection laws of the City of Charleston, Berkeley County or Charleston County, whichever is applicable, and State of South Carolina.

Sec. 7-132. - Property owner, responsible local representative, and occupant.

a) A rental permit will not be issued or renewed to a landlord who does not either reside within a thirty (30) mile radius of the City of Charleston, unless a responsible local representative who resides or has an office within a thirty (30) mile radius of the City of Charleston is designated by the landlord in its application for the rental permit. The Director of Livability & Tourism shall be notified in writing if there is a change of landlord or responsible local representative within fourteen (14) days of the change.

b) Landlord, occupants, and tenants of a residential rental are subject to citations for occupancy violations of such premises within their control or which they occupy.

c) For every residential rental unit, the landlord or its agent must be able to service tenant and emergency calls within a reasonable time upon dispatch.

d) Operating as a landlord without a rental permit in a residential rental permit district shall constitute a public nuisance.

e) For every residential rental unit, the landlord shall be responsible to post, in plain view and in a conspicuous place within the residential rental unit, a notice in a form approved by the Department of Livability and Tourism, which may be modified in its discretion from time to time, containing:

1. The City noise ordinance, the dog leash law, garbage schedule, trash & recycling disposal schedule, street sweeping district for the residential rental unit, and residential parking district for the residential rental unit;
2. The names, addresses, and telephone numbers of the landlord and/or responsible local representative for the residential rental unit; and
3. A statement that tenants have rights pursuant to the South Carolina Residential Landlord and Tenant Act at S.C. Code Ann. §27-40-10, et seq.

Sec. 7-133. - Denial of rental permit.

a) The Director of Livability & Tourism or his/her designee may deny issuance of any rental permits applied for under this section if it is determined that (1) the landlord or its agent has made material misrepresentations about the condition of the premises or the status of ownership; (2) the occupancy of the premises is in violation of the International Property Maintenance Code or City ordinances; or (3) the landlord or its agent has otherwise violated a provision of this division.

b) If the Director of Livability & Tourism or his/her designee determines there is reasonable cause to believe that there are grounds to deny a rental permit applied for, the Director of Livability & Tourism or his/her designee shall provide written notice of the denial including the grounds for the denial.

c) If a rental permit is denied under this section, the landlord whose permit was denied shall not be issued another rental permit on the same residential rental unit for a period of six (6) months after the date of denial.
d) Upon determination that an owner of a residential rental unit has failed to obtain a rental housing permit, a four hundred dollar ($400.00) fine shall be assessed for each year the unpermitted occupancy has occurred.

Sec. 7-134. - Violations and assessment of points.

a) Residential rental units where there are violations of this division or any other City ordinance, including but not limited to: nuisances (Chapter 21); animal control (Chapter 5); garbage, trash, and refuse (Chapter 14); zoning (Chapter 54); International Property Maintenance Code (Chapter 7); offenses (Chapter 21); or licenses, permits, and miscellaneous business regulations (Chapter 21) will be subject to citations by enforcement officers of the Livability & Tourism Department. For purposes of this section, citations shall include any adjudication of guilt, finding of guilt with adjudication withheld, waiver of right to contest the violation, or pleas of no contest (including, but not limited to, payment of fine) of any federal, state, or local ordinance.

b) Citations issued pursuant to this section shall apply as points against the rental permit issued to the offending rental unit, as further set forth in section 7-132.

c) Citations shall apply as points towards revocation of the rental permit for residential rental units as follows:

1) Citations for violations that occur anywhere on the premises shall apply to the permitted rental unit.
2) Citations for violations that occur within an individual unit shall apply to that rental unit.
3) Citations for violations occurring outside of rental units shall be assigned to the rental unit responsible as determined by the investigating party for the offense.

d) Citations shall accumulate as points against the rental permit issued to the rental unit where the violation of this division has occurred as follows:

1) First citation. One point will be assessed for the first citation.
2) Second citation or each citation thereafter. Five points will be assessed for a second citation and each occurrence thereafter of the same cited violation within the last twelve (12) months.
3) Serious cited offense. Ten points will be assessed for any citation issued for a serious violation or offense that could result in serious bodily injury or death to occupants and/or significant property damage, including failure to comply with any Emergency Order issued by the City of Charleston, any Executive Order issued by the Governor of the State of South Carolina, or any local, state or federal law, regulation or mandate to address a health or safety concern including but not limited to a public health outbreak (including a pandemic or wide-spread and/or infectious disease outbreak), natural disasters, war, terrorist act, strike, fire, release of nuclear material or dangerous substance into the environment or other catastrophic event.

e) The Director of Livability & Tourism or his/her designee will provide written notice to the landlord or its agent that points have been assessed against the rental permit issued for the rental unit in violation of this division. Each such notice will specify which ordinance violation(s) were the grounds for the citation(s) and corresponding assessment of points, and will state that the accumulation of fifteen (15) or more points will lead to a suspension of the rental permit. Each notice will be sent by regular mail to the address of the landlord or its agent, as identified on the permit application, and a copy of the notice shall be mailed.
to the property address of the rental unit. The date of such written notice shall constitute the date on which points were assessed against the rental permit.

f) A fee of one hundred dollars ($100.00) will be assessed per point for each point accumulated due within thirty (30) days of assessment and no later than any renewal of the rental permit.

g) Points that have been assessed against a rental permit shall automatically be removed if a period of twenty four (24) months elapses without further points being assessed against the rental permit.

Sec. 7-135. - Revocation of permit.

a) Accumulation of fifteen (15) or more points against a rental permit for a rental unit within twelve (12) months shall subject the landlord to proceedings to revoke the rental permit.

b) Upon the accumulation of fifteen (15) or more points, the following procedure shall be followed:

1) The Director of Livability & Tourism or his/her designee shall give the landlord or its agent written notice, by personal service or mail, that the rental permit is suspended pending a hearing for the purpose of determining whether the suspension should be upheld and the rental permit should be revoked.

2) The written notice of suspension and proposed revocation shall advise the landlord or its agent of the time and location of the hearing, the right to present evidence and to be represented by counsel, shall contain a brief statement of the reasons for the suspension and proposed revocation, and shall include a copy of the applicable provisions of this article. The hearing shall be informal and the decision whether to revoke the rental permit shall be made by the Director of Livability & Tourism or his/her designee.

3) Hearings as allowed under this section shall be held as soon as practical but no later than thirty (30) calendar days following written notice of the suspension and proposed revocation.

4) The Director of Livability & Tourism shall render a written decision which shall be served upon the landlord or its agent, by personal service or by certified mail, within five (5) days of the hearing.

Sec. 7-136. – Appeals to Code Enforcement Board.

a) A landlord aggrieved by a decision of the Director of Livability & Tourism may appeal the decision to the Code Enforcement Board (CEB) by written request stating the reasons for appeal, filed with the Director of Livability & Tourism within ten (10) days after service by mail or personal service of the notice of determination, denial, or revocation.

b) If an appeal is timely filed, the Director of Livability & Tourism shall cause a hearing to be scheduled before the CEB within sixty (60) days of the filing, and shall provide written notice of the hearing to the landlord in addition to posting such notice at the premises. The hearing may be continued to another date by agreement of all parties.

c) At the hearing, all parties shall have the right to be represented by counsel, to present testimony and evidence, and to cross-examine witnesses. The CEB shall have the power to administer oaths, compel the production of books, paper, and other documents, and receive evidence. The proceedings shall be recorded and transcribed at the expense of the party so
requesting. The formal rules of evidence do not apply to the hearing, and any relevant evidence will be deemed admitted if the CEB finds it relevant and reliable.

d) Following the hearing, the CEB by majority vote of its members present, shall render a written decision based on findings of fact and conclusions on application of the standards herein. The written decision shall be served, by personal service or by certified mail, upon all parties or their representatives and shall constitute the final decision of the municipality, within ten (10) days of the hearing.

e) Any person aggrieved by a final decision of the CEB regarding a determination, denial, or revocation of a rental permit may appeal the decision of the CEB to the Charleston County circuit court by filing with the clerk of court a petition in writing setting forth plainly, fully, and distinctly why the decision is contrary to law. The appeal must be filed within thirty (30) days after the affected party receives actual notice of the decision of the CEB. Timely appeal of a decision of the CEB does not effectuate a stay of that decision. The decision of the CEB shall be binding and enforceable unless overturned by an applicable appellate court after a due and timely appeal.

f) If the case against a landlord for a violation is dismissed, then the corresponding points shall be removed from the rental permit as if it had not been assessed.

Sec. 7-137. – Defenses and Remediation Plan.

a) The lack of actual knowledge of, acquiescence to, participation in, or responsibility for, a public nuisance at common law or a noxious use of private property on the part of the landlord or its agent shall not be a defense by such landlord or its agent.

b) Whenever points are assessed to a rental permit, the landlord may propose a remediation plan for approval by the Director of Livability & Tourism or his/her designee which must, at minimum, set forth: (1) actions to be taken to remedy the violation, including any future problems with the tenants; (2) a timeline for implementation; and (3) a certification by the landlord that the plan has been discussed with and accepted by the tenants. It shall be entirely within the discretion of Director of Livability & Tourism or his/her designee to approve or deny a proposed remediation plan. Once the remediation plan is approved, the points against the permit will be suspended during the term of the remediation. When the remediation is completed successfully as agreed, the points assessed prior to remediation will be removed. If the permit holder fails to adhere to the remediation plan, the plan will be withdrawn by the City and the points will be re-assessed.

c) If the permit accumulates points which are solely caused by the behavior of a tenant, the landlord or its agent may request a suspension of revocation proceedings by providing written evidence of the initiation of eviction proceedings against the culpable tenants. If the tenants are evicted, the landlord or its agent may request termination of the revocation proceedings. If revocation has been suspended but the tenants are not evicted, revocation proceedings will be reinstated by the City. Approval of a remediation plan by the City will have the same effect as initiating eviction proceedings for purposes of this division.

d) If the permit accumulates points which are solely caused by the behavior of a tenant, the landlord or its agent may apply for removal of those tenant-related points at the conclusion of eviction proceedings which result in the eviction of those tenants, upon proof that the tenants have vacated the property, or upon proof that the tenants have complied with all requirements of an approved remediation plan for a minimum of sixty (60) days. If the City, by and through the Director of Livability & Tourism, or his/her designee, agrees to
remove the points pursuant to this section, the points shall be removed as if never assessed. If the Director of Livability & Tourism, or his/her designee, does not agree to remove those points from the permit as tenant related, then the landlord or its agent may appeal to the CEB as provided in section 7-136.

Sec. 7-138. - Severability.
The provisions of this division are severable, and if any section, sentence, clause, part, or provision thereof shall be held illegal, invalid, or unconstitutional by any court of competent jurisdiction, such decision of the court shall not affect or impair the remaining sections, sentences, clauses, parts, or provisions of this division. It is hereby declared that the intent of the council is that this division would have been adopted as if such illegal, invalid, or unconstitutional section, sentence, clause, part, or provision had not been included herein.

Sec. 7-139. - Existing rights unaffected.
Nothing contained in this division is intended to affect the rights and responsibilities of property owners or tenants under the law of the United States of America or the State of South Carolina as outlined by the South Carolina Landlord/Tenant Act, the Americans with Disabilities Act, the Violence Against Women Act, the Fair Housing Act or any other provision of federal or state law regulating housing.

Section 2. This ordinance shall become effective immediately upon ratification.

Ratified in City Council this ___ day of _____ in the Year of Our Lord, 2022 in the ______ Year of the Independence of the United States of America.

By:____________________________
John J. Tecklenburg
Mayor, City of Charleston

ATTEST:_________________________
Jennifer Cook
Clerk of Council
EXHIBIT A
(Attach Neighborhood Map)