

2026 STR Ordinance Review: May 27, 2026

- 2st in series of meetings for a comprehensive review of current short term rental regulations and possible technical and/functional amendments.
- Develop problem statements, proposed solutions, STR study parameters, and adopt final language.
- To be completed in advance of 2027 business license year to allow for education and internal process adaptation.

Review Structure and Timeline

- **History of STR Regulation on Folly.** May 14, 2026
 - General STR regulation evolution.
 - Status of previously identified areas concern.
- **Functional Concerns with Current Regulations.** May 27, 2026
 - Based on feedback from residents, owners, the public, council, and staff.
 - Working list of problem statements.
- **Policy/Ordinance Adjustment Proposals.** TBD
 - Identify changes in policy or ordinance to address each area of concern.
- **STR Study Bid Development.** TBD
 - Identify specific metrics used to measure the effects of proposed changes.
 - Study baseline set at 2026 conditions.
- **Presentation of Findings.** TBD
 - Evaluation of study findings.
 - Development and adoption of specific language.

STR Functional Concerns (pre cap Ordinances)

- The STR Committee identified four primary concerns related to rentals.
- Problem statements were used to formulate Committee recommendations and Mayor's proposed ordinances.
- *The number of short term rentals in the city is increasing.*
- *The fees charged for short term rentals do not provide enough support to the city resources based on the demand brought by the STR population.*
- *Short term rentals cause an unwanted atmosphere on the island for full time residents.*
- *Short term rental regulations are confusing and hard to find.*

STR Functional Concerns (post cap)

- There is a need for agreement on functional concerns to guide STR ordinance review and subsequent study parameters.
- What effects of the current ordinance does the city address?
- Examples below gathered from feedback to date.

- *The cap altered the real estate market.*
- *The cap was set without a formal economic impact study.*
- *The cap prevents new owners from a purchase-rent-relocate path to Folly residency.*
- *The cap prevents owners whose financial situation changes from obtaining rental income.*
- *The cap complicates the sale of units in multifamily developments.*
- *The cap will lower city revenues.*
- *The strike system isn't strong enough.*
- *Nuisance/operational issues are not adequately addressed.*
- *Changes to the cap will negatively impact the community.*

Proposals to Address Functional Concerns

- Adjust the number of capped ISTR licenses.
- Eliminate the cap on ISTR licenses.
- Allow 72 day rental licenses for all properties.
- Eliminate the cap for properties in the commercial zoning districts.
- Eliminate the cap for properties in multiunit buildings.
- Eliminate the cap for properties governed by an HOA.
- Allow existing 4% owners to convert to ISTR licenses (without changing ownership).
- Allow future purchasers of licensed properties to apply for an ISTR license.
- Allow purchasers of any property to apply for an ISTR license.
- Allow licenses for all replacement structures.
- Expand inheritance allowance.
- Expand medical hardship qualifications.

Public Comment

- Council's decisions hinge on feedback from public.
- Feedback has been ongoing since cap passed.
- Everyone encouraged to participate.
- Ongoing (comments@follybeach.gov) and at future meetings.

- No personal attacks, cheering, booing, or disruptions.
- State your name and address.
- Please keep comments succinct (3 minute limit). It is ok to say:
 - “I agree with the previous speaker”
 - “I emailed Council already, please consider that as my testimony.”
 - “My issue is listed already it is XXX”

- What functional concerns are not addressed?
- What solutions have not been identified?