



Planning and Economic Development

Sara Roediger, AICP, Director

From: Sara Roediger
To: City Council/Planning Commission
Date: January 18, 2019
Re: Short-Term Rentals of Single Family Dwellings

Administrative staff has been asked to examine the regulatory options available to the City for short-term rentals in One-Family Residential Districts. As noted in the attached letter from City Attorney Staran, the City does not currently regulate short-term rental properties. Please refer to the attorney letter for additional information on the City's ability to regulate.

Short-Term Rental in Rochester Hills

Given that Rochester Hills is not a tourist area, it's not surprising that there are few short-term rental spaces available. A search of the most popular short-term rental sites (i.e., Airbnb, VRBO, etc.) turns up less than a dozen whole-house short-term rental properties available in Rochester Hills, a city of 75,000 people. Short-term rental regulation becomes a much more significant issue in those communities where vacation rentals are more common. For example, a quick search shows over 800 properties available for rent in the area of Traverse City (population 15,515) and over 250 available in the area of Grand Haven (population 10,905). This data serves to add some perspective to the question at hand.

Public Safety

Short-term rentals have very rarely caused any kind of public safety concern within the City. A review of the Sheriff's Office calls for service for the past 3 years shows no complaints at any short-term rentals within the City. Oakland County Sheriff responds to all calls for service and if there is a complaint in the future, they certainly have the availability of all current state laws as well as local ordinances to address to any type of neighborhood issue.

Regulatory Options

Mr. Staran lays out three potential ordinance amendments in his letter that the City could pursue. The first would require house rental registration, licensing and inspection. The implications of implementing such a system are discussed later in this memo. The second would be to expressly prohibit short-term rental properties in One-Family Residential districts. This option seems somewhat drastic, given that fact that so few short-term rentals exist within the City. Furthermore, without a system to register and track short-term rental properties, this would be very difficult to enforce. The last option suggests a tightening/clarification of our bed and breakfast regulations to prevent misuse. While staff would agree that the bed and breakfasts definitions and standards may need to be revisited and updated, this would not necessarily address the issue at hand as bed and breakfast establishments are a separate and distinct use when compared to short-term rental properties.

Effects of Enforcement of Short-Term Rental Regulation

The City does not currently track, require registration, or perform inspections of any long or short-term rental properties. Implementing any type of registration or inspection requirements would require additional staff to perform these tasks. The ordinances currently in place have allowed us to deal with the few rental complaints we receive each year. External concerns are address by the property maintenance ordinance and internal concerns are handled by the building, plumbing, electrical, and mechanical codes. External issues are found by our ordinance inspectors on routine patrol or complaints received from residents. Internal concerns are generated by a tenant complaint and followed up with a safety inspection of the interior of the home by all building and trade inspectors. Inspectors are able to gain compliance to any ordinance or code violations

through the code compliance process with red tags, code compliance letters, civil infraction tickets, and if necessary a court citation.

Staff Recommendation

For the reasons described in this memo, staff would suggest a cautionary approach to regulation at this point. More specifically, the formation of a staff committee to further evaluate and track the effects of short-term rentals in the community. This committee would track code complaints, public safety calls/complaints and the approximate number of short-term rentals available over the next year. This would provide further clarification on the potential issues that exist as result of this use within the community, which could then be addressed with ordinance amendments, etc. if appropriate.