



Town of Hilton Head Island
Public Planning Committee Special Meeting
June 2, 2021 at 3:00 p.m. Virtual Meeting
MEETING MINUTES

Present from the Committee: Chairman David Ames, Tamara Becker, Alex Brown, Glenn Stanford

Absent from the Committee: None

Others Present from Town Council: Bill Harkins, Tom Lennox

Present from Town Staff: Jennifer Ray, Interim Community Development Director; Teri Lewis, Deputy Community Development Director; Diane Busch, Staff Attorney; Nicole Dixon, Development Review Administrator; Jayme Lopko, Senior Planner; Sheryse DuBose, Historic Neighborhoods Preservation Administrator; Teresa Haley, Senior Administrative Assistant; Karen D. Knox, Senior Administrative Assistant

1. Call to Order

Chairman Ames called the meeting to order at 3:00 p.m.

2. Freedom of Information Act Compliance – Public notification of this meeting has been published, posted, and distributed in compliance with the South Carolina Freedom of Information Act and the Town of Hilton Head Island requirements.

3. Roll Call – See as noted above.

4. Approval of Agenda

Chairman Ames asked for a motion to approve the agenda. Mr. Stanford moved to approve. Ms. Becker seconded. By way of roll call, the motion passed by a vote of 4-0-0.

5. Approval of Minutes

a. Regular Meeting of April 22, 2021

Chairman Ames asked for a motion to approve the minutes of the Regular Meeting of April 22, 2021. Mr. Stanford moved to approve as amended. Ms. Becker seconded. By way of roll call, the minutes were approved by a vote of 4-0-0.

6. Citizen Comments

Public comments concerning agenda items were to be submitted electronically via the Town's Open Town Hall portal. Those comments were provided to the Committee and made part of the official record. Citizens were also provided the option to comment on agenda items during the meeting by phone. There were no callers for this meeting.

7. Unfinished Business

a. **Review and Recommendation on Family Compound/Family Subdivision LMO Amendments**

Dr. Sheryse DuBose gave a brief overview of the amendments and mentioned the Planning Commission held their meeting this morning and voted 8-0-0 to move the Family Compound/Family Subdivision LMO Amendments to PPC for approval. The purpose of the Family Compound and Family Subdivision is to encourage property retention among native land owners and also to honor the native island communal living traditions. These property owners can benefit from the compound and subdivision and there are some people who are waiting to use that now. Staff recommends the Public Planning Committee forward a recommendation to Town Council for Family Compound and Family Subdivision.

Chairman Ames thanked Dr. DuBose for today's presentation, but also for the work she, staff and Curtis Coltrane have been doing over the last couple of years.

The Committee made comments and inquiries regarding: the applicants waiting in queue to take advantage of the changes that would come with the adoption of this; concerns that were raised in the last PPC meeting were resolved; confirmation that a property owner is required to produce a certificate that shows he/she has the legal title to the property and therefore has the ability to make any decisions regarding that property; confirmation that these amendments do not include any changes pertaining to home occupation.

Chairman Ames commented that this has been a process that required the community, Town Council and staff to dig deeper into our relationships on the Island. The Committee was hopeful and optimistic that this step would prove to be proof of our ability in this Community to come together.

Chairman Ames asked for a motion to approve and recommend to Town Council the Family Compound/Family Subdivision LMO Amendments. Mr. Brown moved to approve. Mr. Stanford seconded. By way of roll call, the motion passed by a vote of 3-1-0. Ms. Becker opposed.

8. New Business

a. Review and Recommendation on 2020 Lowcountry Natural Hazard Mitigation Plan

Teri Lewis stated the Lowcountry Council of Governments on behalf of Beaufort, Colleton, Hampton and Jasper Counties and the Municipalities within each of those counties prepared the 2020 Lowcountry Natural Hazard Mitigation Plan. This plan does assess the communities' vulnerabilities to natural hazards; and includes long term strategies to address these hazards and to prevent future damage and loss of life. Ms. Lewis mentioned it is important because the adoption of the Plan will fulfill the continuing requirements that qualify the Town for FEMA, pre-disaster mitigation grants, post-disaster reconstruction assistance, and the Town's continued participation in the CRS Program. This Plan is consistent with Our Plan, specifically excellence, environment, regional goals and strategies. The Planning Commission met on May 19th to consider it and they voted unanimously to approve a Resolution recommending adoption of the 2020 Lowcountry Natural Hazard Mitigation Plan as an appendix to Our Plan. The next step will be a Public Hearing before Town Council scheduled for July 20th if it moves forward with a positive recommendation from the Public Planning Committee.

Chairman Ames asked for a motion to recommend approval of the 2020 Lowcountry Natural Hazard Mitigation Plan to Town Council. Mr. Stanford moved to approve. Ms. Becker seconded. By way of roll call, the motion passed by a vote of 4-0-0.

b. Review and Discussion on Research Related to a Short Term Rental Ordinance

Teri Lewis advised the development of a short term rental ordinance has been identified as a priority for the Town. Staff and Town Council members have documented multiple concerns from the public relating to the number of short term rentals on the Island. Some of the concerns include impacts to residential neighborhoods, the environment, the infrastructure, workforce housing; imbalance between residential and resort commercial districts; the Town ordinance does not include: a definition for short term, an occupancy limit on the number of bedrooms for single family homes, nor a requirement for additional parking.

Staff researched 24 communities, including several in South Carolina and Florida that have existing short term rental ordinances. Staff found several commonalities between most of the communities and these include: short term being defined as less than 30 days; that they regulate the number of occupants both by unit and per bedroom; that a license number is required on advertising of the unit; a permit is required and often a fee is required with the permit; a business license and an associated fee are also required; ATAX for an occupancy tax is collected; posting of rules and regulations for the short term rental or the provision of what we found is a good neighbor brochure. Some communities also grandfathered existing rental units, have a primary residence restriction and use a computer tracking program. A representative from one of the computer tracking companies did a quick scan of Hilton Head Island using their software and found that there were over 12,000 listings with over 9,500 unique short term rental units.

Ms. Lewis said staff would like to get some input from the Public Planning Committee on all of these different things that communities do, but especially the grandfathering.

Staff's additional findings included: several communities either included language that short term rentals cannot be used for or counted towards workforce housing; others require a fee that goes into a fund that is used to build workforce housing units; most require a contact for the unit; regulations related to noise hours, parking spaces based on bedrooms, yearly inspections of the units and specific trash agreements; some communities limit short term rentals to certain zoning districts; some limit the use to a certain percentage within zoning districts; some require separation distance between short term rental units so an entire neighborhood does not become all short term rental units; require vacation rental registration fees, tourist development taxes, and a per night occupancy privilege charge; some communities require a certain amount of insurance coverage on short term rentals.

Ms. Lewis said that moving forward the plan is to continue to engage stakeholders. Staff has reached out to all 10 PUD's and found out that 6 do not allow short term rentals. Hilton Head Plantation no longer allows short term rentals, but has 4 that were allowed to remain for an unknown period of time. Palmetto Dunes, Shipyard and Sea Pines all allow short term rentals. For Palmetto Dunes, it represents about 50% of their community. Shipyard fluctuates around 300 short term rental units and in Sea Pines there are approximately 2,000 currently. Staff plans to also speak with the 3 Public Service Districts and find out their concerns related to short term rentals. Staff is specifically looking to find out the impact on water and sewer capacity. Staff plans to engage residents in a variety of neighborhoods to learn about their concerns and experiences related to short term rentals. The Town's current Business License Ordinance allows for a one unit exemption for people who own and rent property. MASC's Business License Model Ordinance does not have that exemption and requires all property owners that own and rent property to obtain a Business License. Staff is recommending adopting that model business license and removing the one

unit exemption with the adoption of that new ordinance which is scheduled to be reviewed by F&A at their June 15th meeting. The Town also has an RFQ out right now which will close on June 10th. The Town is looking to hire an expert to draft a Short Term Rental Ordinance. Staff will share their research with them once they are hired as well as the input we receive from the stakeholders and the Public Planning Committee. Staff will work closely through this process and would be responsible for taking the drafted Ordinance through the adoption process once it was drafted. Certainly, staff would work very closely with the Public Planning Committee and the consultant during that time period.

Staff's plan is to report back at the July PPC meeting with an update on the stakeholder input and the status of the consultants.

The Committee made comments and inquiries regarding: support to implement ordinances to protect the residential neighborhoods both inside and outside of the gated communities; grandfathering, noise hours, parking, trash, clarification on what the RFQ was for and also clarification on the 12,000 listings mentioned above; the need to obtain legal advice on the legal enforceability of these regulations; the Town needs a business license of everyone who has a business of renting real estate on a perpetual basis and was in favor of getting rid of the exemption pertaining to only renting one unit; concerns received from several residents in the Folly Field community regarding large groups renting short term; obtain a definitive number of short term rental units and how that ratio competes with affordable housing; the value of the experience for guests and the quality of life for residents is protection of brand; consider whether a commercial component exists among short term rentals and how to address it; review the rental stock of very large homes to see what they are advertising and compare it to the impact of infrastructure and amenities; consider designating more residential areas and possibly have an overlay capping the number of short term rentals within those areas; return residential neighborhoods back to the residents of Hilton Head Island and protect their quality of life and safety.

The Committee expressed support in moving this ordinance forward so that restrictions can be enforced and to give plenty of notice that this ordinance will become effective by a certain date. The Committee mentioned there are a lot of fine companies that do short term rentals very well and those companies need to be engaged equally so that codes are well written.

Ms. Lewis noted one of the requests in the RFQ is to have a lawyer as part of the team that works on this ordinance. Curtis Coltrane would also review anything that was drafted. Ms. Lewis acknowledged Jayme Lopko and Nicole Dixon from staff who were key in all the research put together.

c. Review and Discussion on 2021 LMO Amendments – First Set

Teri Lewis advised the Committee that the LMO is generally amended on a bi-annual basis with some standalone amendments that proceed separately due to Town Council priorities. Town Council adopted several sets of amendments in 2020, but general amendments were put on hold during this time. Staff has brought forward amendments for consideration by the Committee at this time. No language has been drafted.

Standalone Proposed Amendment

Short Term Rental Ordinance

Wetland Mitigation Requirements for Projects with a Community Benefit (Airport, Gateway Corridor, Parks)

Changes to Massing Height, Setbacks, Buffers (DRB Concerns)

Airport Approach Path and incompatible uses.

First Set

1. Make changes identified being needed as a result of the new flood maps. The Committee agreed for staff to proceed.

2. Add a definition for Nano Brewery and add to use classifications.

The Committee questioned if there was a downside in moving in this direction that has been identified. Staff responded it makes sense for the scale of the use. The Committee also asked for a definition of a Nano Brewery. Staff advised it would be something that is small in scale and limited to the amount of sales and on sight consumption.

3. Allow outdoor screened bike storage in the LC and CC zoning districts and provide more specifically related to screening.

The Committee was concerned how the sight would be impacted by having outdoor storage.

4. Allow Outdoor Display and Sale of Merchandise in the RD, MV, MF zoning districts.

The Committee asked where the idea came from. Staff responded there have been applicants who have requested to have outdoor displays and in trying to explain what districts it was allowed in, they were inquiring if they can have a bike business out there with outdoor storage, but not have any kind of outdoor display. Staff found that it was appropriate to allow it in those districts. The Committee expressed concerns about this and made comments regarding: the list of what is allowed should be refined; aesthetic concerns; whether this is a permanent or temporary use; consideration of business owners wanting the economic opportunity without the storefront ability; concerns with conflicting with the Gullah Geechee Cultural & Land Preservation Task Force's recommendations related to opening up economic opportunities and open air sales; careful consideration of how the RD, MV and MF zoning districts address outdoor display and sale of merchandise.

5. Revise what is permitted to encroach into setbacks.

The Committee mentioned some residents in a newly developed community want an in ground pool that would require encroachments into setbacks and buffers. The Committee expressed willingness to look at the pros and cons of this, however, the purpose of setbacks and buffers are of great importance. The Committee asked Staff to clarify what is permitted in the setback, consider what is the purpose of a setback, does it serve an environmental purpose, and if so, what is included in the LMO that reinforces that notion.

6. Setbacks and Buffers

- **Add the PD-1 District and Agriculture use to the adjacent use setback and buffer tables.**

The Committee agreed staff to proceed.

- **Mirror the reduction allowed in the setback table for small residential development plan reviews and minor subdivisions in the buffer table.**

The Committee expressed this is not the direction they desire and asked staff to look at criteria that address important factors regarding setbacks and buffers such as privacy, aesthetics, noise, etc.; and to come back with real world examples and photographs.

- **Remove note in setback table and under it allowing small residential developments to reduce setback to 5 feet.**

The Committee said setbacks and buffers need to be reviewed in its total form and see what is liked and what is not.

- **Make it clear when/where setback angles are required.**

The Committee decided to wait until the bigger picture is discussed.

7. Access Easements

- **Reduce the setback and buffer requirement from access easements.**
- **Remove the requirement for a buffer from an access easement for commercial properties.**
- **Add requirement for access easements on shared property lines.**

The Committee said these also need to be added to the setback and buffer discussions mentioned above.

8. Review when and how plantings are required on a single family lots in buffers as part of a subdivision Certificate of Compliance.

The Committee mentioned tree protection surpasses the arguments. The Island supports tree protection in this community and building should be done in accordance to the tree protection regulations. The Committee asked if the buffer has no trees in it at the beginning of construction of the house or building, then support of that the planting could take place after the construction. If there is natural vegetation in that buffer then it should be protected.

9. Make changes to allow temporary or seasonal signage as recommendation by the Gullah Geechee Preservation Report.

Some members of the Committee expressed concerns with cluttering the aesthetics of island character and that temporary signage is not always removed. One member of the Committee emphasized Gullah Geechee culture is part of island character and a component of the Town's newly adopted Comprehensive Plan. The Committee asked that Jenn McEwen be included in the discussion of opportunities to display and educate cultural signs that would resonate with both residents and visitors.

10. Replace using June traffic counts with July traffic counts for Traffic Impact Analysis Plan Standards.

The Committee agreed for staff to proceed.

11. Add single family residential lots to the list of exemptions from having to obtain tree removal permits (other than required buffers.)

The Committee said there is evidence of development practices now that do not respect the environment. This brings up the question whether or not the Town should be lenient as to relegate the significant tree decision to the developer in all cases.

12. Strengthen the language as it relates to trunk offsets and tree protection zones of specimen trees and significant trees during construction.

The Committee agreed for staff to proceed.

13. Remove requirement that staff provide a recommendation as part of staff reports.

The Committee expressed Town staff members are knowledgeable and may know more individually than the collected wisdom of an appointed Board/Commission. Staff has worked on a particular issue or application and has a lot more detailed information that can be beneficial to the Board/Commission. The Staff report, recommendation, and presentation are valuable aspects. The Committee mentioned it's important that Board members in a volunteer capacity are better equipped along the way. The Committee expects the Town Manager to hire people who are experts and have experience in areas that probably as elected officials and volunteers do not have. The Committee looks to staff to provide the evaluation and assessment of opportunity or risk in any proposal; not necessarily support a position, but to give Council the information and the pros and cons of a direction. The Committee is in favor of staff putting together a comprehensive presentation and then allow Council to make a decision.

14. Remove staff granted waivers.

The Committee expressed it may be necessary to have thicker guidelines with less flexibility. The Committee asked staff to provide the different types of waivers for their review at the next meeting.

Chairman Ames suggested staff put a calendar together on how these items will move forward.

9. Staff Reports - None

10. Committee Business - None

11. Adjournment

With no other business before the Committee, Chairman Ames asked for a motion to adjourn. Mr. Stanford moved to adjourn. Ms. Becker seconded. The meeting was adjourned at 5:13 p.m.

Submitted by: Karen D. Knox, Secretary

Approved: June 16, 2021