



AGENDA - Planning Commission/City Council Workshop

DATE: November 20, 2024 7:00 PM City Council
Chambers

- I. Call to Order
- II. Roll Call
- III. Approval of Meeting Minutes
 - I. Approval of August 26, 2024 Joint Meeting Minutes
- IV. Unfinished Business
- V. New Business
 - I. Short-Term Rental Ordinance Drafts
- VI. Public Comment
- VII. Adjournment

Public Comment: Public Comments are limited to three minutes.

Live Stream: The meeting will be livestreamed to the Official City of Grosse Pointe Park YouTube Channel.

Planning Commission & City Council MEETING -
August 26, 2024, 7:00 PM

CALL TO ORDER

Chair Coletta called the meeting to order at 7:00 PM.

ROLL CALL

PLANNING COMMISSION MEMBERS PRESENT: Evans, Stachecki, Vethacke, Hodges, and Chair Coletta

CITY COUNCIL MEMBERS PRESENT: Caulfield, Hodges, Wiener, McMillan, Kolar, and Dreaver

ALSO PRESENT: Nick Sizeland, City Manager; Warren Rothe, Secretary and Assistant City Manager; John Jackson, McKenna; Morgan McAtamney, City Attorney

NEW BUSINESS

DRAFT ZONING ORDINANCE REVIEW

John Jackson of McKenna delivered a presentation on the draft of the zoning ordinance and answered questions from the Council/Commissioners.

PUBLIC COMMENT

One public comment was given.

ADJOURNMENT

Motion by Wiener, seconded by Dreaver to adjourn the meeting.

The motion carried on a unanimous voice vote.

The meeting adjourned at 7:50 PM.



PLANNING COMMISSION/CITY COUNCIL MEETING

DATE: November 20, 2024

SUBJECT: Short-Term Rental Ordinance Drafts

SUMMARY: The following regulatory framework concerning short-term rental (STR) regulations in Grosse Pointe Park will be reviewed at the joint Planning Commission/City Council meeting.

Zoning Ordinance

- **Permitted Locations:** New STRs are limited to mixed-use zoning districts, while existing STRs in residential districts are grandfathered if they have a valid certificate of occupancy and landlord business license.
- **Classification:** STRs are categorized as either investor-owned or principal residence

Licensing Ordinance

- **Application Process:** Includes contact info, property details, a \$1,500 cash bond, and platforms used for bookings.
- **Inspection:** Annual inspections, with biannual renewal inspections available for compliant properties.
- **Operational Standards:** STRs must meet safety requirements, manage trash, and restrict commercial events. Occupancy limits are set, and records must be maintained.
- **Nuisance Plan:** Licensees must submit a Nuisance Response Plan detailing response procedures and contact information for complaints.
- **Enforcement:** Violations may result in penalties, with three violations leading to permanent license revocation.

Attached for your review are the following materials:

1. Memo from the City Attorney summarizing the matter of regulating short-term rentals.
2. Draft Zoning Ordinance Excerpt
3. Draft Licensing Ordinance
4. Presentation on the draft ordinances

FINANCIAL IMPACT: N/A

RECOMMENDATION: Review the Materials

PREPARED BY: Warren Rothe, Assistant City Manager



Daniel J. Kelly
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Nancy L. Olind
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November 14, 2024

City Council and Planning Commission
City of Grosse Pointe Park
15115 E. Jefferson Ave.
Grosse Pointe Park, MI 48230

Re: Short Term Rental Ordinance Memo

Dear City Council and Planning Commission:

Our office was asked to provide background on the regulation of short-term rentals in the State of Michigan. In recent years, there has been a significant amount of litigation involving local zoning ordinances and the regulation of short-term rentals. The primary cause of this is the recent boom in short term rentals through websites like AirBNB and VRBO and the lack of prior regulations of such uses.

The regulation of these uses in individual municipalities has primarily been delayed by proposed preemption legislation that would preempt local regulation of short-term rentals. Historically, these bills proposed an amendment of the Michigan Zoning Enabling Act (“MZEA”) which would preempt the regulation of short-term rentals on a local level. As a result, municipalities were hesitant to take the time to enact legislation to regulate short-term rentals lest those ordinances be later undermined by an amendment to the MZEA.

However, the most recent proposal regarding short-term rentals changed tactics. Specifically, earlier this year, House Bill 5438 was proposed which would not create a preemption via the MZEA. Rather, it allows local units of government to maintain authority to regulate short-term rentals and creates a statewide excise tax for the proceeds of short-term rentals. This bill was referred to the committee on local governments and municipal finance and has not been acted on.

As no action has been taken at the state level, guidance regarding the regulation of short-term rentals by local units of government comes solely from case law. Many of these cases are unpublished decisions which means that they do not have precedential value but can be used to persuade another judge.

The vast majority of these cases involve the regulation of short-term rentals by way of zoning regulations. Most of these cases have found that short-term rentals were not considered non-conforming uses of property in residential areas because they were prohibited under the previous iteration of the zoning

ordinance. For example, in *Reaume v. Township of Spring Lake*, 505 Mich. 1108 (2020)¹, the Court found that Spring Lake Township’s zoning ordinance specifically prohibited motels in the single family dwelling district and, as the short-term rental at issue in that case fit the definition of a motel, such a use was prohibited in the single family dwelling district under the previous iteration of the zoning ordinance and, therefore, could not be considered an existing non-conformity.

Similarly, in *People v. Dorr*, 2020 WL 6374724 (2020), St. Clair Shores brought misdemeanor charges against Defendant for violating the City’s zoning ordinance by allowing the operation of a short-term rental in a single-family residential zone. In that case, the court found that the use was not an existing non-conformity because he was operating a business² from his home. Specifically, the court found that the zoning ordinance specifically required any business use to be incidental to the principal use of the property as a personal residence. However, in that case the Defendant was still living in a portion of the property full time, and the court found that the “purpose of the business is identical, not incidental, to the principal use of the dwelling unit for dwelling purposes.”

The City’s current zoning ordinance does not contain any regulations regarding short-rentals. In similar situations, Courts have tended to find that short-term rentals, particularly short-term rentals in residential areas, are not existing non-conformities, and, therefore, are not afforded protection following an amendment to the zoning ordinance. For example, in *Mirabella v. Township of Atratin*, 2015 WL 3604735 (2015), the Au Train Township Zoning Board of Appeals expressly prohibited the use of residential properties as short-term rentals was prohibited under the zoning ordinance as the use of the property as a short-term rental was a commercial use rather than a residential use. Following that decision, the Township modified their Master Plan and required that all short-term rentals obtain a conditional use permit. In that case, the Court found that “the actions taken by the township did not rezone the property, but only allowed a new conditional use, which required its own permitting procedure” and that the changes did not result in any procedural due process violations against the individuals objecting to the change. The Court in that case agreed that any existing short-term rentals would have to apply for a conditional use permit under the revisions to the Master Plan.

Please do not hesitate to reach out should you have any questions or concerns.

Very truly yours,

THE KELLY FIRM, PLC

Morgan Martin

Morgan McAtamney Martin

¹ This is a published order of the Supreme Court of the State of Michigan which does have precedential value though it is only an order and not a full opinion.

² The short-term rental for which he was receiving income.



Section 3.13 Short-Term Rentals

- A) An Investor-Owned Short-Term Rental established in a Residential Zoning District prior to (effective date of zoning ordinance) shall be considered a legal nonconforming use and may continue and be maintained subject to Section 8.06 of this Ordinance if the property owner obtains a license for the use with the City in accordance with Code Sec. __ within 120 days of the adoption of this ordinance. For the purpose of this section, “established” shall mean the property possessed a valid Certificate of Occupancy and Landlord Business License at the time this ordinance was adopted.

- B) A Principal Residence Short-Term Rental established prior to (effective date of zoning ordinance) shall be considered a legal nonconforming use and may continue and be maintained subject to Section 8.06 of this Ordinance if the property owner obtains a license for the use with the City in accordance with Code Sec. __ within 120 days of the adoption of this ordinance. For the purpose of this section, “established” shall mean the property possessed a valid Certificate of Occupancy and Landlord Business License at the time this ordinance was adopted.

Sec 1 – Purpose

The purpose of this Article is to secure the public health, safety and general welfare of City residents and property owners as well as visitors to the City, by regulating short-term rental properties to prevent nuisances and safety hazards that interfere with City residents' or property owners' rights to conduct normal, daily activities without unreasonable interference and to provide safe and healthy living arrangements for visitors who rent property on a short-term basis.

Sec 2 – Definitions

As used in this Article, the following words and phrases shall have the meanings herein ascribed to them:

- a. *Booking transaction* means, any contractual agreement between a guest and an owner relative to a short-term rental.
- b. *Dwelling* means any house, room, or apartment which is wholly or partly used or intended to be used for living, sleeping, cooking, and eating.
- c. *License* means a short-term rental license issued by the City to the owner of a premises authorized to be used as a short-term rental. No licensee shall acquire by virtue of having been granted a license, a right of automatic renewal, nor shall any licensee have or acquire a property or liberty interest in or expectation of an initial or renewed license. All licenses terminate upon transfer of ownership, and may not be assigned, transferred, or hypothecated, in whole or in part.
- d. *Licensee* means the owner(s) holding a license.
- e. *Maximum Occupancy* means the maximum number of allowable occupants for the premises.
- f. *Nuisance* means an offensive, annoying, unpleasant, or obnoxious thing or practice, a cause or source of annoyance, especially a continuing or repeated invasion of any physical characteristics of activity or use across a property line which can be perceived by or affects an individual, or the generation of an excessive or concentrated effects from movement of people or things including but not limited to: noise; dust; smoke; odor; glare; fumes; flashes; vibration; objectionable effluent; noise from a congregation of people, particularly at night; passing traffic; or invasion of street frontage by traffic generated from an adjacent premises which lacks sufficient parking and vehicle circulation facilities.
- g. *Occupant*. Means a non-owner living in, sleeping in, or otherwise having possession of a premises.
- h. *Owner* means a person holding legal or equitable title to the premises. An owner may designate an agent to perform duties or receive notice under this Chapter.
- i. *Person* means any individual, company, partnership, corporation, limited liability company, trust or other entity having the legal capacity to own or lease real property. For the purpose of this Article, a parent company, holding company, subsidiary, ancillary or auxiliary company or any related entity shall be considered the same entity as their related entities.
- j. *Premises* means real property, and all fixtures and improvements, including the dwelling, located on it.
- k. *Platform* means one or more portals, listing services, or websites through which a person may collect or receive a fee, directly or indirectly, for facilitating booking

transactions. A platform shall include a service that merely posts advertisements for short-term rentals.

- l. *Rent or Rental* means to permit, provide for, or offer possession or occupancy of a dwelling on a premises on which the owner does not reside for a period of time to a person who is not the owner, pursuant to a written or unwritten agreement.
- m. *Short-term rental* means the rental or subletting of any dwelling on a premises for a term of 28 days or less.
- n. *Special Event Venue* means the place where a meeting or event of a specific type takes place and/or is held (i.e. – weddings, showers, and other parties/gatherings) that exceed the defined building/room capacity of the dwelling and/or structure.
- o. *Transfer of Ownership* has the meaning ascribed to it by MCL 211.27a or any subsequent sections or statutes of the same import.

Sec 3 – License Required

- a. *General Regulations*: It shall be unlawful for any person to offer any premises as a short-term rental or conduct or operate a short-term rental on any premises within the City without a short-term rental license issued by the City.
- b. *Specific Regulations*: Persons seeking to operate a short-term rental must be registered with and licensed by the City prior to the commencement of any short-term rental activity. All short-term rental operations shall comply at all times with the requirements of this Article.

Sec 4 – Exceptions

This Article shall not apply to the following:

- a. *Family Occupancy*. A member of the owner's family, as well as any guests of that family member, may occupy a premises as long as a member of that family retains ownership of the premises. The family occupancy exemption also exempts family occupancy of guest houses or similarly separate dwellings lawfully located on the same premises, when occupied by family guests, exchange students, visitors, medical caregivers, and child caregivers, without compensation to the owner.
- b. *House sitting*. During the temporary absence of the owner and the owner's family, the owner may permit non-owner occupancy without remuneration to the owner.
- c. *Dwelling sales*. Occupancy following closing by a prior owner after the sale of a premises for the length of time agreed to by the parties to the dwelling sale agreement.
- d. *Estate representative*. Occupancy by a personal representative, trustee, or guardian (including family members) of the estate of the owner, with or without compensation. The estate shall notify the City of the owner's name, date of death or incapacity, and name of the person occupying the premises.

Sec 5 – Licensing Procedure and Criteria

- a. Application

Applicants for a short-term rental license shall file an application to conduct a short-term rental operation with the City on a form provided by the City for that purpose. The application shall include the following:

Short Term Rental Ordinance Joint Meeting Draft

1. The name, mailing address, and phone number of the owner(s) of the premises to be licensed.
 2. The name, mailing address, and phone number of the applicant if different than the owner.
 3. A notarized letter of authorization from the owner to the applicant if the applicant is not the owner of the premises sought to be licensed.
 4. If the owner of the property is a corporate entity, the application must identify all current members and their percentage ownership interests in the corporation or other entity. If the property owner is a trust, the application must identify all beneficiaries and trustees of the trust.
 5. A description of the premises proposed to be used for short term rentals, including but not limited to:
 - a. Number of bedrooms
 - b. Number of bathrooms
 - c. Tax parcel ID number
 6. A non-refundable application fee in an amount set from time to time by resolution of the City Council or its designee. If a license is granted, the application fee will be applied towards payment of the license fee.
 7. A statement whether the applicant and/or property owner has ever been cited for a violation of this Article or had a short-term rental license revoked.
 8. A nuisance response plan containing the information required by this Article.
 9. All applicants selected to receive a license shall also file the following with the City prior to the issuance of the license:
 - a. A licensing fee in an amount set from time to time by the City Council or its designee.
 - b. A Cash Bond in the amount of \$1,500.00 which shall be held in escrow by the City while the rental license is active. The bond must be a cash bond in the form of a cashier's check and made payable to the City of Grosse Pointe Park. In the event the license is terminated without any finding of a violation under this Article, the bond shall be released to the Licensee in full, without interest. In the event the Licensee is found to be in violation of this Article, the City may declare the cash bond partially forfeited in the amount of the then outstanding violation. The bond may be reduced by \$500.00 for each successful license renewal completed at the close of a licensing period provided that no documented violations of this Article have occurred during that period. However, the bond shall not be reduced below a minimum amount of \$500.00, which must remain held by the City for the duration of the active license.
 - c. A list of platforms used to solicit booking transactions for the short-term rental unit, if any, shall be provided. At the time of license approval, renewal, or upon request by the City, an updated list of platforms along with corresponding printouts of URLs advertising the short-term rental shall be submitted.
- b. Inspections
1. Upon receiving a complete license application, the City will schedule an inspection of the premises with the City Building Inspector. The Building

Inspector will visit the premises and assess its fitness and safety for short-term rental operations using the standards contained in this Article and those required to obtain a Certificate of Occupancy pursuant to the City Code.

2. Each licensed premises shall undergo an annual inspection at the time of the initial application and at each subsequent renewal. An inspection fee shall be charged in an amount determined by the City Council from time to time. Properties renewing their license may qualify for an extended inspection period of twenty-four-months if they meet all of the following conditions:
 - i. The property must have successfully renewed its license prior to its expiration for two consecutive years.
 - ii. The property must not have had more than one documented violation during the previous licensing period.
 - iii. No appearance tickets or enforcement letters must have been issued during the expiring licensing period.
 - iv. Any violations from the previous inspection cycle, must have been resolved in a timely manner.

c. License Duration and Limitations

1. The owner(s) of the premises described in the application shall be the only permitted short-term rental licensee but may designate a local agent for purposes of receiving notices under this Article and shall do so if required by Section 6(b) of this Article. In the event a local agent is designated by the owner of the premises, the owner shall provide the City with the name, address, telephone number, and email address of the local agent at the time of the submission of an application.
2. Licenses issued under this Article shall remain in effect for a period of one year from the date it was issued unless it is suspended or revoked by the City. Renewals shall be obtained in the same or substantially similar form and manner as the initial license.
3. Licenses are, non-transferrable, non-assignable and remain the sole property of the City. A license shall terminate upon a transfer of ownership of the property. In such cases, the existing short-term rental license is terminated, and a new short-term rental license must be obtained by the new owner of the property before short-term rentals may be resumed.

Sec 6 – Short-Term Rental Regulations

Premises licensed for short-term rentals under this Article shall comply at all times with all of the following requirements:

- a) No licensee shall advertise a short-term rental unit, unless the advertisement includes the licensee's license number and the maximum occupancy permitted in the unit. If a licensee chooses to advertise the short-term rental online (for instance on Airbnb, VRBO, or a similar website) the license holder shall post their short-term rental license number within the listing.
- b) Licensees must be available to receive notices and respond to complaints from neighbors or the City 24 hours per day, 7 days per week. Licensees who do not reside permanently in Wayne County or who do not maintain a permanent business location in

Wayne County shall designate in writing to the City, as part of its application, the name, physical address, phone number(s), fax number (if available) and email address of a local agent. Notwithstanding the local agent's actual authority, the local agent shall be deemed to be the licensee's authorized agent for purposes of serving notice under this Article, including service of a civil infraction citation.

- c) The address of the premises must be prominently displayed inside the main area of the dwelling so that occupants will have it available in case of an emergency,
- d) The licensee's name, address, phone number(s) and email address must be displayed prominently in the main part of the dwelling, along with the name, address, phone number(s), fax number and email address of a designated local agent, if any, and supplied in writing to all persons who rent the premises.
- e) Fire extinguishers, smoke detectors and carbon monoxide detectors adequate for the dwelling, as determined by the City Building Inspector as part of the inspection of the premises, shall be provided, properly mounted and kept fully charged and in good working order at all times. Notwithstanding any inspection by the City building inspector, the fire inspector may inspect any building pursuant to the City Code.
- f) Dwellings may not be sublet by any tenant of the licensee.
- g) The licensee shall provide secure trash receptacles and must make those receptacles accessible by weekly trash removal services for occupants' use. Receptacles must be designed to prevent intrusion by animals and to ensure proper trash removal from the premises. Permanent commercial dumpsters are not allowed on any premises used for short-term rentals. All garbage, rubbish, recyclables, and yard waste must comply with Chapter 34 of the City Code, including but not limited to standards for container storage and collection.
- h) One off-street parking space per four occupants must be provided. Renters are required to park in the provided off-street spaces.
- i) All short-term rentals shall be for the purposes of renting as a temporary dwelling only and may not include any commercial activities such as yard sales, festivals, retreats, class reunions, home occupations or similar uses. Short-term rentals shall not be marketed or used as a special event venue.
- j) The number of occupants in a dwelling unit during a short-term rental shall not exceed the lesser of two (2) occupants per bedroom plus two (2) additional occupants, or the occupancy limitations set forth in Section 404 of Chapter 4 of the International Property Maintenance Code. Maximum Occupancy shall be calculated by the City.
- k) Licensees must maintain records of all bookings and rental activity. Such records shall include the actual dates of occupancy, and the total number of guests per party per stay. The licensee must submit these records at time of license renewal and shall provide them to the City upon request.

Sec 7 – Nuisance Prohibited

Licensed premises shall be maintained free from any nuisance. The use of any licensed premises under this Article in the creation of any nuisance is strictly prohibited and constitutes a violation of this Article. In the event the City is notified of any nuisance emanating from a licensed premises, the City will follow the enforcement provisions set forth in Sec 11 below.

Sec 8 – Licensee Responsibility

The licensee and/or the licensee's local agent shall be responsible for remedying any violations of this Article, or any violation of State law or City Code, including, but not limited to, any violations by the occupants of a short-term rental and/or guests of such occupants. For any violation of the foregoing provisions of the City Code, the City may (in addition to other remedies) notify the licensee and/or local agent of such violation by telephone or return receipt email at the phone number and email address posted on the interior notice or supplied in the licensee's application. The licensee and/or local agent shall be considered to have received notice of the violation upon receiving the telephone call or when a return receipt email message is received by the City, whichever is soonest. Upon receiving notice of the violation, the licensee and/or local agent shall ensure that the violation is remedied within two (2) hours of receipt of such notice. Failure to remedy the violation within two (2) hours after receiving notice of the violation, without good cause, shall constitute a material violation of this Article and may subject the licensee to a municipal civil infraction citation and court enforcement proceedings and the penalties imposed by law. Nothing in this Section limits the City or its authorized designee's right or ability to enforce violations of the City Code against occupants.

Sec 9 – Nuisance Response Plan

- a) Content of Nuisance Response Plans. Each nuisance response plan accompanying an application for a license required by this Article shall contain the following information and otherwise be in a form required by the City:
 - a. The mailing address and telephone number of the owner or owners of the property to be used as a short-term rental.
 - b. The name, address, and telephone number of the person or persons who will be available by telephone, and who will be responsible for promptly responding to or causing a prompt response to a nuisance complaint arising out of the occupancy or use of the short-term rental unit by tenants, their visitors, and/or their guests.
 - c. The manner of responding to or causing a response to a nuisance complaint, including but not limited to the manner in which the complainant or complainants will be notified of the response and the method of documenting prompt responses and timely corrective action.
 - d. The manner of assuring timely corrective action to remedy the conditions that caused the nuisance complaint.
 - e. The proposed maximum number of overnight occupants, with supporting documentation identifying unusual size, interior layout, parking or other physical characteristics, if any.
 - f. The number of off-street parking spaces and number of bedrooms available at the short-term rental.
- b) Amendment of Nuisance Response Plans. At any time following the issuance of a license required by this Article, the owner or owners of a short-term rental being operated pursuant to such license may change the content of the nuisance response plan approved incident to the issuance of the license by filing an amended response plan with the Building Department. Such amended response plan shall contain all of the information required by subsection (a) and shall be accompanied by an amended response plan fee in an amount established by resolution of the City Council.
- c) Notice of Nuisance Response Plan. Promptly following the approval and issuance of a license required by this Article, or the approval of an amended response plan in the

manner provided for by this Article, the Building Department shall cause notice of the availability of the nuisance response plan provided to the City by the licensee to be:

- a. Mailed by first class mail addressed to the owner or occupant of every property, any part of which is located within a 300-foot radius of the property that is to be used and occupied as a short-term rental; and
- b. Posted on the city's internet website for short-term rental nuisance response plans, so that all such plans are available to all members of the public on the city's website.

Sec 10 – Violations and Penalties.

- a. Violation. A violation of this Article is hereby declared to be a public nuisance and a nuisance per se and is declared to be offensive to the public health, safety, and welfare.
- b. Penalties. Any person who violates any provision of this Article shall be responsible for a municipal civil infraction and shall be subject to the penalties or sanctions stated in this subsection, plus the costs of attorney fees of the City in the enforcement. In addition, this Article shall be specifically enforceable by order of the Court to prohibit or enjoin future activities on or about the premises in violation of this Article. Each day this Article is violated shall be considered as a separate violation:
 - a. First and Second Violations: Fine in the amount as established by resolution of the City Council.
 - b. Third Violation: A fine in the amount as established by resolution of the City Council and the permanent revocation of license. A person whose license has been revoked is ineligible to apply for or receive a license in the future. Appeal from revocation of a short-term license is allowed pursuant to the terms of this section.
- c. Revocation Appeal Procedure. Upon a finding by the City Code Enforcement Officer or his or her Designee of a third violation, the City Code Enforcement Officer or his or her Designee shall prepare or cause to be prepared a written notice specifying the alleged violation and the factual basis for this belief and a statement that the City intends to revoke the license within 14 days.
 - a. The written notice shall inform the licensee of a right to an appeal hearing to show cause as to why the license should not be revoked by filing with the City Clerk a written notice of appeal within 14 days of service of the written notice by the City Code Enforcement Officer or his or her designee.
 - b. If an appeal hearing is requested within 14 days of service of the written notice, the City Clerk shall refer a copy of this notice and the request for appeal hearing to an appeals panel consisting of the City Manager or their designee, Director of Public Safety or their designee, and the Chair of the Planning Commission or their designee. Upon receipt of the written notice and request for appeal, the City Clerk shall confer with the appeals panel to schedule a hearing. The hearing shall be held as soon as practical, but not later than 10 business days after the filing of the notice of appeal with the City Clerk. The hearing provided for shall be conducted by the appeals panel.
 - c. Written notice of the appeal hearing including the time, date, and place of the hearing shall be served on the licensee or the licensee's designated agent either personally or by certified mail, restricted delivery and return receipt requested.

- d. At the hearing, the licensee shall be given an opportunity to present evidence and legal arguments. The licensee may also be represented by an attorney, and the appeals panel may request the assistance of the City Attorney. The appeals panel's decision shall be in writing and shall specify the factual evidence upon which it is based and shall be a final decision. A copy of the appeals panel's written decision shall be provided to the licensee.

Sec 11 – Enforcement

- a. The Code Enforcement Officer or his or her designee, any police officer having jurisdiction in the City, and other person as may be appointed from time to time by the City Council are hereby designated as the authorized local officials to issue municipal civil infraction citations for violation of this Article.
- b. In addition to enforcing this Article through the use of a municipal civil infraction proceeding, the City may initiate proceedings in the Municipal Court to abate or eliminate the nuisance per se or any other violation of this Article.
- c. The remedies provided in this Article are cumulative and the City's exercise of one remedy shall not bar the exercise of other remedies available to it.

Short-Term Rental Workshop

Timeline

1. **August 14, 2023** – The topic and need to craft regulations involving short-term rentals is introduced at the City Council meeting.
2. **November 8, 2023** – The Planning Commission held its initial meeting to discuss a proposed ordinance aimed at regulating short-term rentals.
3. **April 22, 2024** – Short-term rentals were reviewed again by the Commission. At this meeting, the framework for a licensing ordinance (or “police-power” ordinance) and proposed zoning ordinance language was formally introduced. The zoning regulations proposed that short-term rentals be permitted in certain zoning districts.
4. **June 17, 2024** – Revised zoning regulations were reviewed, introducing the concept of grandfathering. This approach would allow certain existing short-term rentals in residential districts to continue operating, while new short-term rentals in residential areas would be allowed only as a special land use.
5. **July 22, 2024** – The Commission reviewed updated zoning ordinance language and a new draft of the licensing ordinance. During this meeting, consensus was reached to eliminate the special land use provision for new short-term rentals in residential districts. City Administration was also tasked with examining Airbnb listings to provide additional insights for the Commission.
6. **October 21, 2024** – City Administration presented findings from the Airbnb listings review to the Commission. The Commission then reviewed the public hearing draft of the zoning ordinance and scheduled a public hearing for December 2, 2024.
7. **November 20, 2024** – A joint workshop with the City Council and Planning Commission is scheduled to review the latest zoning and licensing ordinances concerning short-term rentals.

Regulatory Framework

- Zoning Ordinance – Where are short-term rentals allowed?
- Licensing Ordinance – How are they regulated?



Zoning Ordinance

- Allows for new short-term rentals **only** in mixed use zoning districts.
- Grandfathers existing short-term rentals that were operating with a valid certificate of occupancy and landlord business license in the residential districts. (See image to the right)

Section 3.13 Short-Term Rentals

- A) An Investor-Owned Short-Term Rental established in a Residential Zoning District prior to (effective date of zoning ordinance) shall be considered a legal nonconforming use and may continue and be maintained subject to Section 8.06 of this Ordinance if the property owner obtains a license for the use with the City in accordance with Code Sec. __ within 120 days of the adoption of this ordinance. For the purpose of this section, "established" shall mean the property possessed a valid Certificate of Occupancy and Landlord Business License at the time this ordinance was adopted.
- B) A Principal Residence Short-Term Rental established prior to (effective date of zoning ordinance) shall be considered a legal nonconforming use and may continue and be maintained subject to Section 8.06 of this Ordinance if the property owner obtains a license for the use with the City in accordance with Code Sec. __ within 120 days of the adoption of this ordinance. For the purpose of this section, "established" shall mean the property possessed a valid Certificate of Occupancy and Landlord Business License at the time this ordinance was adopted.

Zoning Ordinance Classifications

- **Short-Term Rental, Investor Owned:** A premises that is not the Principal Residence of the owner and where all or part of the on-premises dwelling is rented as a short-term rental.
- Existing Investor-Owned short-term rentals with a valid business license and Certificate of Occupancy are grandfathered in residential districts.
- New Investor-Owned short-term rentals are **only** allowed in mixed-use zoning districts.
- **Short-Term Rental, Principal Residence:** A premises whose owner is the Permanent Resident and operates a short-term rental on the premises.
- Existing Principal Residence short-term rentals with a valid business license and Certificate of Occupancy are grandfathered in residential districts.
- New Principal Residence short-term rentals are **not** allowed in residential districts.

Licensing Ordinance

- The purpose of this ordinance is to regulate short-term rental properties in Grosse Pointe Park to protect public health, safety, and welfare. The ordinance ensures that short-term rentals operate in a way that does not disrupt neighborhood peace and are safe for renters. This ordinance sets forth standards for licensing, property maintenance, and community responsibility, addressing resident concerns about potential nuisances and impacts of short-term rentals on neighborhood quality of life.

Section 2: Definitions

- *Short-term rental* means the rental or subletting of any dwelling on a premises for a term of 28 days or less.
- *Maximum Occupancy* means the maximum number of allowable occupants for the premises.
- *License* means a short-term rental license issued by the City to the owner of a premises authorized to be used as a short-term rental. No licensee shall acquire by virtue of having been granted a license, a right of automatic renewal, nor shall any licensee have or acquire a property or liberty interest in or expectation of an initial or renewed license. All licenses terminate upon transfer of ownership, and may not be assigned, transferred, or hypothecated, in whole or in part.
- *Transfer of Ownership* has the meaning ascribed to it by MCL 211.27a or any subsequent sections or statutes of the same import.
- *Rent or Rental* means to permit, provide for, or offer possession or occupancy of a dwelling on a premises on which the owner does not reside for a period of time to a person who is not the owner, pursuant to a written or unwritten agreement.

Section 3: License Required

- a. General Regulations:* It shall be unlawful for any person to offer any premises as a short-term rental or conduct or operate a short-term rental on any premises within the City without a short-term rental license issued by the City.
- b. Specific Regulations:* Persons seeking to operate a short-term rental must be registered with and licensed by the City prior to the commencement of any short-term rental activity. All short-term rental operations shall comply at all times with the requirements of this Article.

Section 4: Exceptions

- This Article shall not apply to the following:
 - a. *Family Occupancy*. A member of the owner's family, as well as any guests of that family member, may occupy a premises as long as a member of that family retains ownership of the premises. The family occupancy exemption also exempts family occupancy of guest houses or similarly separate dwellings lawfully located on the same premises, when occupied by family guests, exchange students, visitors, medical caregivers, and child caregivers, without compensation to the owner.
 - b. *House sitting*. During the temporary absence of the owner and the owner's family, the owner may permit non-owner occupancy without remuneration to the owner.
 - c. *Dwelling sales*. Occupancy following closing by a prior owner after the sale of a premises for the length of time agreed to by the parties to the dwelling sale agreement.
 - d. *Estate representative*. Occupancy by a personal representative, trustee, or guardian (including family members) of the estate of the owner, with or without compensation. The estate shall notify the City of the owner's name, date of death or incapacity, and name of the person occupying the premises.

Section 5: Licensing Procedure and Criteria

Subsection A - Application

- Subsection A outlines the application requirements for obtaining a short-term rental license. To apply, property owners must submit a completed application on a form provide by the City. The application includes:
 - Contact Information
 - Property Description
 - Violation History
 - Nuisance Response Plan
 - Cash Bond of \$1,500
 - List of platforms used to solicit booking transactions

Section 5: Licensing Procedure and Criteria

Subsection B - Inspections

- An inspection will be conducted annually with the initial issuance of a license and with each renewal.
- Properties renewing their license may qualify for an extended inspection period of twenty-four months if they meet the following conditions:
 - i. The property must have successfully renewed its license prior to its expiration for two consecutive years.
 - ii. The property must not have had more than one documented violation during the previous licensing period.
 - iii. No appearance tickets or enforcement letters must have been issued during the expiring licensing period.
 - iv. Any violations from the previous inspection cycle, must have been resolved in a timely manner.

Section 5: Licensing Procedure and Criteria

Subsection C – License Duration and Limitations

- Licenses are valid for one year unless suspended or revoked by the City. Renewals shall be obtained in the same or substantially similar form and manner as the initial license.
- Licenses are, non-transferrable, non-assignable and remain the sole property of the City. A license shall terminate upon a transfer of ownership of the property. In such cases, the existing short-term rental license is terminated, and a new short-term rental license must be obtained by the new owner of the property before short-term rentals may be resumed.

Section 6: Short-Term Rental Regulations

- **Advertising Requirements** - Licensees must display their license number and maximum occupancy in all short-term rental advertisements, including online listings.
- **Owner of Agent Availability** - Licensees must be reachable 24/7 to respond to complaints. Owners who do not reside in Wayne County must designate a local agent to act on their behalf.
- **Information Display Inside the Rental** – The property address must be prominently displayed along with contact details for the owner and/or agent.

Section 6: Short-Term Rental Regulations

- **Safety Requirements** - The rental must have fire extinguishers, smoke detectors, and carbon monoxide detectors in working order.
- **Subletting Prohibited** – Tenants are not allowed to sublet the rental property
- **Trash Management** - Secure trash receptacles must be available and regularly serviced, with compliance to City standards for container storage and collection.
- **Parking Requirements** – One off-street parking space is required for every four occupants. Occupants must park in provided parking spaces.

Section 6: Short-Term Rental Regulations

- **Commercial Use Restrictions** - Rentals may not host commercial events (e.g., weddings, reunions) and must be used strictly as temporary dwellings.
- **Occupancy Limits** - Maximum occupancy is limited to two occupants per bedroom plus two additional people, or as determined by City code.
- **Recordkeeping** - Licensees must keep records of all bookings, including occupancy dates and guest numbers, and provide these records upon renewal or request.

Section 7: Nuisance Prohibited

- 1. Nuisance-Free Requirement** - Short-term rental properties must be maintained in a manner that avoids creating nuisances, defined broadly to include any disturbance or condition impacting public health, safety, and welfare.
- 2. Prohibition on Nuisance Creation** - The ordinance explicitly prohibits using a licensed short-term rental property in any way that generates a nuisance. This includes both actions by tenants and the property owner.
- 3. Enforcement of Nuisance Violations**
 1. If the City is notified of a nuisance at a licensed rental property, it will follow the enforcement procedures outlined in Section 11.
 2. Enforcement actions may include issuing citations, fines, or other corrective measures to address and resolve the nuisance.
- 4. Violations as Grounds for Further Penalties** - Nuisance violations contribute to an owner's record and may lead to more severe penalties, including potential revocation of the short-term rental license as outlined in the ordinance.

Section 8: Licensee Responsibility

- Licensees (property owners) or designated agents are responsible for addressing violations of the ordinance, City Code, or state law.
- Responsibility includes remedying any violations caused by guests or visitors.
- When notified by the City of a violation, the licensee or agent must resolve the issue within two hours.
- Failure to address the violation promptly, without good cause, is considered a serious offense.
- Violations may result in civil infraction citations and further legal enforcement.

Section 9: Nuisance Response Plans

Section 9 requires all short-term rental license applicants to submit a *Nuisance Response Plan* detailing how they will address complaints and prevent nuisances. This plan must include:

- 1. Owner and Contact Information:** Names, mailing addresses, and phone numbers of the owner(s) and designated individuals responsible for promptly responding to nuisance complaints.
- 2. Response Procedures:** A clear procedure for responding to complaints, including how the complainant will be informed of corrective actions and methods for documenting responses and resolutions.
- 3. Occupancy and Parking Information:** Details on maximum overnight occupancy, based on unique property characteristics, and the number of off-street parking spaces available.

Section 10 & 11: Violations, Penalties and Enforcement

- Section 10 establishes violations of the Article as a municipal civil infraction. Three violations triggers the permanent revocation of the license.
- There is an appeal procedure for license revocations.
- Section 11 empowers the Code Enforcement Officer or his or her designee, any police officer having jurisdiction in the City, and other person as may be appointed by the City Council are hereby designated as the authorized local officials to issue municipal civil infraction citations.
- The City may initiate proceedings in the Municipal Court to abate or eliminate nuisances and violations of the ordinance.