

## **Proposed New Regulations for Short-Term Rental in the City of Charleston**

Except for a very small area of the city, **short-term renting** (less than 30 consecutive days) **of any kind is currently illegal in the City of Charleston**. The Short-Term Rental Task Force's proposal, as adapted, would modernize our ordinances by expanding the areas of the city eligible for such rentals, while placing thoughtful, consistent, and reasonable restrictions (rooted in the historic nature of Charleston) on that use. Two main types of Short-Term Rentals are proposed, Residential and Commercial.

**Existing fully-permitted, legally operating Bed and Breakfasts will be allowed to continue to operate under current regulations.** Aside from the exceptions in the next paragraph, new uses would go through the permit process as Residential Short-Term Rentals.

Within the Cannonborough and Elliotborough neighborhoods, whose boundaries correspond with the Short Term Overlay Zone, short-term rentals are currently allowed under certain conditions. **The Short-Term Rental Task Force made no recommendation to change these rules.** STR's in this Overlay Zone would continue to be allowed as Commercial STR's under the same conditions they currently are, while **Bed and Breakfast regulations that currently apply in this Overlay Zone would continue to apply.**

Outside of the existing Short Term Overlay Zone, there would be three classes of Residential STR's (Class 1, Class 2 and Class 3). They would all share some requirements, including the following:

- In order to prevent investors from purchasing houses and turning them into hotels, or causing the kind of neighborhood hollowing and profound housing shortages which have occurred in other heavily-touristed locales, properties would have to be owner-occupied primary residences to be eligible for a Short-Term Rental.
- In order to mitigate livability concerns of short-term rentals and as a second check against investor-owned residential hotels, the primary resident owner would be required to stay overnight on the premises while renting the property.
- In order to help mitigate many livability concerns associated with this use, the occupancy of each short term rental unit would be limited to no more than four adults (18 or more years of age).
- In order to ensure the enforceability and effectiveness of the ordinance, and protect public health, there would also be several additional process, permitting, safety, and enforcement requirements.

There are two important distinguishing differences in the eligibility criteria for the three new classes of Residential Short-Term Rentals:

- In order to ensure adequate parking, Class 1 and Class 2 STRs would be required to provide one parking space in addition to spaces required by the residential use. Because Class 3 STRs are proposed for areas of the city with generally less parking pressure, a Class 3 STR would have to provide one space per bedroom in addition to spaces required by the residential use, but the first bedroom rented would be exempted from that requirement. All required parking must be provided on the property where the STR is proposed to be located and all required STR spaces cannot be parked in tandem with other required spaces.
- Class 1 STRs would be located in the Old and Historic District. To be eligible for a Class 1 STR permit, the building would have to be individually listed on the National Register of Historic Places. Class 2 STRs would be located within the Old City District, but outside the existing Short-Term Rental Overlay Zone. Class 3 STRs would be located in all other areas of the city. To be eligible for a Class 2 or Class 3 STR, the building would have to be 50 or more years old.

The Task Force made additional recommendations relating to enforcement of the existing STR ordinances and to the existing Accommodations Overlay which will be taken up separately. **No changes in City of Charleston ordinances have been made yet. Any change requires a review by the Planning Commission and approval by City Council.**