

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
Eddie Ellis, Council Member
D.J. Rich, Mayor Pro-Tem**

**City Council Work Session Meeting 5:00 PM
Tuesday, February 20, 2024**

- 1. Work Session Items**
 - a. STR Ordinance 2nd Reading Review-Aaron Pope.

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.



City of Folly Beach

Date: February 20th, 2024
Re: Ordinance 001-24

Mayor and Council,

Ordinance 001-24 passed first reading on 2/13/24. During the discussion, several potential amendments were proposed for 2nd reading. The presentation in your packets lays out language to implement those changes.

-Inheritance ISTR: the amendment will allow any beneficiary to apply for an ISTR as long the person they inherit the house from was the owner of record on 2/7/23. The new license must be applied for 90 days after the transfer of ownership is finalized. In the interim, the city will allow estates to maintain the prior owner's license if there was one.

-Hardship ISTR: If an owner must move from their home because either: they can no longer perform ADLS, or they have a contract for care at another location, they can apply for an ISTR license. ISTR licenses for medical hardships have to be recertified annually at renewal. One new concept presented that was not reviewed on 2/13/24 is whether or not medical hardships are granted if the owner has multiple homes. I interpreted the intent of Council for hardships to be issued only to preserve primary homes.

-Exemption to the minimum nights rented: If a property is rendered unusable for more than six months because of damage from a natural event or act of God there will be no minimum nights rented requirement. If a property is uninhabitable and under repair due to a documented life/health/safety repair for more than six months the requirement will also be waived.

Aaron Pope, AICP
City Administrator

STR Work Session 2/20/24

Amendment Review for Ordinance 001-24

- Amendment language to be proposed at 2nd Reading.
- No additional changes proposed to 001-24 at this time.

Ordinance 001-24 Amendments: ISTR through Inheritance

-Any beneficiary of a property owner who owed a property in the City of Folly Beach on 2/7/23 will be eligible to apply for an ISTR if they do not make the property their legal residence*. *a legal residence can not be rented more than 72 days without losing legal residence status

INVESTMENT SHORT TERM RENTAL BUSINESS LICENSE (ISTR). A license issued for a dwelling unit to be rented as a short term rental for more than seventy-two nights annually. An ISTR may be issued for any of the following:

- (A) The rental of a dwelling unit that is not the legal residence of the owner.
- (B) The rental of a dwelling unit that is not the legal residence of the owner and was inherited from the person named as owner of record on February 7, 2023.
 - (1) Proof of inheritance shall be shown through a deed of distribution, court order, will, or similar document.
 - (2) Application for an ISTR due to inheritance must be made within ninety (90) days of transfer of ownership.

Ordinance 001-24 Amendments: ISTR through Inheritance

Motion: To amend Section 117.01 by:

-Striking the definition of eligible family member; and

~~**ELIGIBLE FAMILY MEMBER.** For the purposes of this Chapter, an eligible family member is a spouse, parent, stepparent, sibling, step sibling, sibling-in-law, child, stepchild, niece, nephew, grandparent, or step grandparent.~~

-Striking Item B(3) in the definition of ISTR to remove references to eligible family member; and

(1) Proof of inheritance shall be shown through a deed of distribution, court order, will or similar document.

(2) Application for an ISTR due to inheritance must be made within ninety (90) days of transfer of ownership.

~~(3) An ISTR based on inheritance shall only be issued to an eligible family member.~~

-Amending the definition of ISTR including Items A and B to read...

INVESTMENT SHORT TERM RENTAL BUSINESS LICENSE (ISTR). A license issued for a dwelling unit, to be rented as a short term rental for more than seventy-two nights annually, ~~that.~~ An ISTR may be issued for any of the following: ~~a dwelling unit that is not the legal residence of the owner to be used as a short term rental.~~

(A) The rental of a dwelling unit that is not the legal residence of the owner.

(B) The rental of a dwelling unit that is not the legal residence of the owner and was inherited from the person named as owner of record on February 7, 2023.

Ordinance 001-24 Amendments: ISTR through Hardship

-Any owner of property on Folly Beach on 2/7/24 may apply for an receive an ISTR if they are required to move away from their home for medical care. Proof of medical care is through a lease at a care facility or contract for care. Medical hardships can be also be claimed by demonstrating inability to perform ADLs. Hardship licenses are only issued when the owner owns no other homes.

INVESTMENT SHORT TERM RENTAL BUSINESS LICENSE (ISTR). A license issued for a dwelling unit, to be rented as a short term rental for more than seventy-two nights annually, that:

.....

(C) Is owned by the owner of record on February 7, 2023 upon certification that the owner no longer resides on the premises and requires care at another location or is no longer capable of performing at least three activities of daily living.

(1) 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.

(2) 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.

(3) Proof of care shall be through a lease agreement or similar document, or a contract for in home care.

(4) An ISTR may not be issued for hardship if the applicant holds title to any other dwelling unit within or outside of the City of Folly Beach.

(4) Certification for an ISTR issued due to medical hardship shall be submitted annually.

Ordinance 001-24 Amendments: ISTR through Hardship

Motion: To amend Section 117.01 by:

- Amending item C to allow either proof of care or proof of inability to perform ADLs as allowable hardships; and
- Adding Item 4 to clarify that an ISTR may not be issued if the owner owns multiple homes.

INVESTMENT SHORT TERM RENTAL BUSINESS LICENSE (ISTR). A license issued for a dwelling unit, to be rented as a short term rental for more than seventy-two nights annually, that: ~~a dwelling unit that is not the legal residence of the owner to be used as a short term rental.~~

(C) 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; and or is no longer capable of performing at least three activities of daily living.

(1) 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.

(2) 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.

(3) Proof of care shall be through a lease agreement or similar document, or a contract for in home care.

(4) An ISTR may not be issued for hardship if the applicant holds title to any other dwelling unit within or outside of the City of Folly Beach.

(5) Certification for an ISTR issued due to medical hardship shall be submitted annually.

Ordinance 001-24 Amendments: Allowing hardship and ISTR licenses over the cap.

Motion: To amend 117.02 (C)1 to exempt hardship and inheritance ISTR licenses from the cap.

§ 117.02 SHORT TERM RENTAL BUSINESS LICENSES.

(A) The city shall issue investment short term rental business licenses, ~~and~~ owner-occupied short term rental business licenses, **and provisional short term rental business licenses.**

(B) There will be no limit on the number of owner-occupied short term rental business licenses **or provisional short term rental licenses** issued.

(C) The maximum number of investment short term rental business licenses issued shall be 800, henceforth referred to as the cap.

(1) No new investment short term rental business licenses shall be issued unless the total number of investment short term rental business licenses are below the cap **unless the ISTR license is issued due to hardship or after inheritance as defined in Section 117.01.**

(2) Any ~~existing~~ investment short term rental business license ~~issued prior to February 7, 2023~~ which remains in good standing may continue to be renewed annually, even if the number of investment short term rental business licenses exceeds the cap.

Ordinance 001-24 Amendments: Exceptions to 28 night minimum

Motion: To amend 117.01 by amending the definition of good standing to specify that if either natural disasters/Acts of God or permitted work to correct health, life, safety violations render a property uninhabitable for a period of more than 6 months, the minimum rental requirement does not apply.

GOOD STANDING. A license shall be considered in good standing if:

- (A) The license has not been denied, revoked, or suspended in the current license year. A license which has been denied, revoked, or suspended in the current license year shall not be renewed except upon successful appeal of the denial, revocation, or suspension.
- (B) The license has not expired. A license shall be deemed expired ten (10) days after the final day of the previous business license year.
- (C) The dwelling unit for which the license was issued has been rented for a minimum of twenty-eight (28) nights in the current business license year except that the minimum 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.

Motion: To amend 117.03 (4)(b) to specify that if either natural disasters/Acts of God or permitted work to correct health, life, safety violations render a property uninhabitable for a period of more than 6 months, the minimum rental requirement does not apply.

§ 117.03 LICENSE, REGISTRATION, AND TAX REQUIREMENTS.

Any owner wishing to operate 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.

(A) *Business license.* A business license 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.

.....

- (4) Failure to maintain good standing shall be considered grounds for denial of an application to renew and existing license
 - (a) To remain in good standing, an application to renew an existing license must be submitted no later than ten (10) business days after the final day of the previous business license year.
 - (b) To remain in good standing, a license must be used for at least twenty-eight (28) nights annually except when affected by natural disaster, Act of God, or critical repairs as defined in Section 117.01.