



AGENDA
CITY OF CHARLEVOIX CITY COUNCIL WORK SESSION
Monday, October 28, 2019- 3:00 PM
City Council Chambers, 210 State Street, Charlevoix, MI

- 1. Pledge of Allegiance**
- 2. Roll Call**
- 3. Presentations**
 - A. Short Term Rental Regulations
- 4. Reports and Communications**
 - A. Public Comment
- 5. Adjourn**

The City of Charlevoix will provide necessary reasonable auxiliary aids and services, such as signers for the hearing impaired and audio tapes of printed materials being considered at the meeting, to individuals with disabilities at the meeting upon one weeks' notice to the City of Charlevoix. Individuals with disabilities requiring auxiliary aids or services should contact the City of Charlevoix Clerk's Office in writing or calling the following: City Clerk, 210 State Street, Charlevoix, MI 49720 (231) 547-3250.

CHARLEVOIX CITY COUNCIL

Presentations

TITLE: Short Term Rental Regulations

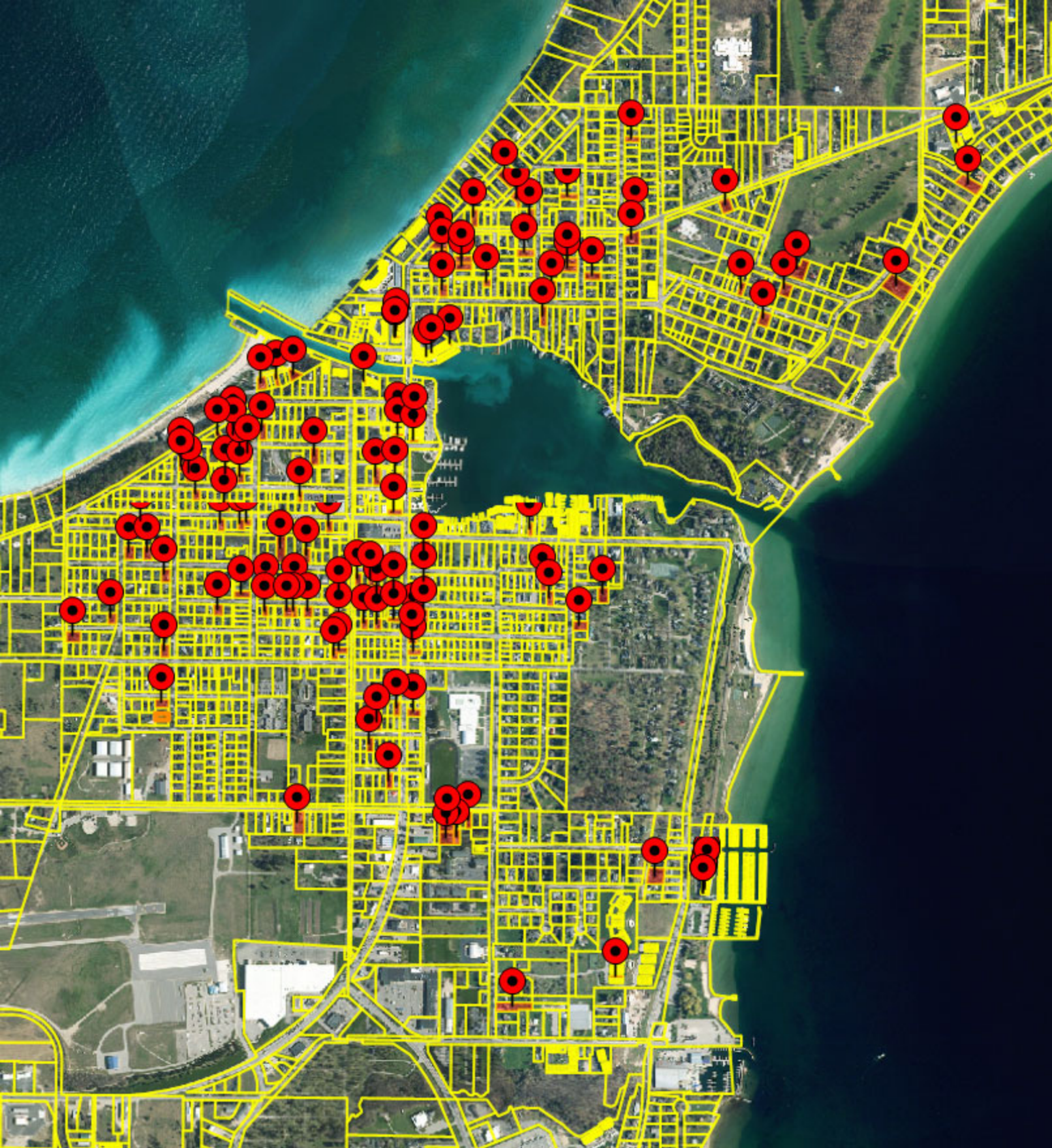
DATE: October 28, 2019

BACKGROUND:

Council requested this work session to continue discussions of how to regulate short-term rentals in our community. You identified some contours of regulation at your last meeting; I attempted to place those concepts into initial drafts for consideration and you'll find it attached. This largely uses our existing language as a base but it is likely we will need to further refine this and perhaps move the language to another section of the City Code.

ATTACHMENTS:

- ▣ Short-term Rental Map
- ▣ Concept Draft of Short-term Rental Regulations



(E) *Short-term rentals.*

(1) *Use affirmed.* The renting of a residential home on a short-term basis, where the owner is absent from the home, is affirmed under the following conditions. It is expressly permitted in the Central Business District and the Commercial Hospitality District; short-term rentals within these zones are exempt from caps indicated below. When functioning within a condominium hotel, a short-term rental need not be registered. When functioning within a traditional condominium, apartment, or multi-family dwelling (where such establishments have been lawfully created), the short-term rental must be registered but shall not count toward any cap which may otherwise be established by the City.

(2) *Registration required.* All dwelling units used for short-term rentals for more than 14 days per calendar year shall be registered with the city and licensed as stipulated in this chapter. The short-term rental of an unregistered dwelling unit for a total 14 days or more weeks during a calendar year is prohibited. Registration shall be issued by calendar year. All short-term rental registrations shall expire at the end of the calendar year and must be renewed each year.

(3) *Application.* To register a dwelling unit used for short-term rentals, the property owner or agent of the owner shall, for each unit on the property and certify as true the following on a form provided by the city:

- (a) Name, address and telephone number of the local agent for the dwelling unit;
- (b) The street address of the dwelling unit, along with other identification if more than one dwelling unit has the same street address;
- (c) The number of bedrooms in each dwelling unit and in the dwelling as a whole;
- (d) The number of weeks the dwelling unit is available for short term rental each calendar year;
- (e) A statement certifying that the property owner or a local agent will provide at least one copy of the city's good visitor guideline materials to the renters each time the dwelling unit is rented;
- (f) A statement indicating which year the dwelling unit was first used as a short-term rental, and for how many weeks it was rented in the previous calendar year; and
- (g) Such other information as the city deems appropriate.

(4) *Regulations.*

- (a) *Local agent required.* All dwelling units used for short-term rentals shall have a designated local agent.
- (b) *Contact information posted.* A notice shall be posted in a prominent location within any dwelling unit used for short-term rentals stating (in at least 16-point type) the name of the local agent, a 24-hour telephone number with which the agent can be reached.
- (c) *Compliance with codes.* The dwelling unit must meet all applicable Residential Building, Health Department, Nuisance and Safety Codes.
- (d) *Noise and nuisance.* Noise during quiet hours must be limited to that which does not disturb the quiet, comfort or repose of a reasonable person of normal sensitivities. Quiet hours shall be from 11:00 p.m. to 7:00 a.m. The city's Noise Control Ordinance shall apply.
- (e) *Fireworks.* Fireworks of any kind are not allowed on rental property, except in accordance with the city's Fireworks Ordinance.

(f) *Maximum occupancy.* Short-term rentals shall be permitted maximum occupancy of 2 persons per bedroom as described in the registration and as may be verified by inspections from time to time; no rental shall be permitted more than 10 persons

(g) *Parking Restrictions.* Based on lot and neighborhood characteristics, the Zoning Administrator may place reasonable restrictions on the number and manner of vehicle parking.

(h) *Fee.* Short-term rentals shall pay a fee as City Council may, from time to time, establish by resolution, to account for costs related to the enforcement, community impact, and other customary fees and costs associated with short-term lodging which may already be allowed within the City.

(5) *Inspections and conditions.* Not less than once every other calendar year and/or upon written complaint, the Zoning Administrator may make periodic inspections of a short-term rental to ensure continuing compliance with the approval standards specified in this chapter. In addition, the Zoning Administrator may impose reasonable conditions on a registration issued under this chapter which are reasonably necessary to ensure compliance with the approval standards provided in this chapter.

(6) *Suspension or revocation of short term rental registration.*

(a) *Grounds for suspension or revocation.*

1. In addition to any other penalty authorized by law, a short term rental registration may be suspended or revoked if the Zoning Administrator finds by competent, material and substantial evidence and after written notice of the charges to the owner and an opportunity to be heard, that the licensee or his or her agents or employees has or have violated, or failed to fulfill, the requirements of any of the following:

- a. Any provision of this chapter;
- b. Title IX of this code of ordinances;
- c. Title XIII of this code of ordinances;
- d. Title V of this code of ordinances; and
- e. Any provision of this chapter or any permit or approval issued pursuant to this chapter.

2. The Zoning Administrator may find that the property owner and agent should not be held responsible for one or more of the three requisite violations due to extenuating circumstances. Extenuating circumstances may include circumstances that the owner or the owner's agent could not reasonably anticipate and prevent, and could not reasonably control.

(b) *Revocation procedure.* The written notice of the charges and the notice of the hearing shall be personally served on the owner or agent or served on the owner by certified mail, restricted delivery, no less than 21 days before the hearing before the Zoning Administrator.

1. Upon a finding by the Zoning Administrator of a first violation within any 12-month period, the short-term rental registration may be suspended for up to 30 days and during said time the premises shall not be utilized for a short-term rental.

2. Upon a finding by the Zoning Administrator of a second violation within any 12-month period, the short-term rental registration shall be suspended for 30 days and during said time the premises shall not be utilized for a short-term rental.

3. Upon a finding by the Zoning Administrator of a third violation within any 12-month period, the short-term rental registration shall be revoked and the owner or local agent who had been issued the short-term rental registration shall not again be issued a short-term rental registration for a period of 12 months and during said time the premises shall not be utilized for a short-term rental. Appeal from denial or suspension or revocation of a short-term rental registration is allowed.

(7) *Appeals.* Upon a determination by the Zoning Administrator that the registration of a dwelling unit is subject to revocation pursuant to division (C)(5) above, the Zoning Administrator shall issue a notice to the owner and agent stating that the city intends to revoke the rental registration. The notice shall inform the owner and local agent of a right to a hearing to show cause as to why the registration should not be revoked. If a hearing is requested within 14 days of the service of the notice, the city shall schedule the hearing before the Zoning Board of Appeals and notify the owner and agent in writing of a time and place for that hearing. At the hearing, the owner and agent may present evidence that the requirements for revocation provided in division (C)(5) above are not satisfied, or that the property owner and agent should not be held responsible for one or more of the three requisite violations due to

extenuating circumstances. Extenuating circumstances may include circumstances that the owner or the owner's agent could not reasonably anticipate and prevent, and could not reasonably control. The Zoning Board of Appeals shall independently determine whether there is competent, material and substantial evidence establishing a violation of this division (C), and/or whether there is competent, material and substantial evidence establishing that extenuating circumstances exist.

(8) *Implementation and Limitations.* Short-term rental properties duly registered with the City prior to July 1, 2019 shall have first-priority for all limitations contained herein. The City Council shall sell 110 transferable licenses. A license may be held on a property even if the property is not registered for use as a short-term rental; no property may be registered as a short-term rental unless there is a valid license in place for the property.

(a) Among the 110 licenses, preference for initial purchase shall be in the following order:

First, properties duly registered prior to July 1, 2019 and whose principle owner at the time of registration was and remains a person whose principle residence is in the City of Charlevoix and who can demonstrate rental history within the past calendar year.

Second, properties duly registered prior to July 1, 2019 but whose principle owner at the time of registration was not or is not currently a person whose principle residence is in the City of Charlevoix and who can demonstrate rental history within the past calendar year.

Third, properties duly registered prior to July 1, 2019 but which does not fall under either of the above categories.

Fourth, all other properties which might qualify for registration and licensing.

(b) City Council shall set a price for the initial sale of licenses. Licenses may be sold by the owner; new owners must comply with all obligations and regulations of this chapter. The City retains the first right of refusal to buy licenses when they are offered for sale.

(c) Persons whose principle residence is in the City of Charlevoix and who wish to use their principle residence as a short-term rental while living in the home, shall be exempt from an obligation to register or license the property.