

From: d b <[myangel2306@yahoo.com](mailto:myangel2306@yahoo.com)>  
Sent: Thursday, October 31, 2019 2:03 PM  
To: Craig Weaver <[cweaver@kiawahisland.org](mailto:cweaver@kiawahisland.org)>  
Cc: [klaussaid@gmail.com](mailto:klaussaid@gmail.com); Chris Widuch <[cwiduch@kiawahisland.org](mailto:cwiduch@kiawahisland.org)>  
Subject: KIAWAH council STR vote on Oct 5 2019

We respectfully request/urge the council to withhold and postpone the councils vote on the STR on Oct 5, until more additional information is provided to Kiawah property owners the subject.

It is much too soon for council to vote at this time on this forever changing law that could/will adversely probably effect many Kiawah property owners now and in the future.

We do not want this to be implemented and want this request recorded on public record.

Property owners since 1984 lot only

Second home purchased in 2004

Full time residents since 2010

Respectively,

Dorothy Brookshire

Donald Brookshire

Full time residents

295 Surfson Rd

Kiawah Island SC

**From:** Laura Said <[lcsaid@aol.com](mailto:lcsaid@aol.com)>

**Date:** October 14, 2019 at 9:30:50 PM EDT

**To:** Stephanie Tillerson <[stillerson@kiawahisland.org](mailto:stillerson@kiawahisland.org)>

**Subject:** Short term rental ordinance

I am a home owner and permanent residence at 170 Flyway Drive and would like my email to be part of the permanent record.

I live behind the second gate in Kiawah which has zoning that provides for only single family homes. Therefore it is surprising and disconcerting to find that there are many homes near me that are always in the rental pool and often rent to large groups that can only be described as multiple families or large parties (12 - 14) of young adults. I have such a rental behind me and due to screening etc., I have not had any issue. But, and this is a big but, if I were to have a similar rental home right beside me it would seriously lessen my enjoyment of my home As well as lessen the value I would get should I think about selling. I have heard that buyers are told to stay away from neighborhoods/streets that have a high number of rentals.

It seems that allowing a home behind the second gate to be in the rental pool 100% of the time changes the residential nature of the single family zoning designation. I worry about having such a commercial property next door to me.

As you know, homes are built very close together. My porch is a mere 30 feet from my neighbor's porch. Imagine if I had to contend with large groups hanging out in the pool all day and night, music etc, every weekend during the high season as well as over holidays - I would lose the peacefulness which attracted me to Kiawah.

I support the caps but 20% is too high. Ten to fifteen percent is more than enough. Home owners need protection from what I believe is the negative effect on property values from excessive renting.

Laura Said  
170 Flyway Drive

Sent from my iPad

**From:** Jennifer Smith <[jnsmith4@gmail.com](mailto:jnsmith4@gmail.com)>

**Sent:** Thursday, October 31, 2019 5:43 PM

**To:** Craig Weaver <[cweaver@kiawahisland.org](mailto:cweaver@kiawahisland.org)>; Maryanne Connelly <[mconnelly@kiawahisland.org](mailto:mconnelly@kiawahisland.org)>; Dan Prickett <[dprickett@kiawahisland.org](mailto:dprickett@kiawahisland.org)>; Klaus Said <[ksaid@kiawahisland.org](mailto:ksaid@kiawahisland.org)>; Chris Widuch <[cwiduch@kiawahisland.org](mailto:cwiduch@kiawahisland.org)>

**Subject:** Short Term Rental Restrictions

My husband and I are long-term Kiawah owners and now full-time residents. We began our Kiawah journey when our children were quite small and we had ample time to spend on the island. As the children got older - we got busier and had to curtail our time on the island. Honestly, we did not have to rent for financial reasons -- we just felt that it was so very wasteful to heat and cool a home that was vacant. At that point we rented a few times a year thru VRBO. Our neighbors watched our house and said the renters were all very respectful.

Our home on Conifer is surrounded by almost a 50/50 mix of owner occupied and short term rental homes. We have not had issues with any of the renters on our street yet and anticipate that will continue. But if we had, we am not clear as to what a cap on rentals would do. These properties are already in the rental program and so would not be subject to the caps anyway.

We have a lovely community here on Conifer and that includes the folks that rent. We have met a number of them and find that they return year after year. We look forward to their visits. It is much better than having 4 or 5 vacant homes on our street.

We have a number of concerns about the proposed caps:

1. Impact to home values - we plan to stay on Kiawah for the foreseeable future but when we do sell, we am concerned about the impact this would have on our property value.
2. Rules enforcement - the cap does nothing to improve compliance with existing rules.
3. Overcrowding - we think this was one argument for the caps. If all of the homes were occupied by owners, would that not also result in overcrowding? Yes it's super busy in the summer but we wonder what percentage of those folks are renters vs. owners.

We appreciate your concern for the community and the work that you all do. As an owner we just want to say that we agree with enforcement but disagree with the proposed short term rental caps.

Please make this email part of the public record.

Regards,  
Jennifer and Jeff Smith  
130 Conifer Lane

**From:** Linda S Geronilla PHD <[lindageronilla@gmail.com](mailto:lindageronilla@gmail.com)>

**Sent:** Thursday, October 31, 2019 7:11 PM

**To:** Craig Weaver <[cweaver@kiawahisland.org](mailto:cweaver@kiawahisland.org)>; Maryanne Connelly <[mconnelly@kiawahisland.org](mailto:mconnelly@kiawahisland.org)>; Dan Prickett <[dprickett@kiawahisland.org](mailto:dprickett@kiawahisland.org)>; Klaus Said <[ksaid@kiawahisland.org](mailto:ksaid@kiawahisland.org)>; Chris Widuch <[cwiduch@kiawahisland.org](mailto:cwiduch@kiawahisland.org)>

**Subject:** Please delay the cap

Dear Mayor and Council,

As an owner of two properties on Kiawah Island for 30 years and a SC resident for 5 years, I ask you to please delay the caps until more information is available that supports this view . I am also requesting that my Email becomes part of the public record on this subject.

Respectfully,

Linda S. Geronilla, Ph.D.

**From:** [arec1@aol.com](mailto:arec1@aol.com) <[arec1@aol.com](mailto:arec1@aol.com)>

**Sent:** Thursday, October 31, 2019 3:23 PM

**To:** [cweaver@kiawahisland.org](mailto:cweaver@kiawahisland.org) [mconnelly@kiawahisland.org](mailto:mconnelly@kiawahisland.org) [dprickett@kiawahisland.org](mailto:dprickett@kiawahisland.org) [ksaid@kiawahisland.org](mailto:ksaid@kiawahisland.org); Chris Widuch <[cwiduch@kiawahisland.org](mailto:cwiduch@kiawahisland.org)>

**Subject:** STR Caps

**To the Town of Kiawah:**

I encourage the Mayor and Council members to delay the caps until more information is available that supports one view or the other.

At a minimum, the town needs to mail a letter stating this is being debated prior to enacting any ordinance and requiring a vote before being enacted. You should not pass something so important without proper notification of all property owners.

**KICA believes the town *should delay a vote on this part (CAPS) of the ordinance until more information is available that supports one view or the other.***

It was my belief that the Mayor and council members had the interest of all Kiawah property owners as their guiding motivation on any decisions they make concerning Kiawah but if this ordinance is enacted I will not feel that is the case.

The Town is about to pass an ordinance change that will likely have a negative impact on all property values on Kiawah. Real estate experts have already gone on record as stating this.

This ordinance is being enacted by a few with many stakeholders advising against it.

This ordinance also opens the door to future efforts to minimize short term rentals in single family homes.

Caps will not prevent desirable rental neighborhood's from exceeding the 20% "tilting point".

Caps may actually accelerate the process.

Furthermore, the town has done NOTHING about policing the houses being rented.

Why can't the town try policing and fining rental property owners first and see if that makes a difference in the quality of life for neighbors of rental properties rather than penalizing all property owners?

**I request that my Email becomes part of the public record on this subject,**

Richard Diemer  
8 Avocet Lane

**From:** Michael DiGiovanni <[mikedigi711@gmail.com](mailto:mikedigi711@gmail.com)>

**Sent:** Monday, October 21, 2019 1:04 PM

**To:** iKiawah listserv <[kiawah@googlegroups.com](mailto:kiawah@googlegroups.com)>; Craig Weaver <[cweaver@kiawahisland.org](mailto:cweaver@kiawahisland.org)>; Stephanie Tillerson <[stillerson@kiawahisland.org](mailto:stillerson@kiawahisland.org)>; Klaus Said <[klaussaid@gmail.com](mailto:klaussaid@gmail.com)>; [mconnelly@kiawahisland.org](mailto:mconnelly@kiawahisland.org); Dan Prickett <[dprickett@kiawahisland.org](mailto:dprickett@kiawahisland.org)>; Chris Widuch <[cwiduch@kiawahisland.org](mailto:cwiduch@kiawahisland.org)>

**Subject:** Please make this part of the public record.

We are facing a decision by the town that I believe will negatively impact the property values on Kiawah.

I also believe that this ordinance change is just the first step in the towns objective of eliminating Short Term Rentals behind the second gate.

This is being done with, in my opinion little justification. There was also a lack of communication to all property owners about this ordinance change.

We do have a problem that needs to be addressed and that is enforcement of the rules that renters and owners may choose to ignore.

I am proposing an option that is a fair and democratic approach. I hope the town will consider this when they meet tomorrow.

- Delay the ordinance change.
- Determine initial and ongoing cost of a comprehensive enforcement system. (This will determine the fees that need to be collected to support the enforcement efforts).
- Thru a referendum allow all property owners in the 20% Cap zones to vote on the Caps.

Mike DiGiovanni

51 Cotton Hall

On Thursday, October 31, 2019, 3:52 PM, Stefany Mack <[stefanycm4@yahoo.com](mailto:stefanycm4@yahoo.com)> wrote:

Dear Mayor Weaver and Council Members,

I would like this email to become a part of the official record on the review of the proposed short-term rental ordinance. My time is precious and I do not enjoy having to send emails as I get more than my fair share already. Give me a vote and I will gladly participate.

My family has owned several properties on Kiawah since 1977. The grandparents were full time residents years ago and we now own a single family home as non-residents.

My family and I strongly believe that how we use our property should not be mandated by the Town. There are short term rental rules and regulations currently in place **which need to be enforced**. Having 2 officers whose shift ends at 5 pm leaves a huge gap and results in not fully addressing the issues. The Town needs to increase the policing of rental infractions, and violators (once given a warning) should be fined.

Our current residence is surrounded by quite a few rental homes. We have never had an issue. The renters have always been quiet and are simply enjoying their vacation. We are in a Resort Community, not a retirement community, and understand some of the inconveniences, such as a crowded supermarket, and traffic on the roads. If not for these renters and the money they spend, there would not be a Freshfields, good local restaurants, shops and other conveniences that are located nearby.

The population and visitors to Charleston and surrounding areas has increased over the years. We can't change that. We can change how we enforce short term rental rules, without taking away the individual property owner's rights to control their property as they see fit.

Having purchased our current home over a year ago, I can assure you that we would not have bought our home if a STR cap was in place. We want the option to rent our home if and when we choose in the future. It was the 2nd most significant investment we have ever made and it was a stretch to buy. We love Kiawah and hope to pass on this investment to our kids and grandkids one day. I strongly urge you to recognize (as many realtors on the island have stated) that putting caps on rentals will adversely effect property values and the marketability of the island as a whole. People will invest elsewhere.

Everyone's house, whether full time resident or non-resident 2nd home owner, is an investment of capital. Kiawah properties are already suffering decreases in sale price, we don't need to add another reason for our properties to languish on the market or suffer investment losses.

Do not pass this ordinance. It is not for the betterment of the community as a whole. Focus on enforcement of the current rules please!

Sincerely,

Stefany Mack

**From:** Susan Gantt <[conner.gantt@gmail.com](mailto:conner.gantt@gmail.com)>

**Sent:** Thursday, October 10, 2019 9:17 AM

**To:** Stephanie Tillerson <[stillerson@kiawahisland.org](mailto:stillerson@kiawahisland.org)>

**Subject:** for public comment on short term rental ordinance issue

To whom it may concern,

I am writing in hopes of impacting the discussion about changes to the short term rental ordinance currently being considered.

We came to Kiawah for the first time in 2013 when our third child was 3 weeks old. In Kiawah, we found a vacation spot in close proximity to Atlanta that offered something for all ages in our family during every season. In the years that followed, we rented homes on Halona Lane and Club Cottage until we decided to buy our dream home at 720 Glossy Ibis in Dec 2017.

Our financial model for our second home is similar to most young people attracted to Kiawah whose careers and families keep them in other cities as a primary residence for the time being. We need to rent our home during periods we are not there to defray costs and pay down the mortgage. Our plan has always been to pay the mortgage off and eventually spend more time in Kiawah as our children go to college and our careers level out. While we may take our home off the rental market at that time, it is with great pleasure that we are currently able to offer this beautiful property to rental guests, our friends, and family so all can enjoy it at their convenience rather than have it sit empty for weeks at a time. Since we purchased our home, at least 3 other families we know of have bought property on Kiawah as a direct result of staying at our home. All 3 have used a similar rental model to help with the costs of ownership.

We own our property and bought it with a clear understanding of the rental covenants and regulations on the island. We have followed the rules, never had a violation, and never expected the rules to change. The value of future sales on Kiawah is dependent on what the rental rules are- the 3 families mentioned above never would've considered purchasing on Kiawah had the possibility of renting short term not been an option. We want future families to have the same opportunity we've had, with the same set of rules and covenants that have been in place since the resort began. If these aren't preserved, demand will reduce, values will deteriorate, and buyers will certainly go elsewhere. We definitely would have.

Short term rentals benefit not just property owners, but also our island vendors and shops. These business owners, who make their services available year round, and the local economy in general could not stay afloat without the vacationers who rent on the island.

Ultimately, Kiawah needs to decide if it is going to continue to be a world class resort destination or a retirement community with the corresponding property valuation. Please leave the current ordinance in place.

Sincerely,  
Susan and Stewart Gantt  
720 Glossy Ibis Lane  
Kiawah Island, SC 29455

**From:** Susan Calkins <[sdcalkin@uncg.edu](mailto:sdcalkin@uncg.edu)>  
**Date:** October 22, 2019 at 2:38:13 PM EDT  
**To:** Stephanie Tillerson <[stillerson@kiawahisland.org](mailto:stillerson@kiawahisland.org)>  
**Subject:** Fwd: [iKiawah] rentals, etc.

Dear Stephanie-- I sent an email similar to this to you a few weeks ago to be entered into the town record. I amended some of my comments in response to a query made by another property owner and I would appreciate it if my full response here could be entered into the record. I have deleted the owner's name and question from this string.

Thanks,  
Susan Calkins  
231 Glen Abbey

----- Forwarded message -----

**From:** Susan Calkins <[sdcalkin@uncg.edu](mailto:sdcalkin@uncg.edu)>  
**Date:** Mon, Oct 21, 2019 at 10:42 PM  
**Subject:** Re: [iKiawah] rentals, etc.  
**To:**  
**Cc:** IKiawah Listserv <[ikiawah@googlegroups.com](mailto:ikiawah@googlegroups.com)>

Ms. XXX makes a reasonable request: "It is time for the silent ones to speak up." Yet, given the tone of this "conversation," it is not surprising that those who support a cap, or other mechanism to control the volume of available rentals, would be silent. The discussion on IKiawah has been dominated by a relatively small number of property owners who have touted their CV's, bona fides as lawyers, real estate agents, and investors, and who have declared their opposition, and threats to initiate lawsuits, in often condescending, insulting, hostile, and even bullying, ways. Why would anyone with a differing opinion speak up?

I support some effort to control the rental market on KI. My home (past the 2nd gate) is surrounded by 4 rental houses, with 3 pools, whose total occupancy (stated on their rental sites) is 50 people. When I bought the house 9 years ago I had only 1 rental with which to contend. I would love for some folks whose primary concern is the monetary value of their property to come and have coffee or a glass of wine with me some summer day/evening (or fall/spring break, the holidays, etc.). It's anything but peaceful. But, in truth, although the behavior of these renters often intrudes on my life, in this and other ways, I doubt that most of it is prohibited. It's partly a function of the size of homes, the number of occupants, and the open landscape, and partly a function of the fact that renters are on vacation and their behavior often reflects that mindset. So, I am pessimistic that, even if enforcement were possible for the more egregious behavior (and I seriously doubt that it is, given what I observe in the summer) it would solve this problem.

Because I am not a full-time resident, the time I am able to spend on Kiawah is that much more precious to me. My "investment" here isn't just in the building I purchased. It's in the quality of life, the sheer beauty of the land and seascapes, the wildlife and their habitats, and the peace and tranquility. That seems like an investment worth preserving to me. I wish that investor/owners who rent could acknowledge that perhaps my investment is just as worthy as theirs. I bristle at the notion that KI is merely a "resort" and that providing a monetary return on buyers' investments should be THE priority for the town. I would like to believe that my fellow property owners are just as invested in the stewardship of the island as I am. If so, then some acknowledgement that the character of the island has changed, and some commitment to reversing that trend, or at least not contributing further to it, is needed. Enforcement is not the (only) answer to this challenge, nor is denigrating the efforts of those who reside on the island full-time and are committed to its preservation.

Respectfully,  
Susan Calkins  
231 Glen Abbey

**From:** Michael DiGiovanni <[mikedigi711@gmail.com](mailto:mikedigi711@gmail.com)>

**Sent:** Monday, November 4, 2019 7:40 AM

**To:** iKiawah listserv <[kiawah@googlegroups.com](mailto:kiawah@googlegroups.com)>; Stephanie Tillerson <[stillerson@kiawahisland.org](mailto:stillerson@kiawahisland.org)>;  
Craig Weaver <[cweaver@kiawahisland.org](mailto:cweaver@kiawahisland.org)>

**Subject:** CART BEFORE THE HORSE

Reminder ... The town will have the second reading for the STR ordinance change tomorrow at 2:00 at the Town Hall.

All stakeholder need to attend.

Here are two quotes from the Mayors latest letter.

*"Based on recent real estate transactions, new licenses will not be restricted by the cap for some number of years."*

*"The opinions on both sides of this debate are strongly held, and the Town has not uncovered any compelling evidence or data to support or refute either view."*

My question to the Mayor and Council is;

If CAPS won't take effect for some number of years and the Town has not found compelling evidence or data to support or refute either view. Why not complete the study before you implement CAPS?

Mr. Mayor and Council **DO NOT PUT THE CART BEFORE THE HORSE!**

Please make this part of the public record.

Mike DiGiovanni

51 Cotton Hall

On Oct 16, 2019, at 5:43 PM, Jennifer Nguyen <[jennifer.nguyen@mac.com](mailto:jennifer.nguyen@mac.com)> wrote:

Hi Craig,

Thank you very much for taking the time to meet with us today. It was a very useful discussion and we were happy that we were able to express some of our concerns regarding the potential changes to the STR licences.

It was also good to hear that we have commonality in what we want to achieve in the longer term for Kiawah: rising property values, a strong brand, a competitive edge as a destination, and an all around nice place to be. We were also in strong agreement with you that the property managers play an integral part in the rental market in Kiawah, and that in an ideal world, we would find a way to hold them to account for the bad behaviours that might arise from the short term rental market.

We promised we'd highlight some of the points we made in the meeting today, such that you can share them with your colleagues and take them into account in the continued drafting of the ordinance. Our earlier email can be found below, for convenience. The points we are raising here compliment that email.

A key concern in the drafting of the document is the un-intended consequences of the caps. Inserting the caps into the ordinance, but leaving 95% of it the same has the effect of creating anomalies, which often have the effect of putting R1 owners in a worse place than other owners. For instance:

- In the event the cap is hit, punishment for three violations becomes significantly more severe for those properties subject to the cap (who would lose their rental permit and then be forced to wait, perhaps years, for another one to become available). This should be avoided, ideally by introducing a probationary period to allow rectifications to be made, or failing that, to agree that re-instating a licence where one had been taken away for violations could be done outside the caps.
- Again, if the cap is hit, forgetting to renew is more penal vs uncapped areas. It would appear trivial to allow for automatic renewals if a property owner opted for such
- Taking a break from renting is more difficult if the cap has been hit, as getting a rental permit back could again cause a wait of several years. Instead of that, for properties which have already been rented for three years, it should be possible to take a maximum three year break and retain a licence. (This would be analogous to owners of lots, who can hold a provisional permit for three years).

We appreciate that you said that the Town would be practical in these instances, but our worry is that years down the line, when players involved have changed, there is a risk that a more strict regime might not be practical in these instances. We feel that, if we are going down this route at all, that it should be done with the full impacts having been considered and addressed in a practical way in the language of the ordinance itself, protecting owners from future changes in the philosophy of the town representatives' views on enforcement.

We also discussed the role of property managers. Our view remains that property managers should be jointly accountable with owners, directly to the town, who issues them business licences and thus does have a route to exercise control. While making owners responsible should in theory create an incentive for property managers, the reality is that the power rests not with the owners (who are small and divided) but with the property managers who are much larger. Therefore, the role of property manager should be properly set out in the legislation, and there should be penalties on them for non-compliance. While we note your point that this is difficult, failing to tackle the issue effectively leaves property owners such as ourselves "caught in the crossfire", with little real ability to exert meaningful influence.

You explained how your hope was that by instituting caps which would not be hit for a number of years would stimulate a dialogue and bring people to the table. This however also has the effect of creating un-needed division across the community, which could increase as we get nearer the caps. You alluded to two piles of comments, from each side of the debate, which you felt were roughly equal in height, suggesting that people who own property on the island are split approximately evenly on whether they favour the change or not.

Also, as we said, once enacted, it will be difficult to undo the ordinance, and address problems that exist, compared to addressing those problems while we are still in the drafting stage. Given that, and the issues we're highlighting with the proposed legislation, we feel it would be appropriate to take a pause at this point and use the opportunity of more time to improve the ordinance to resolve some of the issues we've highlighted here, as well as to get to the bottom of other issues you mentioned which have yet to be fully understood (the effect on property values for instance). We're not suggesting that the ordinance needs to be withdrawn, because we agree with the aim of securing better enforcement, but rather that time needs to be taken to fully consider and bottom out the issues and their ramifications and surely there won't be time for that before the November town council meeting.

Again, thank you for your time today. As we mentioned in the meeting, we would be happy to have a continued dialogue with you or anyone else regarding these issues—either as a provider of feedback or to help inject different ideas into the conversation.

With best wishes  
Jennifer Nguyen  
81 Surfsong

**From:** Craig Weaver <[cweaver@kiawahisland.org](mailto:cweaver@kiawahisland.org)>  
**Date:** 17 October 2019 at 13:56:53 BST  
**To:** Jennifer Nguyen <[jennifer.nguyen@mac.com](mailto:jennifer.nguyen@mac.com)>  
**Cc:** Edmund Lehmann <[edmund.lehmann@mac.com](mailto:edmund.lehmann@mac.com)>, Stephanie Tillerson <[stillerson@kiawahisland.org](mailto:stillerson@kiawahisland.org)>  
**Subject: Re: Short term rental ordinances: our meeting today**

Jennifer

Thank you for this summary of our conversation and your concerns, and I appreciate the time and interest you and Edmund have both taken with this issue. I will ensure that all of the other members of the town council have this information, and I know they will consider and weigh these thoughts as they have considered the many comments we have received from residents and property owners who have expressed views and raised important points on all sides of the issue.

Thanks again,

Craig  
**From:** Jennifer Nguyen <[jennifer.nguyen@mac.com](mailto:jennifer.nguyen@mac.com)>  
**Subject: Short Term Rental Ordinance: Comments to Revised Version**  
**Date:** 29 September 2019 at 17:19:28 GMT-4  
**To:** [stillerson@kiawahisland.org](mailto:stillerson@kiawahisland.org)  
**Cc:** Edmund Lehmann <[edmund.lehmann@mac.com](mailto:edmund.lehmann@mac.com)>

To: the Town of Kiawah Island, concerning the revised version of the Short Term Rental Ordinance

From:  
Jennifer Nguyen  
81 Surfsong Road  
Kiawah Island  
29455 SC, USA

Dear Stephanie

Please find below my comments concerning the proposed Short Term Rental Ordinance (revised version) - I would be grateful if you could ensure that my comments are taken into account in the forthcoming discussions about the potential implementation of this ordinance

### **1. Cap vs Enforcement**

I agree that enforcement of the rules concerning rental properties (and indeed the tightening of these rules) with a particular emphasis on causing less disruption to the Island from the negative behaviour of some rental groups, would be to the benefit of all concerned. I would stress that we have rented our home every year for five years (including the whole summer), so far without problems or complaints from our neighbors (who we proactively contact regularly to make sure they are not inconvenienced by rental activity at our home). Hence, I suspect that it is in fact the minority of rental groups or irresponsible (or absent) property managers which are causing problems and it is clear that this should be addressed.

My opinion is that the best way to address the small group of renters or inattentive owners / property managers is to make sure the rules are followed, and to tighten the rules where necessary. Imposition of a cap would be detrimental to the island both in terms of the impact on property values and also in the practicalities of managing the cap because of the unintended consequences it would surely create. There are also several areas of the ordinance which should be clarified, again the impact of lack of clarity is more detrimental in the event of a cap.

### **2. Impact on property values**

Speaking from my own experience, I looked at several different rental communities both in the US and also in Europe. I decided to buy in Kiawah in no small part because of the possibility to rent the house out when I'm not using it. Indeed I decided not to buy a property in several locations where it was difficult to obtain a rental permit. My rationale is simple: the ability to rent a house out mitigates some of that cost. This goes beyond affordability - I know owners on Kiawah who simply do not want to invest in under used assets, despite not having any obvious affordability constraints. While I'm not an expert in the property market in Kiawah, all of the part time residents I know do rent their homes out at least for the summers if not longer, and all of them would have been deterred from buying in Kiawah if they did not easily have such an opportunity. Hence, I would conclude that any kind of cap on rental licences would decrease demand for property and consequently would negatively affect the value of property on Kiawah.

The revised Ordinance suggests that this issue could be mitigated by making sure that permits are returned to the town when a property is sold, the implication being that wait times for licences would be reduced as licence turnover would increase. I can only speak from my own experience: if there had been uncertainty about the availability or timing of availability of a rental licence I would likely not have purchased a property on Kiawah, as I specifically chose not to buy elsewhere because there was uncertainty about obtaining a rental permit even though permitting was allowed. Therefore I still believe that there would be a negative effect on property values even with the revised version.

### **3. Wider consequences of the cap**

Once the cap is hit for properties behind the second gate, a number of knock on effects are kicked off, for instance

a) *The punishment for violations becomes more severe in areas with a cap* compared to areas without a cap, because if a cap is hit it is likely that removal of a licence in a capped area would result in a longer period without the possibility to rent, and consequently greater loss of revenue. Note that revenue from renting our house has been more than US\$50,000 each year. To lose that because someone parks on the street outside our house three times in a year would be unreasonable.

b) *Taking a break from renting* (for instance because I decide to spend a summer in Kiawah one year) becomes a more difficult decision to make if the cap is hit, because instead of taking a break for one season, I risk losing the licence for an indeterminate period of time, with the resulting consequences on income.

c) *Forgetting to renew*: this has a much bigger consequence if a cap is active vs uncapped areas, and again this is unfair.

### **4. Areas for clarification**

There are several areas which should be further clarified or considered, irrespective of whether a cap is introduced

a) *What constitutes a violation and what are the maximum penalties for different kinds of violation?* For instance, renting without a licence cannot reasonably result in the removal of a licence, and removal of a licence for three parking

violations in a twelve month period would seem excessive as this could cost a home owner tens of thousands of dollars in lost revenue. The rules should clearly categorise different potential violations and set out the maximum penalties for each of them so that these can be properly scrutinised and also applied in a transparent fashion.

*b) What are the real world roles and expectations of the various different players?* For instance, owners and agents are discussed almost interchangeably. However, the role is very different and should be applied differently. An agent could be an employed representative of an owner or a property manager. In the former case, it is a person remote from Kiawah with little or no understanding of how Kiawah works, in the latter case it is someone physically present in Kiawah who can reasonably be held immediately accountable. Similarly, it not clear what is meant by a local contact - that could be someone knowledgeable or simply a friend or relative of the owner.

*c) Transferability of permits between property managers / agents:* if an owner changes property manager (agent) it is not clear if the permit can be transferred. Similarly, an owner may have more than one property manager, who may not be willing to act as agent for rentals they have not referred.

## **5. Other areas of concern**

*a) Disproportionate fees:* licence fees of \$1,500 for areas subject to caps vs \$200 for uncapped is disproportionate. It seems like additional resources will be allocated to enforcement. In uncapped areas, more renters should be expected, and hence enforcement should be more of an issue in those areas compared to the capped areas. Further, the cost of enforcement is not linked to rental income, rather it's linked to the amount of renters in the property, which in turn is a function of how much of the year a property is listed for rent, the size of the property and the size of each rental group (a five bedroom house rarely attracts the maximum 12 renters, while a two bedroomed apartment is usually full). A flat fee per licence would be a more reasonable.

*b) Application of caps only to property behind the second gate:* I cannot understand the rationale for this except that some regimes must have complained. Surely the villas and cottages are most subject to rentals, particularly in peak summer months. The beach is always busier around the villas than it is beyond the gate, and the traffic is always worse around the villas. Surely the impact of rentals in the more densely constructed villas, with limited parking and greater potential to create disturbance to neighbors is greater than detached single family homes with larger driveways and more space? Hence, if anything I would have thought the cap should be applied to properties either island wide or not at all

*c) Each neighborhood is different:* where we live and previously rented on Surfson road, we have never heard of issues with renters. However, we rented another home in a nearby street, where homes are closer together and driveways allow parking for fewer cars, potentially creating problems. The blanket cap for the area behind the second gate does not take into account the differences between the various neighbourhoods, or indeed the views of the residents of those neighbourhoods, which often have no regimes to speak up for them.

## **6. Recommendations**

*a) List of ordinances:* a separate and more complete list of rental ordinances is needed, to be developed in conjunction with the Community Association. There are areas that the community association enforces that the town does not and vice versa, however rental permits are only issued by the town. See above, these rules should be categorised into minor, medium and serious (parking vs open fires for instance) and policed accordingly

*b) Obligation to have a Kiawah based property manager:* the role of property manger should be explicitly introduced into the ordinance and defined. If an owner lives more than two hours away, a property manger present on Kiawah should be a requirement. This would remove the issue of absentee owners renting via AirBnB / VRBO without proper local oversight. There are many companies that perform such a role, offering various different service levels, so that owners should have no problem finding one that meets their needs. If an owner wants to have more than one property manager (e.g. to rent via a company and also directly) this should be facilitated, but the licence should require a primary point of contact for the purpose of enforcing regulations.

*c) Hold property managers to account:* owners must remain ultimately responsible but the property manager is the one present on the island who really makes a difference to what happens day to day. If they are found to be inattentive, they should be held to account directly by the Town. The Town has oversight of the whole portfolio of a particular property manager and is in a better position to determine which property managers are not doing a good job than the town is

*d) Number of parking spaces per rental property to be defined:* where garage spaces are included in the definition, the garage needs to be accessible to the renters (we've seen that this is often not the case). This would work like number of

bedrooms and would make enforcement of parking irregularities easier, and would likely reduce the number of cars circulating on the island.

*c) A flat licence fee of \$500 per rental property (see above)*

*d) Scrap the idea of cap on rental permits for the second gate and increased enforcement of ordinances (see above)*

*e) Automatic renewals should be possible (see above)*

Please feel free to contact me on this email address, you may also contact my husband Edmund Lehmann who I have copied on this message.

With best wishes

Jennifer Nguyen

November 5, 2019

John Stedman  
417 Snowy Egret Lane  
Kiwah Island, SC 28207

Re: STR

Dear Mr. Mayor and town council,

I am writing to express my view on the proposed short term rental ordinance. I own a home on Snowy Egret Lane, and we have rented it since we purchased. We would not have purchased it without the option to rent. For over 30 years, I have owned and successfully rented my beach homes and a mountain house in Linville, NC. I do not intend to rent to people who may cause harm to my home or who may cause disruption to my neighbors. I am probably a typical STR home owner on Kiawah.

My intent in renting out my homes is to assist in covering the operating costs. My operating costs including taxes and insurance have averaged over \$90,000 per year over the last 5 years and STR's assist in covering the cost. Fortunately, I have not had issues with my renters. However, I understand that there are the occasional incidents with renters breaking the rules when they rent homes, townhomes, condos and villas. I think the problems related to renters will not stop with your proposed solutions.

I understand the STR issues that have surfaced at Kiawah Island. I have also read the documentation issued by Town Council and the mayor. I have not found much data to support the idea that the proposed solutions will resolve your concerns. I have also looked online and talked with friends in other similar communities and have found no factual support for your proposed solutions. It appears that the solutions are backed by perceptions and opinions and not data. My intent with the following points is to recommend that if you do not have data to support the intended outcomes, do not implement your proposed changes.

In addition, my concern is that you are trying to implement a quick solution to a problem that has not been fully vetted. Are you trying to put out a match with a firehose? I suggest you consider the near-term issues and solutions separately from the long-term concerns and proposed solutions. I believe "tenacious" enforcement of the current rules may help. I do not think putting a cap on STR's is the best long term solution. The following thoughts and questions may help you better understand my concerns.

### **Penalties and short term objectives**

1. Financial and budget concerns – Can you breakout from the current town budget and KICA budget the funds allocated to managing STR's? I would like an accounting of how the existing STR fees are being spent and how the new fees will be spent. I am a numbers person and would appreciate a cash flow projection for the next 2 to 3 years showing how the fees and penalties will be used. I would also like to see the same for the last 3 years.

Because of the amount of cash that has accumulated in the town's budget, my concern is that the fees and other sources for funding are already excessive. My suggestion is to examine the STR budget and cash flow by itself and determine if enforcing the current rules using fees gathered from fines/penalties will balance. Make the monetary penalties high enough to support the cost of managing the issues.

I will assume there is a STR budget and cash flow projection. I am interested in the assumptions you have made related to the STR budget. How many STR penalties do you project to receive per year? What is the amount projected for STR penalties? To me, these two numbers will offer a good insight into the extent of our problem and as to whether the solutions will be successful. My expectation is that the funds from penalties will be high enough to cover the cost to enforce the rules. Thoughts?

If the number of projected penalties will not support the cost to manage and enforce the rules, then, I suggest a better solution should be found. There is no reason that homeowners who rent to good renters should support the homeowners whose renters who break the rules.

2. What specific penalties will be imposed on property managers and property owners? Will taking away homeowners right to rent solve the issue? Taking away an owner's right to rent their home may cause change but there is no data to support whether this penalty will resolve any issues. You may cause the owner to sell the home. Is this your intent? I doubt this will solve the issue. Taking away a homeowner's right to rent their home may set you up for an unnecessary lawsuit.

I do not believe a homeowner intentionally rents to renters who break the rules. But, if that is the case, force the homeowner to come before a board to explain their issue. Let the board and the homeowner work together to come up with a corrective plan. Enforce the plan. Do not put yourself in the path of lawsuits. Do not implement a penalty unless you have data to show that it is working in another comparable community.

3. To me, fixing a disruptive renter asap is a primary goal. Will penalties cause immediate (same day) corrective action? How do you plan to immediately fix an issue? What part of the proposed plan will fix a rule breaker on the same day a renter breaks the rules? Is there data from other communities to show that this part of your plan will be successful?
4. Will there be a method to ensure that no other property owners will rent to a renter who broke the rules in the future? I would like to know if a proposed homeowner has had issues with specific renters on Kiawah. In this case, I expect no other STR homeowner would desire rent to that particular renter. Admittedly, I do not have data to see if this solution has been successfully used in other comparable communities but I suggest looking for data.
5. Why aren't you including villas, townhomes and condos as STR's? Are there no issues with renters in these types of dwellings? My understanding is that your focus is on properties that are not being used as intended, specifically, houses in neighborhoods used as STR's. It appears that your understanding is that villas, townhomes and condos that are being used as STR's are being used as intended. Please explain the difference between the impact that a STR in a townhome, villa or condo has on the quality of life in that neighborhood vs that impact from a STR in a home may have on quality of life in a neighborhood in your proposed zones. In my opinion, there is a strong argument that the issues are the same.

### **Caps on STR's and long term objectives**

6. Data - Will caps on STR's resolve your concerns about renters who break the rules? Do you have data to show that caps keep a problem renter from breaking the rules? Do you have data to show that caps will improve the Kiawah brand or is there any risk that caps could negatively impact the Kiawah brand? IF you do not know and have data and facts, please do not implement your plan.
7. Home Values - What is the long-term impact to home values by putting caps on STR's? Is there data showing that caps will or will not impact property values? If you have a perception and no data to back up this concern related to property values, please do not implement your plan until you have the data to show there is not negative impact to property values. For example, is there a community that has hit its cap limits on the number of STRs and have property values continued to increase? This type of data would be helpful. I suggest there may be more downside risk to caps negatively impacting property values than upside benefits to property values. Why implement a plan with any potential downside risk to property values?
8. Large rental homes - You note that "multifamily" rentals are more likely to adversely affect the neighborhood. In my business, multifamily connotes apartments. Do you mean that larger homes that accommodate more people will bring down the value of the smaller homes around them? Will larger homes negatively impact the

Kiawah brand? Will STR caps reduce the number of larger homes being built on the island? One might argue that larger, newer homes bring up values. They may improve the brand. Not all new, large homes are meant for rentals. Are caps the solution? If you have data on this issue, please share it. If you do not have facts, please come up with a better solution than caps for STR's. Or, wait to implement the STR plan until you have the facts.

9. Brand - You have a concern about preserving Kiawah's brand. Your solution is to limit the ratio of rental homes to non-rental homes in certain zones by allowing the number of STR's to grow by 60%. How will this preserve the brand? Your efforts would be better spent on limiting hotels, condo construction, putt putt golf and preserving the natural beauty around Kiawah.

Will caps deter the person who wants a home on Kiawah from buying the home? Will caps keep people from building rental homes in your proposed zones? If someone needs the income from the home to offset some of the associated expenses yet they will not know before they buy if the home will be eligible to rent, then, why buy at Kiawah? Are we protecting our current brand or moving to a new type of brand by using cap? If you do not know and if you do not have facts, please do not implement your plan?

My understanding is that you want to hire a third party to study the branding issue. I think it is easy to get sidetracked on the on branding issues and unless you believe implementing caps to preserve the brand is the best option, this point may not be worth spending the time and money needed. I think the real issue is to manage the few disruptive renters who break the rules. Longer term, you do not know if caps will maintain, improve or hurt the Kiawah brand. So, for the time being, do not implement caps.

10. Your report suggests that a concentration of rental properties on a street or in a neighborhood may negatively impact a neighborhood.

Will issuing licenses approving homes for STR be based on the number of rental homes on a given street or as you have noted, by zone? My understanding is that you are planning to issue licenses by zone and not by street. Based on your plan, in a worst case scenario, could you still end up with 100% of the homes on a small street being STR's. For example, is there any scenario under your current plan where 100% of the homes on Snowy Egret Lane could become STR's? How will caps for certain zones prevent an oversupply of STR's on a small street?

11. Are any of the problems or solutions you are considering managed by other third parties like KICA? Are you implementing new rules and enforcing existing rules that will duplicate KICA rules and Kica's plans for enforcement? Will you and KICA be enforcing the same rules? How will the STR fees and penalties be allocated between all parties involved – the town of Kiawah, KICA, etc...Will we be paying for duplication of efforts? Have these concerns been fully vetted?

In summary, my concern is that a few problem renters, the Mayor and Town Council have caused the issues associated with STR's to become larger than the actual size. One or two problem renters out of several hundred renters do not support implementing the STR plan. This issue may have started with a child screaming with excitement as they jumped in a pool or too many cars parked in front of a home (a rare sight). Or, there may have been renters next to a government officials house and they broke the rules. Is breaking the rules a frequent issue? What was the percentage of rule breakers of total renters in 2018, 2017 and 2016? I have had over 100 renters in the last 5 years and have never had a problem with a neighbor.

I support enforcing the current rules. There has not been a good system to enforce the rules in the past few years. I do not support changing the penalties until we try to enforce the current rules to see if enforcement of the current rules resolves the issues.

If enforcing the current rules does not work, do a study of similar resorts and find out which solutions worked. Make sure the solution will fix the problem without causing sideline issues. With your current plan, we will have sideline

issues. If you disagree, please show me the data before you finalize your plan. I want to be a part of the solution and will be happy to assist you with time and talent.

I believe that the home owners on Kiawah Island are good people and I believe most renters are good people. I believe town council has good intentions too. Let's work together to find a solution with proven success that is supported by data and facts.

Respectfully,

John Stedman