



AGENDA
CITY OF CHARLEVOIX CITY COUNCIL WORK SESSION
Tuesday, January 14, 2020- 4:30 PM
Council Chambers, 210 State Street, Charlevoix, MI

- 1. Pledge of Allegiance**
- 2. Roll Call**
- 3. Presentations**
 - A. Discussion of Short Term Rentals
- 4. 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: Discussion of Short Term Rentals

DATE: January 14, 2020

PRESENTED BY: City Council

BACKGROUND:

Council decided to schedule a short-term rental work session in the next 30 days to clarify some of the matters we've already agreed to and there will be no alterations to a cap or further discussion of zones or districts for limiting short-term rentals.

The draft presented to you reflects staff understanding of the direction Council is seeking for the policy. Until you have finally approved the entire ordinance after a public hearing, this simply reflects your working draft. If you want additional information, please advise what you would like to have.

ATTACHMENTS:

- ▣ Short Term Rental Ordinance Draft

Section 1: Purpose

The City Council finds the rental of dwelling units in the City of Charlevoix provides value to our local economy but also brings with it negative externalities affecting the year-round quality of neighborhoods, housing supply, and health and safety. The City Council has enacted this regulatory ordinance to strike a regulatory balance between the interests of community residents, business owners, visitors, and property owners.

The community has different expectations for noise, occupant loads, and transient activity in its residential neighborhoods than it does in commercial, and even mixed-used zones where hotels are currently permitted. The renting of a home on a short-term basis is substantially more like a business than traditional residential use.

Section 2: Definitions

When used in this chapter, the following words and phrases shall have the meanings hereafter ascribed to them:

Basement: That portion of a building, which is more than 50% below finished grade. A basement shall not be counted as a story.

Bedroom: A room intended for sleeping or placement of a bed separated from other spaces in the dwelling unit by one or more functional doors. The following spaces must, which must be included in every dwelling unit, do not qualify as bedrooms: Kitchens, dining areas, gathering spaces such as living rooms, dens, family rooms and attics or basements without egress meeting standards in applicable building, residential and fire codes.

Business Unit: A zoning use consisting of a residential dwelling unit that may be rented for more than 28 interrupted days in a calendar year. Month to month or yearly rentals are not classified as a business unit per this ordinance.

Calendar year: January 1 to December 31

Dwelling Unit: A permanent building or structure providing complete independent living facilities used for a home or residence by one or more persons who maintain a household. Does not include Bed and Breakfasts, timeshare/fractional ownership, hotels and motels, and boarding houses.

Good Visitor Guide: Materials prepared by the City's Zoning Administrator for display at all short-term rentals.

Local Agent: An individual designated to oversee the STR of a dwelling unit in accordance with this article and to respond to calls and complaints 24/7 from renters, neighbors and the city's representatives.

Personal Unit: A zoning use consisting of a residential dwelling unit that may be rented for no more than a total of 28 days in a calendar year.

Short-term rental: The rental of a dwelling unit for compensation for a term of 1 to 29 interrupted or uninterrupted nights.

Section 3: Registration required

- (a) All dwelling units, except those which may be duly registered as a principle residence exemption, 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 advertisement or 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 December. When a Short-term rental property is sold, the license will expire at the end of year and is not transferable for future years. Licenses will revert back to the City after expiration and will be redistributed according to policy set by council.
- (b) The Zoning Administrator shall develop a form(s) to properly carry out this ordinance. The registration form shall collect not less than the following information and other items as the Zoning Administrator may deem effective for implementation of this ordinance:
- Name, address and telephone number of the property owner and/or local agent for the dwelling unit;
 - The street address of the dwelling unit, along with other identification if more than one dwelling unit has the same street address;
 - The number of bedrooms in each dwelling unit and in the dwelling as a whole;
 - The number of days the dwelling unit is available for short term rental each calendar year;
 - 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;
 - A statement indicating which year the dwelling unit was first used as a short-term rental, and for how many days it was rented in the previous calendar year; and
 - A list of all websites and other media where unit is advertised
- (c) There shall be a fee for registration collected at the time of registration. Council shall set a fee from time to time by resolution; such fee may vary depending on the type of property, dwelling, or other distinction Council may deem advisable.

Section 4: Types of Short Term Rentals

- (a) Personal units. Personal units may be rented up to 35 days per calendar year when the owner is not present or unlimited when the property owner is present and living on-site which shall not be capped in number across the City.
- (b) Business units. Business units may be rented without restriction on days rented per year and shall be capped at 100 across the City.

Section 5: Restrictions

- (a) Preference for registrations will be as follows:
- 1) 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.
 - 2) 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.
 - 3) Third, properties duly registered prior to July 1, 2019 but which does not fall under either of the above categories.

- 4) Fourth, all other properties which might qualify for registration and licensing.
- (b) The Zoning Administrator is empowered to develop a method for registration in accordance with this provision.
- (c) Short-term rental shall follow applicable regulations found within chapter 153 of the Charlevoix City Code.

Section 6: 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 **as necessary to protect and safety of occupants.**
- (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 **plus two persons per finished and legal floor for dwelling** as described in the registration and as may be verified by inspections from time to time; no rental shall be permitted for more than 10 persons **except those units in operation and registered with the City prior to July 1, 2019 which may have clearly indicated occupancy up to 16 but not exceeding two per bedroom plus two persons per finished and legal floor for dwelling.** No dwelling unit used as a short-term rental may be built or modified hereafter to exceed to limitation of 10 persons as described above.
- (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) *Advertising.* No person shall advertise a short-term rental, unless the advertisement includes the license number and the maximum occupancy permitted in the unit.
- (i) *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.
- (j) *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.

Section 7: Revocations and Appeals

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 **14** 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 15 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.

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, agent all property owners within 100 feet of the registered STR 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.