

PLANNING AND DEVELOPMENT SERVICES STAFF REPORT

For Planning Commission Meeting of March 2, 2021

SUBJECT: Amendments to Chapter 55 (Unified Development Code) to define and regulate Short Term Rentals

PROPOSED CITY PLANNING COMMISSION MOTION

The Ann Arbor City Planning Commission hereby recommends that the Mayor and City Council approve the amendments to Chapter 55 Unified Development Code, Permitted Use Table 5.15-1, Accessory Use Table 5.15-2, Nonconformities Section 5.33, and Specific Terms Sections 5.37.2.P and 5.37.2.S.

STAFF RECOMMENDATION:

Staff recommends that the amendments to the Unified Development Code (UDC) be **approved**.

SUMMARY:

In September of 2020, the City enacted Chapter 97 of the City Code which established requirements for the operation, location, and licensing of short-term rentals in the City of Ann Arbor. Included in the adopted Ordinance are provisions that prohibit the operation of short-term rentals by in residential zoning districts when the location is not the principal residence of the property owner.

In December of 2020, the City Council instructed the City Administrator and Planning Commission, if applicable, to develop and proposed amendments to Chapter 97 – Short Term Rentals and/or Chapter 55 – Unified Development Code, to create a regulatory structure that would enable the continued operation of pre-existing short-term rentals that do not meet the current requirements of Chapter 97.

In response, City staff has prepared the attached proposed amendment to Chapter 55 – Unified Development Code, which has previously been presented to the Ordinance Revisions Committee and is now for the Planning Commission’s consideration.

PROPOSED AMENDMENTS:

1. Amendments to the Permitted Use Table –Section 5.15, Table 5.15-1

The proposed amendments to this section add Short-Term Rental – Non-Principal Residence as a permitted use in the Mixed-Use zoning Districts. This would enable any property, regardless of residence status, to be eligible for a Short-Term Rental Use in the identified zones.

2. Amendments to the Accessory Use Table –Section 5.15, Table 5.15-2

The proposed amendments to this section add Short-Term Rental –Principal Residence – Homestay, and Short-Term Rental – Principal Residence Whole House as a permissible Accessory Use in the Residential and Mixed-Use zoning districts. This would enable any principal residence (regardless of tenancy or ownership status) to be eligible to license the property for these two Short-Term Rental uses.

3. Amendments to Section 5.33 Nonconformities

The proposed amendments to this section add new text that would have the effect of allowing Non-Principal Residence Short-Term Rentals to operate within Residential Zoning Districts, if the use was established prior to March 1, 2021 (the effective date of Chapter 97). Establishment would be determined by the City, upon the submission of evidence by a property owner seeking to invoke this provision.

Proposed Added text:

A Non-Principal Residence Short-Term Rental established in a Residential Zoning District prior to March 1, 2021, shall be considered a legal nonconforming use and may continue and be maintained subject to Section 5.32.1.

A property that met this provision would be subject to the UDC provisions for non-conforming use continuation and restriction.

4. Amendment to Section 5.37.2 – Specific Terms

These changes would add the following supporting definitions to the amendments described above:

Permanent Resident

The person(s) occupying a dwelling unit as their Principal Residence.

Principal Residence

The dwelling unit where an owner of the property or a tenant of a period of greater than 30 days, has their true, fixed, and permanent home to which, whenever absent, they intend to return and that shall continue as a principal residences until another principal residence is established.

Short-Term Rental, Non-Principal Residence

Any dwelling unit that is not the owner's Principal Residence, and is rented wholly or partly for compensation for periods of 30 consecutive days or less.

Short-Term Rental – Principal Residence Homestay

Activity where Permanent Resident hosts visitors in their home, for compensation, for periods of 30 consecutive days or less, while the Permanent Resident lives on-site, in the same dwelling unit, throughout the visitor's stay.

Short-Term Rental – Principal Residence Whole House

Activity where permanent resident hosts visitors in their home, for compensation, for periods of 30 consecutive days or less, while the Permanent Resident is not present or occupied by the

Permanent Resident, throughout the visitor's stay.

Prepared by Brett Lenart, Planning Manager

Attachments: Ordinance to Amend Chapter 55 Unified Development Code – Short Term
Rentals
Chapter 97 – Short Term Rentals
City Council Resolution R-20-473

c: City Attorney's Office
Community Services Area Administrator