



City Council Study Session

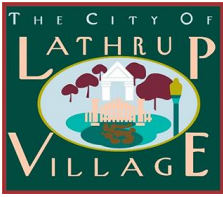
Monday, December 02, 2024 at 6:00 PM

27400 Southfield Road, Lathrup Village, Michigan 48076

1. **Call to Order** by Mayor Garrett
2. **Discussion Items**
 - A. Short-Term Rentals
 - B. Community Project Funding Grant - Engineering
 - C. CDBG Reprogramming
 - D. Voter Change Charity
 - E. Council Meeting Dates & Times
3. **Public Comments**
4. **Mayor and Council Comments**
5. **Adjourn**

ADDRESSING THE CITY COUNCIL

- Your comments shall be made during times set aside for that purpose.
- Stand or raise a hand to indicate that you wish to speak.
- When recognized, state your name and direct your comments and/or questions to any City official in attendance..
- Each person wishing to address the City Council and/or attending officials shall be afforded one opportunity of up to three (3) minutes duration during the first and last occasion for citizen comments and questions and one opportunity of up to three (3) minutes duration during each public hearing. Comments made during public hearings shall be relevant to the subject for which the public hearings are held.
- In addition to the opportunities described above, a citizen may respond to questions posed to him or her by the Mayor or members of the Council, provided members have been granted the floor to pose such questions.
- No speaker may make personal or impertinent attacks upon any officer, employee, or City Council member or other Elected Official, that is unrelated to the manner in which the officer, employee, or City Council member or other Elected Official, performs his or her duties.
- No person shall use abusive or threatening language toward any individual when addressing the City Council.
- Any person who violates this section shall be directed by the Mayor to be orderly and silent. If a person addressing the Council refuses to become silent when so directed, such person may be deemed by the Mayor to have committed a “breach of the peace” by disrupting and impeding the orderly conduct of the public meeting of the City Council and may be ordered by the Mayor to leave the meeting. If the person refuses to leave as directed, the Mayor may direct any law enforcement officer who is present to escort the violator from the meeting.



City of Lathrup Village
27400 Southfield Road
Lathrup Village, MI 48076
www.lathrupvillage.org | (248) 557-2600

TO: Mayor & City Council
FROM: Mike Greene – City Administrator
DATE: December 12, 2024
RE: Study Session

Short-Term Rental

Over the past quarter, the City Council has discussed short-term rentals and regulations during Study Sessions. Kyle Bryce, City of Ferndale, will attend the meeting to discuss what Ferndale has done related to short-term rentals. The purpose of this item is to continue these discussions and see if the Council has a direction they want staff/the City Attorney to pursue.

Community Project Funding Grant – Engineering

As the Council knows, thanks to Congresswoman Tlaib, the City was allocated \$959,752 within the federal budget as part of the community project funding program for water main replacement along Southfield Road (EB 11 Mile to Lincoln). While we have been assigned this funding, we must go through the grant process to ensure the funding is spent within EPA (which oversees our funding) guidelines. NOTE: EPA guidelines require a 20% municipal match with this funding allocation which would have our minimum project cost at \$1,151,703 for full allocation reimbursement.

Part of their guidelines discusses the procurement of services and what is eligible for reimbursement. Engineering is a reimbursable expense, however, while exploring the opportunity to utilize the City’s current engineer (Giffels Webster) it was determined that if we utilized them without going through the procurement process (issuing a request for proposal (RFP)) their expense would not be reimbursable.

The purpose of this discussion is to determine how the Council would like to proceed. We currently have two options:

- 1. Issue an RFP for engineering and include that as a reimbursable cost.
a. With this option, the project breakdown:
i. ~\$951,000 – Construction (All reimbursable)
ii. ~\$200,000 – Engineering (City Match)
2. Utilize Giffels Webster as our project engineer and utilize all our allocation monies for construction.
a. With this option, the project breakdown:
i. ~\$1,151,700 – Construction (Reimbursable + City Match)
ii. ~\$200,000 – Engineering (Additional Funding)

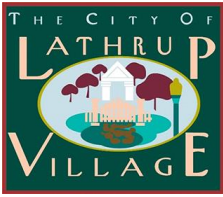
Option 1 could be the more cost-effective option (~\$200,000 savings) but we would need to ensure the engineer is in accordance with the qualifications-based selection (QBS) process per the Brooks Act and could result in fewer linear feet of water main; option 2 could be less cost-effective but could lead to more water mains being replaced (440 linear feet of additional water main or 12” cross-connection around 150 feet).

Funding note based on the DRAFT fiscal year 2023/2024 audit: As the City completed 2023/2024, its Water and Sewer fund reported a combined net position of \$8,600,840. This is a net increase of \$270,995 resulting from the current year's operations. Of the entire net position, \$7,515,288 is invested in capital assets, net of related debt, and \$1,085,552 is unrestricted (available fund balance).

CDBG Reprogramming

During the November 18, 2024, meeting, the City Council approved the CDBG project year 2025 resolution. While working with our CDBG team in the County, current staff were informed that the City needs to reprogram the 2021-2023 funding allocation (\$21,000) or funding reverts to HUD, and the City/County loses out of the funding. This reprogramming requires a public hearing,

Kelly Garrett Mayor, Bruce Kantor Mayor Pro-Tem, Jalen Jennings Council Member, Dalton Barksdale Council Member, Jason Hammond Council Member



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which will be held during the December 16 City Council meeting. As there are limited reprogramming opportunities available as the funds need to be spent before the end of December 2024, the staff recommends that the funds be reprogrammed to the Oakland County Home Improvement Program (HIP). The HIP would keep the funds within the County and LV residents have the opportunity to utilize the program.

Home Improvement Program: Qualified homeowners may receive interest-free loans of up to \$23,000 to make needed home repairs, including barrier-free access and energy-saving upgrades. The Home Improvement Program is not an emergency repair program.

There are no monthly payments, and the total loan is due and payable only when you no longer live in your home.

Oakland County staff are with you all the way from helping you apply for the loan to overseeing all repair work and paying pre-screened contractors.

To qualify, you must meet Income Limits and own and live in your own home in Oakland County (the City of Lake Angelus, Novi Township, Southfield Township, Waterford Township and Village of Bingham Farms do not participate in the program).

Meet gross household income limits set by the federal government (Income Limits) updated annually in July for the year. Repairs must result in the home being "decent, safe and sanitary." Based on home improvement needs, financial situation, and availability of funds at the time of application, eligible improvements may include:

Have needed improvements that are eligible under the program

- Barrier-free access
- Basement waterproofing
- Bathroom
- Chimney
- Door
- Electrical system
- Heating system
- Insulation
- Kitchen
- Plumbing
- Porch
- Roof
- Septic system
- Siding
- Structural defect
- Water and sewer line
- Well
- Window

Voter Change Charity

Each major election, Nat Pernick, of Pathology Outlines, puts on a voter challenge to surrounding communities and donates money to a charity of their choosing if they meet a specific voter turnout threshold. Lathrup Village had a reported voter turnout of 77.56% and with that, Mr. Pernick is willing to donate \$250 to a charity of the City's choosing. This discussion is to see if there is a consensus on a charity, we wish Mr. Pernick to donate to on behalf of the City.

Council Meeting Dates & Times

Each December, the City Council sets its meeting dates/times for the following calendar year. The purpose of this discussion is to see if the Council wants to stay with the same schedule (1st Monday = Study Session at 6 PM & 3rd Monday = Study Session at 6 PM/Regular Meeting at 7:30 PM) or wants to make any adjustments (i.e. change the day of the week/start time). Based on this discussion staff will have a formal schedule ready for consideration at the 12/18 Regular Meeting.

Kelly Garrett Mayor	Bruce Kantor Mayor Pro-Tem	Jalen Jennings Council Member	Dalton Barksdale Council Member	Jason Hammond Council Member
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SHORT TERM RENTALS CITY OF FERNDALE

DECEMBER 2, 2024

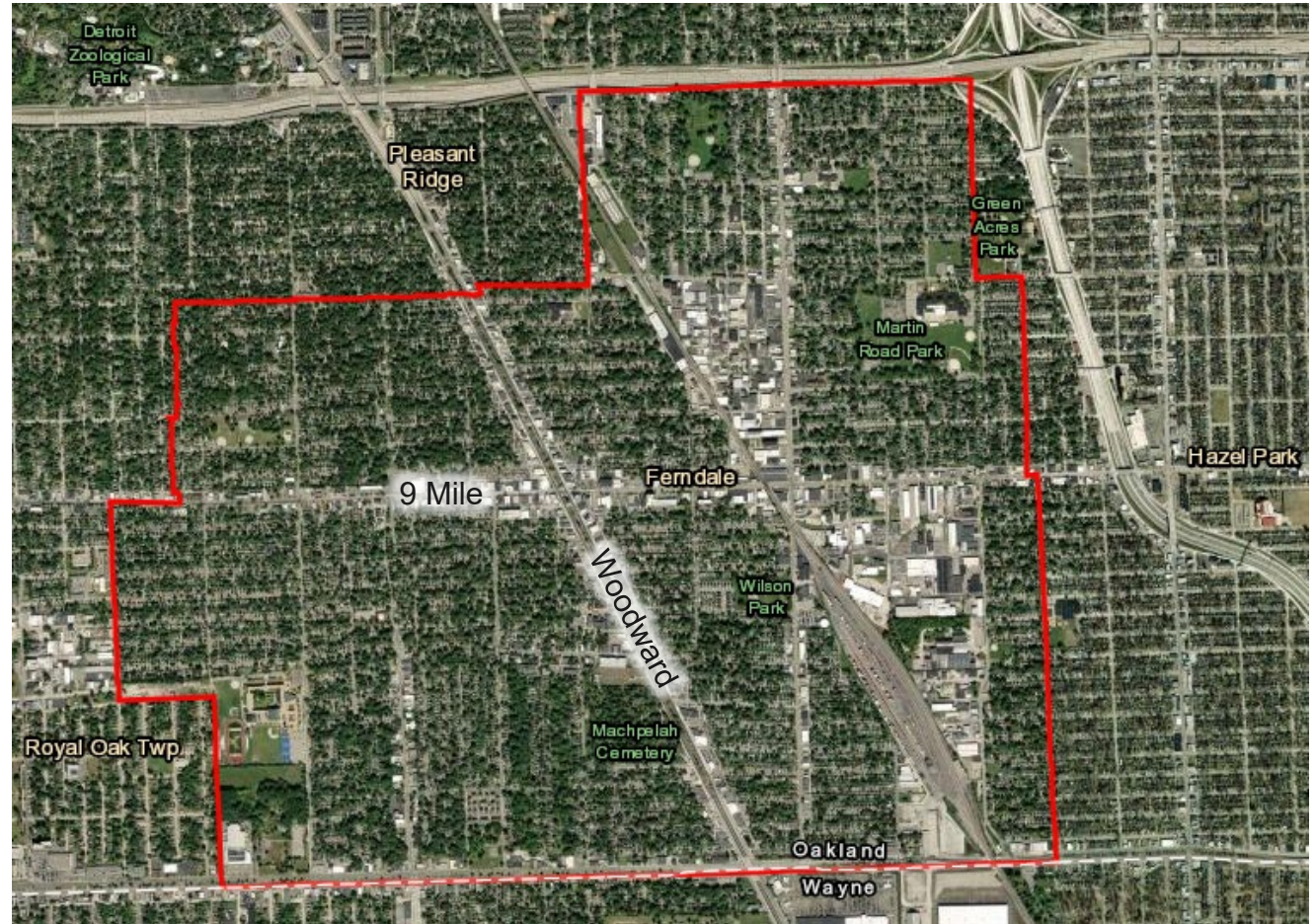
KYLE BRYCE – PLANNING MANAGER



FERNDALE

Background info:

- Pop. 19,190 (2020)
- 3.88 sq. miles
- 10,840 housing units
 - 79.6% single-family detached
 - 6.9% duplex
 - 10.7% 3-49 units
 - 0.9% 50+ units
 - 3,435 (31.6%) rental units



BACKGROUND

- Concerns for Short Term Rentals (STRs)
 - Four focus group meetings
 - Loud parties
 - Poor sanitization
 - Parking issues
 - Noise
- Around 70 were operating in early 2021



ORDINANCE

- Ord. 1258 – Adopted 3/22/2021
- Includes:
 - Definitions
 - When license is necessary
 - Application requirements
 - General requirements
 - Density limitations
 - Enforcement



ORDINANCE, CONT.

- Definitions
 - Includes Residential vs Non-Residential STR
- When license is necessary
 - Always
- Application requirements
 - *Upcoming slide*
 - Principal Residence Exemption affidavit needed for Residential STR



ORDINANCE, CONT.

- General requirements
 - Waste/Noise/Parking
 - Occupancy
 - Eight (8) people
- Density limitations
 - *Upcoming slide*
- Enforcement
 - Three substantiated violations may result in revocation by City Manager
 - Civil infraction




APPLICATION AND PROCESS

Process:

- Applicant contacts the City
- City confirms proposed details
- **City reviews density cap**
- If the block is not capped, City processes application and \$250 fee
- City schedules inspections
- Upon completion of inspections, receives Certificate





Community & Economic Development
 300 East Nine Mile Road
 Ferndale MI 48220
 248.546.2366
 www.ferndalemi.gov

CSTR# _____

APPLICATION FOR REGISTRATION OF SHORT TERM RENTAL UNIT

PLEASE PRINT LEGIBLY AND FILL OUT COMPLETELY; INCOMPLETE APPLICATIONS WILL NOT BE ACCEPTED

Property Address _____ Sidwell _____ E-Mail _____	
Owner's Full Name _____	Date of Birth _____ / / _____ (State) _____
Owner's Address _____	City _____ State _____ Zip _____
Home Phone _____	Work Phone _____ Cell Phone _____
Manager or Legal Agent _____	Work Phone _____ Home Phone _____
Address _____	City _____ State _____ Zip _____

LIST OF OWNER'S PROPERTIES WITHIN THE CITY OF FERNDALE OFFERED FOR RENT / LEASE (Attach separate list, if necessary)

Address _____	Address _____
Address _____	Address _____
Address _____	Address _____

Fee Schedule: _____ \$250 Per 12 Month License Cycle

I hereby apply for a Short Term Rental License under Ordinance No. 1258, Chapter 7, Article VII, and do certify that the above information is correct and true and that I am the LEGAL OWNER or LEGAL MANAGER / AGENT (i.e. power of attorney) of the premises at the above location.

Applicant's Signature _____ (Owner Manager) _____

For Office Use Only

Application: Sent _____ Due _____ Received _____	Final Inspection: Date _____ Time _____
Initial Inspection: Date _____ Time _____	Reschedule: Date _____ Time _____
Reschedule: Date _____ Time _____	\$75 Fee Req'd: Y / N _____ Due: _____ Recv'd: _____
\$75 Fee Req'd? Y / N _____ Due _____ Received _____	Approved: _____
Vios Due: Sent _____ Due _____	Date: _____
Notice of Violation	Ticket #
Sent _____ Due _____	1st _____ Issued _____
Sent _____ Due _____	2nd _____
Sent _____ Due _____	3rd _____

Short Term Rentals ("STR") are limited by Ordinance to no more than 5% of housing units in a block. Locations are reviewed by the City and granted on a first come first serve basis. Eligible STR locations are not guaranteed until the City is in receipt of a fully completed application and fee. All applicants must complete the inspection process and receive their STR Certificate within 60 days of submitting the application. The CED Director may consider a one-time extension. Failure to complete the inspection process will result in the return of the application and forfeiture of the fee. Existing STR Certificate holders must renew annually with a completed application and fee prior to expiration and receive certification within 60 days of expiration.

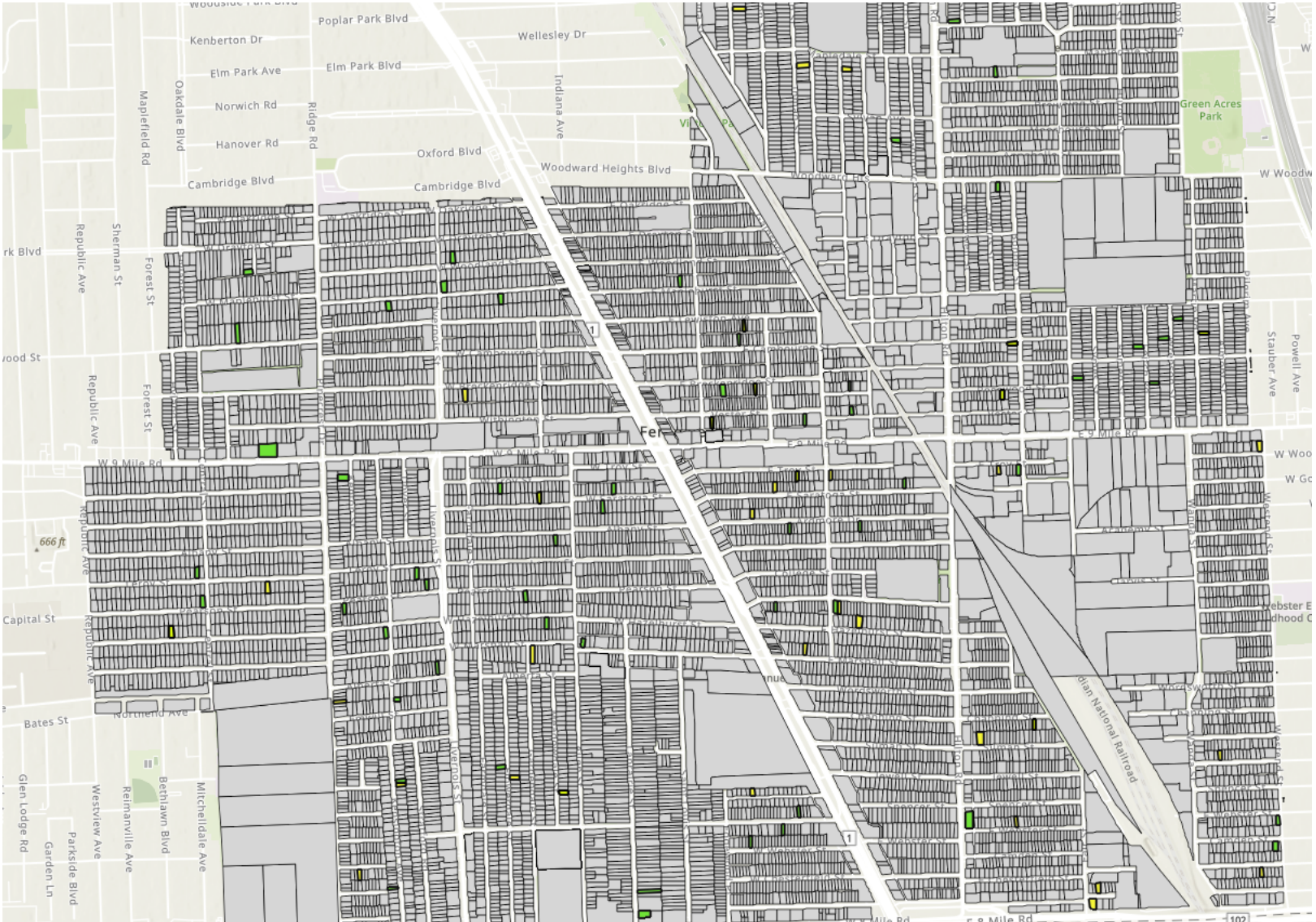
6/27/2024

DENSITY LIMITATIONS

- “Non Residential Short Term Rental Units shall be limited to no more than five (5) percent of the total number of single family, duplex, multi-family units on a block in residential zoned districts in the City” (Sec. 7-158).
- Tracked by BS&A software and ArcGIS
- Difficult situations of when people buy property or furniture for STRs without checking
 - Option for long-term (at least 31 days)
 - Waiting for those who opt out



DENSITY LIMITATIONS, CONT.



DENSITY LIMITATIONS, CONT.



Typical pattern



Small block, but shared by 127 unit building



Can be across the street or even abutting



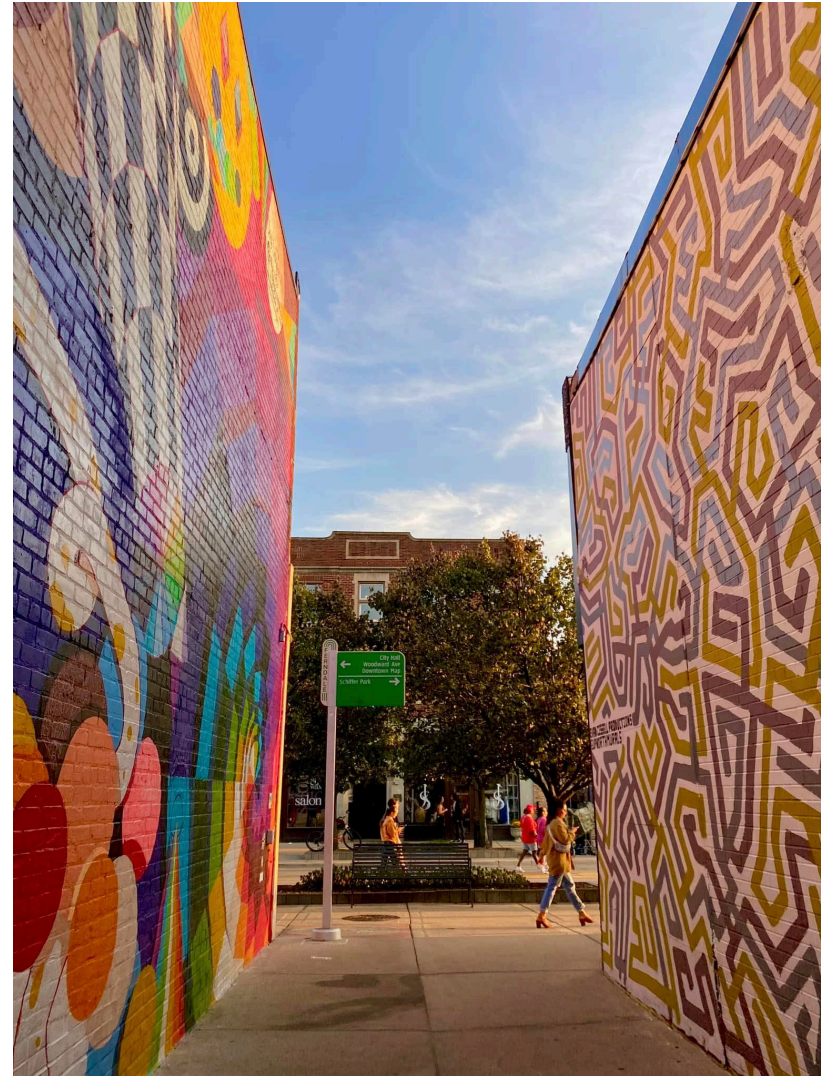
ANNUAL INSPECTIONS

- Same inspection process as general rentals
- Common issues:
 - Smoke/CO detectors
 - Broken/damaged driveway or steps
 - Furnace report
 - Ingress/egress
- STRs are resubmitted annually
 - Application
 - Fee
 - Inspections
- Non-STR rentals are biannual



CURRENT STATUS – AS OF 10/21/2024

- 67 certified
- 41 on Hold
- 327 total applications since Aug. 2021



ISSUES

- Density cap issues
 - Buying a property for STR and finding the block is capped
 - Discuss option of long-term rental (can be as short as 31 days)
- Inspection issues
 - Too costly to repair/update
 - Inspections are generally non-negotiable but we can grant time extensions
 - Time delays
 - City has revised process timeline to mandate a 60-day period with one extension



ISSUES, CONT.

- Unlicensed STRs
 - Contact owner—seek compliance over enforcement
 - Could be operating on a capped block
- Licensed STRs with problems
 - Generally related to noise and parking
 - Contact owner—seek compliance over enforcement



MOVING FORWARD

- City Council reviewed and elected not to raise the density cap
- Program is doing well
- Surprise of total number



THANK YOU/QUESTIONS

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