



# Folly Beach Short Term Rental Committee Regular Meeting Notes

**June 10, 2021**

**2:00 PM REGULAR MEETING**

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## **Committee Members:**

PRESENT: Adam Barker: City Council, Laura Pace: Planning Commissioner, Alex Hunter: Rental Manager (Carolina One), Katie Gerling: Planner, Amberly Flowers: Business License Official, Aaron Pope: City Administrator; Joe Vandiver: Resident (Design Review Board)

## **10:30 AM REGULAR MEETING**

This meeting agenda was posted but not streamed. This is an exploratory committee accepting public comment and assessing the current trends of short term rentals at Folly Beach. There is no formal timeline and no moratorium of short term rental licenses on Folly. The committee hopes to have recommendations in 3-4 months. The committee was formed by the Mayor on May 11 to study the impacts of Short Term Rentals. The scope of this committee is centered around the balance of rentals vs. residences and the impacts on the community, regulating rentals and managing growth.

Staff started this meeting by recapping last meeting – stating the scope and goals of the committee. We are looking at licensing issues and not enforcement or livability issues. Those regulations are already in place from 2018. Board agreed that maybe those rules need a communications revamp. The Board also noted themes from public comment that 4% full time residents of Folly rely on rental income to subsidize taxes and improvement/maintenance costs. It is difficult to differentiate who the 6% resident is (2<sup>nd</sup> home, eventual retirement home, or investor). Ms. Pace pointed out that the fee for an unlicensed rental is too low and maybe a goal after this committee is to reevaluate compliance. Mr. Pope stated that we want to remain approachable, so people don't try and hide rentals for the City. However, City of Folly Beach has one of the best compliance and tracking procedures of Short Term Rentals in the area as we often get calls from other municipalities asking about our methods.

Katie went over the data collected. Some analysis still needs to be run, but the data collected included:

- Folly Beach Rental License (short and long term) issued and cost for 2020-2015
- Folly Beach 4% and 6% Properties for 2021-2015
- New Building Permits issued from 2015-2021
- STR Listing Data, Check Ins, Room Rates for Surrounding Areas
- Literature review on effects of limiting and regulating STRs
- Review of Charleston area municipality regulation on STRs
- 30+ public comment on short term rental regulation

A summary of the available analysis is below:

year	# of lic	STR (721199)	LTR (531120)	Total Fees	% increase total lic	% increase STR	% increase LTR
2020	1042	923	119	257083.35	16.29	17.73	6.25
2019	896	784	112	156823.32	16.97	18.25	-0.88
2018	766	663	113	125838.11	32.76	40.17	8.65
2017	577	473	104	98288.13	26.81	26.47	28.40
2016	455	374	81	76938.37	11.25	13.68	1.25
2015	409	329	80	67214.42	-		



year	4%	6%	Total Properties	% increase Full Time Res	% increase Part Time Res
2021	833	1591	2424	-1.30	2.98
2020	844	1545	2389	2.93	-1.65
2019	820	1571	2391	3.54	-1.63
2018	792	1597	2389	0.00	1.98
2017	792	1566	2358	1.67	-0.57
2016	779	1575	2354	2.91	-0.57
2015	757	1584	2341	-	-

Some interesting points are that in 2018, the increase of rental licenses is due to the ordinance changes in enforcement, compliance and tracking of rental licenses. This shows the success of that ordinance. STR licenses are increasing year over year but not to the detriment of long term rentals as they are staying consistent. Also 4% residents are growing with the exception of 2021.

More analysis needs to be run including identifying home many single family homes have converted to short term rentals in the past 5 years, how many homes were built with the intent to be a short term rental, how the tax base/economy would be affected by limiting short term rentals, where STRs are geographically located/clustered on the island, and how many 4% residents are STR license holders.

The City ultimately wants to find solutions to what could become a short term rental issue in the future. This could be in the form of a cap of STR licenses, minimum listing days, restrict to geography/zoning district of STRs, etc.

Next meeting will be June 24<sup>th</sup> @ 2pm at City Hall.