

WATCH MUSKEGON

Agenda Item Review Form Muskegon City Commission

Commission Meeting Date: October 8, 2024	Title: Creation of a short-term rental ordinance							
Submitted by: Mike Franzak, Planning Director	Department: Planning							
<p>Brief Summary: Staff-initiated request to amend Section 2314 of the zoning ordinance to create a short-term rental ordinance.</p>								
<p>Detailed Summary & Background: The ordinance uses an overlay district approach, splitting the city up into 11 different zones. These zones match the City of Muskegon census tracts. Census tract information was used to determine the number of housing units in each zone. Each zone would be allowed up to 4% of the housing units as short-term rentals. Areas within the Downtown Development Authority and Lakeside Business Improvement District/Corridor Improvement Authority boundaries would be exempt from the cap on the number of units. There would be no limit to the amount of short-term rentals in these areas.</p> <p>Please see the enclosed Short-Term Rental Chart that depicts the number of units and short-term rentals in each zone. At 4% of the units, Zone 1 would be over the limit by 39 short-term rentals. No new short-term rentals would be allowed in Zone 1 until the number of short-term rentals dropped below 34.</p> <p>The Planning Commission held a public hearing on this request at a special meeting on Thursday, September 26. The Planning Commission unanimously (5-0, with 4 members absent) voted to recommend approval of the short-term rental ordinance, with the following conditions:</p> <ol style="list-style-type: none"> 1. Amend Section 1(c) - exemptions - to also include the Lakeside Corridor Improvement Authority along with the Lakeside Business Improvement District. 2. Remove Section 4 that would allow the transferring of licenses. <p>These conditions have been reflected in the attached ordinance. The redline version depicts the changes that the Planning Commission have requested.</p>								
<p>Goal/Focus Area/Action Item Addressed:</p> <p>Key Focus Areas:</p> <p>Goal/Action Item: 2027 Goal 2: Economic Development Housing and Business</p>								
<p>Amount Requested: N/A</p>	<p>Budgeted Item:</p> <table border="1"> <tr> <td>Yes</td> <td></td> <td>No</td> <td></td> <td>N/A</td> <td>X</td> <td></td> </tr> </table>	Yes		No		N/A	X	
Yes		No		N/A	X			

Fund(s) or Account(s): N/A	Budget Amendment Needed:					
	Yes		No		N/A	X

Recommended Motion:
I move to approve the request to amend Section 2314 of the zoning ordinance to create a short-term rental ordinance as presented.

Approvals:			Guest(s) Invited / Presenting:		
Immediate Division Head	X		No		
Information Technology					
Other Division Heads					
Communication					
Legal Review	X				

Census Tract	Housing Units	STR's	Percentage of Units	Number of Additional STR's to get to 4%	Total STR's Allowed at 4%	Number of Additional STR's to get to 3%	Total STR's Allowed at 3%
1 (Beachwood/Bluffton)	861	73	8.4%	-39	34	-48	25
2 (Lakeside/West Glenside)	1724	61	3.5%	7	68	-10	51
3 (Nims)	1514	27	1.7%	33	60	18	45
4 (Campbell Field/East Glenside)	1758	5	0.002%	65	70	47	52
5 (Downtown/North Nelson/Jackson Hill)	1992	5	0.002%	74	79	54	59
6 (South Nelson)	643	0	0%	25	25	19	19
7 (Angell/Marsh Field)	2023	4	0.002%	76	80	56	60
8 (Angell)	1256	0	0%	50	50	37	37
9 (Marquette/East of 31)	2392	1	0.0004%	94	95	70	71
10 (Oakview/Sheldon Park/Oakview)	1939	1	0.0005%	76	77	57	58
11 (East Muskegon)	346	0	0%	13	13	10	10

DRAFT

Short-Term Rental Zones



Ordinance as recommended by Planning Commission:

Section 2314: Short-Term Rental Overlay District

A Short-Term Rental Overlay District is hereby created as outlined in Figure 23-3. Within said overlay district, a certain number of short-term rentals are licensed in each zone pursuant to City Code Sections 10-353 through 10-379. The zones were created using census tract information and will be periodically reviewed to ensure that this ordinance reflects the appropriate balance of short-term rentals among other use types.

1. Overlay District:

- a. Location: See Figure 23-3 for the location of the overlay district, which is separated into 11 different zones, each allowing their own maximum number of short-term rentals.
- b. Number of short-term rentals allowed per zone. A short-term rental must be located in a unit designated for residential use. The number of short-term rentals allowed in each zone is as follows:

Zone 1 – 34

Zone 2 – 68

Zone 3 – 60

Zone 4 – 70

Zone 5 – 79

Zone 6 – 25

Zone 7 – 80

Zone 8 – 50

Zone 9 – 95

Zone 10 – 77

Zone 11 – 13

- c. Exemptions: Properties located within the Downtown Development Authority, ~~and~~ Lakeside Business Improvement District, and Lakeside Corridor Improvement Authority boundaries are exempt from this ordinance. There are no maximum number of short-term rentals allowed within these areas.

2. Restrictions:

- a. Neighboring properties: No parcel within the City shall have more than two short-term rentals abut its property lines.

3. Issuance of licenses:

- a. All short-term rentals must be issued a short-term rental license to operate within the city.

- b. Upon adoption of this ordinance, all active short-term rental license holders in good standing with the city will be allowed to continue to operate their short-term rental as long as they continue to renew their short-term rental license.
- c. Remaining licenses. If any licenses are remaining in a zone, applications for short-term rental licenses will be taken on a first come, first serve basis.

~~4. Transferring of licenses:~~

- ~~a. Any person purchasing a property that has an active short-term rental license will have the opportunity to apply for that particular license. The new applicant will have up to 30 days to apply with the Inspections Department for the short-term rental license at that particular address.~~

CITY OF MUSKEGON
MUSKEGON COUNTY, MICHIGAN

ORDINANCE NO. _____

An ordinance to amend Section 2314 of the zoning ordinance to create a short-term rental ordinance.

THE CITY COMMISSION OF THE CITY OF MUSKEGON HEREBY ORDAINS:

Section 2314: Short-Term Rental Overlay District

A Short-Term Rental Overlay District is hereby created as outlined in Figure 23-3. Within said overlay district, a certain number of short-term rentals are licensed in each zone pursuant to City Code Sections 10-353 through 10-379. The zones were created using census tract information and will be periodically reviewed to ensure that this ordinance reflects the appropriate balance of short-term rentals among other use types.

1. Overlay District:

- a. Location: See Figure 23-3 for the location of the overlay district, which is separated into 11 different zones, each allowing their own maximum number of short-term rentals.
- b. Number of short-term rentals allowed per zone. A short-term rental must be located in a unit designated for residential use. The number of short-term rentals allowed in each zone is as follows:

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- c. Exemptions: Properties located within the Downtown Development Authority, ~~and~~ Lakeside Business Improvement District, and Lakeside Corridor Improvement Authority boundaries are exempt from this ordinance. There are no maximum number of short-term rentals allowed within these areas.

2. Restrictions:

- a. Neighboring properties: No parcel within the City shall have more than two short-term rentals abut its property lines.

3. Issuance of licenses:

- a. All short-term rentals must be issued a short-term rental license to operate within the city.

- b. Upon adoption of this ordinance, all active short-term rental license holders in good standing with the city will be allowed to continue to operate their short-term rental as long as they continue to renew their short-term rental license.
- c. Remaining licenses. If any licenses are remaining in a zone, applications for short-term rental licenses will be taken on a first come, first serve basis.

4. ~~Transferring of licenses:~~

~~a. Any person purchasing a property that has an active short-term rental license will have the opportunity to apply for that particular license. The new applicant will have up to 30 days to apply with the Inspections Department for the short-term rental license at that particular address.~~

This ordinance adopted:

Ayes: _____

Nays: _____

Adoption Date: _____

Effective Date: _____

First Reading: _____

Second Reading: _____

CITY OF MUSKEGON

By: _____
Ann Meisch, MMC, City Clerk

CERTIFICATE

The undersigned, being the duly qualified clerk of the City of Muskegon, Muskegon County, Michigan, does hereby certify that the foregoing is a true and complete copy of an ordinance adopted by the City Commission of the City of Muskegon, at a regular meeting of the City Commission on the 8th day of October 2024, at which meeting a quorum was present and remained throughout, and that the original of said ordinance is on file in the records of the City of Muskegon. I further certify that the meeting was conducted and public notice was given pursuant to and in full compliance with the Michigan Zoning Enabling Act, Public Acts of Michigan No. 33 of 2006, and that minutes were kept and will be or have been made available as required thereby.

DATED: _____, 2024.

Ann Meisch, MMC

Clerk, City of Muskegon

Publish: Notice of Adoption to be published once within ten (10) days of final adoption.

CITY OF MUSKEGON
NOTICE OF ADOPTION

Please take notice that on October 8, 2024, the City Commission of the City of Muskegon adopted an ordinance to regulate short-term rentals.

Copies of the ordinance may be viewed and purchased at reasonable cost at the Office of the City Clerk in the City Hall, 933 Terrace Street, Muskegon, Michigan, during regular business hours.

This ordinance amendment is effective ten days from the date of this publication.

Published _____, 2024.

CITY OF MUSKEGON

By _____

Ann Meisch, MMC

City Clerk

PUBLISH ONCE WITHIN TEN (10) DAYS OF FINAL PASSAGE.

Account No. 101-80400-5354

WATCH MUSKEGON

Agenda Item Review Form Muskegon City Commission

Commission Meeting Date: October 8, 2024	Title: Amendment to the zoning ordinance - definition of short-term rental							
Submitted by: Mike Franzak, Planning Director	Department: Planning							
Brief Summary: A definition for short-term rental in the zoning ordinance is necessary for the creation of a short-term rental ordinance.								
Detailed Summary & Background: Proposed definition: Short-Term Rental - A property in which a tenant is allowed to lease the dwelling unit, without a host, for periods of less than 28 days but more than 24 hours in return for remuneration. A rental in which the host resides on premises shall not be considered a short-term rental, but shall still register with the city. The Planning Commission unanimously (5-0, with 4 members absent) voted to recommend approval of the definition of short-term rental.								
Goal/Focus Area/Action Item Addressed: Key Focus Areas: Goal/Action Item: 2027 Goal 2: Economic Development Housing and Business								
Amount Requested: N/A	Budgeted Item: <table border="1" data-bbox="846 1457 1549 1514"> <tr> <td>Yes</td> <td></td> <td>No</td> <td></td> <td>N/A</td> <td>X</td> <td></td> </tr> </table>	Yes		No		N/A	X	
Yes		No		N/A	X			
Fund(s) or Account(s): N/A	Budget Amendment Needed: <table border="1" data-bbox="846 1583 1549 1640"> <tr> <td>Yes</td> <td></td> <td>No</td> <td></td> <td>N/A</td> <td>X</td> <td></td> </tr> </table>	Yes		No		N/A	X	
Yes		No		N/A	X			
Recommended Motion: I move to approve the request to amend Article II of the zoning ordinance to create a definition for short term rental as proposed.								
Approvals: <table border="1" data-bbox="115 1856 813 1948"> <tr> <td>Immediate Division Head</td> <td>X</td> <td></td> </tr> </table>	Immediate Division Head	X		Guest(s) Invited / Presenting: No				
Immediate Division Head	X							

Information Technology		
Other Division Heads		
Communication		
Legal Review	X	

CITY OF MUSKEGON
MUSKEGON COUNTY, MICHIGAN

ORDINANCE NO. _____

An ordinance to amend Article II (Definitions) of the zoning ordinance to create a definition for short-term rental.

THE CITY COMMISSION OF THE CITY OF MUSKEGON HEREBY ORDAINS:

Short-Term Rental: A property in which a tenant is allowed to lease the dwelling unit, without a host, for periods of less than 28 days but more than 24 hours in return for remuneration. A rental in which the host resides on premises shall not be considered a short-term rental, but shall still register with the city.

This ordinance adopted:

Ayes: _____

Nays: _____

Adoption Date: _____

Effective Date: _____

First Reading: _____

Second Reading: _____

CITY OF MUSKEGON

By: _____
Ann Meisch, MMC, City Clerk

CERTIFICATE

The undersigned, being the duly qualified clerk of the City of Muskegon, Muskegon County, Michigan, does hereby certify that the foregoing is a true and complete copy of an ordinance adopted by the City Commission of the City of Muskegon, at a regular meeting of the City Commission on the 8th day of October 2024, at which meeting a quorum was present and remained throughout, and that the original of said ordinance is on file in the records of the City of Muskegon. I further certify that the meeting was conducted and public notice was given pursuant to and in full compliance with the Michigan Zoning Enabling Act, Public Acts of Michigan No. 33 of 2006, and that minutes were kept and will be or have been made available as required thereby.

DATED: _____, 2024.

Ann Meisch, MMC

Clerk, City of Muskegon

Publish: Notice of Adoption to be published once within ten (10) days of final adoption.

CITY OF MUSKEGON
NOTICE OF ADOPTION

Please take notice that on October 8, 2024, the City Commission of the City of Muskegon adopted an ordinance to create a zoning ordinance definition for short-term rental.

Copies of the ordinance may be viewed and purchased at reasonable cost at the Office of the City Clerk in the City Hall, 933 Terrace Street, Muskegon, Michigan, during regular business hours.

This ordinance amendment is effective ten days from the date of this publication.

Published _____, 2024.

CITY OF MUSKEGON

By _____

Ann Meisch, MMC
City Clerk

PUBLISH ONCE WITHIN TEN (10) DAYS OF FINAL PASSAGE.

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