



REQUEST FOR PROPOSALS (RFP 03-26)

CITY OF FOLLY BEACH SHORT-TERM RENTAL ORDINANCE STUDY

1. GENERAL

The City of Folly Beach (the City) seeks proposals for a *Short-Term Rental Ordinance Study* to evaluate the impacts of several proposed amendments to the City's short-term rental ordinances. The successful bidder will commit to in-person meetings with City Council to define city-identified amendment language and gain consensus on vendor-proposed data types and sources prior to commencing the study, as well as a post-study meeting to review and contextualize the findings. The project will also require consultation with city staff and a thorough review of the evolution of the City's short-term rental regulations.

The City of Folly Beach is a small community (approximate population of 2,100) with a large volume of day trippers and seasonal renters. Prior to February 2023, there was no limit on the number of short-term rental licenses issued by the city. These licenses could be used to rent properties for an unrestricted number of nights. During the preceding business license year, approximately 1196 licenses were issued to owners. This represented approximately 49 percent of the city's housing units.

In 2023, a Short-Term Rental Cap (the Cap) reclassified licenses into Owner-Occupied Short-Term Rental (OSTR) licenses and Investor Short-Term Rental (ISTR) licenses. The Cap set no limit on OSTR licenses, which allow 72 rental nights per year and are issued only to homes claimed as the legal residence of the owner (taxed at a 4% property tax rate). The Cap created a limit of 800 for ISTR licenses, which allow unlimited rental nights and are only issued to properties not claimed as legal residence (taxed at 6% property tax rate).

The city has been working since 2023 to adjust and amend the Cap to address ongoing feedback and to facilitate implementation of the Cap. Prior to approving any significant changes to the Cap, City Council wishes to thoroughly understand the impacts of future amendments.

2. SCOPE OF WORK

Pre-Study Work Session(s) with City Council

Prior to beginning the study, the vendor will meet with City Council to reach a common understanding of proposed amendments and the metrics used for evaluation. This includes:

- Defining the language of proposed amendment areas and the number of alternate scenarios (if any) to be studied for each area.
- Reviewing the specific data types and sources proposed to be used to evaluate the amendment scenarios.
- Identifying the methods used to contextualize ordinance impacts against broader market trends.
- Determining how the identified metrics will be used in final policy ranking.

The six amendment areas, to be fully defined during the initial work session, are:



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- Leave the existing cap in place.
- Allow 72-Day rentals for all properties.
- Exempt multifamily developments and/or commercially zoned properties from the cap.
- Allow ISTR licenses to remain in effect after replacement of currently licensed units.
- Allow ISTR licenses to transfer upon sale, transfer to family members, or transfer through inheritance.
- Broaden hardship exceptions to create additional opportunities for hardship licenses

The impacts to be defined and measured are changes to:

- The local housing market.
- The financial position of license holders.
- The number of long-term rentals and dwelling units claimed as legal residences.
- Municipal revenues.
- Municipal costs.
- Local business revenue.
- Neighborhood livability and resident satisfaction.

The final product of this meeting will be a consensus on final amendment language, a definition of each impact area, identification of data types and sources, and agreement on standards for the evaluation of proposed amendments. The vendor may propose additional meetings, surveys, emails, and interviews as needed prior to the onsite meeting to gain a better understanding of City Council's intent.

Short Term Rental Study

The primary purpose of the study is to project the forward-looking effects of proposed amendments, using current conditions as a baseline for decision-making. However, changes in local conditions from the pre-Cap baseline should be included to provide additional context. The study should include, at a minimum, four sections:

- 1) An analysis, using the agreed-upon definitions, data types, and sources, to determine the effects of the Short-Term Rental Cap on the local housing market, the financial position of pre-Cap license holders, the number of long-term rentals and dwelling units claimed as legal residences, municipal revenue, local business revenue, municipal costs, and neighborhood livability and resident satisfaction. The Cap analysis should cover the period from January 1, 2022, through the present day. The vendor should clearly explain



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the method of isolating short-term rental cap impacts and (where applicable) provide context in the form of national, state, and Charleston area trends.

- 2) A projection, using the agreed-upon definitions, data types, and sources, to determine the effects of each of the proposed amendments on the local housing market, the financial position of existing license holders, the number of long-term rentals and dwelling units claimed as legal residences, municipal revenue, local business revenue, municipal costs, and neighborhood livability and resident satisfaction. Impacts should be projected for immediate, medium, and long-term intervals
- 3) A decision-making matrix and recommendations for implementation. The matrix will be used in evaluating the relative success of each proposed change as defined by the standards for success identified at the beginning of the project. This section should also include recommendations for one or more amendments, as supported by the matrix, that will most fully achieve the balance between metrics that the city is seeking.
- 4) A review of local and national short-term rental regulations (for similarly situated communities) that include related policy language for the implementation of the chosen amendments.

Post Study Work Session with City Council

Upon completion of the Short-Term Rental Study, the vendor will conduct a final work session with City Council to publicly review the findings, answer questions, and facilitate the selection of preferred alternatives for adoption. The vendor shall prepare a presentation summarizing the results of the Cap impact study, the methodology used to create the decision-making matrix, and the ranking of alternatives.

3. SELECTION PROCESS + TIMELINE

The city's intent is to award this project at the City Council meeting on October 13, 2026, with the final presentation no later than February 29, 2027.

- a. Potential bidders may register with the city by submitting an intent to bid, requests for additional information, or other inquiries to Aaron Pope (apope@follybeach.gov) prior to the close of business on September 14, 2026.
- b. Answers to all inquiries will be distributed to all registered bidders on September 16, 2026. Bidders are not required to register to submit a final bid.
- c. Final proposals must be received no later than 2:00 p.m. on September 28, 2026. Sealed proposals may be hand-delivered to Aaron Pope at 21 Center Street, 2nd Floor, or mailed to P.O. Box 48, Folly Beach, SC 29439, Attn: Aaron Pope, or emailed to apope@follybeach.gov. Any proposals received after this date and time will be returned to the sender. All proposals must be signed by an official agent or representative of the company submitting the proposal. Proposals must be clearly labeled as RFP 03-26 *Short-*



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Term Rental Ordinance Study.

- d. The proposals will be opened at 2:05 p.m. on September 28, 2026. All submitters are invited to be present or send a representative, but attendance is not required.
- e. Evaluation of proposals will be conducted beginning September 28, 2026, with selection by City Council resolution at a regularly scheduled Council Meeting on October 13, 2026. The winning firm will be notified after the City Council Meeting.

4. BID REQUIREMENTS

The proposal must include, at a minimum, the following information as applicable to be considered responsive. Please mark each section accordingly within the proposal. Under the provisions of the Freedom of Information Act, all proposals, excluding pending legal actions, will become public information. Applications must be clearly marked as “CONFIDENTIAL” on each page of their proposal that could be exempt from disclosure. The City reserves the right to make the final determination.

- a. A description of the firm and its qualifications to meet the City’s objectives. This shall include size of the business, the office location responsible for the project, key staff members and their qualifications, and a list of known subcontractors and their qualifications.
- b. Relevant prior work performed, including names and contact information for a minimum of three past project references.
- c. A timeline of significant project milestones and anticipated completion date.
- d. A preliminary list of potential data types, data sources, and methodologies to be used in the study as measurement of the identified impact types.
- e. A preliminary estimate of the total number of alternate scenarios within each amendment area that can be considered effectively and cost-effectively.
- f. Bidders may choose to propose definitions and scenarios related to each identified amendment area. Bidders are encouraged to review publicly available meeting videos, minutes, comments and other records to gain an understanding of Council’s intent. The STR Timeline located on the City’s website is a recommended resource.
- g. A preliminary proposal of methods used to identify or otherwise contextualize the effects of the Cap against broader market trends.
- h. Pricing, to include transparent fee structures, hourly rates, data licensing fees, and extra costs for public hearing, outsourcing, etc.
- i. Signed Offeror Representations (form in bid packet) signed by a principal of the firm or an officer authorized to bind the corporation.
- j. A list of any pending legal actions.
- k. A current copy of IRS Form W9.
- l. A proposed model implementation contract to be used should the bid be successful. All



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contractual terms and conditions will be subject to review by the City of Folly Beach.

This request does not commit the City to the award of a contract, or to pay any costs incurred in the preparation of a response to this request. The City of Folly Beach reserves the right to reject, in whole or in part, any bid submitted which, in the judgment of the City of Folly Beach, would not be in its best interest. The City also reserves the right to waive minor deficiencies or reject any or all proposals.

5. OTHER REQUIREMENTS OF THE SUPPLIER

If the contract is awarded, the winning firm must be prepared to provide and agree to the following, at his or her own expense, prior to beginning work and at all times during performance of services:

- a. Commercial General Liability Insurance on an occurrence basis in an amount equal to \$1,000,000 for each occurrence and must include the following coverages: (i) completed operations coverage, (ii) blanket contractual coverage, including both oral and written contracts, (iii) personal injury coverage.
- b. Indemnification and hold harmless documentation for any and all claims arising out of its performance of its duties under this contract.
- c. Compliance with all applicable federal, state, and local laws, ordinances, and regulations.
- d. The bidder selected will engage in a contractual agreement based on this proposal prior to any work being performed.
- e. Any modifications to the contract shall be in writing and signed by both parties.

6. QUALIFICATIONS EVALUATION CRITERIA

The primary intent with regard to the procurement of these services is to obtain what the City would consider to be the best package of products and services. This includes overall suitability, a clear and organized proposal, price competitiveness, quality, and timeliness of previous work performed. Firms will further:

Data capability: Proven ability to find and compile relevant data from qualified sources.

Regulatory expertise: Depth of knowledge regarding short-term rental regulation and best practices, as well as the interaction between regulatory practices and external conditions.

Housing market impact analysis: Demonstrated ability to accurately track housing market changes and determine the weight of STR regulations in creating those changes.

Municipal references: Demonstrated experience of delivering actionable, legally defensible policy studies or compliance tools for local governments of similar size and tourism pressure.



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Team qualifications: Subject matter expertise of assigned analysts in tourism analysis, real estate economics, and public administration.

Stakeholder engagement: Demonstrated success in facilitating public workshops, surveys, and board presentations to build community consensus.

Timeline adherence: Realistic work plan and staff resources to complete the project in the required time frame.

Total cost of project.



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Vendor Name: _____

Offeror Representations

I certify that:

1. I am an agent of the company authorized to make representations on behalf of the company.
2. I have read and understand the solicitation.
3. I have not in any way colluded with anyone to obtain information that would give the me an unfair advantage over others or set pricing for the proposal.
4. I (alongside the Company) am qualified to perform the services required by the solicitation.

Authorized Signature for Bidder/Offeror & Date

Before me, the Undersigned, a Notary Public, for and in the County and State aforesaid, personally appeared _____ and made oath.

Sworn to and Subscribed before me

this _____ day of _____, 20____

Notary Public in and for South Carolina