



PRESS RELEASE

City of South Haven

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Local Media

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CITY APPROVES MORATORIUM ON NEW SHORT-TERM RENTALS

Decision Gives City Six Months to Consider Amendments to Current Policy

FOR IMMEDIATE RELEASE – (South Haven, Michigan) At Monday’s meeting, the South Haven City Council approved a six-month moratorium on new short-term rentals in two residential districts.

The moratorium, which takes effect immediately, is designed to allow adequate time for South Haven staff, Planning Commission and Council members to consider amendments to the City’s short-term rental ordinance. Enacted in 2016, the ordinance put a series of measures in place to provide a framework for permitting, inspecting and safeguarding residences used for short-term rentals.

Monday’s decision means the staff generally will not accept or process applications for new rentals in voting Wards 1 and 2, which consist of the southern portion of the City along the lakeshore and the eastern portion of the City south of the Black River. Council members expressed concern that the continued expansion of short-term rental uses in these areas may adversely affect neighborhood character and the availability of year-round housing. However, the moratorium language allows property owners in these areas with a current building permit to apply for short-term rental status.

The decision does not affect the City’s 406 currently registered rentals, nor does it affect the northern portion of the City along the lakeshore. South Haven visitors have enjoyed more than 100 years of cottage and resort rentals in that area, which has long been the traditional location for summer rentals in the community.

“The Council’s decision will maintain the status quo for the next six months while we have time to analyze and develop amendments to strengthen our current short-term rental ordinance,” said South Haven Mayor Scott Smith. “Over the past two years, we have been gathering data about what is working under our current ordinance and what needs improvement.

“We feel we now have enough solid data to consider and to adopt effective changes to the rules that will balance the needs of long-term residents with our desire to be an open and welcoming vacation destination. Monday’s Council decision is in keeping with a commitment I made the night I was sworn in to re-examine the short-term rental issue.”

Communities along the Lake Michigan shoreline have been dealing with similar short-term rental issues for years thanks to the advent of Airbnb, VRBO and other online platforms. Neighboring Casco Township adopted registration fees and fines for short-term rentals while the city of Holland recently approved non-owner occupied short-term rentals with a number of rules. Additionally, Grand Haven, Traverse City and other lakeshore communities continue to tweak ordinances to balance the needs of residents and visitors.

Over the next six months, City staff and attorneys will be working to evaluate and produce amendment language that will be brought to the Planning Commission for review later this summer. If approved, the measures will then be reviewed and discussed in an open meeting with the full City Council that allows for public input.

South Haven staff have identified six proposals for consideration, including:

- Increasing short-term rental fees to offset City expense, including establishing an annual fee and increasing fines and penalties for owners who fail to comply
- Regulating attached condo units under the same rules, since the current regulation doesn't cover condos as short-term rentals
- Prohibiting short-term rentals in newly constructed homes or increased occupancy after renovations
- Prohibiting or capping the number of new short-term rentals in certain areas of the City to preserve the residential character of neighborhoods and to maintain affordable housing options
- Regulating the abandonment of short-term rentals in certain areas
- Addressing the relationship between short-term rentals and the personal residence exemption

"We are looking to neighboring municipalities along the lakeshore to share best practices and solutions with us," Mayor Smith explained. "We are also looking to our residents and to those who visit our community to share their issues and concerns. Our goal is to develop a regulatory framework that will be respectful of the rights of our long-term residents with those of our short-term visitors.

"Working together, I am confident we can develop regulations that will work for all stakeholders."

For more information, contact City Manager Brian Dissette, bdissette@south-haven.com; 269-637-0750.

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Registered Short Term Rentals

Data from 7/6/2017



Total Rentals: 409

Ward 3
Homes: 656
Short Term Rentals: 181
% Short Term Rentals: 27.6%

Ward 2
Homes: 684
Short Term Rentals: 41
% Short Term Rentals: 6%

Ward 1
Homes: 855
Short Term Rentals: 187
% Short Term Rentals: 21.9%

Disclaimer: The number of "Homes" listed does not include attached condominium units which are exempt from the Short Term Rental Ordinance.



