

AN ORDINANCE TO AMEND CHAPTER 54 OF THE CODE OF THE CITY OF CHARLESTON (ZONING ORDINANCE) TO IMPLEMENT NEW REGULATIONS FOR SHORT TERM RENTAL USES AND BED AND BREAKFAST USES IN THE CITY OF CHARLESTON

BE IT ORDAINED BY THE MAYOR AND COUNCILMEMBERS OF CHARLESTON, IN CITY COUNCIL ASSEMBLED:

Section 1. Findings. City Council finds that attendant to the sharing economy that is being nationally embraced is a growing trend by the public to provide accommodations in their homes to travelers.¹ City Council finds the provision of such type of accommodations can be beneficial under certain circumstances and if properly regulated, as short term rentals provide a means² to assist property owners to keep properties in good order and repair which, in turn, assists in stabilizing home ownership, maintaining property values and strengthening the economy of the City. This is particularly so as applied to older homes, as the preservation of these homes is in keeping with the City's preservation goals, which by virtue of their age often require more frequent maintenance.

City Council is mindful of the importance of maintaining the residential character of City neighborhoods. Absent appropriate controls on the number and manner and places of operation of short term rentals, neighborhoods stand to be harmed by undue commercialization and disruption³ to the primary and overarching purpose of a neighborhood

¹ "boasting two million listings worldwide, ...[Airbnb] had just 50,000 listings in 2011" Barber, Megan. "Airbnb vs. the city." Curbed, November 10, 2016. <https://www.curbed.com/2016/11/10/13582982/airbnb-laws-us-cities>

² "The average short-term rental will generate \$20,000 to \$30,000 per year in rent" Stephens, Rob. "Short-term rentals may bring long-term tax problems." Accounting Today, August 1, 2017. Accessed December 13, 2017. <https://www.accountingtoday.com/opinion/short-term-rentals-may-bring-long-term-tax-problems>.

³ Vanderbilt, Tom. "Did Airbnb Kill the Mountain Town." Outside, July 11, 2017.

being first and foremost a residential community, where people actually live, not a place of transient occupancy. City Council finds that access to housing is not the same as access to homeownership, and reductions in supply of housing available for standard rental by residents of the city is likely to have a destabilizing effect on communities.⁴ City Council is also mindful of the differing built environments of City neighborhoods. By way of example, the neighborhoods of the Old and Historic District are generally denser, have narrower streets and limited off-street parking and are more impacted by commerce and tourists than other neighborhoods of the City, circumstances that require consideration if the residential character of these neighborhoods is to be protected. Moreover, while City Council is mindful of its proud tradition of historic preservation, it is also mindful of the additional obligations devolved on property owners resulting from responsible preservation regulations.

In November 2016, City Council established a short term rental task force to study the issue of the propriety of short term rentals in the City and to make recommendations to the Council with respect thereto. These recommendations were received, reviewed, and amended by the Planning Commission. City Council has received and reviewed the recommendations of the task force as amended by the Planning Commission and finds that the recommendations strike an appropriate balance among the neighborhoods of the City by recognizing the different characteristics of the neighborhoods and their respective built environments, by encouraging and strengthening opportunities for historic preservation by providing a means of assisting

<https://www.outsideonline.com/2198726/did-airbnb-kill-mountain-town>

⁴ "If, on the contrary, the quantity brought to market should at any time fall short of the effectual demand, some of the component parts of its price must rise above their natural rate." Smith, Adam. *The Wealth of Nations*. Vol. 1. 2 vols. London: W. Strahan and T. Cadell, 1776. Accessed via Google Books.

owners of older homes upkeep their property, and significantly, by maintaining the residential character of neighborhoods by requiring that short term rentals be operated from owner-occupied homes, thus curbing the potential of the neighborhoods to become solely a place for transients.

Section 2. Sec. 54-120 of Chapter 54 of the Code of the City of Charleston (Zoning Ordinance) is hereby amended by deleting the definition “Bed and Breakfast” and “Short Term Rental” in their entirety and substituting in their place and stead the following:

Bed and Breakfast. A conditional use whereby the record owner of a property, who is also the Resident of the property, uses one (1) or more rooms per unit for one (1) to ten (10) bed and breakfast units for the purpose of providing sleeping accommodations for one family per unit for a period of between one (1) and twenty-nine (29) consecutive days. A Bed and Breakfast use shall only be permitted in compliance with the procedures and conditions in Section 54-227 of the Zoning Ordinance and after a Bed and Breakfast Permit is issued by the City.

Short Term Rental or STR. A conditional use to provide sleeping accommodations for a period of between one (1) and twenty-nine (29) consecutive days. This use is further defined in this section as either a Commercial Short Term Rental use or a Residential Short Term Rental use with different permitting and operational requirements for each type of Short Term Rental use.

Section 3. Sec. 54-120 of Chapter 54 of the Code of the City of Charleston (Zoning Ordinance) is hereby amended by inserting in alphabetical order the following new definitions:

Commercial Short Term Rental. See definition for **Short Term Rental, Commercial.**

Managed Short Term Rental. See definition for **Short Term Rental, Managed.**

Resident. For purposes of this Chapter 54 of the Code of the City of Charleston, except for Section 54-211, the term “Resident” shall mean the record owner of the property who (1) physically resides at the subject property at least 183 days each year and (2) has designated the subject property as his/her legal voting address and the address of his/her driver’s license. In addition, the subject property must be assessed at the four percent homeowner’s assessment ratio according to the records of the county Assessor’s Office. A single or dual member limited liability company (LLC) may qualify as a Resident of the subject property provided the

member(s) provide(s) with the application for an STR Permit a sworn statement attesting that (s)he or they are the sole members of the LLC. The sole member(s) must also designate the subject property as his/their legal voting address and address of his/their driver's license, the subject property must be assessed at the four percent homeowner's assessment ratio according to the records of the county Assessor's Office, and the member(s) shall physically reside at the subject property at least 183 days each year.

Residential Short Term Rental. See definition for **Short Term Rental, Residential.**

Short Term Rental, Commercial. A Commercial Short Term Rental is a conditional use whereby a conforming or legal nonconforming dwelling unit is converted into a fully-functioning, private accommodations use, which includes cooking, living, sanitary and sleeping facilities within one dwelling unit, to be rented to one (1) Family for a period of between one (1) and twenty-nine (29) consecutive days. A Commercial Short Term Rental shall only be permitted as a conditional use when a conforming or legal nonconforming dwelling unit is converted to such use in compliance with the procedures and conditions in Section 54-227 of the Zoning Ordinance and after a Commercial STR Permit is issued by the City.

Short Term Rental, Residential. A Residential Short Term Rental is a conditional use whereby the record owner of a property, who is also a Resident of the property, uses one (1) or more rooms on the property for the purpose of providing sleeping accommodations for no more than two (2) people per bedroom for a period of between one (1) and twenty-nine (29) consecutive days. A Residential Short Term Rental shall only be permitted in compliance with the procedures and conditions in Section 54-208.1, 54-208.2 or 54-208.3 of the Zoning Ordinance and after a Class 1, Class 2, or Class 3 Residential STR Permit is issued by the City.

Short Term Rental, Managed. A type of Residential Short Term Rental that may be permitted in conjunction with a Class 1, Class 2 or Class 3 Residential STR Permit pursuant to the regulations in Section 54-208.4.

STR Permit. A Class 1, Class 2, or Class 3 Residential STR Permit, Managed STR Permit, or Commercial STR Permit issued by the City upon approval of a new application, change of ownership or annual renewal. Each Short Term Rental Permit shall include a permit number, the maximum number of guests permitted during a rental and an expiration date.

Section 4. Sec. 54-202 of Chapter 54 of the Code of the City of Charleston (Zoning

Ordinance) is hereby amended by amending the wording of subsection h. to read as follows

(new text shown with underline):

Short Term Rental, ST Overlay Zone. The Short Term Overlay Zone is intended to permit Commercial Short Term Rentals, as defined herein, in specific base zoning districts within the ST Overlay Zone and Bed and Breakfasts, as defined herein, in all base zoning districts within the ST Overlay Zone.

Section 5. Sec. 54-203 of Chapter 54 of the Code of the City of Charleston (Zoning Ordinance) is hereby amended by deleting the words “bed and breakfasts” in their entirety and substituting in their place and stead, the words “Residential Short Term Rentals”.

Section 6. Article 2, Part 3, Table of Permitted Uses, of Chapter 54 of the Code of the City of Charleston (Zoning Ordinance), is hereby amended by inserting “or 54-227, ST Overlay Zone” immediately after “See 54-220, Accommodations Overlay Zone” in the row for Principle Use Category 7043.

Section 7. Chapter 54 of the Code of the City of Charleston (Zoning Ordinance) is hereby amended by deleting Section 54-208 and Section 54-208.1 in their entirety and substituting in their place and stead the following new sections:

Sec. 54-208. The following provisions shall apply to all Residential Short Term Rentals (“STR”).

- a. General Requirements. A Residential Short Term Rental use may be permitted as a Class 1, Class 2, or Class 3 STR Permit, if the zoning administrator determines the STR to be an accessory use to the principal residential use on a property which satisfies the requirements of Sec. 54-208.1, 54-208.2, or 54-208.3, as applicable, and issues a permit for such STR use. Each Residential Short Term Rental may also be permitted to operate as a Managed Short Term Rental, if the zoning administrator determines the STR satisfies the requirements of Sec. 54-208.4, as applicable, and issues a permit for such STR use.
- b. Operational Requirements. In all cases, Class 1, 2 or 3 STR uses shall adhere to the following operational requirements:

1. The Residential STR shall be operated by the record owner of the subject property who shall also be a Resident of the subject property and who shall be residing overnight on the property while Residential STR guests are present; and
 2. The property shall not contain signs advertising the STR use; and
 3. If meals are served by the Resident owner, no meals other than breakfast may be served to the paying guests; and
 4. The record owner of the subject property must keep in full force and effect during all times the STR is operated a general liability policy with a company authorized to do business in the State of South Carolina insuring against personal injury (including death) and property damage with limits of no less than \$1,000,000.00 per occurrence; and
 5. The Resident owner shall keep a current guest register including names, addresses, telephone numbers and dates of occupancy of all guests; and
 6. The Resident owner shall comply with all business license and revenue collection laws of the City of Charleston, Charleston County and State of South Carolina; and
 7. The Resident owner shall provide a rental packet containing applicable city rules and restrictions specified in the Residential STR Permit application materials, as well as pertinent unit safety information and contact information to guests when they book the STR and shall prominently display the STR Permit, rules, safety and contact information within the STR; and
 8. Each Class 1, 2, or 3 STR permittee is entitled to rent, list with a booking or listing service, advertise, make available for STR use, or otherwise market only one (1) STR unit; and
 9. The Resident owner and the owner's agent shall list the Residential STR Permit number on all advertisements, listings with booking services, and marketing materials, including without limitation, Airbnb, VRBO/Homeaway, FlipKey, and any other online websites and listing or booking platforms or services.
 10. The Residential STR shall not be expanded in any respect beyond the specific rooms which were designated as part of a Residential STR unit on plans relied upon by the city in approving a Residential STR Permit or beyond the maximum number of guests listed on the Residential STR Permit, nor shall the use be changed to any other use not permitted by the Zoning Ordinance without reapplication to and approval by the zoning administrator.
- c. Application procedure.
1. New Applications. Applications for new Class 1, 2 or 3 STR Permits shall be notarized and include the following:

- (a) the location and name of the record owner of the property; and
- (b) an application fee; and
- (c) floor plans drawn to scale of the habitable structures on the property that clearly designate all rooms to be used by STR guests, and the specific room or rooms to be used by guests for sleeping; and
- (d) a site plan of the lot showing the location of the proposed Residential STR unit and the required off-street parking spaces and driveways; and
- (e) a photograph or photographs of the current principal view or views of the structure where the Residential STR unit is to be located; and
- (f) a statement which the Resident-owner must sign acknowledging that he or she has reviewed and understands the requirements of this Section and the applicable Section for the class of permit requested.

Upon receiving a complete application and prior to the issuance of a new STR Permit, the zoning administrator shall cause notice to be posted on the property upon which the proposed STR use is to be located for fifteen (15) consecutive calendar days, advising that the Resident-owner of the property has applied for a zoning permit to establish a STR use at the location and supplying a phone number to call for further information. During this fifteen (15) calendar day period, the zoning administrator shall determine if the application meets the requirements as set forth in this Section. If, at the end of the fifteen (15) day posting period, the zoning administrator determines that the application meets the requirements for the STR use requested, the zoning administrator shall notify the applicant that the application is approved and shall, after waiting an additional five business days to allow for appeals, issue the STR Permit, which shall be valid for one (1) year from the date of issuance, and shall be renewable annually unless revoked. Any appeals filed within the five-day period shall cause the issuance of the STR Permit to be stayed pending resolution of the appeal.

2. Renewal Applications:

- (a) For renewal of an STR Permit, a property owner shall be required to recertify compliance with this Section for the STR use with the zoning administrator. An application for annual recertification of the STR Permit must include the application fee, an affirmation by the applicant that the nature of the STR use at the property has not changed, and must be notarized, filed with, and approved by the zoning administrator to continue the STR use.
- (b) Upon a change in ownership of a property, and prior to the issuance of a new business license to allow continuation of an existing, permitted STR use upon said property, the new property owner shall be required to recertify compliance with this

- Section for the STR use and submit plans reaffirming the specific room or rooms to be used for the STR unit with the zoning administrator. An application for recertification of the STR use must include the required plans and be notarized, filed with, and approved by the zoning administrator prior to the STR use by the new property owner.
3. On an annual basis the zoning administrator shall determine whether each STR use permitted under this Section remains in compliance with all the terms of this ordinance, and shall initiate such enforcement procedures as may be appropriate. All operators of STR uses permitted under this Section shall cooperate fully with the zoning administrator and his designees, including, but not limited to, providing pertinent information upon request and affording access to that portion of the property which is used for the STR use for reasonable site inspections.
 - d. Existing approved bed and breakfast uses. All approved, legal bed and breakfast uses that are operating on the effective date of this ordinance or that are entitled to be in operation on the effective date of this ordinance on properties outside the Short Term Overlay Zone shall be issued a Class 1 or Class 2 STR Permit, depending on their location. Such previously approved uses shall adhere to the requirements of the Zoning Ordinance in effect prior to (date of the ratification of this ordinance).
 - e. Violations and penalties.
 1. Violations. It shall be a violation of this Chapter to:
 - (a) operate a Class 1, 2 or 3 STR use, a Bed and Breakfast use or other accommodations use without complying with the requirements of this Chapter and the Code of the City of Charleston; or
 - (b) expand an STR use or Bed and Breakfast use without obtaining a new permit; or
 - (c) advertise a property as being available for an STR use, Bed and Breakfast use or other accommodations use without first complying with the requirements of this Chapter; or
 - (d) represent or submit for advertising or marketing, or to otherwise hold out an STR unit, Bed and Breakfast unit or other accommodations unit as being available for use or occupancy unless the STR or Bed and Breakfast has been permitted pursuant to this Chapter and the permit number is displayed in the materials used to represent, advertise, market or otherwise hold out the property as available for STR or Bed and Breakfast use or occupancy; or
 - (e) represent or submit for advertising or marketing, or otherwise to hold out the availability of a STR or Bed and Breakfast for use or occupancy by more than the number of occupants that are permitted pursuant to this Chapter; or

(f) represent or submit for advertising, or marketing, or to otherwise hold out more STR or Bed and Breakfast units or other accommodations type units on a property than are permitted pursuant to this Chapter.

2. Penalties. A violation of this Chapter is a misdemeanor punishable by a fine and/or incarceration. Each day the unlawful erection, construction, reconstruction, alteration, conversion, maintenance, use, or other violation under this Chapter continues is considered a separate offense. Any violation of this Chapter entitles the zoning administrator to revoke the STR or Bed and Breakfast permit.

Should the STR or Bed and Breakfast use fail to continue to meet the requirements under which it was authorized or be discontinued for a period of twelve (12) months or more, the operating permit issued pursuant to this Chapter shall be revoked.

Sec. 54-208.1 - Requirements for a Class 1 Short Term Rental, STR Permit for properties within the Old and Historic District.

- a. An STR use may be established in a dwelling unit as an accessory to the principal residential use, on any property located within the Old and Historic District, where the zoning administrator, after reviewing an STR Permit application, finds that the following requirements are met:
 1. The property shall not contain more than one (1) STR unit. Each unit shall consist of one or more rooms arranged for the purpose of providing sleeping accommodations for occupancy for one (1) to twenty-nine (29) consecutive days by up to by up to two (2) people per bedroom; and
 2. The subject property shall be located entirely within the Old and Historic District; and
 3. The STR shall be operated by the record owner of the subject property who is a Resident of the subject property; and
 4. The STR shall be subordinate and incidental to the principal residential use of the property; and
 5. The STR shall provide one (1) off street, maneuverable parking space on the subject property for the first two (2) bedrooms, and one (1) additional maneuverable parking space on the subject property for each additional bedroom, in addition to providing, on the subject property, required off street parking for existing uses on the property. The parking space(s) provided for the STR shall not be situated in tandem with the required spaces for other uses; and
 6. The STR unit shall be located within an existing structure or accessory building that is individually listed on the National Register of Historic Places; and

7. The STR unit shall not displace an existing dwelling unit which has been occupied within one (1) year prior to the filing date of the application; and
8. The STR use shall not create the need for exterior alterations to any building for the purpose of maintaining such accessory use; and
9. The STR use shall be located on property which is in compliance with allowed uses for the zone district in which the property is located; and
10. The STR use shall be located on a lot which complies with the required minimum lot area for existing uses as specified under Table 3.1: Height, Area and Setback Regulations (applicable to SR and STR residential districts only); and
11. The STR use shall be located on a lot which has at least 40 feet of frontage on a public right-of-way (applicable to SR and STR residential districts only); and
12. The applicant for the STR use shall not be someone who has had an STR Permit revoked within the previous twenty-four (24) months.

Sec. 54-208.2. Requirements for a Class 2 Short Term Rental, STR Permit for properties located within the Old City District and outside the ST Overlay Zone.

- a. An STR use may be established in a dwelling unit as an accessory use to the principal residential use, on any property not located in the Old and Historic District and located entirely within the Old City District, where the zoning administrator, after reviewing an STR application, finds that the following requirements are met:
 1. The property shall not contain more than one (1) STR unit. Each unit shall consist of one or more rooms arranged for the purpose of providing sleeping accommodations for occupancy for one (1) to twenty-nine (29) consecutive days by up to by up to two (2) people per bedroom; and
 2. The subject property shall be located entirely within the Old City District and not within the ST Overlay Zone or the Old and Historic District; and
 3. The STR use shall be operated by the record owner of the subject property who shall also be qualified as a Resident of the subject property; and
 4. The STR unit shall be located within a building constructed 50 or more years ago; and
 5. The STR shall provide one (1) off street, maneuverable parking space on the subject property for the first two (2) bedrooms, and one (1) additional maneuverable parking space on the subject property for each additional bedroom, in addition to providing, on the subject property, required off street parking for existing uses on the property. The

parking space(s) provided for the STR shall not be situated in tandem with the required spaces for other uses; and

6. The STR shall be located on property which is in compliance with allowed uses for the zone district in which the property is located; and
7. The STR use shall not create the need for exterior alterations to any building for the purpose of maintaining such accessory use; and
8. The applicant for the STR use shall not be someone who has had an STR permit revoked within the previous twenty-four (24) months.

Sec. 54-208.3. – Requirements for a Class 3 Short Term Rental, STR Permit for properties in all areas of the City except the Old and Historic District, the Old City District and the ST Overlay Zone.

- a. A Class 3 STR use may be established in a dwelling unit as an accessory to the principal residential use where the zoning administrator, after reviewing an STR application, finds that the following requirements are met:
 1. The subject property shall be located entirely outside the Old and Historic District, outside the Old City District and outside the ST Overlay Zone; and
 2. The number of STR guests on the property shall not exceed two (2) people per bedroom; and
 3. The size and character of the STR use must be subordinate and incidental to the principal residential use of the property; and
 4. The STR shall be operated by the record owner of the subject property who shall also be qualified as a Resident of the subject property; and
 5. The STR unit shall be located within a building constructed 50 or more years ago; and
 6. The property shall provide the required number of maneuverable, off-street parking spaces for existing uses on the property. Additional off-street parking shall not be required for an STR use that does not include more than one (1) bedroom. If the STR use includes more than one (1) bedroom, the STR use shall provide one (1) off street, maneuverable parking space on the subject property for each additional bedroom, plus, required off street parking spaces on the subject property for existing uses on the property; and
 7. The STR use shall not create the need for exterior alterations to any building for the purpose of maintaining such accessory use; and

8. The applicant for the STR use shall not be someone who has had an STR permit revoked within the previous twenty-four (24) months.

Section 54-208.4. Requirements for a Managed Short Term Rental, STR Permit for properties with a Class 1, Class 2, or Class 3 STR permit.

- a. General Requirements. A Residential Short Term Rental use with a Class 1, Class 2, or Class 3 STR Permit may also be permitted to operate as a Managed Short Term Rental for up to 72 nights each year, if the zoning administrator, after reviewing an application for a Managed STR, finds that the application meets the requirements of this section, and issues a permit for such Managed STR use.
 1. The property shall not contain more than one Managed STR unit, which shall be within the same dwelling unit approved for the Class 1, Class 2, or Class 3 STR Permit. Each unit shall consist of one or more rooms arranged for the purpose of providing sleeping accommodations for occupancy for one (1) to twenty-nine (29) consecutive days by up to two (2) people per bedroom; and
 2. The Managed STR shall provide one (1) off street, maneuverable parking space on the subject property for the first two (2) bedrooms, and one (1) additional maneuverable parking space on the subject property for each additional bedroom, in addition to providing, on the subject property, required off street parking for existing uses on the property. The parking space(s) provided for the Managed STR shall not be situated in tandem with the spaces required for other uses; and
 3. The STR use shall not create the need for exterior alterations to any building for the purpose of maintaining such accessory use; and
 4. The applicant for the STR use shall not be someone who has had an STR permit revoked within the previous twenty-four (24) months.
- b. Operational Requirements. In all cases, Managed STR uses shall adhere to the following operational requirements while being operated as a Managed STR:
 1. The Managed STR shall be managed by the record owner of the subject property who shall also be a Resident of the subject property, or a person who holds a valid Property Management License from the State of South Carolina who shall be designated by the record owner to operate the STR on the owner's behalf when the owner is not residing overnight at the subject property; and
 2. Such property shall not operate as a Managed STR for more than 72 nights in the year the permit for the Managed STR is valid; and

3. Guests are restricted to occupying only the rooms that are designated within a dwelling on the approved permit for the Managed STR; and
4. The property shall not contain signs advertising the STR use; and
5. No meals may be served to the paying guests by the manager; and
6. Such manager shall not be required to reside overnight at the subject property while managing the Managed STR; and
7. Such manager shall, at all times while managing a Managed STR, be available to respond to local or State public safety officers or other City officials within one hour of receiving notice from a public safety officer or City official, appear at the Managed STR to answer any complaint; and
8. The Resident owner of the subject property must keep in full force and effect during all times the STR is operated a general liability policy with a company authorized to do business in the State of South Carolina insuring against personal injury (including death) and property damage with limits of no less than \$1,000,000.00 per occurrence; and
9. Such manager shall keep a current guest register that includes all dates a property was operated as a Managed STR and the names, addresses, telephone numbers and dates of occupancy of all guests; and
10. The Resident owner of the property shall comply with all business license and revenue collection laws of the City of Charleston, Charleston County and State of South Carolina; and
11. The owner or manager shall provide a rental packet containing applicable city rules and restrictions specified in the Managed STR Permit application materials, as well as pertinent unit safety information and contact information to guests when they book the STR and shall prominently display the STR Permit, rules, safety and contact information within the STR and such manager shall cause his or her name and telephone number to be posted on the subject property in a manner visible and legible from the street; and
12. Each Managed STR permittee is entitled to rent, list with a booking or listing service, advertise, make available for STR use, or otherwise market only one (1) STR unit; and
13. The Resident owner and the owner's agent shall list the Managed STR Permit number on all advertisements, listings with booking services, and marketing materials, including without limitation, Airbnb, VRBO/Homeaway, FlipKey, and any other online websites and listing or booking platforms or services.
14. The STR shall not be expanded in any respect beyond the specific rooms which were designated as part of a Managed STR unit on plans relied upon by the city in approving

a Managed STR Permit or beyond the maximum number of guests listed on the Managed STR Permit, nor shall the use be changed to any other use not permitted by the Zoning Ordinance without reapplication to and approval by the zoning administrator.

c. Application procedure.

1. New Applications. Applications for new Managed STR permits shall be notarized and include the following:
 - (a) the location and name of the record owner of the property; and
 - (b) an application fee; and
 - (c) floor plans drawn to scale of the habitable structures on the property that clearly designate all rooms to be used by Managed STR guests, and the specific room or rooms to be used by guests for sleeping; and
 - (d) a site plan of the lot drawn to scale showing the location of the proposed STR unit and the required off-street parking spaces and driveways; and
 - (e) the location and name and contact information of the manager of the Managed STR; and
 - (f) a statement which the Resident-owner and the manager must sign acknowledging that they have reviewed and understand the requirements of this Section.

Upon receiving a complete application and prior to the issuance of a new Managed STR permit, the zoning administrator shall cause notice to be posted on the property upon which the proposed Managed STR use is to be located for fifteen (15) consecutive calendar days, advising that the Resident-owner of the property has applied for a zoning permit to establish a Managed STR use at the location and supplying a phone number to call both the Manager and the Zoning Division or its successors for further information. During this fifteen (15) calendar day period, the zoning administrator shall determine if the application meets the requirements as set forth in this Section. If, at the end of the fifteen (15) day posting period, the zoning administrator determines that the application meets the requirements for the Managed STR use requested, the zoning administrator shall notify the applicant that the application is approved and shall, after waiting an additional five business days to allow for appeals, issue the Managed STR permit, which shall be valid for one (1) year from the date of issuance, and shall be renewable annually unless revoked. Any appeals filed within the five-day period shall cause the issuance of the STR permit to be stayed pending resolution of the appeal.

2. Annual Renewal.

(a) For renewal of a Managed STR permit, a property owner and Manager shall be required to recertify compliance with this Section for the STR use with the zoning administrator. An application for renewal of the Managed STR permit must include the application fee, an affirmation by the applicant that the nature of the STR use at the property has not changed, the Manager's record of nights he or she managed the STR in the previous year or the property owner's copy of such record if a new Manager is to be appointed, and must be notarized, filed with, and approved by the zoning administrator to continue the STR use.

(b) Upon a change in ownership of a property, and prior to the issuance of a new business license to allow continuation of an existing, permitted Managed STR use upon said property, the new property owner shall be required to recertify compliance with the applicable Residential STR Section and this Section and submit plans reaffirming the appointment of the Manager for the Managed STR unit with the zoning administrator. An application for recertification of the Managed STR use must include the required plans and be notarized, filed with, and approved by the zoning administrator prior to the STR use by the new property owner.

3. On an annual basis, the zoning administrator shall determine whether each Managed STR use permitted under this Section remains in compliance with all the terms of this ordinance, and shall initiate such enforcement procedures as may be appropriate. All property owners and Managers of Managed STR uses permitted under this Section shall cooperate fully with the zoning administrator and his designees, including, but not limited to, providing pertinent information upon request and affording access to that portion of the property which is used for the STR use for reasonable site inspections.

e. Violations and penalties.

1. Violations. It shall be a violation of this Section to:

(a) operate a Managed STR use without complying with the requirements of this Section and the Code of the City of Charleston; or

(b) expand a Managed STR without obtaining a new permit; or

(c) advertise a property as being available for a Managed STR use without first complying with the requirements of this Section; or

(d) represent oneself as a manager of a Managed STR without first complying with the requirements of this Section; or

- (e) operate or manage a Managed STR for more than 72 nights of rental during the year in which the Managed STR permit is valid; or
 - (f) fail to post the name and telephone number of the manager in a manner visible and legible from the street while the property is being managed.
2. Penalties. A violation of this Section is a misdemeanor punishable by a fine and/or incarceration. Owner and manager are both individually liable for a violation by the other. Each day the unlawful erection, construction, reconstruction, alteration, conversion, maintenance, use, or other violation under this Section continues is considered a separate offense. Any violation of this Section entitles the zoning administrator to revoke both the Managed STR permit and the STR permit.
- Should the STR or Bed and Breakfast use fail to continue to meet the requirements under which it was authorized or be discontinued for a period of twelve (12) months or more, the operating permit issued pursuant to this Section shall be revoked.

Section 8. Sec. 54-220 of Chapter 54 of the Code of the City of Charleston (Zoning

Ordinance) is hereby amended by inserting at the end, a new subsection to read as follows:

c. Violations and penalties.

Violations. It shall be a violation of this Chapter to operate an accommodations use without complying with the requirements of this Chapter and the Code of the City of Charleston. It shall be a violation of this Chapter to expand an approved accommodations use without obtaining a new permit, or to advertise a property as being available for an accommodations use without first complying with the requirements of this Chapter. It shall be a violation of this Chapter to submit for advertising, marketing, representing or otherwise holding out an accommodations unit as being available for use or occupancy unless the accommodations unit has been approved pursuant to this Chapter. It shall be a violation of this Chapter to submit for advertising, marketing, representing or otherwise

holding out more accommodations type units on a property than have permitted pursuant to this Chapter.

Penalties. A violation of this Chapter is a misdemeanor punishable by a fine and/or incarceration. Each day the unlawful erection, construction, reconstruction, alteration, conversion, maintenance, or use continues is considered a separate offense.

Section 9. Sec. 54-224 of Chapter 54 of the Code of the City of Charleston (Zoning Ordinance) is hereby amended by changing the words “bed and breakfast” to “Residential Short Term Rental”.

Section 10. Article 2, Part 5 of Chapter 54 of the Code of the City of Charleston (Zoning Ordinance) is hereby amended by deleting Section 54-227 in its entirety and substituting in its place and stead the following:

Sec. 54-227. - Short Term Rental, ST Overlay Zone.

- a. Intent. The Short Term Rental, ST Overlay Zone is intended to identify those areas within the City limits where Commercial Short Term Rental uses and Bed and Breakfast uses, as herein defined, are allowed as a conditional use. Commercial Short Term Rentals are prohibited except on commercially zoned properties within the ST Overlay Zone. Bed and Breakfast uses are prohibited except on properties within the ST Overlay Zone. The City places a high value on the preservation of the character of its residential neighborhoods. Potential negative impacts affecting residential neighborhoods shall be avoided or minimized to the greatest extent possible.
- b. Commercial Short Term Rental Use.
 1. Accommodations Use. Subject to the conditions in Section 54-227, b. 2, a dwelling unit converted into a Commercial Short Term Rental may be rented to one (1) family for a period of between one (1) and twenty-nine (29) days; provided, however, only one (1) family at a time may occupy and use a dwelling unit converted into a commercial short term rental.

2. Conditions. A conforming or legal nonconforming dwelling unit may be converted into a Commercial Short Term Rental only when all of the following conditions are satisfied, as evidenced by an application, a site plan, and floor plans:
- (a) The lot is located entirely within one or more of the following base zoning districts: CT, LB, GB, UC, MU-1, MU-1/WH, MU-2, or MU-2/WH; and
 - (b) The lot is located entirely within the Short Term, ST Overlay Zone, as shown on the Zoning Map; and
 - (c) The dwelling unit being converted to a Commercial Short Term Rental is not designated as an affordable housing unit or a workforce housing unit; and
 - (d) The owner of the dwelling unit being converted into a Commercial Short Term Rental complies with all business license and revenue collections laws of the City of Charleston, Charleston County and the State of South Carolina; and
 - (e) Any commercial uses on the lot must be completely separate and independent operations, unrelated to the Commercial Short Term Rental; and
 - (f) There are no common areas or other areas serving more than one dwelling unit and/or Commercial Short Term Rental on the lot, except driveways; and
 - (g) There are no exterior signs for the Commercial Short Term Rental use of the lot; and
 - (h) Existing parking spaces on the lot, if any, that satisfy the off-street parking requirements of this Chapter for the existing dwelling units being converted to Short Term Rentals and all other uses on the lot shall be shown on the site plan submitted with the application. No additional parking spaces shall be required for the dwelling units being converted to Short Term Rentals; and
 - (i) No more than nine (9) dwelling units may be converted to short term rentals on any one (1) lot. Ten (10) or more short term rental units on one (1) lot shall require approval as an accommodations use pursuant to Section 54-220 of the Zoning Ordinance. This provision shall not be interpreted to permit an increase in

the maximum density permitted under the base zoning district for dwelling units on the lot; and

3. Except as expressly stated otherwise in this Section 54-227, a dwelling unit converted into a Commercial Short Term Rental shall continue to be subject to the regulations for such a dwelling unit in the base zoning district, including without limitation the site regulations in Article 3 of the Zoning Ordinance.
4. Impact on Nonconforming Uses. For the purposes of applying Section 54-110 concerning nonconforming uses, a Commercial Short Term Rental is considered a continuation of the nonconforming use of a legal nonconforming dwelling unit.
5. Prohibition on Construction of Commercial Short Term Rentals. Nothing in this Section 54-227 shall be construed to permit a property owner to construct a Commercial Short Term Rental. A property owner seeking a conditional use for a Commercial Short Term Rental must construct a dwelling unit in accordance with applicable standards for the dwelling unit under the base zoning district for the subject property and then apply for the conversion of the conforming dwelling unit to a Commercial Short Term Rental use.
6. Approved short term rentals within the ST Overlay Zone. All STR uses within the ST Overlay Zone that have City approval to operate on the effective date of this ordinance shall be issued a Commercial STR Permit, which shall be valid for one (1) year from the date of issuance and shall be renewable annually unless revoked. Permit holders shall adhere to the requirements of this Chapter.
7. New short term rentals within the ST Overlay Zone, permit. New STR uses within the ST Overlay Zone that receive City approval to operate shall be issued a Commercial STR Permit, which shall be valid for one (1) year from the date of issuance, and shall be renewable annually unless revoked. Permit holders shall adhere to the requirements of this Chapter.
8. Annual Renewal. For renewal of a Commercial STR Permit, a property owner shall be required to recertify compliance with this Section with the zoning administrator. An application for annual recertification of the Commercial STR Permit must include the application fee, an affirmation by the applicant that the nature of the STR use at the property has not changed, and must be notarized, filed with, and approved by the zoning administrator to continue the STR use.

c. Bed and Breakfast Use

1. Accessory Use. Subject to the conditions in Section 54-227, c., 2, a Bed and Breakfast use may be established in a dwelling unit as an accessory to the principal residential use, on any property located within the ST Overlay Zone, and each approved bed and breakfast unit may be rented to one (1) family for a period of between one (1) and twenty-nine (29) consecutive days.
2. Conditions: A Bed and Breakfast may be approved only when all of the following conditions are satisfied, as evidenced by an application, a site plan, and floor plans:
 - (a) The number of Bed and Breakfast units shall not exceed four (4) units; except that a lot may have between four (4) and ten (10) bed and breakfast units if the total square footage of conditioned floor area in the building or buildings containing the bed and breakfast units is equal to or greater than the sum of the number of bed and breakfast units multiplied by 560, and all other requirements of this section are met. Each unit shall consist of one (1) or more rooms arranged for the purpose of providing sleeping accommodations for one (1) family for a period of between one (1) and twenty-nine (29) consecutive days; and
 - (b) The subject property is located entirely within the ST Overlay Zone; and
 - (c) The Bed and Breakfast shall be operated by the record owner of the subject property who also resides at the subject property at least 183 days each year; and
 - (d) The principal building on the property on which the Bed and Breakfast use will be located shall have been constructed 50 or more years ago although the Bed and Breakfast unit(s) may be located in a building that was not constructed 50 or more years ago; and
 - (e) Bed and Breakfast unit(s) located in buildings constructed 50 or more years ago shall provide one (1) off street, maneuverable parking space on the subject property for each two (2) Bed and Breakfast units, or fraction thereof. Bed and Breakfast unit(s) located in buildings not constructed 50 or more years ago shall provide one (1) off street, maneuverable parking space on the subject property for each Bed and Breakfast unit. Spaces required for the Bed and Breakfast

unit(s) shall be in addition to providing, on the subject property, required off street parking for existing uses on the property; and

- (f) The property shall be permitted to have one sign advertising the Bed and Breakfast. The permitted sign may have a maximum of two sides and no side shall exceed four (4) square feet in total sign face area; and
 - (g) The Bed and Breakfast shall be located on property which is in compliance with allowed uses for the zone district in which the property is located; and
 - (h) The Bed and Breakfast shall be operated by someone who has not had a bed and breakfast permit revoked within the previous twelve (12) months.
3. Operational requirements. In all cases, Bed and Breakfast use shall meet the following operational requirements:
- (a) No meals other than breakfast may be served by the Resident owner to the paying guests.
 - (b) The Resident owner shall keep a current guest register including names, addresses, telephone numbers and dates of occupancy of all guests.
 - (c) The Resident owner shall comply with all business license and revenue collection laws of the City of Charleston, Charleston County and State of South Carolina.
4. Application process.
- (a) New Applications for Bed and Breakfast uses shall be notarized and include the location of the property and Resident owner of record of the property, an application fee, floor plans drawn to scale of the habitable structures on the property, a site plan of the lot showing the location of the proposed Bed and Breakfast units, the location of any existing Bed and Breakfast units, and the location of the required off-street parking spaces and driveways, and photographs of the current principal views of the structure where the proposed Bed and Breakfast units are to be located. The floor plans shall clearly note all rooms to be used by Bed and Breakfast guests, with the room or rooms to be used by Bed and Breakfast guests for sleeping designated. The application shall

also include a statement which the Resident-owner must sign acknowledging that he or she has reviewed and understands the requirements of this Section.

Upon receiving a complete application and prior to the issuance of a zoning permit, the lot upon which the proposed use is to be located shall be posted for fifteen (15) consecutive days, advising that the Resident-owner of the property has applied for a zoning permit to establish a Bed and Breakfast use at the location and supplying a phone number to call for further information. During this fifteen (15) calendar day period, the zoning administrator shall determine if the application meets the requirements as set forth above. If, at the end of the fifteen (15) day posting period, the zoning administrator determines that the application meets the requirements, the zoning administrator shall notify the applicant that the application is approved and shall, after waiting an additional five business days to allow for appeals, issue the zoning permit, which shall be valid for one (1) year from the date of issuance and shall be renewable annually unless revoked. Any appeals filed within the five-day period shall cause the issuance of the zoning permit to be stayed pending resolution of the appeal.

(b.) Renewal Application.

(1) For renewal of a Bed and Breakfast permit, a property owner shall be required to recertify compliance with this Section with the zoning administrator. An application for annual recertification of the Bed and Breakfast permit must include the application fee, an affirmation by the applicant that the nature of the Bed and Breakfast use at the property has not changed, and must be notarized, filed with, and approved by the zoning administrator to continue the Bed and Breakfast use. *(new annual renewal policy)*

(2) Upon a change in ownership of a property, and prior to the issuance of a new business license to allow continuation of an existing, permitted Bed and Breakfast use upon said property, the new property owner shall be required to recertify compliance of the Bed and Breakfast use with the zoning administrator by having an application for recertification of the Bed and Breakfast use notarized, filed with, and approved by the zoning administrator.

5. The Bed and Breakfast use shall not be expanded in any respect throughout the structure or structures, or elsewhere on the property nor shall the use be changed to

any other use not permitted by the Zoning Ordinance without reapplication to and approval by the zoning administrator.

6. All operators of Bed and Breakfast uses permitted under this section shall cooperate fully with the zoning administrator and his designees, including, but not limited to, providing pertinent information upon request and affording access to that portion of the premises which is used for the Bed and Breakfast use for reasonable site inspections.
 7. Existing Approved and Bed and Breakfast uses. All approved, legal Bed and Breakfast uses that are operating on the effective date of this ordinance or that are entitled to be in operation on the effective date of this ordinance shall be issued a Bed and Breakfast Permit which shall be valid for one (1) year of issuance and shall be renewable annually unless revoked and shall adhere to the requirements of this Chapter.
- d. Violations and penalties.
1. Violations. It shall be a violation of this Chapter to:
 - (a) operate an STR use, a Bed and Breakfast use or other accommodations use without complying with the requirements of this Chapter and the Code of the City of Charleston; or
 - (b) expand an STR use or Bed and Breakfast use without obtaining a new permit; or
 - (c) advertise a property as being available for an STR use, Bed and Breakfast use or other accommodations use without first complying with the requirements of this Chapter; or
 - (d) represent or submit for advertising or marketing, or to otherwise hold out an STR unit, Bed and Breakfast unit or other accommodations unit as being available for use or occupancy unless the STR or Bed and Breakfast has been permitted pursuant to this Chapter and the permit number is displayed in the materials used to represent, advertise, market or otherwise hold out the property as available for STR or Bed and Breakfast use or occupancy; or
 - (e) represent or submit for advertising or marketing, or otherwise to hold out the availability of an STR or Bed and Breakfast for use or occupancy by more than the number of occupants that are permitted pursuant to this Chapter; or
 - (f) represent or submit for advertising, or marketing, or to otherwise hold out more STR or Bed and Breakfast units or other accommodations type units on a property than are permitted pursuant to this Chapter.

2. Penalties. A violation of this Chapter is a misdemeanor punishable by a fine and/or incarceration. Each day the unlawful erection, construction, reconstruction, alteration, conversion, maintenance, use, or other violation under this Chapter continues is considered a separate offense. Any violation of this Chapter entitles the zoning administrator to revoke the STR or Bed and Breakfast permit.

Should the STR or Bed and Breakfast use fail to continue to meet the requirements under which it was authorized or be discontinued for a period of twelve (12) months or more, the operating permit issued pursuant to this Chapter shall be revoked.

Section 11. Table 3.3: Off-Street Parking Requirements, of Sec. 54-317 of Chapter 54 of the Code of the City of Charleston (Zoning Ordinance) is hereby amended by inserting the wording “and short term rentals” at the end of the parking requirement for “Accommodations uses” so that this reads “Accommodations uses, except for bed and breakfasts and short term rentals”. Table 3.3 is further amended by deleting, in its entirety, the listing “Bed and breakfasts” under the use column, and the requirement of “1 per bed and breakfast unit” under the column for number of spaces required.

Section 12. Severability. It is hereby declared to be the intent of City Council that the sections, paragraphs, sentences, clauses and phrases of Sections 2, 3, 4, 5, 6, 7, 8, 9, 10, and 11 are severable, and if any section, paragraph, sentence, clause or phrase of Sections 2, 3, 4, 5, 6, 7, 8, 9, 10, and 11 be declared unconstitutional or invalid by a valid judgment or decree of a court of competent jurisdiction, such unconstitutionality or invalidity shall not affect any of the remaining sections, paragraphs, sentences, clauses or phrases of Sections 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, and 11 since the same would have been enacted without the incorporation in this Section of the unconstitutional or invalid section, paragraph, sentence, clause or phrase.

Section 13. This ordinance shall become effective 90 days after ratification.

Ratified in City Council this ____ day of
_____ in the Year of Our Lord, 2018,
and in the ____th Year of the Independence of
the United States of America

John J. Tecklenburg, Mayor

ATTEST:

Clerk of Council