



Short-Term Rental Ad Hoc Committee Final Recommendations

October 17, 2019

To avoid all confusion
and allay any concerns

Before we begin

Short-Term Rentals will not be banned within Palmetto Dunes

Was never on the table

Was never an objective

Not even a consideration

Background

- Board workgroup launched in December, 2018
- Formal committee established in March, 2019
 - 3 non-board members: Ian Cohen, Pattie Courtney, Joe Homa
 - 4 board member: Gayle Cleaveland, Doug Luba, Lee Smith, Bill Watkins
 - Staff: Chief Griner, Andrew Schumacher
- Charter: **Provide Greater Balance**
 - “With the growing use of short-term rentals, the purpose of this Ad Hoc Committee is to review the impact short-term rentals may be having upon Palmetto Dunes and recommend any policy/process enhancements to balance the economic needs of owners who rent with a quality of life expected by owners who do not—ensuring the behaviors of one group do not adversely impact the other.”
- Conducted an owner survey to understand concerns and opportunities regarding STRs
- Met with bicycle rental companies, property management firms and realtors
- Held conversations with Sullivan’s Island, Island of Palms and Destin
- Total of 8 meetings over 7 months (see: <https://pdpoa.org/owners/resources/short-term-rentals/>)



Owner Survey

Owner Survey

- All owners invited to share their thoughts and opinions in an online survey
- Record 1,115 responses with 1,024 rent/non-rental cross-tabbed completions
 - Owners that rent: 557 or 54%
 - Owners that do not rent: 432 or 43%
 - Prefer not to say: 35 or 3%
- 48 pages of owner verbatims offering rich qualitative insights

May, 2019

Survey Opened

SUN	MON	TUE	WED	THR	FRI	SAT
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

Link posted
in closed
FB group

Survey Closed

Owner Survey: Key Findings

- Approximately half of all properties in Palmetto Dunes rent—and half do not
- 41% of homes and 63% of villas are on the short-term rental market

Those who rent:

- More likely to own a ***villa***—but own homes, too
- Think of Palmetto Dunes as their ***business***
- Own for ***5 years or less***
- ***Not at all*** concerned about rentals
- Tend to think everything is ***fine as is***
- Have a ***positive*** view of rentals
 - Enable purchase before moving here
 - Introduce people to Palmetto Dunes
 - Support the Resort and Island businesses
 - Increase property values

Those who don't rent:

- More likely to own a ***home***
- Think of Palmetto Dunes as their ***home***
- Own for ***11 years or more***
- ***Quite concerned*** about rentals
- Tend to believe ***changes are needed***
- Have a ***less positive*** view of rentals
 - Decrease the quality of life
 - Disrupt the sense of community
 - Encourage moving from PD
 - Do not increase property values

- Mutual areas of focus:
 - Guest education and policy communication
 - Bicycle rules and operation
 - Engaging those who violate our policies—changing behavior

Short-Term Rental Solutions by Nearby Towns and World-Class Resorts



Common Approaches to Managing Short-Term Rentals

- Register with the town or local authority—paying a fee
- Limit occupancy based upon the number of bedrooms
- Limit parking based upon the number of bedrooms
- Staff a 24-hour contact number (performed by the town)
- Appear on-site within 1 to 2 hours of a complaint
- Display interior signs sharing rules with guests
- Communicate defined quiet hours
- Adhere to a minimal rental duration (2+ days)
- Implement escalating fines with 3-strikes rule
- Include town-provided identifier within all ads





Recommendations

General Approach

- Objective focused: help achieve balance in Palmetto Dunes
- Address current problems with an eye toward the future
- Less is more
- Start with policies that received unanimous support
- Identify additional policies for future consideration

1.0 General Recommendations

- Define “short-term rental” as “The renting of any property for a period of **less than 180 continuous days** for monetary or other consideration.”



- Invite every owner who sells their property to complete an optional online **Exit Survey** to better understand **why** they are selling in Palmetto Dunes—and where they might be going

2.0 Rental Policy Recommendations

- At **no fee**, require owners who rent a property on a short-term basis to annually provide property management and owner contact information to the POA via an online system
 - Fast and easy
 - No cost
 - Entirely confidential – not shared with local, state or Federal
 - Update within five (5) days after a contact change
 - Failure to register will limit or prevent guest pass issuance

1. Register

- Faster resolutions
- More satisfied guests
- Accurate trend data
- Better policies
- Improved reputation
- Reduced workload

2.0 Rental Policy Recommendations

- POA issues, via email, notices to the owner and property management firm **whenever Security or Compliance is summoned to a property** (regardless of the resolution)
 - No action required
 - Informative—bypasses Property Management “filters”
 - Encourages proactive guest management

1. Register

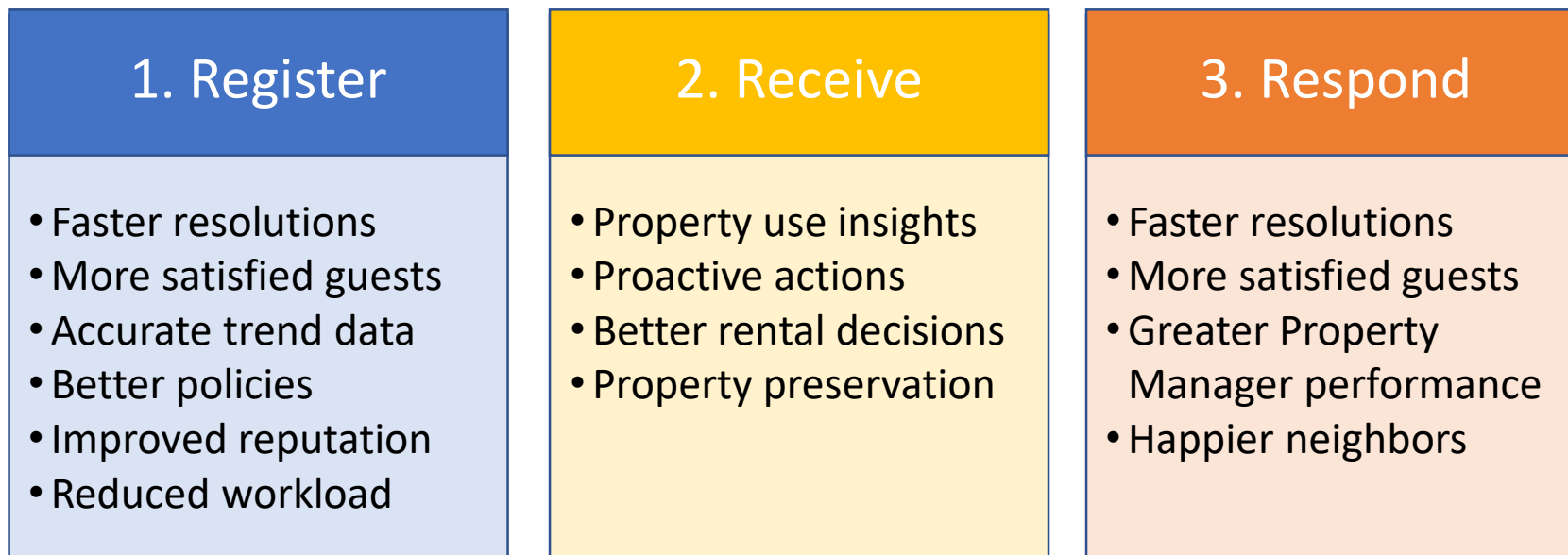
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2. Receive

- Property use insights
- Proactive actions
- Better rental decisions
- Property preservation

2.0 Rental Policy Recommendations

- If called, require the owner or management company to **return a telephone call within one (1) hour**—providing as rapid of a response as possible within that hour
 - A guest or guest-related issue requires immediate attention
 - Your involvement is demanded
 - After three non-timely responses, a meeting with the POA will be required



2.0 Rental Policy Recommendations

- Require all rental properties to display Palmetto Dunes-designed signs **communicating rules and policies**
 - Guests can only follow rules if they are shared
 - Most guests/families will comply
 - Non-display will require a discussion with the POA

1. Register

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2. Receive

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3. Respond

- Faster resolutions
- More satisfied guests
- Greater Property Manager performance
- Happier neighbors

4. Educate

- Fewer Security calls
- Fewer citations
- More satisfied guests
- Happier neighbors

3.0 Parking Recommendations

- Limit the number of passes to the **available parking spaces** of a property up to a **maximum of six (6) for homes**—or a lower limit if requested by the property owner
 - Explored different policies:
 - Number of bedrooms
 - Additional space for service
- Recommend current policy with strong enforcement



3.0 Parking Recommendations

- Allow **one vehicle** (trailer optional) to park, with a **legitimate purpose, *directly in front of a property*** on an **authorized street** for up to 60 minutes (“Vehicle Standing”) insofar as the driver has “**immediate control**” of the vehicle and without hindering the flow or safety of traffic, pedestrians or bicycles

Definition of “immediate control”

- Available to move a vehicle within (1) one minute of a front doorbell press
- Does not include:
 - Time searching for keys
 - People reachable via cell phone
- Fines:
 - Per Resort Regulations plus towing fee

Authorized Street is any except:

- Carnoustie Road
- Mooring Buoy
- Ocean Lane
- Queens Folly Road
- Sea Lane
- St. George

3.0 Parking Recommendations

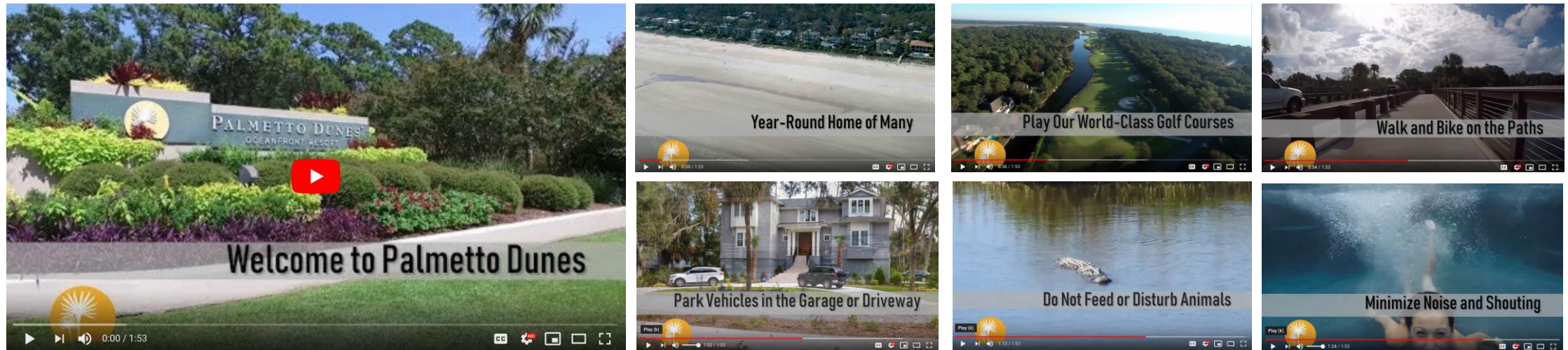
- Provide Security with the **resources necessary** to actively enforce new (and existing) policies
 - Visit each property to determine and document parking capacities
 - Identify additional tools or training
 - Determine appropriate staffing levels

4.0 Noise Recommendations

- **Internal** noise is the primary issue among **villas**—but infrequent
- **External** noise is the primary issue among **homes**—typically **pool related** (not infrequent)
- Both tend to be highly **volatile** and **subjective**
- Rely upon required **in-unit signs** to communicate indoor, outdoor and pool noise moderation
- Encourage owners to **report noise violations** to Security—particularly violations of Quiet Time (10PM to 8AM)

5.0 Communications Recommendations

- Distribute www.WelcomeToPalmettoDunes.com or similar video to all guests sharing a summary of our most important rules by the Pass Office, rental management companies, and displayed on interior signs



- Communicate the financial benefits of short-term rentals to all owners in the community
 - Gate Pass revenue limiting the need to increase assessments
 - Increased Property Prices

6.0 Bicycle Recommendations

- Update our Resort Regulations to require bicycles to adhere to South Carolina law
- Request bicyclers to use the leisure path where one is available
- Request bicyclers to ride on the right when using roads or leisure paths
- Request all riders to use a headlight at night
- Add dedicated, trained personnel engaging riders on Sunday-Tuesday from 8AM to 5PM during May through August



6.0 Bicycle Recommendations

- Add beach path signs and require riders to dismount and walk bikes on all beach paths



- Add bicycle parking and signs indicating where bicycles can be parked (rather than where they cannot be parked)



- Communicate and coordinate with the Town to provide bike racks on the beach



6.0 Bicycle Recommendations

- Consider relocating bike stop signs that “impact” vehicle movement with path-stenciled STOP or YIELD instructions
- Undertake a comprehensive Bicycle Study providing a review of traffic flow, cross walk placement, signage and rider safety rules



Policy Summary and Comparison

Attribute	Palmetto Dunes (Recommendation)	Beaufort, SC	Unincorporated Beaufort County, SC	Charleston, SC	Kiawah, SC	Tybee Island, GA	Savannah, GA	Destin, FL
Duration/Definition of Short-Term Rental (Consecutive Days)	Less than 180 days	30 days or less	Less than 30 days	Less than 30 days	Less than 30 days	30 days or less	30 days or less	Less than 180 days
Year Enacted	TBD	2017	2018 (still under development)	2018	2017	2016	2017	2018
Property Type Limitations								Homes Only
Locations	No Zones	Authorized Zones Only	Defined Zones	Authorized Zones Only	Defined Zones		Only in Permitted Zones	Authorized Zones Only
Location Limits	No Limits	Only up to 6% of lots can be STRs			Percentage of total properties		20% cap for non-owner occupied properties	
Annual Registration Required	Yes	Yes	Yes	Yes	Yes		Yes	Yes
Annual Registration Fee	\$0	\$100		\$200	\$200 to \$1,500, location dependent	\$100	\$300	\$500 to \$700, SF dependent
Days to Update Contact Information Upon Change	Within 5 business days	Upon change of Management Company			Within 3 business days		Within 5 business days	Within 15 business days
Transferrable Registration	No	No		No	No	No	No	No
Penalty for Non-Registration	Non-issuance of guest passes	\$1,000				\$100 per month		
Require Local 24/7 Agent or Property Manager	Yes	Yes		Yes	Yes	Yes	Yes	Yes
Owner-Present Renting Permitted		Yes	Yes	Required	No		Yes	
Minimum Rental Duration		2 Days						
Responsiveness	Return <u>call</u> within 1 Hour	On-site within 3 Hours			On-site within 2 Hours		On-site within 2 Hours	On-site within 1 hour
Fines	Meeting and potential non-issuance of guest passes after 3 non-responsive actions		Revocation after 3 violations in a 12 month period	Revocation of STR rights	Revocation after 3 violations in a rolling 12 month period		Escalating fees of \$500 / \$750 / \$1,000; Revocation after 3 events in a 12 month period;	Fines up to \$500 per event, plus the possibility of Revocation;
Parking Vehicle Limit	Driveway dependent up to a maximum of 6--or fewer upon owner request	1 Vehicle per Bedroom--driveway dependent	Per Ordinance	Town defined	Town defined	Owner defined	Per City Ordinance	Per Town Ordinance
Noise	Quiet Time is 10PM to 8AM	Quiet Time is 9PM to 8AM		Town defined	Quiet Time is 11PM to 7AM		Per City Ordinance	Per Town Ordinance
Trash Pickup					Service Required			Service Required
Exterior Signage with Contact Information	Not Permitted	Not Permitted		Not Permitted		Required and not to exceed 24"x24"		Required and between 18"x12" and 12"x12"
Occupancy Limit		2 per bedroom; Maximum of 4 for a carriage house		Up to 4	2 per bedroom plus 2			2 per bedroom plus 4 up to a maximum of 24
Other	Requires internal signs sharing rules and contact information; Owners to receive email notification of issues--even if resolved;	Requires business license; Safety inspection required; Fire monitoring required; Can be restricted by HOA;	Requires business license; Interior signs with rules are required <u>for each bedroom</u> ; Advertising must include permit number and business license number;	Requires business license; Requires insurance, fire and life safety requirements; Any ads must include permit number; Annual inspections permitted;	Requires business license; Inspections for smoke, CO and sprinklers;	Requires business license;	Requires notification of neighbors, business license, and insurance;	STR decal must be placed on home; Maintain property free of garbage and litter;
Ordinance		https://www.cityofbeaufort.org/DocumentCenter/View/4183/Ordinance-section-362c2?bidId=	https://beaufortcountysc.gov/council/committees/natural-resources/agendas/2018/121718.pdf	https://www.charleston-sc.gov/DocumentCenter/View/18216/STR-Ordinance-As-Amended-Approved-2018-043?bidId=	https://www.kiawahisland.org/wp-content/uploads/2019/08/Revised-STR-Ordinance-092419-1-2.pdf	https://library.municode.com/ga/tybee_island/codes/code_of_ordinances?nodeId=PTIICOOR_CH34LIPEMIBURE_ARTVIIISHRMREPR	https://www.savannahga.gov/DocumentCenter/View/13217/Short-Term-Vacation-Rental-Ordinance-as-approved-on-August-3-and-September-28-2017?bidId=	https://www.cityofdestin.com/DocumentCenter/View/7040/CITY-OF-DESTIN-CODE-OF-ORDINANCES---Short-Term-Rental?bidId=

Next Steps



Allow the Board to review and consider the recommendations



Evaluate resources required to implement recommendations

Develop a prioritized schedule based upon timing



Board adoption of all/selected policies—announcing effective dates and a rollout plan

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and allay any concerns

In conclusion

Short-Term Rentals will
not be banned within
Palmetto Dunes

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