

City of Detroit

Alton James
Chairperson
Vice Chair/Secretary
Marcell R. Todd Jr.
Director

CITY PLANNING COMMISSION
208 Coleman A. Young Municipal Center
Detroit, Michigan 48226
Phone: (313) 224-6225 Fax: (313) 224-4336
e-mail: cpc@detroitmi.gov

Brenda Goss Andrews
Lisa Whitmore Davis
Damion W. Ellis
David Esparza, AIA, LEED
Gregory Pawlowski
Frederick E. Russell, Jr.
Angy Webb

TO: City Planning Commission
FROM: M. Rory Bolger, Staff ^{web}
Kathryn Lynch Underwood, Staff ^{KLU}
Marcel Hurt, Esq., Legislative Policy Division ^{M. Hurt}
Marcell R. Todd, Jr., Director ^{MT}
RE: Short Term Rentals Ordinances
DATE: June 4, 2019

On Thursday, June 6, 2019, the City Planning Commission (CPC) will convene a 5:15 PM statutory public hearing and a 5:20 PM public discussion on two ordinances relative to “Short Term Rentals” (See attachments).

Chapter 61 of the 1984 Detroit City Code, *Zoning*, is proposed to be amended at Article XII, *Use Regulations*, for consistency with proposed provisions to be added to Chapter 9, *Buildings and Building Regulations*, at Article I, *Detroit Property Maintenance Code*, Division 3, *Requirements for Rental Property*, Subdivision C, *Short Term Rentals*.

Both of these ordinances must be taken up by City Council in order to effect the proposed new procedures and regulations relative to short term rentals. CPC staff will be present at the public hearing to review the proposed amendments to the Zoning Ordinance; the Law Department staff will be present to review the proposed amendments to the Property Maintenance Code/Rentals. As has been the case with other multi-chapter amendments to the City Code, it is allowable for the Commission to combine the public hearing and public discussion in order to consider public comment germane to both ordinances coincidentally.

Scope of the *Zoning* Amendment, Chapter 61

When the CPC took up the Fifth General Text Amendment to the Zoning Ordinance in March and April 2017, one of the items addressed in the 209-page ordinance was “home occupations” in response to the request of the Boston-Edison association. The provision clarified that an Airbnb-type use (short term rental) could not be established under the guise of “home occupation,” consistent with the spirit of the long-established prohibition of bed and breakfast inns on land zoned R1 and R2. It was noted at the time that the Law Department and the

Buildings, Safety Engineering and Environmental Department were meeting to formulate City Code provisions to address this use of residential property.

The ordinance that is the subject of the June 6th public hearing amends two sections: it repeals the “home occupations” prohibition that was established in the Fifth General Text Amendment (Sec. 61-12-392); and it newly asserts that “short term rental of a residential use shall be considered an accessory use of a dwelling unit where operating in compliance with the provisions of Chapter 9, Article I, Division 3, Subdivision C of the 1984 Detroit City Code” (Sec. 61-12-375).

Scope of the *Property Maintenance/Rental Code Amendment, Chapter 9*

When Ordinance No. 37-17 went into effect on February 6, 2018, some confusion and negative reaction to the short term rental provision was noted in the press and by the short term rental industry. The City Administration deferred enforcement of the new zoning provision pending development of a more comprehensive treatment of the matter. The State Legislature was then considering, and still is, an amendment to the State Zoning Enabling Act that would preempt municipalities from regulating short term rentals in their zoning ordinances. Consequently the proposed citywide regulations are included in the Property Maintenance Code of Chapter 9 dealing with rentals rather than in Chapter 61, *Zoning*.

The Chapter 9 ordinance is an outgrowth of inter-departmental working group deliberations; the Law Department has drafted and revised the proposed amendment, which is sponsored by Council Member Janee Ayers. Key provisions of the Chapter 9 “Short term rentals” ordinance include:

- *Definitions of terms.* Among them, “short term rental,” means “any rental of a dwelling unit, or rooming unit in exchange for compensation or other consideration, as residential accommodations for at least one night, but no more than 90 cumulative days of the year” (Sec. 9-1-100.2).
- *Residency requirement.* Any property used as a short term rental must be the owner’s principal residence (Sec. 9-1-100.3).
- *Registration required.* Any short term rental must be registered with the Buildings, Safety Engineering, and Environmental Department (BSEED) (Sec. 9-1-100.4).
- *Spacing between short term rentals.* A short term rental will not be registered if located within 1,000 feet (measured linearly) of another short term rental; BSEED has limited discretion to relax the 1,000-foot spacing (Sec. 9-1-100.4(d)).
- *Limitation on groups.* A host may not rent to more than one group of guests under more than one reservation at any given time (Sec. 9-1-100.8(b)).
- *Limitation on number.* Not more than ten people may be accommodated at one time (Sec. 9-1-100.8(d)).
- *Limitation on rentals per year.* A short term rental unit may not be rented more than 90 days per calendar year (Sec. 9-1-100.8(e)).
- *Certificate.* The short term rental must post its certificate of registration in a conspicuous place on the property and provide it in electronic format to all guests (Sec. 9-1-100.8(f)).

- *Notification of neighbors.* Within 30 days of registration, a short term rental host must notify neighboring dwelling units within 300 feet of the property's approval for short term rentals and provide the phone number of the rental's local contact person (Sec. 9-1-100.8(g)(1)).
- *Violations and enforcement.* BSEED is responsible for enforcement of the ordinance; violations are subject to issuance of a blight violations; violators may be removed from the rental registry (Sec. 9-1-100.13).
- *Denials and appeals.* Where an applicant is denied registration or where BSEED determines a registration should be removed, the applicant is entitled to a hearing (Sec. 9-1-100.14).

Next steps

The Planning Commission should hear the comments and concerns raised at the 5:15 PM public hearing and 5:20 public discussion and take the matters under advisement. At a subsequent meeting, CPC staff will present its recommendation. City Council is unable to take up the proposed amendment to the Zoning Ordinance until it has received the Commission's report and recommendation.