City of Charleston

Short Term Rental Task Force

June 13, 2017
Agenda

• Public Input from Listening Sessions
  • Discussion and questions among Task Force members

• Lessons from other cities

• Anchoring our work in Charleston’s unique context
  a) Regulatory: Geographic
  b) Regulatory: Eligibility of Property
  c) Regulatory: Frequency and duration of rentals
  d) Policy: Process and Enforcement

• Next Steps
Summary of Process

Formation of task force

- 18 members, first meeting was November 2016

Collection of public opinion

- ~200 attendees across 4 neighborhood meetings

Development of recommendations

- Process runs through summer

Submission to planning commission

- Estimated date of October 2017

Submission to City Council

- Estimated date of November or December 2017
# Summary of Public Input: Attendees

<table>
<thead>
<tr>
<th>Meeting #</th>
<th>Meeting Date</th>
<th>Area</th>
<th>Attendance*</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>March 16\textsuperscript{th}, 2017</td>
<td>West Ashley</td>
<td>19</td>
</tr>
<tr>
<td>2</td>
<td>March 25\textsuperscript{th}, 2017</td>
<td>Peninsula</td>
<td>42</td>
</tr>
<tr>
<td>3</td>
<td>April 20\textsuperscript{th}, 2017</td>
<td>James Island and Johns Island</td>
<td>23</td>
</tr>
<tr>
<td>4</td>
<td>May 18\textsuperscript{th} 2017</td>
<td>Peninsula</td>
<td>85\textsuperscript{**}</td>
</tr>
</tbody>
</table>

*Based off of sign in sheets at meeting

\textsuperscript{**}Couples were not required to sign in separately. Estimated attendance is between 100-110
Quality of Life

- Provides a unique Charleston community experience
- Short-term rentals are appropriate when done with accountability
- Short-term rentals can be appropriate in the right neighborhood or context

Public Comments from previous Listening Sessions

- Nuisance, facing not good neighbors
- Police calls more cle to rumor than facts
- Starting and ending at 9 PM
- A pet a day is a pet for no matter
- Pet is a frequent visitor
- Occupants and owners are difficult to find when they are not in their property
- There is already a city noise and parking ordinance in place to handle violations
- Regular turnover makes it easier to manage
- Short-term rentals would not improve the quality of life for the neighborhood
- Nuisances are not an issue
- My quality of life would greatly improve if I could have short-term rental research

Quality of Life

- With approval of neighbors, operation of STR can be successful
- STR provides better valuation of property and increases cash appeal
- STR negatively affects quality of life
- STR can negatively affect neighbors

- Noise, frequency not good neighbors
- Police calls more clear to rumor than facts
- Starting and ending at 9 PM
- Pet is a frequent visitor
- Occupants and owners are difficult to find when they are not in their property
- There is already a city noise and parking ordinance in place to handle violations
- Regular turnover makes it easier to manage
- Short-term rentals would not improve the quality of life for the neighborhood
- Nuisances are not an issue
- My quality of life would greatly improve if I could have short-term rental research
Summary of Public Input: 812 Total “Seconds”
Summary of Public Input: Enforcement

*Enforcement received 27% of total “seconds.”*

**Key Observation:** The public agrees that the current level of enforcement is insufficient to deal with the issue of short term rentals, but there was varying input on how to handle this. Some participants thought that it was best to keep the existing regulations and strengthen current enforcement. Others suggested making changes to the regulations to make enforcement easier.

<table>
<thead>
<tr>
<th>Comment</th>
<th>Total</th>
<th>Meeting 1 (West Ashley)</th>
<th>Meeting 2 (Peninsula)</th>
<th>Meeting 3 (James &amp; Johns Island)</th>
<th>Meeting 4 (Peninsula)</th>
<th>% of Enforcement Seconds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current enforcement is inadequate</td>
<td>65</td>
<td>2</td>
<td>9</td>
<td>1</td>
<td>53</td>
<td>29.7%</td>
</tr>
<tr>
<td>Limit to one rental per dwelling unit - Owner or long term renter must live in unit</td>
<td>30</td>
<td>1</td>
<td>3</td>
<td>2</td>
<td>24</td>
<td>13.5%</td>
</tr>
<tr>
<td>Study best practices from other cities</td>
<td>26</td>
<td>1</td>
<td>10</td>
<td>3</td>
<td>12</td>
<td>11.9%</td>
</tr>
<tr>
<td>Shut them all down</td>
<td>25</td>
<td>1</td>
<td>2</td>
<td>0</td>
<td>22</td>
<td>11.4%</td>
</tr>
<tr>
<td>Require off-street parking</td>
<td>19</td>
<td>1</td>
<td>5</td>
<td>1</td>
<td>12</td>
<td>8.7%</td>
</tr>
</tbody>
</table>
Summary of Public Input: Economic Impact

Economic impact received 38% of total “seconds.”

**Key Observation:** Comments from this category were largely positive – many attendees felt that the economic impact from short term rentals brings positive impact to property owners, local business, and the city itself through additional tax revenue. On the other hand, the effect of STRs on housing affordability was also a prominent topic.

<table>
<thead>
<tr>
<th>Comment</th>
<th>Total</th>
<th>Meeting 1 (West Ashley)</th>
<th>Meeting 2 (Peninsula)</th>
<th>Meeting 3 (James &amp; Johns Island)</th>
<th>Meeting 4 (Peninsula)</th>
<th>% of Economic Impact Seconds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not allowing short term rentals infringes on property rights</td>
<td>65</td>
<td>0</td>
<td>25</td>
<td>12</td>
<td>28</td>
<td>21%</td>
</tr>
<tr>
<td>Tax revenue from regulated short term rentals can be beneficial to the city</td>
<td>47</td>
<td>4</td>
<td>22</td>
<td>4</td>
<td>17</td>
<td>15%</td>
</tr>
<tr>
<td>Short term rentals provide an avenue for supplemental income</td>
<td>32</td>
<td>4</td>
<td>12</td>
<td>9</td>
<td>7</td>
<td>10%</td>
</tr>
<tr>
<td>Legalizing short term rentals drives up rents and property values pricing out some residents</td>
<td>31</td>
<td>0</td>
<td>11</td>
<td>0</td>
<td>20</td>
<td>10%</td>
</tr>
<tr>
<td>Legalizing short term rentals for primary residences makes housing more affordable and attainable</td>
<td>26</td>
<td>2</td>
<td>21</td>
<td>2</td>
<td>1</td>
<td>8%</td>
</tr>
</tbody>
</table>
Summary of Public Input: Quality of Life

Quality of Life received 35% of total “seconds.”

Key Observation: Accountability was a major theme in the quality of life comment category. Some attendees felt that the existing noise, parking, and livability ordinances should be more strongly enforced. Others believed that it is the host’s responsibility to ensure that the neighborhood quality of life is not negatively impacted. Many attendees felt that the quality of the neighborhood is improved through investments into the property from short term rental income and that STRs can help disperse tourists to their neighborhoods, benefitting neighborhood businesses.

<table>
<thead>
<tr>
<th>Comment</th>
<th>Total</th>
<th>Meeting 1 (West Ashley)</th>
<th>Meeting 2 (Peninsula)</th>
<th>Meeting 3 (James &amp; Johns Island)</th>
<th>Meeting 4 (Peninsula)</th>
<th>% of Quality of Life Seconds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Short term rentals are appropriate when done with accountability</td>
<td>69</td>
<td>1</td>
<td>28</td>
<td>2</td>
<td>38</td>
<td>24.2%</td>
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<tr>
<td>Turnover of guests prevents neighborhood cohesion</td>
<td>51</td>
<td>1</td>
<td>6</td>
<td>2</td>
<td>42</td>
<td>17.9%</td>
</tr>
<tr>
<td>Noise from guests can negatively affect quality of life</td>
<td>31</td>
<td>0</td>
<td>11</td>
<td>1</td>
<td>19</td>
<td>10.9%</td>
</tr>
<tr>
<td>STR provides better upkeep of property and increases curb appeal</td>
<td>27</td>
<td>1</td>
<td>20</td>
<td>6</td>
<td>0</td>
<td>9.5%</td>
</tr>
<tr>
<td>Different types of tourist may prefer this type of accommodation,</td>
<td>22</td>
<td>0</td>
<td>18</td>
<td>1</td>
<td>3</td>
<td>7.7%</td>
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<tr>
<td>benefiting the neighborhood</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Issue</td>
<td>Galveston</td>
<td>Asheville</td>
<td>Austin</td>
<td>Denver</td>
<td>Santa Fe</td>
<td>Savannah*</td>
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<td>---------------------------</td>
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<tr>
<td>Designated Agent</td>
<td>X</td>
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<td>Owner Occupied</td>
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<td>Permit Cap</td>
<td>X</td>
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<td>Occupancy Limits</td>
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<td>Standards of Conduct</td>
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<td>Penalty Provisions</td>
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<td>District Limitations</td>
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<td>Parking Restrictions</td>
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<td>Inspections</td>
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<td>Taxes</td>
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Anchoring Our Work: Regulatory & Policy Issues in Charleston

- Geographic
- Eligibility of property
- Timing
- Process & Enforcement
Regulatory Issue: Geographic Considerations

**Current STR Policy:** Confined to STR overlay zone as shown in map
**Current BnB Policy:** Confined to south of the Septima P. Clark Parkway

Examples from other cities:
- Beaufort, SC: STRs are prohibited in the Traditional Beaufort Residential District
- New Orleans, LA: STRs are prohibited in the French Quarter with the exception of the VCE zone around Bourbon Street.
Regulatory Issue: Frequency and Duration

**Current STR Policy:** No limit on licensed properties; 30 day minimum for non-STRs.
**Current BnB Policy:** No limit on licensed properties in BnB portion of property.

Examples from other cities:
- Santa Fe: Eliminated the restriction of 17 rentals per year but kept limitation of one rental every 7 days.
- Seattle: Owner and Non-owner occupied STRs that rent for 90 total nights or fewer in 12 months are allowed with business license and applicable taxes. Over 90 nights only allowed if unit is primary residence, and they get a separate, city issued regulatory license.
Regulatory Issue: Eligibility of Property

**Current STR Policy:** One parking spot per STR unit; must be located in commercial or mixed-use zone; maximum of ten units.

**Current BnB Policy:** Parking requirement based on location of property and age of building; owner-occupied as primary residence; max number of units based on location and age of building.

Examples from other cities:
- Savannah, GA: STRs are permitted in mixed-use zoning districts. In some residential districts, approval of the Zoning Board of Appeals is required.
- Chattanooga, TN: STRs are permitted in only R3 or R4 zones (multi-family and office residential)
Policy Issue: Process & Enforcement

**Current STR Policy:** Required to get a business license and zoning approval. Enforcement is problematic.

**Current BnB Policy:** Required to meet basic requirements and get zoning approval and business license. Enforcement is more straightforward.

Examples from other cities:
- Galveston, TX: STRs are required to register and pay hotel/accommodations tax
- Denver, CO: Require city permit or registration number in STR advertisement
- Austin, TX: Caps on percentage or number of STRs in an area
- Santa Fe, NM: Applicants are required to list advertising platforms in license/permit application
- San Francisco, CA: Restrict STRs to owner occupied units
- New Orleans, LA: Limits on number of bedrooms and guests allowed in a STR unit
Diving in:
*Sub-committees for the next meeting*

- Geographic
- Timing
- Eligibility of property
- Process & Enforcement
Meeting Schedule

Meeting 5: **Tuesday, July 11th, 2017**

Meeting 6: **Tuesday, August 22nd, 2017**

Meeting 7: **Friday, September 22nd, 2017**

*All meetings will begin at 3:00 PM in the Gaillard Center Public Meeting Room at 2 George*