



TOWN OF HILTON HEAD ISLAND

SHORT-TERM RENTAL INITIATIVE

Focus Group: Open House Webinar

01/20/2022

11:00 a.m.

Participant Questions/Comments After Presentation

Part time resident in Palmetto Dune (5 months). Purchased unit to utilize as STR to supplement income. What will the impact be if you eliminate STRs, has Town studied? STRs generate a lot of income though property taxes.

Part time resident. Maybe limit the number of people for homes by number of bedrooms plus a couple extra people. Pay for trash pickup more than once a week to avoid litter issues. Strict contract rules that in a residential area with quiet hours. Need sufficient parking for the number of bedrooms. Need to have trash picked up more often and have enough trash cans. No rentals of all single people or young people. Have a high damage deposit to deter renters that are not responsible. Limit rentals to half the year (seasonal/summer). Short rental periods with low rents can be a problem. Rent weekly to families.

In Sea Pines, worst violations by rental companies who don't tell renters the rules. Need to hold rental companies responsible. Rent his unit in summer to pay mortgage. Follow State and County and not consider renting less than 72 days a STR. Those places that are businesses are different, owned by investment companies not just to supplement income.

Part time resident in Palmetto Dunes. Town wants to get in on the action. Already pay taxes. STR policy in PD as of 1/1/21 and seems to be working pretty good. Only 3 gated communities allow STR. Why is Town getting involved, is it just looking for more revenue?

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Participant Comments/Questions and Question & Answer Log

Resident of Sea Pines, in patio community. Investor purchased in their neighborhood rented year-round. It has a small driveway with 6 cars in it, parked on natural space under trees overnight. Security has had to come out 3 times in a day for noise, parking, leaving junk all over. Sea Pines waiting on Town to set up regulations to avoid litigation. No on-site or on island management of the property. To police this is crazy. Costing Sea Pines a lot of money. In Sea Pines should limit it to one month rental or they will pile in as many people as they can to keep cost down.

Is chat portion working? No, it is just Q&A.

Work for Sea Pines Resort for 22 years. Absentee property owner that is not involved and doesn't care is a problem. Property management companies like them and others would not allow issues to happen and respond within an hour. Security should take care of the issues. Incredibly important for STRs they provide taxable income and if there are less people on the island there are less people in our businesses and residents. Impact to economy. People would not purchase properties if they could not rent them, this will impact the real estate market.

Resident of Sea Pines. Bought with the intention of renting it when they are not there to cover fees, taxes, and insurance. Restricting rental to a month would be damaging for people especially in Sea Pines who rent weekly. Doesn't understand many of complaint heard, they can be addressed by companies managing their tenants. Companies can do better. Tenants need to be held accountable for damage caused. Real Estate values will be impacted if STR taken away. What problem are you trying to fix? Not sure I see it.

How widespread are the complaints? Is it a vocal minority? Concerned that a lot more areas impacted and cause more problems. Why add new restrictions when not enforcing the ones that exist. Let's not mess up more issues. Let's fix the significant ones people are experiencing.

Own condo and rent part time rental to offset cost to own unit. Most neighborhoods controlled by HOAs and they should enforce them not the Town. You move in knowing what the rules of the neighborhood are and you wouldn't move in if you don't like them. Concerned the Town beginning to regulate what the HOA can already regulate.

Used to be a resident of Sea Pines and planning to move back. Absentee owner needs to be looked at since they are not there to regulate the number of people there. Host companies are easy to use to rent units. Anything less than a week is a disaster, just turns into parties.

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Maybe limit rentals to businesses (management) on the island not internet companies to ensure we are getting limited occupancy and families.

Parking, noise, and trash seem to be recurring theme. Regulating that should not be a Town issue, many areas have HOAs that monitor that and have security on site to handle that. A bit of an overreach by Town. Are we looking at a difference in condo communities versus single family? They are very different, and one size does not fit all.

Realtor, lives on island, specializes in resort rentals. Seen changes on island but also awards island has received for keeping island in beautiful place. Also see importance of rental income for his clients. If Town changes rental parameters and limits rental like with occupancy, these properties have been built for a large number of people and were purchased with the expectation to pay for themselves, the value of that property will go down since rental income is less and creates an issue for the owner. The properties are no longer affordable and would create a mass selloff with price drops. What about the businesses that rely on tourism to survive? They need these rentals to support them.

STR rental owner in Sea Pines. More regulation is not the answer. Concerned about the Town getting involved. The community HOAs should be the way to address these things. Need property management companies that are strong and responsive. Most people vacation to the island and then purchase a property. Have a number of renters who come just for the weekend to golf.

Has personal experience with the island for past 30 years and then bought a house in Palmetto Dunes specifically to rent it. Otherwise, they would not be able to afford it. Concerned about the direction this is going. Thinks the property management companies should step up and not the Town.

Tax rates are resident or non-resident. Pay much more than people who are full time residents. Property rented to offset cost. If property not rented, could they be considered resident and only pay 4%? Knocking cost down may make people rent less.

Realtor on island. Well-crafted covenants and restrictions and master deeds allows for a great deal of self-governance. Feels like government overreach telling communities how they should be run. People should be told going in if it is a short-term rental community before they buy if they intend to live here full time. If you start limiting STRs, value will be impacted. Pricing starts at the ocean and if you start impacting that, everything else will go down.

Part time resident. If residential neighborhoods with no expectation of rentals have disappeared that is sad and should not have happened. Can you explain this?

David Howell – Timeline on decisions?

Importance of on island management company is very positive. Absentee rental situation is unfortunate. Even Sea Pines security has limited authority to resolve situations. Fines are low so violations continue. They really have no teeth to deal with abusers of rules. For the Town to issue regulation, it might be a solution, but it has to be enforced.

Uses VRBO but has a very specific contract that says have to have a property manager. Not all sites are in that camp. Need to have property managers.

We as owners care more about our property than a management company. Should not make a blanket statement about use of a site like VRBO.

Airbnb and VRBO have nothing to do with property management. All they do is advertise and collect a fee. They have nothing to do with who is in your place. The host takes care of the property and could be the owner or property manager.

What are our thoughts on STRs? People have fell in love with the island and put the time, love, energy, and money into their property.

Heard goal is to have a decision implemented by this season, is that still the goal or idea?

Question & Answer Log (Live Chat during webinar)

Q. Using increases in short-term rentals over the past 2 years -- the pandemic -- is problematic. Trends should go back further and be trended in the future. There needs to be more analysis of the drivers and trends.

A. Thank you for your comment. We are going to look further back and use that data for discussion purposes. Right now, we are just in the data gathering stage. We will use stakeholders' input, along with research on other communities' best practices and expertise from consulting attorneys, to develop a fair, predictable, and balanced approach to manage short-term rentals.

Q. Has that work been done?

A. We are currently gathering that data

Q. How will you review and align with short term rental restrictions in place with developments already? Palmetto Dunes as an example has already put restrictions and rules in place for short term rental units.

A. We have received copies of the short-term rental regulations in place in each of three developments (Palmetto Dunes, Sea Pines and Shipyard) and we are reviewing these as part of this initial research and information gathering stage.

Q. Please add link to public comment

A. The presentation and public comments will be made available on the Town's website

Q. it would be helpful to hear what the overall sentiment has been from the various meetings and survey

A. This information will be made available on the Town's website

Q. How are the various timeshare properties being reviewed and addressed?

A. We are reviewing timeshare properties and how they may fit into a short-term rental ordinance.

Q. As far as noise and trash, doesn't HHI already have ordinances to address this?

A. The Town has some limited ordinances in place related to noise and trash; for example, we have a noise ordinance that limits decibel levels during certain times of the day. The Town may consider additional language in these ordinances as part of this initiative.

Q. Are you able to post the Link to that page for the survey?

A. The link to the Town's website where the survey is located is here <https://hiltonheadislandsc.gov/short-termrentals/>

Q. Shouldn't POA/HOA be the governing body for STR issues, not the town government?

A. The Town recognizes that some POAs and HOAs may have adopted their own regulations related to short-term rentals; however, not all areas/neighborhoods have this ability.

A. The Town is reviewing the regulations that Palmetto Dune, Shipyard and Sea Pines have put in place.

Q. How is the change in renter demographics due to the covid 19 landscape going to be factored into the decision making? This may not be a long-term trend as the numbers clearly show a marked increase in the last two years.

A. We are currently in the data gathering stage and will look at data prior to the pandemic. We will use stakeholders' input, along with research on other communities' best practices and expertise from consulting attorneys, to develop a fair, predictable, and balanced approach to manage short-term rentals.

Q. I agree with Jennifer, you've had 3 months of surveys, meetings, etc. What does that data say?

A. We are currently in the data gathering stage. We will use stakeholders' input, along with research on other communities' best practices and expertise from consulting attorneys, to develop a fair, predictable, and balanced approach to manage short-term rentals.

Q. It might be covered later, but what constitutes a short-term rental?

A. The term short term rental has not been defined yet. This is an issue we are discussing.

Q. Noise, trash, litter issues for example are easily fixed and can be enforced by managing this better. I have heard this already multiple times in this presentation

A. Thank you for your comment. These are issues that the Town continues to receive complaints about. We are currently in the data gathering stage and will be discussing ways to manage these nuisances.

Q. Will the town also be conducting a tax impact study to evaluate how much tax revenue will be lost if STRs are limited?

A. The Town is still in the information and data gathering stage. The Town has not made a decision at this time to limit short-term rentals.

Q. How do you define a short-term rental? does a second home that is rented sometimes qualify?

A. We do not currently have a definition for short term rental. This is something that is currently being discussed.

Q. Are hotel and vacation club rooms included in the number of "short term rentals"?

A. The Town is still collecting information on short-term rentals and cannot say yet whether these are included in the number of short-term rentals. We are working to get more specific data on exactly what types of properties/units are being used for short-term rentals.

Q. Can you talk about the business license. Who it applies to and how to obtain?

A. As of January of 2022, a business license is required even if you have just one rental unit. You can obtain a business license at Town Hall or find information about business licenses on the Town's website

Q. This person raises a great question. What is the town going to do when real estate taxes go down from the rental revenue?

A. Great question, thank you. This is something we have to discuss as we move forward with this initiative.

Q. Thank you.

A. your welcome

Q. Taxes for services received are much to high already.

A. Thank you for your feedback.

Q. A lot of developments have their own restrictions. It seems they vary in enforcement.

A. Enforcement is something that is being discussed as part of this initiative. Thank you

Q. Are the demographics for short term rentals know, such as sq ft of each unit, number of occupants, etc. It seems like the STR units that have double digit occupants are the ones having noise and vehicle issues. Thank you.

A. The Town is working to obtain this type of specific data from some short-term rental monitoring companies.

Q. I too, have invested thousands in real estate which benefit your island w the taxes I pay that are much higher than residents, so I feel I already give twice the amount in taxes, and we have our property professionally managed. If this becomes an issue for me, I will sell off my portfolio and go elsewhere

A. Thank you for your comment and concerns.

Q. Will a fire code be instituted within short term rentals in order to limit number of bodies inside a unit?

A. The Town is still in the process of gathering information. It has not been determined yet what will be included as part of a short-term rental ordinance. We recognize that fire safety is important, and that occupancy plays a big role in this. We will consider these as we move forward.

Q. Are you allowed to state which short-term rental monitoring companies you are using? And if not, will you in the future?

A. We are still coordinating this process. We will be able to release which short-term rental monitoring company or companies once the process is finalized.

Q. Many of the issues concern better management. shouldn't people who live know that they live on an island that promotes itself as the number 1 island destination?

A. Staff recognizes that many of the issues that have been raised as a concern are not a concern when the short-term rental property is properly managed. The use of a property management company or a contact number for someone that can quickly address issues such as noise, trash and parking will be considered by the Town as we move forward with this initiative.

Q. Sea Pines should be able to contact and fine the owner that this guy is talking about. This is a Sea Pines Issue, not a city issue.

A. Thank you for your comment. Enforcement will be part of the discussion as we move forward with this initiative.

Q. Does the city have a clearinghouse that maintains a list of all the STR owners, so that if an issue arises that the owner can be contacted directly by the city?

A. We do not currently have a list of all STR owners. We are currently in the data gathering stage and working to obtain this information.

Q. The previous speaker from Sea Pines is wrong. Sea Pines CSA and ASPPO are working on short term rentals outside the city.

A. Thank you for your comment

Q. Owner who rent on through agency or OTA (VRBO, Airbnb or direct booking) do have feet on the ground to answer in 1 hour that is a requirement in Palmetto Dunes currently. I do think that most gated communities have put in STR regulations so is this for areas that are not gated communities?

A. You are correct. Sea Pines, Shipyard and Palmetto Dunes each allow short-term rentals and they have regulations in place related to short-term rentals. The Town has obtained copies of these regulations and we will be reviewing them as we work on this initiative.

Q. Yes, Management companies need to step up and hold renters accountable. It simply is not being done.

A. Thank you for providing this feedback. This will be something we consider as we move forward.

Q. Hilton Head is a vacation destination. Not many people can vacation for a month at a time. If rentals are limited to monthly stays, very few families would be able to visit our island.

A. Thank you for your comment.

Q. When making your decision on this issue you have to keep in mind that the people that rent their homes employ a lot of companies on this Island and the money that goes back into the economy, if people start to think that the Island is not friendly to STR and sell their properties and move on to more friendly towns

A. Thank you for your comments. At this point we are in the data gathering stage. We will use stakeholders' input, along with research on other communities' best practices and expertise from consulting attorneys, to develop a fair, predictable, and balanced approach to manage short-term rentals.

Q. Is there a consideration for a tiered process to do as little as possible with evaluation? Specifically, would there be potential to address, and potentially fine uninvolved ST OWNERS rather than blanket regulations as a consideration?

A. The Town may be considering a tiered approach to address some of the concerns that we have heard. An ordinance has not been drafted at this time, so the Town is considering all of the input that we receive.

Q. Many who complain about their property taxes being higher than their local resident neighbors may not understand this is not a town issue, but a state issue through Act 388.

A. Thank you for your comment

Q. I feel it is important to share that Tourism dollars pick up 100% of the beach renourishment tab and are also used to help educate visitors on respecting & protecting the Island's ecology and environment.

A. Thank you for your comment.

Q. I believe it would also be so helpful to have a quantitative count or range of the complaints rather than just "many." Is it 20 or is it 200? thanks much

A. We will coordinate with our code enforcement officers to obtain the number of complaints and we will share that in the FAQ that we will be adding to the landing page for the short-term rental initiative.

Q. My experience with less than 1-week rentals has been couples and families looking to get away at the last minute. Travel habits have changed. Not everyone can get away for a week at a time

A. Thank you for your comment!

Q. If a proposed solution includes limiting short term rentals. A likely impact is owners eventually having to sell their properties. Will the study include a projection of lost income, property value drops, and the very likely need increase to property taxes for HHI residents? HHI is currently enjoys a massive tax influx from out-of-town owners. Assuming even a 20% decrease in out of state-owned rentals converting to residences would, I suspect, have a major impact on actual HHI full time resident's taxes. I'm sure the vocal minority might feel differently if they see their taxes increased and services decreased. If these complaints are anything like those you see on "Next-door" it's consistently the same vocal minority.

A. Thank you for your comments. At this point we are in the data gathering stage and aren't looking to prohibit short term rentals, rather we are looking for ways to limit and handle the nuisances and issues. We will use stakeholders' input, along with research on other communities' best practices and expertise from consulting attorneys, to develop a fair, predictable, and balanced approach to manage short-term rentals.

Q. Are the majority of the complaints coming from non-gated communities?

A. The complaints are coming from inside and outside the gated communities.

Q. Let me rephrase my question. What percentage of complaints are generated from non-gated and gated communities?

A. I don't have a percentage available to provide at this time, but if that data is available we will make it available on the town's website under the Short Term Rental initiative. Thank you

Q. What percentage of the island is STR owners vs residents?

A. The Town is in the process of working to obtain this information. Once we receive it, we will share it on the landing page for the short-term rental initiative on the Town's website.

Q. Thank you

A. Your welcome

Q. I know Anne mentioned it would be covered later on, and i apologize if it was, but can an explanation of the differences between the "known" amount of short-term rentals between the monitoring companies. Also, is there a specific reason why the time window wasn't initially larger, especially with covid.

A. The information that the Town is working to obtain from the monitoring companies should provide how many short-term rental units are present on the Island. Would you please clarify what you mean by 'time window' in the second part of your response?

Q. The crux of this meeting appears to be more of social issues than structural issues. Raising fees and regulations to counter these social issues is an easy fix but over time will be ineffectual. Accountability is where you need to pinpoint your efforts. We own in The Greens at Shipyard And have found our POA rather ineffectual. For the amount of fees charged per month, they and the property managers should have a greater presence in the day-to-day operation Policies are already there, enforce

A. Thank you for your comments. Right now, we are in the data gathering stage. Enforcement will be part of the discussions. We will use stakeholders' input, along with research on other communities' best practices and expertise from consulting attorneys, to develop a fair, predictable, and balanced approach to manage short-term rentals.

Q. To rephrase my question, why are all three companies not reporting similar figures. There seems to be a considerable gap between their figures being reported. The "time window" i mentioned is why was the year of 2019 chosen to look at the number of units, especially when covid impacts could cause inaccurate information.

A. We are not sure why there is a difference with the data. This is one of the reasons we are working to obtain specific verifiable data. We chose to look at two dates in 2019 and

two dates in 2021 in order to obtain both pre-pandemic and post-pandemic data. We will look at a date in the summer and a date in the fall in each of the two selected years.

Q. What is being presented at 3 today?

A. It will be the same presentation, just another opportunity for those interested who couldn't make this time slot.

Q. Is there a way to have data collected if the ST abusers are happening in specific areas and how to assist those communities in becoming more involved with their specific issues rather than island wide restrictions that seem overreaching. Tangent: Is there an way to collect data re: change in status from secondary to primary residence as a result of covid restrictions? Anecdotally, I know of quite a few. This will affect our tax base and could also impact the number of ST rentals. It may not be a very large number but might be a consideration.

A. We will work with our code enforcement officers to determine if they have this data. We also recognize that education will be a key part of this initiative, especially in areas where there may be frequent complaints related to short-term rentals. We are working to collect data on short-term rentals on the island and four points in time (Summer and Fall 2019 and Summer and Fall 2021). This information may allow us to tell if there was a change in the status of the residence.

Q. Palmetto Dunes PPGs are very effective and are enforced. Please review as the Ordinance is developed as these work well in PD and the PD Security does have "teeth".

A. Thank you we will take a look at that.

Q. Will the Town make sure they have fully collected data and have a clear idea on if there is a wide-spread problem or not before writing any ordinances? This issue cannot be rushed.

There is a concern that pressure from some council members will cause the Town to jump the gun and write ordinances before there is data.

A. Absolutely. We are just in the data gathering stage right now and will thoroughly review the data and information obtained. We will use stakeholders' input, along with research on other communities' best practices and expertise from consulting attorneys, to develop a fair, predictable, and balanced approach to manage short-term rentals.

Q. Interesting webinar and comments. As an owner and part-time resident in S Forest Beach, I'd observe that we'd all hope that our guests would be as considerate as we are to our neighbors, and it's certainly laudable that the community would seek to enforce "being considerate", as it relates to noise and trash and safety. The increased property taxes and town revenue from rentals should cover bylaw enforcement in the same way that HOA's do and make sure that all guests are considerate.

A. Thank you for your comments, we appreciate it.

Q. On this council, how many owe rentals vs don't own. Anyone that doesn't really own will have a different bias and vice versa

A. Thank you for your input. We do not have this information at this time.

Q. Thank you for holding these informative meetings!

A. Your welcome, thank you for attending!