

CITY OF FOLLY BEACH

Tim Goodwin, Mayor



Folly Beach, SC 29439

www.cityoffollybeach.com

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**Chris Bizzell, Council Member
William Farley, Council Member
Billy Grooms, Council Member**

**Katherine Houghton, Council Member
Skip Fink, Council Member
D.J. Rich, Mayor Pro-Tem**

**City Council Work Session Meeting 6:00 PM
Tuesday, December 10, 2024**

**City Hall
21 Center Street
2nd Floor Council Chambers
Folly Beach, SC 29439**

1. Work Session Items

- a. Short Term Rental Amendments Meeting #2
- b. Peas Island/Bowens Island/Folly Road Configuration Changes.

PUBLIC NOTICE

ALL MEDIA WERE NOTIFIED PURSUANT TO STATE LAW

City Council will not vote on matters discussed during Work Sessions or Executive Sessions.

However, matters discussed may be voted on during the evening City Council meeting. In keeping with the Americans with Disabilities Act, persons needing assistance, alternative formats, ASL interpretation, or other accommodation, please contact the Municipal Clerk at 843- 513-1833 during regular business hours at least 24 hours prior to the meeting. Hearing devices are available upon request for those with hearing difficulties.

The City of Folly Beach, in an effort to go green, will no longer have the Ordinances and Resolutions included in the agenda. Citizens interested in having a copy, please see the Municipal Clerk.

STR Work Session

12/12/24

Aaron Pope, AICP, ICMA-CM
City Administrator



STR Work Session 11/12/24

- Review of 11/12/24 Work Session consensus items.
- Review of 2nd Reading amendment language for open items.



Final Language: Designated Local Agent

- *Consolidates references to agent/local agent/designated agent.*
- *Provides notice that agent may be cited or served notice for violations that apply to owner.*

DESIGNATED LOCAL AGENT. A local agent, identified through application for a rental registration permit, who shall be responsible for operating the rental dwelling in compliance with the law. Designated local agents may apply for a business license or rental registration on behalf the owner. Official notices may be served on the designated local agent and/or the owner, and any notice served on the designated local agent shall be deemed to have been served upon the owner of record. The designated local agent may be cited and served notice for any violation under this ordinance for which the owner may be cited or served.



2nd Reading: Proof of Minimum Nights Rented

- *Allows new license holders to meet the minimum requirement later in the calendar year (next business license year).*

Motion: Amend Section 117.01 (B) Good Standing (c) (3) accommodate new licenses issued less than a full business license year prior to renewal.

(c) The dwelling unit for which ~~the~~ **an ISTR** license was issued ~~has been~~ **was** rented for a minimum of 28 nights in the ~~current~~ business license year **prior to renewal. Executed rental contracts and receipt of payment shall be required to establish compliance with minimum rental night requirements. The** ~~except that the minimum nights rented~~ **rental night requirement** shall be waived in the event that:

1. A natural disaster or other Act of God renders the dwelling unit uninhabitable for a period of more than six months in the current business license year; or
2. Work related to valid building permit, carried out to address life, safety, or health violations documented by the Building Official renders the dwelling unit uninhabitable for a period of more than six months in the current business license year; **or**
3. The license was issued after May 1 of the previous license year for a ~~The dwelling unit to be rented is being licensed for the first time or after a change in ownership and successful application for a new business license.~~



Final Language: Retroactive Inheritance ISTR

- *Allows licenses for properties inherited between the referendum date and the date of the amendment creating inherited ISTRS.*

INVESTMENT SHORT TERM RENTAL BUSINESS LICENSE (ISTR). A license issued for a dwelling unit, to be rented as a short term rental, that:

(a) Is not the legal residence of the owner; or

(b) Is not the legal residence of the owner and was inherited **after February 7, 2023** from the person named as **owner** of record on February 7, 2023; ~~or~~

1. Proof of inheritance shall be shown through a deed of distribution, court order, ~~will~~ or similar document **showing transfer of ownership to the applicant.**

2. Application for an ISTR ~~due to inheritance~~ **for the rental of a dwelling unit inherited after February 7, 2023** must be made within 90 days of transfer of ownership **except that an application for the rental of a dwelling unit inherited between February 7, 2023 and February 20, 2024 may be made at any time prior to May 1, 2025.**



Final Language: Standalone MISTR

- *Creates Medical Hardship Licenses as a separate class from ISTR due to termination and maintenance requirements for MISTR licenses.*

MEDICAL HARSHIP INVESTMENT SHORT TERM RENTAL BUSINESS LICENSE (MISTR). A license issued for a dwelling unit, to be rented as a short term rental, that is owned by the owner of record on February 7, 2023 upon certification that the owner no longer resides on the premises and is housed in a care facility, or requires care at another private location; or is no longer capable of performing at least three activities of daily living.

- (a) Activities of daily living are defined as personal hygiene tasks (bathing, grooming, oral, nail and hair care); medication management; walking independently; dressing; transferring in and out of bed; and maintaining continence.
- (b) Certification that an owner can no longer perform activities of daily living shall be provided on a form approved by the city and completed by a licensed medical doctor, doctor of osteopathic medicine, physician assistant, or advanced practice registered nurse.
- (c) Proof of care shall be through a lease agreement or similar document, or a contract for in-home care.
- (d) Certification for an ISTR issued due to medical hardship shall be submitted annually.
- (e) No more than one MISTR may be obtained by any owner through medical hardship.



2nd Reading: Standalone MISTR

Motion: Amend Section 117.02 (D) (5) to provide that MISTR licenses continue until the end of the business license year in the case of death or 90 after the end of qualifying care/lease.

(D) *Non-transferable.*

- (1) Investment short term rental license wait list status terminates upon transfer of property and is non-transferable.
- (2) Investment **and medical hardship investment** short term rental business licenses terminate upon transfer of property and are non-transferable.
- (3) Owner-occupied short term rental business licenses terminate upon transfer of property and are non-transferable.
- (4) Owner-occupied short term rental business licenses terminate upon loss of 4% property tax assessment status and are non-transferable.
- (5) **Medical hardship investment short term rental licenses terminate** on the last day of the current business license year **upon death**. **Medical hardship investment short term rental licenses terminate 90 days after the termination of qualifying lease, or end of qualifying care.**
- (6) Provisional short term rental business licenses terminate 90 days after the date of issuance or upon the completion of the last eligible rental period if earlier than 90 days and are not transferrable.



Final Language: Partially Rated Structures

OWNER-OCCUPIED SHORT TERM RENTAL BUSINESS LICENSE (OSTR). A license issued for a dwelling unit to be rented no more than 72 nights annually that:

(a) That is the legal residence of the owner.

(b) That is the legal residence of the owner but given a **partial** 6% property tax rate by Charleston County. ~~and is licensed after February 7, 2023.~~ **The portion of a dwelling unit taxed at a 6% property tax rate which was licensed as a short term rental prior to February 7, 2023 is not subject to the 72 night annual rental limit.**



Final Language: Rental Rules and General Regulations

- *Consolidates references to ordinances and regulations throughout the chapter.*

RENTAL RULES AND GENERAL REGULATIONS. Regulations regarding noise, trash, parking, alcohol on the beach, animals, litter, surfing, dune protection, sea turtles, smoking on the beach, requirements for special events, maximum occupancy, and golf carts.



Final Language: Advertising Equals Operating

- *Explicitly states that advertising a rental is considered operating a rental.*

Any owner ~~wishing to operate~~ **advertising or operating a dwelling unit** as a short term rental must maintain a current business license, comply with rental registration permit requirements, and make proper payment of local, county, and state taxes.



Final Language: Final Certificate of Occupancy Needed to Rent

(a) A license issued for the rental of an existing ~~residential~~ dwelling unit may be renewed, or a new license issued for the rental of a ~~replacement~~ dwelling unit ~~on the same site~~, upon issuance of a new final certificate of occupancy and satisfaction of all other requirements for short term rental licenses.



2nd Reading: Maintaining Licenses For Replacement Units

- *Clarifies that licenses must be maintained during construction and that this provision only replies to renewing existing licenses.*

Motion: Amend Section 117.03 (1)(a) to clarify that existing licenses may be renewed for certain replacement units if the license is maintained continuously during the period of construction. New licenses (issued to new owners) are not allowed.

(a) A license issued for the rental of an existing ~~residential~~ **dwelling** unit may be renewed, ~~or a new license issued for the rental of a replacement **dwelling** unit proposed for or under construction on the same site., upon issuance of a new certificate of occupancy and satisfaction of all other requirements for short term rental licenses.~~

(i.) The replacement **dwelling** unit must be under the same ownership, contain the same or fewer heated square feet, and contain the same number or fewer bedrooms as the original structure.

(ii.) The license has been maintained in good standing and, if necessary, timely renewed during the entire period of construction beginning with demolition and lasting through issuance of a final certificate of occupancy.



2nd Reading: Relocation of Existing Units

Option 1: Allow licenses for relocated units.

Option 2: Prohibit licenses for relocated units. Motion: Amend Section 117.03 by removing (A)(1)(b)

(b) A license issued for the rental of an existing dwelling unit may be renewed, or a new license issued for the rental of the same dwelling unit after relocation, upon issuance of a new final certificate of occupancy and satisfaction of all other requirements for short term rental licenses.

(i.) The relocated dwelling unit must be under the same ownership, contain the same or fewer heated square feet, and contain the same number or fewer bedrooms as the original structure.

(ii.) The license has been maintained in good standing and, if necessary, timely renewed during the entire period of construction beginning with relocation and lasting through issuance of a final certificate of occupancy.

Option 3: Add stricter requirements. Motion: Amend Section 117.03 by adding language specifying allowable repairs as a percentage of total value.

(b) A license issued for the rental of an existing dwelling unit may be renewed, or a new license issued for the rental of the same dwelling unit after relocation, upon issuance of a new final certificate of occupancy and satisfaction of all other requirements for short term rental licenses.

(i.) The relocated dwelling unit must be under the same ownership, contain the same or fewer heated square feet, and contain the same number or fewer bedrooms as the original structure.

(ii.) The total value of all repairs and alternations to the structure, excluding those required for elevation and correction of life, health, and safety issues as documented by the Building Official prior to relocation, shall not exceed 50% of the structure.

(iii.) The license has been maintained in good standing and, if necessary, timely renewed during the entire period of construction beginning with relocation and lasting through issuance of a final certificate of occupancy.

Failure to Timely Renew License is Grounds for Denial

- *Additional language to clarify that failing to renew within the 10 day grace period is grounds for revoking a license.*
- (a) To remain in good standing, an application to renew an existing license must be submitted no later than ten business days after the final day of the previous business license year. **The failure to timely submit an application for the renewal of a short term rental license shall result in denial of the application.**



Final Language: OSTR Exempt from Minimum Nights Rented

- *Exempts OSTRs from the 28 night minimum rental period.*
- (b) To remain in good standing, **an ISTR** license must be used for at least 28 nights annually except when affected by natural disaster, Act of God, or critical repairs as defined in § [117.01](#).



Final Language: Rental Registration Refunds

- *Applies the same refund language used for business licenses to rental registrations.*

(B) *Rental registration permit.* A rental registration permit must be obtained ~~and renewed annually~~ by the submittal of a form and fee as established by the city for each residential dwelling unit or portion thereof offered as a short term rental.....

(2) *Annual fee.* The fee for a rental registration permit shall be set by City Council and shall be reviewed periodically. **No refund shall be issued for a rental registration permit should the registered dwelling unit ceased to be rented after issuance.**



Final Language: Rental Registration Information Changes

- *Clarifies that owners must update information in rental registrations when necessary and that new registrations for new licenses must be submitted 30 days after obtaining license.*
- (B) *Rental registration permit.* A rental registration permit must be obtained and renewed annually by the submittal of a form and fee as established by the city for each residential dwelling unit or portion thereof offered as a short term rental.....
- (5) *Change in registered information.* ~~The owner or designated agent of a rental dwelling already registered with the city shall re-register within 60 days after any change occurs in the registration information.~~ **It is the duty of the owner to notify the city of changes to the name, address, email address, or phone number of the owner and designated agent listed on the annual rental registration.** There shall be no additional fee upon change of registration information except that a new owner of a **previously** registered dwelling, upon **successful** application for a new **short term rental** business license, shall re-register the dwelling and pay the appropriate fee within **30 days of obtaining a license.**
- (D) *Violations and penalties.*
- (l) Failure to obtain a rental registration permit within 30 days of renewing a business license; ~~failure to provide accurate information for the registration of rental dwellings, failure to provide information required by the application form;~~
- (m) Failure to complete a new rental registration permit application within ~~60 days of a change in ownership~~ **30 days of obtaining a new short term rental license;**



Final Language: Rental Registration Requirements

- *Codifies various documentation and certification requirements.*

- (a) The street address, **Charleston County Parcel Identification Number, and unit number, if applicable,** of the ~~rental~~ dwelling unit;
- (b) ~~The unit number if applicable~~ **A property tax bill or other documentation from Charleston County showing the current property tax classification;**
- (e) The **advertised and, if different, the allowable** maximum overnight occupancy of ~~each rental~~ **the** dwelling unit, which shall not exceed two persons per bedroom, plus two additional people per rental dwelling unit, except as allowed under an exception under § [164.03](#)-01(C);
- (l) ~~Proof of payment from the owner or designated agent for payment of local, county, and state taxes due on short term rental accommodations~~ **Certification that the owner is aware that misrepresentation of any required information on the application for a business license or rental registration permit shall be considered grounds for the denial of the application and subsequent revocation of the license or rental registration permit;**
- (o) ~~Documentation in the form of Charleston County property records or a certificate of occupancy confirming the number of bedrooms offered for rent~~ **Certification that a dwelling unit licensed as an OSTR may not be rented more than 72 nights annually;**
- (q) **The number of nights the unit was rented in the previous business license year. Proof of the 28 night minimum rental requirement shall be established through executed rental contracts and associated receipts for payment.**



2nd Reading: Grace Period for Rental Registration Renewals

- *Creates a 10 business day grace period to **renew** a rental registration before revocation. Codifies a 10 business day limit for corrections after notification by the city. **New** rental registrations must be completed within 30 days.*

Motion: Amend Section 117.03 (B)(1) to add language allowing for a grace period for submittal for **renewals** and when notified by the city of errors. Failure to **renew** within the grace period is a revocable offense.. For **new** licenses, failure to apply for a rental registration within 30 days is a revokable offense. Failure to respond within 10 days of notification of errors is a revokable offense.

(1) *Annual registration.* ~~The~~ **An application to renew previously issued** rental registration permits, **along with all documentation required by this Chapter,** ~~application shall be completed~~ **submitted** ~~prior to June 1 of each year~~ no later than 10 business days after June 1. Failure to submit a rental registration application within 10 business days after June 1 shall result in revocation of the license. Upon review, the city shall notify applicants of deficiencies or errors in the application submitted. Failure to make necessary corrections to an application within 10 business days of notification of deficiency or errors shall result in revocation of the license.

(a) ~~No new business license to operate a short term rental shall be issued prior to the approval of a rental registration permit.~~ **An application for a rental registration permit, along with all documentation required by this Chapter, must be submitted within 30 days of the issuance of a new short term rental business license.** Failure to submit a rental registration application within 30 business days after the issuance of a new short term rental license shall result in the revocation of the license. Upon review, the city shall notify applicants of deficiencies or errors in the application submitted. Failure to make necessary corrections to an application within 10 business days of notification of deficiency or errors shall result in revocation of the license.



2nd Reading: Strike for failure to submit/renew and for submittals/renewals during the grace period.

- Makes **renewing** a rental registration after June 1 (during the grace period) a violations. All violations are subject to \$500 tickets and associated strikes. Clarifies that failing to obtain a **new** rental registration within 30 days is not a strike but a revokable offense.

Amend 117.03 (D)(l) and (m) to make submittal of a **renewal** during the grace period a violation (subject to \$500 ticket and then strike);

(b) Renewals of valid prior year business licenses shall be allowed prior to the approval of a rental registration permit. ~~Failure to complete a rental registration permit application within 30 days of the business license renewal date shall be grounds for revocation of the license.....~~

(l) ~~Failure to obtain a rental registration permit within 30 days of renewing a business license.~~ Failure to provide accurate information for the registration of rental dwellings, failure to provide information required by the application form;

(m) Failure to ~~complete~~ submit an annual rental registration permit renewal application, along with all documentation required by this Chapter, after June 1. a new rental registration permit application, ~~along with all documentation required by this Chapter,~~ within 60 days of a change in ownership ~~30 days of obtaining a new short term rental license, or submit an annual rental registration permit renewal application, along with all documentation required by this Chapter, after June 1.~~





City of Folly Beach

Date: December 10th, 2024

Re: Peas Island/Bowens Island/Folly Road Configuration Changes

Mayor and Council,

Earlier this year, the city contracted with Kimley Horn to complete a traffic study and make recommendations to improve the safety of the intersection of Folly Road with Peas Island and Bowens Island Roads. The final recommendations (which were developed in conjunction with the residents of Peas and Bowens Island) included restriping the travel lanes to include a turn only lane for access to Peas and Bowens Island. The inbound alternate merge would be relocated from the Folly Creek bridge to just south of Kings Flats. The outbound single lane would be extended from the Folly Creek bridge to just north of Peas Island Road. The reconfiguration is projected to reduce crashes in the area by 47%.

The next phase of the project will involve soliciting public comment from the wider Folly community, other jurisdictions along Folly Road, and the Rethink Folly Road Committee. Staff will gather the feedback and make a report to Council in January for review during strategic planning and budget work sessions. If Council chooses to move forward, preliminary estimates for the cost of full design and permitting fall between \$50 thousand and \$70 thousand dollars. There is no cost estimate for construction. These funds, and any placeholders for construction, would need to be placed in the FY26 budget or drawn down from the general fund.

Aaron Pope, AICP, ICMA-CM
City Administrator