

Town of Sullivan's Island, South Carolina Historic Preservation and Design Study Group A Subcommittee of the Land Use and Natural Resources Committee of Council

Thursday, April 28, 2022

Subcommittee met at 4:00pm, at Town Hall, 2056 Middle Street, all requirements of the Freedom of Information Act having been met. Present were,

Subcommittee voting members: John Winchester (Chair), Aussie Geer (Vice Chair), Eddie Fava, Elizabeth Tezza, Beverly Bohan, Rita Langley, Michael Daly and Manda Poletti.

Staff: Joe Henderson, Planning and Zoning Administrator

A. Call to Order. Chair Winchester called the meeting to order at 4:00pm, stating the press and public were duly notified pursuant to state law. Media: None present
Public: Twenty (20) members present, including Land Use and Natural Resources (LUNR) members Pat O'Neil, Scott Millimet, and Gary Visser, as well as Planning Commission member Mark Howard and Design and Review Board (DRB) members Ron Coish, Bunky Wichman, Luke Lewis and Kevin Pennington.

B. Approval of Minutes from April 14, 2022 meeting.

Motion: A motion was made to approve the April 14, 2022, meeting minutes by Ms. Bohan; seconded by Ms. Tezza, this motion passed unanimously with an 8-0 vote.

C. Items for Discussion.

Chair Winchester mentioned the process and standards of the Study Group. Mr. Visser supported this with some background on the creation of the Study Group. He said that as a subcommittee of LUNR, the Study Group recommendations will first go to the LUNR committee, who will then send them on to Town Council asking them to refer all the recommendations to the Planning Commission. The Planning Commission will filter through them, having the necessary public hearing for any text changes to an ordinance. They would then return those suggestions they decided had merit to Town Council for three (3) readings to change the necessary portions of the Zoning Ordinance.

Chair Winchester then mentioned the group has been compiling a list, Aussie's list, of things that are important but might not be discussed by the group. If the group does not have enough time to approach all of the important items, they can still be sent on to the LUNR Committee for consideration to send to Council.

Chair Winchester brought up the issue of the twelve hundred (1200) square foot (sf) rule under the Accessory Dwelling Unit (ADU) incentive. He mentioned how it was brought up at the last meeting along with a discussion to do away with the 1200sf limit for this incentive. He feels the idea is non-workable and should be set aside for 3 reasons.

- This would be bad policy. He feels that the Town has had great success with restorations in the past. The Group has agreed that ADUs are working and has decided to tone down the attached addition incentive. He feels the 1200sf limit has well served the Town and might just need an adjustment, not to be done away with. At this point, there are about twenty (20) ADUs on the island with another 20 that can possibly be built. If the number changed it would greatly increase the potential ADUs to over a hundred. That would increase the regulatory burden. Henderson said that number would actually be two hundred fifty (250) as that is the number of historic properties on the island that could potentially take advantage of this. Chair Winchester mentioned that this could possibly lead to more fractional ownership of properties. It was mentioned that there are already many homes under fractional ownership as a trust.
- He said this proposal is out of scope with the mission of the Study Group. The original task was to look at the built environment, assess it and make recommendations to bring the ordinances more in line with the

Comprehensive Plan. The Comprehensive Plan promotes low density and single-family homes.

• The last reason is there is not enough time to cover this in addition to everything else the group already needs to discuss.

Chair Winchester asked the group if they agreed, no motion needed, just an agreement that it would not be discussed any further. Mr. Daly asked if someone with a seventeen hundred (1700) sf home could go before the Board of Zoning Appeals (BZA) and get that changed. Ms. Tezza said the historic designation comes from the DRB, BZA would not be part of that. She felt what was being discussed by Mr. Daly was when the historic structure is not the ADU, the ADU would be built, which is a separate issue. Chair Winchester feels there are select occasions where this should be allowed, but as an exception, not the policy. Mr. Coish said he would really only consider adding a garage with a loft space to his property, which fits the description of what was being discussed. He only wants to be able to run water to the loft as well, but it is not allowed. Ms. Tezza pointed out that it is not possible to give an exception to one property and not another, you give it to one you have to give it to them all and then it becomes a bigger issue. She pointed out that after the last meeting, the BZA heard Mr. Fava give a presentation for a special exception to an ADU that was approved where all of the qualifications were discussed. Mr. Fava does support maintaining the 1200sf limit, but he also thinks there are certain occasions where exceptions should be made, specifically involving a hardship, and the BZA should be willing to entertain these exceptions. Ms. Tezza said the BZA can't grant variances, that the ordinance would have to change for that to be possible.

Chair Winchester said the ADU process has been working. There is a two (2) prong approach now; if your historic property is 1220sf or less, the ADU process works best. If the property in question is more than 1200sf, the route should be an attached addition. Chair Winchester said he wants to make the current approach better.

1. Historic Accessory Dwelling Unit preservation incentive.

Chair Winchester discussed how the ADU incentive is seen by the group to be working very well. The one problem is the balance of the incentives to choose ADU over attached addition. The only incentive given to those choosing the ADU, is that they have the option to rent out the ADU as a long-term rental. This is not very enticing to the bulk of the ADU properties, as most do not seem to be taking advantage of it.

Henderson mentioned the three (3) different scenarios discussed at the previous meeting on April 14, 2022. The last meeting the different size lots were shown with the houses that could be built on them, using the fifty percent (50%) incentive. He then discussed the same three scenarios using the ADU incentive.

<u>Scenario 1</u> is a standard half (0.5) acre lot with a 1200sf cottage. The total allowed built square footage would be four thousand seventy-eight (4,078). With the cottage being 1200sf, that leaves a potential new house to be built that would be two thousand eight hundred seventy-eight (2,878) sf. The study group is considering whether to allow the DRB to grant increases in square footage for the ADU option.

- A DRB increase of ten percent (10%) would allow an additional four hundred eight (408) sf for a new house of three thousand two hundred eighty-six (3,286) sf.
- An increase of fifteen percent (15%) would allow an additional six hundred twelve (612) sf for a new house of three thousand four hundred ninety (3,490) sf.
- An increase of twenty percent (20%) would allow an additional eight hundred sixteen (816) sf for a new house of three thousand six hundred ninety-four (3,694) sf.
- An increase of twenty-five percent (25%) would allow an additional one thousand nineteen (1019) sf for a new house of three thousand eight hundred ninety-seven (3,897) sf.

Scenario 2 is a quarter (0.25) acre lot with a 1200sf cottage. The total allowed built square footage is two thousand nine hundred eighty-nine (2,989) sf. After the 1200 sf for the cottage, that leaves one thousand seven hundred eighty-nine (1,789) sf for the new house.

• An increase of 10% would allow an additional two hundred ninety-eight (298) sf for a new house of two thousand eighty-seven (2,087) sf.

- An increase of 15% would allow an additional four hundred forty-eight (448) sf for a new house of two thousand two hundred thirty-seven (2,237) sf.
- An increase of 20% would allow an additional five hundred ninety-eight (598) sf for a new house of two thousand three hundred eighty-seven (2,387) sf.
- An increase of 25% would allow an additional seven hundred forty-seven (747) sf for a new house of two thousand five hundred thirty-six (2,536) sf.

<u>Scenario 3</u> is a large lot, eight tenths (0.8) of an acre. The maximum built square footage allowed is five thousand six hundred (5,600) sf. With a 1200sf cottage, the new home could be four thousand four hundred (4,400) sf, which is a DRB increase of only four percent (4%) as that is the most allowed.

Discussion

Eddie Fava – Feels like this is more in line with what is wanted, for the homes to be smaller, as the 50% incentive for attached additions ended up with larger additions.

Chair Winchester mentioned that at the last meeting, a motion was made to get rid of the 50% exemption incentive and for the DRB relief to be lowered to 20% from 25%. As it stands now, the 50% exemption allows "double dipping" in the form of the exemption and DRB relief. Also, now the ADU route is allowed no increases by the DRB.

Ms. Tezza - Feels there should be an incentive for the ADU that is greater than any incentive to attach to the historic property. She also feels there was no need to remove the rental option from the ADU incentive at this time.

Ms. Bohan – thinks that homeowners should have to choose between the option to rent out the ADU or have an increase, not get both. She said the reason the study group is here is to decrease mass and density on the island as well as to protect historic structures. She wants to give as much increase of ADUs as can be given, she would support giving them an allowable increase of 20-25%.

Rita Langley – Agrees with Ms. Bohan except for the amount of the increase, she supports an amount more along 10-15%.

Aussie Geer – Agrees there needs to be some incentive, as the houses allowed to be built with ADUs are small, not workable for families. As far as the rental option, she feels it should be kept as it provides affordable housing on Sullivan's Island.

Michael Daly – Agrees with Ms. Geer, having small rental homes will provide the option for income diversity in residents.

Manda Poletti – Feels if the goal is to have more ADUs and not attach, then the amount of the increase allowed needs to be 25%. She mentioned that at the last meeting it was voted on to reduce the DRB allowed increase from 25% to 20%, so if the goal is to incentivize the ADU more, it will need to be 25%.

There was some discussion about needing to incentivize the ADU option because it seems the desire is for more ADUs, not more attached additions. Chair Winchester said that it seems most everyone supports keeping the rental option for people who go the ADU route. He also said he feels the ADU is a more pleasing option for property owners. Ms. Poletti said that most people are looking to add living space, not renting out their ADUs, especially now that there is a new tax issue. She said that if a property has 2 residences that are under one Tax Map Survey (TMS) number in Charleston County, the property owner must pay six percent (6%) tax on the rental and four percent (4%) on the main home, even if the second home is not occupied. However, if you attach the 2 homes, you only pay 4%.

Public Comment

There was support for the idea of the ADUs being affordable housing on the island and the diversity that would encourage. It was stated that there was no time where the ADU square footage is equal, you can't put your kids in the ADU and most families would probably rather attach for more living space and the lower you can make the added square footage for attached additions will help incentivize the ADUs. It was mentioned that there could be no reason anyone would want to buy a historic property, due to all of the restrictions.

Chair Winchester said that the group is trying to promote the preservation of historic homes. Mr. Millimet said he is in favor of the ADU incentive and preserving the historic structure separately, in the effort to preserve the character of the island.

Chair Winchester said it seems that everyone is in favor of keeping the rental option for ADUs and allowing increases of at least 20%. Ms. Coste feels that 20% is too much. Mr. Visser likes seeing the ADUs as a method of affordable housing. Ms. Poletti said she didn't think they would be rented for an affordable amount. Mr. Howard feels that affordable is relative, the Town is a beach community and will naturally be more expensive than other areas. Chair Winchester stated he was opposed to the rental option because of the definition of long-term rental being

more than thirty (30) days, which is within the realm of a vacation rental. Ms. Poletti feels that the rental option is not motivation for someone with an ADU as the cost and time spent renovating these structures means many won't want to rent them out. Mr. Fava agreed with Chair Winchester, that there is a problem with a 30-day rental being considered and long-term rental. He also agreed that he doesn't see them becoming any type of affordable housing option. Ms. Poletti reiterated that she does not see anyone wanting to rent out the ADUs to anyone they don't know as they required so much time and expense.

Mr. Millimet asked Chair Winchester to repeat why he was not in favor of the rental option. Chair Winchester said he supports low density, there is a parking issue as well. Mr. Coish reminded everyone that historic homes were not for everyone as former Mayor Perkis liked to say. It was brought up that there should be an incentive for a year long lease on the ADU to avoid 30-day rentals. Mr. Pennington said for the ADUs to be incentivized, they will need to be allowed greater relief than the relief allowed for attached additions. He also feels that if there is a maximum square footage allowed on a lot, that should be the limit of what can be built, without any percentage allowed in addition.

Chair Winchester asked what percent relief the DRB should be allowed to grant for ADUs. Ms. Tezza said it had to be more that you can get for attaching. There was then some discussion if it should be the same or greater. Ms. Tezza said it has to be more, that most people who go the ADU route really want to preserve the historic cottages. She feels the study group has been asked to address how there are extremely large home going up on historic properties when they are attached. She said that the DRB is just following the zoning regulations.

Chair Winchester said that making the percentage too high is creating the same problem that was pervasive with the 50% exemption incentive, increasing the massing of homes. Ms. Poletti said it needs to be more than what is allowed for the attached additions, or it is not an incentive. Chair Winchester said he feels that ADUs are more desirable due to the rental/guest house incentive, and it looks better on a lot. It was brought up that they would still have to go before the DRB for approval, that the design of the house would still have to be approved and obey lot coverage and impervious coverage limitations; so give the DRB the 25% and then they would have to be approved for it. Mr. Howard agreed that the number of 25% was fine. Ms. Bohan said the point of reducing the 25% to 20%, as motioned at the last meeting, was to reduce principal building square footage. She asked about the current standards. Henderson said that currently the DRB can grant 25%

relief on principal building square footage and 20% for principal building coverage. Henderson said that if you increase principal building coverage, you are encouraging lower homes covering more of the lot. Ms. Bohan stated that the DRB can also grant 15% relief on the third story.

Chair Winchester asked for the group to consider a percentage relief to be allowed by the DRB to open the next meeting with a motion for the ADU incentive.

D. Discussion of next meeting's agenda items.

Chair Winchester said that the next meeting will cover a motion for the ADU incentive and the discussion of new construction that was not discussed at this meeting. There was some discussion about the items that will be brought to LUNR after this process with Ms. Tezza and Chair Winchester saying that there is some flexibility what is being sent to them. The recommendations can be changed and fine tuned at the final meeting.

E. **Adjourn.** There being no further public discussion and no new business, the meeting adjourned at approximately 5:31pm.

Motion: A motion to adjourn was made by Ms. Bohan; seconded by Ms. Geer. This motion passed unanimously, 8-0.

Respectfully submitted,

Pamela Otto, Historic Preservation and Design Study Group staff member