

Shores Vacation Rentals
408 Eagle Street
South Haven, MI 49090

City of South Haven
City Council
% Kate Hosier
539 Phoenix Street
South Haven, MI 49090

Dear Members of the City Council,

I am writing to you as a concerned representative of Shores Vacation Rentals, 408 Eagle Street. I would like to bring to your attention the “Middle Ground” or “Mary Hosley” regulation that was introduced on December 2nd does not have the full support of Shores Vacation Rentals or the 70+ Homeowners that we serve.

We were asked by agents of Councilman Hosley to support the “Middle Ground.” If we did so, we would be able to bargain, find common sense and middle ground solutions to the rest of what was being introduced. That agent gave us three points to consider, and we did so in good faith. We were asked to support:

1. An Overlay District;
2. 15% growth limitations;
3. and, a 300' limit in between Short Term Rentals in Residential Areas.

And the kicker was “Land Use,” rights for all current legally certified Homeowners. We of course said we could support such things. After that, we were not able to get a copy of the Hosley Regulations until it was filed with the City for the December 2nd meeting and put on a pdf file for download.

We have spent many hours talking through the majority of the regulations that are put forth in this document. We have spoken with our Attorneys and we have taken their advice and counsel. Shores Vacation Rentals can in good faith agree with the vast majority of the Hosley Regulations. We concede that we are willing to support the 3 key original ideas and the majority of the new regulations.

However, in order for Shores Vacation Rentals to continue to support the “Middle Ground” approach that was drafted by Councilman Hosley, we need some clarifications and answers to a few questions. Once we receive the answers to our concerns and questions, we will speak to our Attorneys if need be, or consult amongst ourselves and make a determination if we can support those items as well.

In good faith, we put simple solutions to each issue in font colored green, and issues, concerns or questions in font colored red. Black font is for generalized comments.

For your reference, the page numbers used here, below, to identify areas of concern are identical to those in the City Council package that was published online labeled “Agenda Item 13,” which started on page 142 from the December 2nd meeting.

1. Page 142

“City Council to consider directing the City Manager to direct Legal Counsel to provide by 12/2/24 or a mutually agreeable date alternative amendments to our STR Zoning Ordinance where all future registrations are issued under only regulatory, a cap is set at 534 with all STR registrations counting toward that cap, overlay districts are proposed, and a density is addressed for at least R1-A & R1-B zoning districts.”*

Q - If we're at 790 now, where is the loss of over 200 units coming from? Are these the ones that the City has estimated are operating illegally?

2. Page 150

“Whereas, under both the 2016 STR Ordinances and 2018 STR Ordinance Amendments, each short-term rental business dwelling unit were subject to full zoning compliance, including parking requirements of South Haven Zoning Ordinance Section 1800, unless otherwise exempt.”

Q - What are the exemptions?

3. Page 151

“D. At least 50% of the owners of the attached condo dwelling units in said Condo Association sign in support of said request.”

Clarification Needed: Why is this in there? Condo Associations already have their own rules established, why shake the tree? Why create more items that have to be enforced by the City when this should be enforced by individually elected Association Members? What if their elected body has already established rules of a 60/40 vote? Maybe even a lower threshold? If the City

can determine that an Association has to have 50% of the vote to allow STRs, should the City just not write all the by-laws and regulations for Condos and do away with elected Boards???

Clearly, we believe that this should be removed from the proposal. These issues have already been addressed by HOAs through written and enforced rules specific to their communities. Imposing additional city-mandated requirements undermines the authority and autonomy of HOAs, creating unnecessary hurdles for property owners. The city should respect the decisions already made by HOAs and focus on solutions that address the actual sources of community concerns.

Possible Solution: remove this from the City Regulations. However, if you must have a Condo specific regulation, how about one that simply states they must file their Rules and Regulations with the City. The City could even give them a suggested list of topics that should have regulations or policies discussing - and as long as they are constitutional then the City must approve of how they regulate their "neighborhood."

"(e) Cap: Maximum Number of Short-Term Rental Units:

(1) The maximum number of short-term rental business dwelling units (the "Cap") shall be no more than 534."

Clarification Needed: What happens when there is new growth in the City? A new Condo building or Gated Community? We were under the understanding that the City would allow a percentage of growth vs. percentage of new builds.

Possible Solution: New Gated Communities and Condo Units must file their policies and regulations with the City within "x" amount of days of becoming a legal HOA. This includes any construction of these outside the proposed overlay zone. If Zoning approves development of a condominium project, or gated neighborhood then these units should have the legal right to file for STR permits. HOA's create their own regulations and policies that they want to enforce in their neighborhoods. All HOA's historically write these regulations to keep their neighborhoods protected, keep the property value high and homes well maintained. If they chose to allow Short-term Rentals in the neighborhoods, or complexes that they have created for themselves, then that's their right to do so.

4. Page 152

(7) Use of any accessory building or structure for human occupancy for sleeping, gaming, and the like.

Q - Why include gaming? Why does it hurt to use a shed, or an out building for a gaming room? One with Board games? Or a video game set-up?

Clarification Needed: “and the like.” - like anything someone personally doesn't think one should have or be able to use? What about a painting studio? Tool Shed? Why can't accessory buildings be used? Storage for pool items? Backyard chairs?

Outside of sleeping within an outbuilding - we can concede on that, but the rest of it we don't believe the City should be regulating what people can do in them to entertain themselves or their guests (as long as it's legal). There are already plenty of regulations out there already, if the use becomes too noisy, or a nuisance to the neighborhood.

Clearly, we believe that this should be removed from the proposal.

Possible Solution: If the City feels the need to regulate outbuildings, then write a regulation that only bans creating bunkhouses in sheds.

(8) A new owner of the property does not register said qualifying dwelling unit within 30 days of the close of the sale of said dwelling unit lawfully used as a short-term rental business dwelling unit.

Clarification Needed: Many new Owners renovate prior to inspection -this leaves no time for them to do so. So will their permit (inspection) be good after the renovations? Or do they have to pay more out of their pocket putting an undue burden on them? Since the City is trying to limit the use of STRs in neighborhoods, what harm would it do to give the New Owners 6 months to decide if they are going to register? At least it's off the market and not being a “nuisance” to neighbors for that period of time. This also, gives New Owners more time to see if they want to share their home, it might be more beneficial to the City to give New Owners more time to “fall in love” with their new home - a probability exist that they may not want to share, or financial situations have changed that they will no longer need to rent it out. Having such a short window seems to only push people into renting.

Possible Solution: Write a regulation that allows the New Owner to have 1 Year, as this originally stands in the current iteration of the ordinance to determine the direction that they wish to take their new home after it was just classified as a Short-term Rental with the previous owner.

NOTE: If they chose not to certify as a STR, then their certification must go back into the “general pool,” not be eliminated to reduce the amount of legal STRs within the City as proposed. More on this later.

5. Page 155

SECTION 1743. SHORT-TERM RENTAL BUSINESS DWELLING UNITS

“Whereas, the City of South Haven acknowledges the necessity to amend the STR Ordinances of 2018 in order to protect the health, safety, and welfare of the community due to increased congestion, issues with parking, and enforcement issues.”

Q - When is the City going to stop blaming STR's for the lack of public parking spaces? Or crime?

Day Trippers flood the City in the prime months. From 11 pm to 6 am, the streets are near barren, or a car here and a truck there. Parking issues can be handled. Create a Residential Sticker, create parking fees for those that are using neighborhood curbs to park against so they and their families can walk to the beach. You might as well blame STR Units for all the chaos, littering and congestion that happens on the 4th of July.

The City has not once been able to justify these positions with quantifiable data, only emotional responses. It was reported that the math states that the legitimate complaints about the STRs were around under 1% - and those complaints were people parking over sidewalks, not people using STRs to create meth labs, steal from neighbors, run illegal fighting matches, etc.

Possible Solution: Create parking zones for Day Trippers; create metered parking areas in historically congested neighborhoods; create City Parking stickers for Residents and a City Parking Pass Book that Residents can purchase - these would be used to give their guests the ability to park on the street without having to pay metered charges. All these ideas also bring a positive income gain to the City that can help offset the cost of Traffic and Code Enforcement.

“(1) The dwelling unit was registered on or after the effective date of Ordinance 1026 (May 16, 2016) as required by Ordinance 1027 (effective date of May 16, 2016) and no later than November 29, 2018; and

(2) Completed a satisfactory inspection;

(3) The dwelling unit was designated as a short-term rental business dwelling unit on or before December 31, 2018; and”

Q - What happens to the STR's registered in 2019 and beyond? Especially if they were legally allowed by the Zoning Officer and City Manager?

Possible Solution: All legally permitted Short-term Rental Certifications retain their certifications and Land Use ability. Any illegal STR Unit, dwelling, etc., must cease and desist immediately after being found illegal. **Land Use rights are grandfathered through for any legally registered STR home and the Homeowner.**

After this - the 300' Rule applies to any new STR permit in residential neighborhoods. Grandfathered homes under the 300' rule in residential areas are exempt until the Homeowner willfully concedes their "land Use" rights.

6. Page 162

"While visitors to the community who rent dwellings and dwelling units on a short-term basis bring many benefits to the community, they can simultaneously also create significant problems regarding traffic, parking, congestion, litter, noise, and other similar issues. As well, issues related to fire and life safety matters must be considered and addressed in order to maximize the safety and well-being of all in the community. This Article is intended to strike the appropriate balance between competing interests."

Clarification Needed: How can there be a balanced approach between competing interests when STR's are taking the beatings for the burdens? Again, there are other causes of all of these issues that are never addressed by city council -all problems are blamed on the least of the offenders.

Please define what issues to safety and life are different from those of a permanent resident?

If you truly want the STR Owners and Management Groups to find "Middle Ground" then you have to stop using language that is false and misrepresentative.

Possible Solution: Use quantifiable data from a mutually agreed upon neutral data source. If you are worried that STR Renters are such villains, then perhaps look at making a regulation that states all STR Management Companies, Homeowners, have to use a background check system on any and all **new** guests that are not relatives, or friends, and keep detailed records of such checks.

You may also find that many STR Management Companies are already using background checks and "Good Renter" listings to keep your Community Safe. Shores Vacation Rentals in the past has used a tiered background checking system that screens our Renters. SVR only recently quit doing so, because a large percentage of our Renters are return renters year-after-year and we have sound trustful relationships with each one, and they were upset by having to be screened every rental season.

Definition of Quantifiable Date: "It can be counted or measured, and given a numerical value—such as length in centimeters or revenue in dollars." - Google search definition.

7. Page 164

"[P]roperty owners may contact the local agent, a 24-hour hotline, and local police to report any issues relating to the property..."

Clarification Needed: Why only one number? Most Management Companies and Owners have two phone lines already established for just things. Shores Vacation Rentals utilizes a rotational "On-Duty" system with employees where turns are taken for emergency phone calls. Phone lines are forwarded, or a Call service is used that prioritizes complaints and emergencies.

"(i) Local agent -"

Something to think about: SVR would offer putting our management contact info on signs designating STR's under our care. However, signs seem to be another issue that bothers residents.

Possible Solution: Maybe to limit signage or the varying sizes, signs should just be QR codes that can be posted at corners of properties by the driveway. This QR code would list all the numbers and have quick connect links to emergency or management phone lines. The QR code can contain any amount of information that is needed. Also placing it by the Curb would allow the Enforcement Car to quickly scan and identify the property and all its information.

8. Page 170

"If a re-registration of the same dwelling unit is involved, then the STR use may continue under the existing registration if the delay in approving the re-registration is due primarily to the City's inaction and not due to any fault of the applicant..."

City delays have repeatedly been an issue in the past - why would this be removed? They are re-registering, not acquiring a new permit as a new owner. How long of a financial loss for Homeowners is the City Council going to allow the City to burden them with? 2 weeks, 2 months, 6 months?

Possible Solution: The City should have a consistent timeline that once the certification process has started that they, the City (like the owners), have to verify and certify the properties. For instance, a 2 week certification system - Once the Owner applies the City has 2 weeks to complete "x, y and z" inspections, etc before initial certification is made. Anything after 2 weeks the owner is able to take reservations as they wait for certification. If there are discrepancies that the Owner must correct or make after the City does its inspections, then those corrections must be made before the Owner can rent.

A policy like this puts a lot of pressure on the owner to make sure their home is exactly what is required by the City to be certified on an STR prior to asking for certification. If they take reservations and can't fulfill them because the hot water heater was determined out of code after City Inspection (at the 3rd week) then that's a reputation hit that that owner will take. They will have to explain to the renters why they are refunding their monies.

9. Page 173

“(b) Contact information posted in window. A City -issued notice (original, not a reduction or photocopy) shall be posted in a prominent first-floor window of any STR dwelling unit...Article. This notice must be posted at all times when the owner is not residing in said STR dwelling unit.”

Clarification Needed: Even when it's not being rented out? Could they not be put away for the winter use?

Requiring signs to be up when the home is empty and not available for rent is literally a sign that the home is empty and vulnerable.

Possible Solution: The City is looking at reducing clutter and “marketing” signs from Management Companies then the City should adopt QR code signs that can be scanned quickly and have all that information you are asking for without issue.

For safety reasons this card could be easily removed from the window and placed away when not in use like in the off-season.

The City cites several times how they are worried about public safety and health issues -keeping visual displays out when they need not be, is an issue the City should be ok with the removal of the signs.

10. Page 174

(d)(5) Enforcement: Stiff penalties for abuse with flexible occupancy. STR registration permanently revoked. Put burden on STR registration holder to require proof of familial relationship to get extra occupancy and reporting when such occupancy used by a renter.

Clarification Needed: Please clarify purpose and intent here? This one we may need to have our Attorney's look at. Who defines “family”? This is a slippery slope and one that may need to be defined in a Court. Is my foster kid qualified? What about those of us who have no family, outside of the friends that replaced that emptiness in our hearts?

Possible Solution: Remove any qualifier or statement that an Owner has to let the City know when they let family or friends come and use their homes.

Again, if you are worried about Crime then make it mandatory that all STR management companies have to use a background checking system for Renters that are not friends or family of the Homeowner, or repeat clientele.

11. Page 176

“(k) No non-permanent fireplaces, firepits. No use of non-permanent fireplaces or firepits on any STR property during any STR activity.”

Clarification Needed: Why can't a self contained unit be used? Those that are like BBQ grills except the top is made of mesh wire. We can concede that there shouldn't be a fire created in a random area placed on the ground with rocks around the perimeter - but store purchased, built, or made that are movable should not be disqualified from us. Does the STR Owner and Management Company have insurance on the place? Is the Insurance company bothered by the firepit? If a fireplace table that the Homeowner hopes will become a heritage furniture piece, considered permanent? Same argument towards the \$1500 wire-mesh copper lined patio fire grill - \$1500 is a lot of money. Spending that kind of cash, I would consider it a permanent fireplace once I put it on my patio; well would I think that's a disposable cost? Those that have firemesh screens are safe for City use in Chicago - a City scared of fire, and for a good reason. Forever, if they can be used in Chicago backyards and are considered safe for use, how are they not safe in South Haven?

Possible Solution: Define non-permanent better and make allowances for movable fireplaces that have mesh screen coverings.

12. Page 177

(1) Any violation of the approved parking site plan for an approved STR registration (or the portion of a registration approved by the City for a parking plan) for a specific STR dwelling unit lot or parcel shall not only constitute a violation of this Article, but can also be grounds for immediate suspension and ultimately permanent revocation of the STR registration approval.

For our continued support this must be changed. There is no way we can support this! The amount of calls on the 24 hour hotline by just one neighbor last summer, who called religiously about a tire being over the crack in the sidewalk, negates this. This is absolutely absurd - again, you continue to place blame for parking shortages on STRs then use this as an excuse to strip away the registration of the STR.

If a violation means, that the parking plan that was submitted was a 20' x 18' space and when its actually measured by the City and it turns out that space is actually a 10' x 12' space, that may be more grounds for a punitive citation and “x” amount of days to correct, or then face punitive charges for “x” amount of days not corrected, or forfeit license. Point being, minor parking infractions should just be citations given to the owner of that car; a parking ticket plain and simple. To hold accountable STR Homeowners in such a high degree, and make them lose thousands and thousands of dollars for any violation of parking sites by stripping them of their right to rent, and not having some amount of monetary comparable punishment to residents

who park over sidewalks also seems like it's changeable in a court of law - and not very fair, again, the lack of parking available for the Day Trippers has caused this issue.

Perhaps, violations need to be well defined here.

Can weeds growing through the cracks of the driveway cause them to lose their certification?

Possible Solution: Define this better. Anything that is ground for "immediate suspension" needs to be well defined - to protect the safety of the citizens, homeowners and the City from any liability or lawsuits.

13. Page 181

"(2) The property owner must use his/her/its best efforts to ensure that the renters, occupants and guests of the STR dwelling unit and any related STR property do not create unreasonable noise or disturbances, engage in disorderly conduct, violate a City-issued..."

This is one issue that we have a very personal relationship with. Out of control guests, loud music etc. When we sent our Team there, they were ignored. When our Team went there to issue an Order to Vacate, they were ignored. When the Police arrived they stated there was nothing that they could do to remove guests, other than warn them that they were being loud. There must be a "STRONG ARM" of Authority here that can enforce the same codes you are asking us to enforce. STR Management Companies can only give bad reviews to guests and refuse to rent to them next time. If the City wants STRs to come down firmly on unreasonable guests then we must have an enforcement power behind us.

This should all be supported by the city - just as any local business or resident would depend on the police department for dealing with visitors who are not abiding by laws/rules or respecting people or spaces. Placing this burden entirely on owners and managers is irresponsible, dangerous, and a deflection of responsibility.

Possible Solution: Have real enforcement to remove these Renters from the property that include using the Police Department. If Renters are removed from the Property for violating any issue(s) with the City Code - they should also get a bill from the Police Department for having to render such services because of their stay.

If an STR Company is not using background checks to place Renters (this of course would be after the City creates regulations that Management Companies must screen **new** clients), then they too should get a citation - however, if they did a background check on the renters who needed to be removed then no citation should be issued to that management company. Renters have a "credit score" that most management companies can make a determination if they are or are not good renters for their spaces.

14. Page 183

“(b) Revocation or suspension of a registration approval:

(A) Is the site of at least 3 separate incidents (occurring on 3 separate days) within two (2) calendar years resulting in a plea of responsibility (with or without an explanation), a plea of guilty, a plea of no contest...”

Clarification Needed: Please help us to understand how imperfections occurring 0.41% of the time regarding an incomprehensibly complicated trash schedule or a guest violation of a noise ordinance would lead to completely abolishing an owners right to conduct business?

3 strikes over 2 calendar years, should be for infractions for safety issues - like having zero egress in a bunk room, renter packing (too many beds for the space), fire code failures, etc.

A Bad Renter can happen - but this should not be a single strike offense. Now multiple complaints issued at the same address, and the Management Company is not using a background checking system, then that should be an accountable offense.

If they are using a background checking and renter credit system then the problem renters will fix themselves - therefore only the bad renter should receive a citation, for it's the duty of the Management Company to report bad renters to the correct agencies.

Possible Solution: Clearly define this regulation. Make the regulation and penalty fit the crime.

15. Page 186

“However, should a serious violation or infraction occur, an STR registration denial, revocation or suspension can occur with fewer than such 3 or more violations or infractions.”

Clarification Needed: How is this defined and who defines it? Serious Violations should be listed so that way it is not a subjective determination by an individual.

Possible Solution: 1. List all “serious violations or infractions.” 2. See the last several answers above.

We supported the “Middle Ground” approach under three basic principles and were told, in good faith, that if we back those 3 principles, then all the other ordinances are, or would be up for debate. These are the issues that we feel that if we can find real, sensible middle ground solutions for. We can not answer for the members of the South Haven Vacation Rental Association, Downtown Business Association, or any other Agency - but we do know that when there is true middle ground, and everyone has a voice in the process, that true reform can be made.

We support a large percentage of the “Mary Hosley” document with good faith as it stands.

We do not support the items listed above as they are currently written.

We acknowledge that there must be penalties for non-compliance.

We support Enforcement - if the City will enforce fairly.

We don't support the idea that STRs are the cause of all the “evils” listed throughout the justification for moratorium and policy change. We have the City's own research for supporting data that proves STRs are not the cause of the problems cited over and over. The number of complaints that came through the City's hotline, are so minimal that it was calculated to be like 1/10th of 1% of total complaints. It was noted that 1 person, one, made several phone calls repeatedly about parking complaints and most of those were found unjustifiable. This appears to be harassment of the STR Homeowners Rights and Privileges; how will the City protect Homeowners from that type of harassment? Especially when several key players to this “Middle Ground” approach recognize that parking is because of day tripper tourism.

If we can come together and find the middle ground for these few issues that we have listed above...it truly will be a Win-Win for the City, the Residents and STR Owners. After this the City can work with us to discuss how to effectively bring back the Middle and Working Class to create a thriving community. Like Tax Breaks for those that bring their Trade jobs here; like plumbing, electrical, building etc. Tax Break for Properties that they guarantee to live in year long. You want to fill the schools - create a program like the Kalamazoo Promise - maybe tap into STR Owners, Management Companies and Developers to help fund this Trust???

There are many reasons why the Middle Class is dying here - but, the biggest reason is taxes and the next one is gentrification.

We, Shores vacation Rentals, now call upon you to meet with us to find Middle Ground solutions that we can take to this We ARE your Neighbor meetup. We can pass this and move forward, but we need to find and tweak the issues listed above.

Signed,

Rich Greene
Advocacy & Development Director
rich@shoresofsouthhaven.com
www.shoresvacationrentals.com
Call/Text: 269.941.3857