

**CITY OF MUSKEGON
PLANNING COMMISSION
REGULAR MEETING
MINUTES**

September 26, 2024

Mazade called the meeting to order at 4:03 p.m. and the roll was taken.

MEMBERS PRESENT:	K. Johnson, S. Gawron, J. Seyferth, B. Mazade, and S. Blake
MEMBERS ABSENT:	D. Keener
MEMBERS EXCUSED:	L. Willett-LeRoi, L. Simmons II, and J. Montgomery-Keast
STAFF PRESENT:	M. Franzak, S. Romine
OTHERS PRESENT:	None

APPROVAL OF MINUTES

A motion to approve the Minutes of the Planning Commission meeting on September 12, 2024, was made by J. Seyferth, supported by S. Gawron, and unanimously approved.

PUBLIC HEARINGS

Hearing, Case 2024-27: Staff-initiated request to amend Section 2314 of the zoning ordinance to create a short-term rental ordinance.

SUMMARY

1. The City Commission has directed staff to create an ordinance that would limit the number of short-term rentals in the City. Several versions of the ordinance have been presented to the Commission, with small amendments requested along the way. Please see the proposed ordinance below.
2. 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.
3. 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 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.

Proposed ordinance:

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 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.

PUBLIC COMMENTS

S. Musselman: Had comments regarding the limit of units in one area and how many rental units would be in violation after the ordinance is enacted. It was noted too that there is no language in the ordinance to address increases in allowable numbers over time, especially considering all of the new developments in the area.

D. Medendorp: Asked if there would be a waiting list that is kept for those wanting to register a short-term rental.

N. Leask: Requested that short-term rental records be made publicly available online. She also asked what the consequences would be for those in violation and is concerned about the high number of short-term rentals in the Beachwood-Bluffton Neighborhood.

J. Page: Stated that the ordinance seemed to be fair and even, but was concerned once the transferring of licenses was added.

N. Hulka: Stated that the large amount of short-term rentals in the Beachwood-Bluffton Neighborhood is unfair, that she doesn't like the addition of the transferring of licenses, and thinks that property values will go down because of short-term rentals.

E. Bodman: Owns a short-term rental in the Beachwood-Bluffton/Lakeside area and he purchased that as a short-term rental and supports this ordinance.

K. Khatri: Owns a 4-unit short-term/long-term rental in the Lakeside area and would like to continue to do so.

CLOSE PUBLIC HEARING – MOTION

A motion to close the public hearing was made by S. Gawron, supported by J. Seyferth, and unanimously approved.

MOTION

K. Johnson moved, seconded by S. Blake, that the request to amend Section 2314 of the zoning ordinance to create a short-term rental ordinance be recommended for approval as presented to the City Commission.

ROLL CALL VOTE

S. Gawron: Yes

B. Mazade: Yes

J. Seyferth: Yes

K. Johnson: Yes

S. Blake: Yes

MOTION PASSES

AMENDED MOTION

K. Johnson moved, seconded by S. Blake, that the motion be amended to include amending Section 1 (c) – exemptions- to also include the Lakeside Corridor Improvement Authority along with the Lakeside Business Improvement District in Section 2314: Short-Term Rental Overlay District and that they are exempt from the caps in section 1 (b).

ROLL CALL VOTE

S. Gawron: Yes

B. Mazade: Yes

J. Seyferth: Yes

K. Johnson: Yes

S. Blake: Yes

MOTION PASSES

AMENDED MOTION

K. Johnson moved, seconded by S. Blake, that the motion be amended to remove Section 4 that would allow the transferring of licenses in Section 2314: Short-Term Rental Overlay District.

ROLL CALL VOTE

S. Gawron: Yes

B. Mazade: Yes

J. Seyferth: Yes

K. Johnson: Yes

S. Blake: Yes

MOTION PASSES

Hearing, Case 2024-26: Staff-initiated request to amend Article II of the zoning ordinance to create a definition for short-term rentals.

SUMMARY

1. The City Commission has directed staff to create an ordinance that would limit the number of short-term rentals in the City.
2. In addition to the short-term rental ordinance, a definition for short-term rentals must be created.

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 the premises shall not be considered a short-term rental, but shall still register with the city.

PUBLIC COMMENTS

E. Bodman: Is not in favor of removing the transferring of licenses and his retirement plan relies on his investments in short-term rentals.

K. Kufta: Asked questions about rentals that are for more than 28 days only and how this is affected by the proposed ordinance and whether a short-term rental can also be a long-term rental.

CLOSE PUBLIC HEARING – MOTION

A motion to close the public hearing was made by S. Gawron, supported by K. Johnson, and unanimously approved.

MOTION

K. Johnson moved, seconded by S. Blake, that the request to amend Article II of the zoning ordinance to create a definition for short-term rentals be recommended for approval as presented to the City Commission.

ROLL CALL VOTE

S. Gawron: Yes

B. Mazade: Yes

J. Seyferth: Yes

K. Johnson: Yes

S. Blake: Yes

MOTION PASSES

OLD BUSINESS

None.

ADJOURN

There being no further business, the meeting was adjourned at 6:19 pm.