

Wednesday, May 1, 2019

Committee on Local Government and Municipal Finance
Pat McGinnis, City Manager, Grand Haven

HB 4046

The City of Grand Haven began tracking short term rentals and their location following an ordinance amendment in 2007. From 2007 through 2015, the number of short term rentals in Grand Haven doubled, from 130 to 256 with 1,863 permitted beds. By contrast, we have 294 hotel rooms in town with 1,002 beds.

In 2015 and 2016, residents approached local elected officials and voiced concern about the proliferation of short term rental businesses in their neighborhoods. Residents complained that their neighborhoods were changing, from a quiet, year-round residential setting that they expected when they purchased their homes to a use pattern that was more like a summer resort. Buildings were empty during the cooler months and overloaded during the summer months. People enjoying the properties while on vacation use the property differently than someone who lives in the home year round. It was a classic case of incompatible property uses being sited side-by-side.

With their constituents clamoring for change and control, City Council directed that the issue be carefully examined in 2016, with a recommendation planned for late that year. A task force was established, intense research and survey followed. The number of short term rentals had doubled in eight years, and the penetration rate in two traditional residential neighborhoods now exceeded 20%. One in five homes were now short term rental business with no permanent residents.

A survey was sent to owners and occupants of all properties in neighborhoods where short term rentals are permitted. Out of 1,722 surveys mailed, we received 522 responses, or a 30% response rate. In some neighborhoods, respondents suggested that there were too many short term rentals already there. In others, the neighborhood felt there was a healthy balance. In no neighborhood did a majority of respondents answer that there should be more short term rental uses.

The Planning Commission and City Council went through the ordinance amendment process in 2017, holding public hearings and offering the public additional opportunity to weigh in. They ultimately permitted short term rentals in waterfront neighborhoods, downtown and in planned developments. This balance has resulted in several new short term rentals (now up to 295), they are not prohibited in our City, and owners have a reasonable expectation that neighborhoods will remain primarily residential, not commercial, in nature.

It is worth noting that our built infrastructure serves these neighborhoods year-round. When neighborhoods become highly seasonal, it throws off our long term expectations and makes it difficult to pay fixed costs. We need water, sanitary sewage, fire and police protection, schools and transportation networks to serve residential neighborhoods. Plans take generations to put in place and generations to fully depreciate using public dollars. Artificial transitions that create a seasonal use pattern make it impossible for us to pay for public services. No one pays a water bill when water is not being used in a seasonal structure, and we built these neighborhoods to sustain a year-round population.

Please do not pre-empt local control, please allow us to continue to responsibly and transparently regulate land use. Please oppose HB 4046.

GRAND HAVEN NEIGHBORS

