



Legislation Text

File #: 20-1042, **Version:** 1

An Ordinance to Amend Title VII (Businesses and Trades) of the Code of the City of Ann Arbor by Adding a New Chapter Which Shall be Designated as Chapter 97 (Short-Term Rentals) (Ordinance No. ORD-20-24)

Upon direction of the City Council in Resolution R-19-112, City Staff initiated the work to prepare a report on the feasibility of regulating short term rentals in the City. This report included evaluation of peer city regulations as well as consideration of short-term rentals under the circumstances of both owner and non-owner occupancy.

This report, created with assistance of the City's consultant Carlisle Wortman Associates, was presented to City Council in January of 2020. The report provided:

- A differentiation of three distinct types of short-term rentals
- A summary of feedback and direction from members of the public that generally supported both little and increased regulation for short term rentals.
- Comparison of five peer communities that have enacted short-term rental regulations. While more community ordinances were evaluated, the five represented the range of approaches.
- A summary of regulatory considerations that identify purpose and potential resources that would be needed, such as financial, staffing, etc.
- The report also presented three feasible options for the regulation of short-term rentals.

On January 6, 2020, the City Council considered the feasibility report, and through Resolution R-19-593, directed the City Administrator to pursue regulation of short-term rentals as specified in the report as "Option 3." This option added the most regulation to short term rentals as providing the following directions:

- Increase nuisance and enforcement resources
- Clarify and enforce occupancy requirements
- Create registration and license program
- Require local contact person/agent
- Limit advertising
- Prohibit non-owner-occupied short-term rentals (Vacation Rentals)
- Regulate and restrict Primary Residence - Entire home rentals (where owner is not present during guest stay)
- Regulate Primary Residence Homestay (where owner is present during guest stay)

From this direction, City Staff has prepared the attached Ordinance. The ordinance would regulate short term rentals consistent with the direction provided by City Council. Some of the notable components are as follows:

- Defines Short Term Rental Unit as any dwelling that is rented wholly or partly for a fee for less

than thirty (30) consecutive days by persons other than the permanent resident or owner.

- Requires issuance of a Short-Term Rental License to the property, specifies information required with application process, and establishes a fee.
- Prohibits any short-term rental unless licensed.
- Requires advertisement of any short-term rental to include City Short Term Rental License number.
- Primary Residence short term rentals are permissible as Homestay (owner present) and Whole House (owner not-present) in all Residential and Mixed-Use Zoning Districts that allow residential use.
- Primary Residence Homestay and Whole House short-term rentals shall not require inspection.
- Non-Owner-Occupied Short-Term Rentals (Commercial Rentals) are permitted in any Mixed-Use District and are not permitted in Residential Zoning Districts.

Prepared By: Brett Lenart, Planning Manager

Reviewed By: Derek Delacourt, Community Services Area Administrator

Approved By: Tom Crawford, Interim City Administrator

(See Attached Ordinance as Amended and Approved on Second Reading on September 8, 2020)