



TOWN OF HILTON HEAD ISLAND

SHORT-TERM RENTAL INITIATIVE

Focus Group: Mid- North Island Residents Webinar

01/19/2022
(11:00 a.m.-12:00 p.m.)

Participant Questions/Comments After Presentation

Any feedback or response to whether this will apply to private resorts with private restrictions and will these be grandfathered for certain regulations like occupancy limits

A lot of negative effects of STRs in presentation but not hearing balanced presentation of positive impacts these rentals provide the community. How much revenue these rentals provide and that funding improves quality of life. Town staff should include this in future presentations.

Effect of life safety issues related to renovations; would this have any impact to bring units up to certain codes for life safety based on units being occupied by more people than typical single-family home.

BCSO, are any data point's related to crime related to increase in units does crime increase?

Appears majority of problems are with single family and not villas. Are we looking at villa rentals separately since they are in non-single family residential neighborhoods?

We are in the process of licensing everyone to get clear understanding of how many rentals we have on the island. She waited over 3 months to get a business license for one of her

units. She dropped off in person. Need to get licenses issued to get an idea of how many STRs we have on the Island.

Do the new rules become a nuisance versus having an impact? Does it make sense, and will it be enforced? If not being adhered to, where do people go to make sure they are addressed? Does security, BCSO, or code enforcement have the capacity to enforce it?

He had issues with people parking where they should not, and security did not have time to monitor it for them. They had to get a towing program to solve the problem. Bad experience for the guests.

Data from 3 companies, significant variance in them and not verified. How will it be verified and what parameters being used to determine with an STR is? Need to be consistent in how data collected since it will be used to regulate STRs and will impact how people can use their properties.

Pleased to see TC members here. Lives in Port Royal Plantation, been here 23 years. Get 2.5 million visitors a year from hotels, timeshares, etc. Are STRs included? We might have many more visitors than we publicly recognize is they are not. Potential for impact on affordable housing, critical problem with no easy solution. Owner can make more money on multiple STR weeks than renting long term, we are losing long term rentals. Looked at Kiawah and Charleston, they are excellent models. Not a question of whether we need an ordinance, it is how we develop it and recognize the need for those who want to rent and identify the community impact. Limit number of STRs per zone like Kiawah - can use this in gated communities. What about non-gated communities? There are many associations that can vote to allow or not allow them. There are pluses to it, but it can be a potential big problem for the island without rules and guidelines on how we handle them.

Trend line from chart is important. Housing stock being transferred over to STRs. When market slows these rentals may suffer and not be supported. Could cause trouble for property taxes and economy of island in future to distress the market. We should look at what is appropriate for island to meet the needs.

Folly Field area of concern, changing community. Full time residents can get upset due to noise and 16 people talking can be loud and not necessarily doing anything wrong, should be distinction between rowdy/party house and just loud from a large number of people. STRs pay more taxes and goes to support community and bring people to support our local businesses.

Timeshares in Port Royal – if you don't allow STRs in Folly Field how can timeshares make sense in that area?

Don't assume all communities are like PD (large communities) and have security to enforce rules. Smaller communities like Folly Field, there is no one to call but BCSO or Town. May not be best use of BCSO to call out to noise complaints. Not all communities can enforce the rules or have resources to enforce rules.

Business license fees, estimate of the numbers of licenses and what are these fees being directed toward? Paid parking being on table for this season, prudent to get this study done before we make any decision about paid parking. Has paid parking been looked at for how it would impact STR parking?

Important topic, grassroots of neighborhoods. Can we get a status report of where we are and what we are looking at? Newspaper articles are limited, anything you can release to media it would help us be aware of the progress being made.

How is Town looking at this with regard to gated communities? Seems all the challenges are in areas that are not gated or do not have HOAs. Most of these concerns can be addressed by HOAs. How will Town regulations impact their ability to address concerns? People may be unaware of how this will impact their neighborhoods. If tax base goes down, how will it impact schools? Will people just leave? People need to know the investment they made in their unit to rent it is protected.

Recently purchased property (1031 agreement) - he has to rent it out. Located in Palmetto Dunes. If he could not rent it out, he would have to sell it to maintain 1031 status. Others may be in same situation. Live in unit part of the year and rent out the rest. Pay significantly more in property taxes since not primary residence and pays for services and infrastructure to support island.

Just moved here, lives in a small, gated community. Has contract with HOA to do short-term rental in unit. They do not do it but others in their community do. Already have contract with community, can you alter that or create regulations that prohibit what their HOA allows?

Industry has changed, less reliance on hotels, people want own space and own bubble. STRs provide that. STRs are an economic driver of this island.

Data, business license is new this year and this will give Town someone to contact. People say they don't have anyone to call with complaints. Does Town have mechanism in place to monitor concerns and see if they have been addressed? Use it this season and collect data and see if it clears up some of the nuisance issues. We are jumping the gun with regulations when we have just put a new mechanism in place. Let's see if it works first.

Affordable housing issue – homes in Mitchelville are going STR and they would not be affordable if they were not a STR. Look at area and see if it wasn't a STR would it be realistic for the homes to be affordable if not STR.

Divisive issue. Parts of neighborhood is resort and part residential. STRs have spilled over into the residential neighborhood. When it was established STRs were not an issue. When it comes to 16 people talking at the pool, it may be ok at 9pm but what about 2am? Look at older neighborhoods and see if they can be protected. Once they are gone, they are gone.

Question & Answer Log (Live Chat during Webinar)

Q. How does this affect properties that are zoned Resort Development? How does this affect a condominium complex/area with their own security, trash pick, and ways to deal with noise complaints?

A. An ordinance has not been drafted yet. At this time, the Town is currently in the information and data gathering stage. But it is anticipated that if an Ordinance is adopted it would apply Island wide.

Q. Has the town considered subsidizing development projects for long term rental projects? If aiming for a \$1,500/mo rental range (roughly) to accommodate the service industry on which our resort economy relies, developers & financiers will need to be incentivized to start a project that aligns with the town's needs and strategic vision.

A. (live answered during the meeting, refer to recording)

Q. Where can we find the presentation, I had issues connecting and missed the presentation?

A. After the meeting, the presentation will be available on the Town's website

Q. Does HHI have any health/safety codes in place regarding maximum occupancy in rentals? If not, will this initiative address this problem? For example, advertised rentals of 550 Sq Ft sleeping 8-10 people. Think this becomes a fire, life, safety issue.

A. The Town does not currently have a maximum occupancy limit for single family residential homes. This is an issue for examination and discussion.

Q. Have the mortgage companies provided any feedback on how it could affect investment properties?

A. I believe mortgage companies are a stakeholder group who we are speaking with and getting data from.