

**SPECIAL MEETING/WORKSHOP OF CITY COUNCIL
AUGUST 17, 2023 - 4:00 PM
MUNICIPAL COURTROOM
2222 HIGHMARKET STREET
GEORGETOWN, SOUTH CAROLINA
AND LIVESTREAM:**



<https://www.facebook.com/cityofgtown/>

**Notice of this meeting has been made in accordance with the
South Carolina Code of Laws as amended.**

- 1. CALL TO ORDER**
- 2. ANNOUNCEMENT CONCERNING ELECTRONIC DEVICES**
- 3. PRESENTATION**
 - A. Short Term Vacation Rentals Discussion**

Attachments:

 - 1 2023.08.17 Short Term Vacation Rentals Presentation
 - 2 Short Term Vacation Rentals Briefing Document
- 4. ADJOURNMENT**
 - A. Motion to adjourn the Special Meeting of City Council.**



120 North Fraser Street • Georgetown, SC 29440 • (843) 545-4000

INFORMATION ITEM

DOC ID: 3908

Council Meeting Date: 17 August 2023
Department: Planning and Community Development
Issue Under Consideration: Short Term Vacation Rentals Discussion

Zoning Ordinance Requirements for Short Term Vacation Rentals and Bed and Breakfast Inns

GEORGETOWN CITY COUNCIL WORKSHOP

PETER GAYTAN, ZONING ADMINISTRATOR/PLANNER

AUGUST 17, 2023



Overall Concern and Main Question

- The increasing number of short-term rentals in the city, more specifically in the residential districts, is presenting an issue that may change the character of residential areas.
- Specific question:
 - Are Short-term Vacation Rental (STVR) properties allowed in the R1 zoning district?

Zoning Ordinance: Article VII, Section 700.1

- R-1 District (Low Density Residential)
 - It is the intent of this district to establish low density residential areas along with open areas which appear likely to develop in a similar manner. The requirements for the district are designed to protect essential characteristics of the district, to promote and encourage an environment for family life and **to prohibit all business activities** [*emphasis added*]. In order to achieve the intent of the R1 District as shown on the Zoning Map of the City of Georgetown, South Carolina.

R1 District regulation

- Based on this regulation
 - One may conclude STVR is a prohibited use in the R1 district since STVRs are considered “business activities.”
 - However, Section 441 of the ZO provides the regulations and requirements STVRs are subject to, which include having a city business license.

Zoning Ordinance: Article IV, Section 441

- Short-term Vacation Rental means an accommodation for transient guests where, in **exchange for compensation** [*emphasis added*], a residential dwelling unit is provided for lodging for a period of time not to exceed thirty (30) consecutive days. Such use may or may not include an on-site manager. For the purposes of this definition, a residential dwelling shall include all housing types and shall exclude group living, hotel/motel, or other lodging uses
- Business activities require exchanging compensation
 - City business license required

Section 441.1 Intent and Purpose (STVRs)

- It is the purpose of this section to protect the public health, safety and general welfare of individuals and the community at large; to monitor and provide reasonable means for citizens to mitigate impacts created by occupancy of short-term vacation units; and to implement rationally based, reasonably tailored regulations to protect the integrity of the city's neighborhoods.

Section 704: Zoning District Use Classification Chart

- Identifies permitted (“P”) and conditional (“C”) uses for each zoning district.
- Any blank space on the chart indicates “the use is not permitted in the specific Zoning District.”
- One may also conclude that any use not included in the classification chart is not a permitted use within the City of Georgetown.
 - Short-term rentals are not included at all in the classification chart.
 - Only, the Bed & Breakfast Inn classification chart is included as a conditional use in residential districts, except MR

Residential Use Classifications	RI	R2	R3	R4	R5	MR	Conditions
Accessory Dwelling	P	P	P	P	P		
Adult Mini-day Care	C	C	C	C	C		Article 4, Section 417
Barber Shop					C		Article 4, Section 418
Beauty Shop					C		Article 4, Section 418
Bed & Breakfast Inn	C	C	C	C	C		Article 4, Section 408
Church	C	C	C	C	C		Article 4, Section 418
Courthouse		C	C	C	C		Article 4, Section 418
Customary General Farming	P	P	P	P	P		

Section 704: Zoning District Use Classification Chart (cont.)

- Based on the current classification chart, STVRs are not permitted at all in the city
 - Staff failed to revise and update the Zoning District Use Classification Chart in Section 704.
 - This presents a conflict with other sections of the ZO regulating STVRs.
- To effectively regulate STVRs in the city
 - Need to add STVRs to the Classification Chart.

Zoning Ordinance: Article III, Section 308

- Bed and Breakfast Inns (B&Bs)
 - All residential districts (except for the MR district) allow the conditional use of B&Bs.
- B&B definition
 - A building designed, constructed or reconstructed and used to provide transient lodging for **compensation** [*emphasis added*] with or without a morning meal for guests. Additionally, bed and breakfast inns are construed **to be owner-operated and they also serve as the primary residence of the operator** [*emphasis added*]. Bed and breakfast inns may consist of nine or fewer guest rooms.
 - B&Bs are also considered business activities
 - Conflicts with prohibition of business activities in R1 District

B&B Conditional Use

- **408.1** Bed and breakfast inns in any district may have a total of one sign (other than approved directional signs) whose size may not exceed ten square feet, and whose design must be approved in advance by the Board of Architectural Review if the structure is located within the Historic Buildings District.
- **408.2 Parking Areas** (excluding driveways and handicapped stalls) for bed and breakfast inns shall not be surfaced with any impervious material such as concrete or asphalt. All required parking must be accommodated entirely on-site and must meet the design criteria under Section 402 of this Ordinance. Stacking of parking spaces shall not be allowed.
- **408.3** Bed and breakfast inns shall be subject to all of the parking and landscaping provisions of Section 402.5 of this Ordinance.
- **408.4** Bed and breakfast inns are conditionally allowed in the R-1, R-2, R-3, R-4, NC, and CC Zoning Districts. A complete site plan must be submitted to the Zoning Administrator. Such plan shall detail the building location, parking layout, landscaping/buffer requirements, if applicable, and proposed number of rental units.

Are STVRs considered B&Bs?

- The answer is “No”
 - Per the ZO definitions
 - STVRs differ from B&Bs and they must not be treated as equals
 - The major difference lies within the ZO language, definitions, and requirements

Are STVRs considered B&Bs? (cont.)

ZO Requirements	STVRs	B&Bs
Property owners required to live on property	No	Yes
Property must be primary residence	No	Yes
Property owners required to operate business	No	Yes
On-site manager required to operate business	Yes	Yes (must be property owner)
On-site manager required to live on property	No	Yes (must be property owner)
Must be residential dwelling unit	Yes	Yes
Maximum number of consecutive days	30	Not specified
Maximum number of rooms	Rented as a whole unit	9

Should the city allow STVRs in all Zoning Districts?

- We currently have several STVRs in the City
- Which zoning districts should STVRs be allowed?
- What will be the maximum number of STVRs allowed in the city?

Short-term Alternative

- Revise the ZO to include STVRs in the classification chart
- Specify which zoning districts STVRs use may be allowed
- Refine language to make clarifications in the ZO
- Provide for the limited amount of STVRs allowed in each zoning district
 - Should city council wish to limit the number of STVRs within the city, council needs to provide direction to staff to effect such change
 - Mount Pleasant limits to STVRs to 400 units

Short-term Options

1. To continue to allow Short Term Vacation Rentals in all Zoning Districts
2. To allow Short Term Vacation Rentals in all Residential Zoning Districts
3. To allow Short Term Vacation Rentals only in certain Residential Zoning Districts
4. To limit the number of Short Term Vacation Rentals per Zoning District
5. To do away with allowing Short Term Vacation Rentals within the City Limits

Long-term Alternative

- Complete a comprehensive review of the Zoning Ordinance to minimize conflicting language

Timeline

■ Short-term alternative

- Should take two months to complete since an amending ordinance requires two readings
 - 1st reading on September 21, 2023
 - 2nd reading on October 19, 2023

■ Long-term alternative

- A thorough review of zoning ordinances requires about a year to complete
- Should be done by consultants with experience in planning and zoning related matters
- Begin review in FY 2024 (second half of the fiscal year)
- Include additional funding in FY 2025 for the project to be completed
 - \$50,000-\$75,000

Fiscal Impact: ZO Comprehensive Review

- FY 2024 budget included \$50,000 to begin the project
- Additional funds must be included in FY 2025 to complete
 - \$50,000 - \$75,000

Social Impact

- To continue protecting the public health, safety and general welfare of individuals and the community at large; to monitor and provide reasonable means for citizens to mitigate impacts created by occupancy of short-term vacation units; to implement rationally based, reasonably tailored regulations to protect the integrity of the city's neighborhoods; and to establish requirements for residential areas to continue developing in a similar manner.

Questions and Answers

MAYOR
CAROL JAYROE

CITY ADMINISTRATOR
SANDRA E. YUDICE, Ph.D.

CITY CLERK
STEPHANIE BUCCIONE



COUNCIL MEMBERS
JIM CLEMENTS
MAYOR PRO TEMPORE

JONATHAN ANGNER
HOBSON H. MILTON
JIMMY MORRIS
CLARENCE SMALLS
TAMIKA WILLIAMS-OBENG

Executive Offices
(843) 545-4001

To: Mayor Carol Jayroe and Members of City Council

Prepared by: Peter Gaytan, Zoning Administrator/Planner
Robert Cox, Interim Planning Director
Sandra E. Yúdice, Ph.D., City Administrator

Subject: Are short term vacation rentals (STVRs) allowed in residential zoning districts of the city?

Date Prepared: July 25, 2023

CC: Scott Whitter, Deputy City Administrator
Elise Crosby, City Attorney

Issue Background

The increasing number of short-term vacation rentals in the city, more specifically in the residential districts, is presenting an issue that may change the character of residential areas. The specific question presented and discussed in this briefing document is: Are short term vacation rentals allowed in the R1 zoning district?

Discussion

Article VII of the Zoning Ordinance (ZO) includes the provisions governing the allowable uses in the zoning districts. For example, Section 700.1 defines the R1 District, a Low Density Residential district, as follows:

It is the intent of this district to establish low density residential areas along with open areas which appear likely to develop in a similar manner. The requirements for the district are designed to protect essential characteristics of the district, to promote and encourage an environment for family life and **to prohibit all business activities** [*emphasis added*]. In order to achieve the intent of the R1 District as shown on the Zoning Map of the City of Georgetown, South Carolina.

Considering this section alone, one may conclude STVRs is a prohibited use in the R1 district since STVRs are considered “business activities.” However, Section 441 of the ZO provides the regulations and requirements STVRs are subject to, which include having a city business license:

441.3 Short-term vacation rental business license. No person shall rent, lease or otherwise exchange for compensation all or any portion of a dwelling unit as short-term vacation rental, as defined in Section 441.2, without first obtaining a business license from the Revenues Manager and complying with the regulations contained in this section. No business license issued under this section may be transferred or assigned or used by any person other than the one to whom it is issued, or at any location other than the one for which it is issued.

Sections 441.1 and 441.2 include the intent, purpose, definitions and general provisions of STVRs:

441.1 Intent; purpose.

It is the purpose of this section to protect the public health, safety and general welfare of individuals and the community at large; to monitor and provide reasonable means for citizens to mitigate impacts created by occupancy of short-term vacation units; and to implement rationally based, reasonably tailored regulations to protect the integrity of the city's neighborhoods.

441.2 Definitions; general provisions.

Business license - is a document executed by a short-term vacation owner certifying that the short-term vacation unit complies with applicable zoning, building, health and safety code provisions. No person shall allow occupancy or possession of any short-term vacation rental unit if the premises is in violation of any applicable zoning, building, health and safety code provisions.

Short-term vacation rental - means an accommodation for transient guests where, in exchange for compensation, a residential dwelling unit is provided for lodging for a period of time not to exceed thirty (30) consecutive days. Such use may or may not include an on-site manager. For the purposes of this definition, a residential dwelling shall include all housing types and shall exclude group living, hotel/motel, or other lodging uses.

Short-term vacation rental agent - means a natural person designated by the owner of a short-term vacation rental on the short-term vacation rental business license application. Such person shall be available for and responsive to contact at all times and someone who is customarily present at a location within the city for purposes of transacting business.

Short-term vacation rental occupants - means guests, tourists, lessees, vacationers or any other person who, in exchange for compensation, occupy a dwelling unit for lodging for a period of time not to exceed thirty (30) consecutive days.

Further, the Zoning District Use Classification Chart (Section 704) identifies permitted ("P") and conditional ("C") uses for each zoning district. Any blank space on the chart indicates "the use is not permitted in the specific Zoning District." One may also conclude that any use not included in the classification chart is not a permitted use within the City of Georgetown. Short-term vacation rentals are not included at all in the classification chart. Only, the Bed & Breakfast Inn classification is included. Based on the current classification chart, STVRs are not permitted at all in the City of Georgetown. This presents a conflict with other sections of the ZO regulating STVRs. At the time staff developed the STVRs ordinance, approved by council on April 20, 2017, staff failed to revise and update the Zoning District Use Classification Chart in the Zoning Ordinance in Section 704.

Related to the question presented here, all residential districts (except for the MR district) allow the conditional use of "Bed & Breakfast Inn" (B&B). Section 308 includes the definition of B&Bs as follows:

308 Bed and Breakfast Inn: A building designed, constructed or reconstructed and used to provide transient lodging for compensation with or without a morning meal for guests. Additionally, bed and breakfast inns are construed **to be owner-operated and they also serve as the primary residence of the operator** [*emphasis added*]. Bed and breakfast inns may consist of nine or fewer guest rooms.

Further, the conditional use of B&Bs in residential districts requires to comply with the following, per Section 408 of the ZO:

408.1 Bed and breakfast inns in any district may have a total of one sign (other than approved directional signs) whose size may not exceed ten square feet, and whose design must be approved in advance by the Board of Architectural Review if the structure is located within the Historic Buildings District.

408.2 Parking Areas (excluding driveways and handicapped stalls) for bed and breakfast inns shall not be surfaced with any impervious material such as concrete or asphalt. All required parking must be accommodated entirely on-site and must meet the design criteria under Section 402 of this Ordinance. Stacking of parking spaces shall not be allowed.

408.3 Bed and breakfast inns shall be subject to all of the parking and landscaping provisions of Section 402.5 of this Ordinance.

408.4 Bed and breakfast inns are conditionally allowed in the R-1, R-2, R-3, R-4, NC, and CC Zoning Districts. A complete site plan must be submitted to the Zoning Administrator. Such plan shall detail the building location, parking layout, landscaping/buffer requirements, if applicable, and proposed number of rental units.

Another question is: Are short-term vacation rentals considered Bed & Breakfast Inns? The answer is “No.” Per the ZO definitions STVRs differ fundamentally from B&Bs and they must not be treated as equals. The major difference lies within the ZO language, definitions, and requirements.

The ZO requires property owners to operate B&Bs and the property where a B&B is located must be the owner’s primary residence. Whereas STVRs “may or may not include an on-site manager.” STVRs’ owners are not required to live on the property but STVRs are required to have a manager who may or may not live on the premises. Further, STVRs must be “a residential dwelling unit” providing lodging for up to 30 consecutive days. Whereas B&Bs consist of nine or fewer guest rooms within a building.

Alternatives

Short term: revise the ZO to include STVRs in the classification chart; specify which zoning districts STVRs use may be allowed; refine language to make clarifications in the ZO; and provide for the limited amount of STVRs allowed in each zoning district. Should city council wish to limit the number of STVRs within the city, council needs to provide direction to staff to effect such change. Short term options include:

1. To continue allowing Short Term Vacation Rentals in all Zoning Districts.
2. To allow Short Term Vacation Rentals in all Residential Zoning Districts only.
3. To allow Short Term Vacation Rentals only in certain Residential Zoning Districts.
4. To limit the number of Short-Term Vacation Rentals per Zoning District
5. To do away with allowing Short Term Vacation Rentals within the City Limits.

Long term: complete a comprehensive review of the Zoning Ordinance to minimize conflicting language in the current ordinance.

Recommended Course of Action

Complete ZO reviews for short and long term alternatives.

Staff recommends combining options 1 and 4. Staff seeks direction from city council on the limited number of STVRs allowed. Also, staff will revise the Bed and Breakfast Inn definition from “Building” to “Residential Dwelling Unit.”

Timeline for Recommendation

The short-term alternative should take two months to complete since an amending ordinance requires two readings. The timeline is: 1st reading on October 19, 2023, and 2nd reading on November 16, 2023.

For the long-term alternative, normally, a thorough review of zoning ordinances requires about a year to complete and should be done by consultants with experience in planning and zoning related matters. Begin review in FY 2024 (second half of the fiscal year) and include additional funding in FY 2025 for the project to be completed.

Fiscal Impact

FY 2024 budget included \$50,000 to begin the project. Funds must be included in FY 2025 to complete it (\$50,000-\$75,000). The fiscal impact of the ZO revisions on the accommodations tax revenue is unknown at this time and will depend on the amount of STVRs units allowed within the city limits.

Social Impact

To continue protecting the public health, safety and general welfare of individuals and the community at large; to monitor and provide reasonable means for citizens to mitigate impacts created by occupancy of short-term vacation units; to implement rationally based, reasonably tailored regulations to protect the integrity of the city's neighborhoods; and to establish requirements for residential areas to continue developing in a similar manner.

Environmental Impact

N/A

Attachments

Power Point presentation handout.