ORDINANCE NO. 2023-004 AN ORDINANCE AMENDING CHAPTER 66, ZONING, OF THE MUNICIPAL CODE FOR THE VILLAGE OF SISTER BAY TO ADDRESS SHORT-TERM RENTAL LAND USE MATTERS

WHEREAS, after one year of administering a Short-Term Rental Licensing Ordinance, known as Article IV, Chapter 18, of the Village of Sister Bay Municipal Code, enacted in 2022, land use compatibility concerns have arisen which warrant looking at the zoning regulations applicable to Short-Term Rentals; and,

WHEREAS, amending the Zoning Code, to accommodate trends and needs, should only be allowed if such change is consistent with the Purpose and Intent of the Zoning Code, said Purpose and Intent identified in Section 100 of Chapter 66; and,

WHEREAS, the *Purpose* of the code is to promote the health, safety, aesthetics and general welfare of the community; and,

WHEREAS, the *Intent* of the code is to regulate parking, lessen congestion, secure safety, facilitate the provision of adequate services, protect traffic routes, stabilize and protect property values, preserve and promote the beauty of the community, and use enforcement and penalties to provide for the administration of the adopted zoning regulations; and,

WHEREAS, a public hearing was held by the Plan Commission on May 22, 2023, and after that hearing careful consideration was given to the comments received, and, upon finding the proposed amendments to Chapter 66 would be consistent with the Purpose and Intent of the Zoning Code, the Plan Commission recommended the Sister Bay Village Board of Trustees make amendments to the Zoning Code.

NOW, THEREFORE, the Village Board of the Village of Sister Bay does hereby ordain as follows:

SECTION 1 Adoption of Code Amendment.

The amendments to the current Zoning Code, known as Chapter 66, of the Village of Sister Bay Municipal Code, be amended as set forth herein. Additions are shown as an underline; deletions are designated by a strikethrough.

Amend Sec. 66.0311(a)(1), Permitted Uses, in the R-1 district, as follows,

(1) Single family dwellings, including short-term rentals.

Amend Sec. 66.0312(a)(1) to clarify dwellings in R-2 can be used as short-term rentals; amend subsection (6) which prohibits short-term rentals in residential condominiums in the R-2 district; and create subsection (10) to exempt previously approved developments from renting their units on a short-term basis,

- (1) Single family dwellings, including short-term rentals.
- (6) Residential condominiums, and multiple family dwelling units excluding transient lodging and/or shortterm rentals.

Amend Sec. 66.0313(a)(1), Permitted Uses, in the R-3 district, as follows,

(1) Single family dwellings, including short-term rentals.

Amend Sec. 66.0315(a)(1), Permitted Uses, in the CS-1 district, as follows,

(1) Single family dwellings, including short-term rentals.

Amend Sec. 66.0320(a)(35) to allow short-term rentals in the B-1 district,

(35) Single family housing in existence as of January 1, 2007, said housing can be used as a short-term rental.

Amend Sec. 66.0322(a)(16) to allow short-term rentals in the B-2 district,

(16) Single family housing in existence as of September 1, 2010, said housing can be used as a short-term rental.

Amend Sec. 66.0323(a)(15) to allow short-term rentals in the B-3 district,

(15) Single family housing in existence as of January 1, 2004, said housing can be used as a short-term rental.

Amend Sec. 66.0403(j)(1)(a), Parking space requirements, as follows,

(1) Residential Uses (including garage spaces):

a. Single-family dwellings, two spaces per dwelling unit. <u>Properties licensed as a short-term rental in detached single-family dwellings, regardless of the number of bedrooms rented, shall provide a minimum of two, and not more than four, conforming parking spaces. Additional parking spaces can be authorized upon review by the Plan Commission. Additional parking needed on a temporary basis may be authorized upon the issuance of a Special Event Permit.</u>

Amend Sec. 66.0406(f), Number of driveways allowed, to add,

(f) Lots in the R-1, R-3, R-4, B-2 and B-3 districts shall be limited to one driveway unless a second one is approved by the Plan Commission. Lots in all other districts shall be limited to two driveways. For short-term rentals with a nonconforming number of driveways, the nonconforming number of driveways shall be brought into compliance before the property can be licensed as a short-term rental.

Amend Sec. 66.0406, Highway Access, to add subsection (i),

(i) Shared driveways.

Unless approved by the Plan Commission, there shall be no shared driveways, and, shared driveways in existence as of the date of this Chapter shall not be used to serve a property licensed as a short-term rental unless all parties with an interest in the shared driveway agree the driveway can be used for such purposes.

Amend Sec. 66.0720, On-Premise Signs without Permit, to add subsection (k),

(k) <u>For Sale or Lease Signs</u>. Signs advertising the sale or lease of property shall be limited to one sign, except a corner lot is allowed one sign on each street bordering the lot, said sign not to exceed five sq. ft., and the sign shall not be erected prior to a signed listing contract, and, shall be removed within ten days

of a signed sale document or lease. 'For Lease' signs shall be prohibited on a property licensed as a short-term rental.

Amend Sec. 66.0770, Prohibited Signs, to add subsection (p),

(p) Short-Term Rental Signage. No property with a nonconforming use or detached single family dwelling in the R-1, R-2, R-3, or CS-1 districts used for short-term rental shall erect a sign advertising the name of the short-term rental or availability thereof.

Amend Sec. 66.0770(g)(7), Prohibited Signs, to add,

(7) No sign shall be painted on rocks <u>or affixed to trees or any public infrastructure such as utility poles, street signs or similar equipment, including truck bodies, furniture, yard art, mailboxes, school bus waiting shelters, or similar objects not designed to support a ground sign.</u>

Amend Sec. 66.0901, Non-Conforming Uses, to create,

(e) Multiple Occupancy Developments are a grouping of residential rental units on the same lot that predated the Village adopting zoning regulations and do not meet the definition of hotel, motel or condominium. These uses are not listed in a specific zoning district and are regulated by conditional use permit. There are two types of multiple occupancy developments:

i. Multiple Occupancy Development, Short-Term - which rent the units on a transient basis; and,

<u>ii. Multiple Occupancy Development, Long-Term - which rent the units for periods of thirty consecutive</u> days or more.

Short-Term Multiple Occupancy Developments can continue to rent all units which predated zoning, and did not discontinue such rental for twelve months or more, but any expansion of the use shall only be authorized by conditional use permit. Said units can continue to be rented as they were prior to Act 59, but proof of said rental history shall be provided to the Village so as to determine the intensity of the nonconforming use. Since the use cannot be enlarged or extended, the number of days the development can be rented is limited to the number of days in a calendar year it was rented prior to the adoption of Act 59. The nonconforming use must still comply with the Municipal Code, Chapter 18, Business Regulation.

Long-Term Multiple Occupancy Developments cannot rent units less than thirty consecutive days but if a primary dwelling exists within the development, that one dwelling alone can be used as a short-term rental; if more than one unit were rented for periods less than thirty days, the property would transition to a Short-Term Multiple Occupancy Development.

Create Sec. 66.0923, to clarify how to address nonconforming uses that are intensified in use,

<u>66.0923 Intensification of Nonconforming Features</u>

Anytime a use is intensified by increasing the number of occupants, traffic, sales, or similar expansion of the use, the nonconforming features of the lot, such as nonconforming driveways, parking areas, signs, landscaping, open space, or other nonconformities, shall be brought into compliance with this Chapter. However, the intensification of a use shall not require the landowner to bring the lot into conformance

with the dimensional lot width and area standards of this Chapter or the setback provisions of this Chapter. Applicable to the intensification of a use, in no case shall a nonconforming feature of a lot located in a public right-of-way be allowed to continue.

Amend Sec. 66.2100, Specific Words and Phrases, as follows,

<u>Condominium, Residential</u>. A condominium ownership <u>property consisting of multiple single family</u> <u>dwelling units, whether within one building or multiple buildings</u>. where more than 80 percent of the units are owner occupied and the casual rental use does not exceed 30 days per year.

<u>Condominium, Transient</u>. A condominium ownership property where more than 80 percent of the units are available for transient rentals for 365 days per year. A staff member must be on site and available for a minimum period of 4 hours per day while open and operational. The development must be operated by a single management entity.

<u>Duplex.</u> A single structure consisting of two dwelling units with a common wall(s). (Amended Ordinance No. 263-021919)

<u>Dwelling, Multiple-Family</u>. A residential building designed for and occupied by three or more families, with the number of families in a residence not to exceed the number of dwelling units provided. <u>Also referred to as an 'apartment building'</u>. Units in a multiple family dwelling are intended to be rented on a long-term basis and are not considered transient lodging units or short-term rental units and cannot be used as such.

<u>Dwelling, Two-Family</u>. A building, also called a 'duplex', containing two separate dwelling (or living) units, with a common wall, each unit designed for occupancy by not more than two-one familiesy, and having separate entrances, sanitary sewer and water connections, and kitchen facilities.

<u>Permitted.</u> <u>Means a use or structure which has received all applicable Zoning Permits and licenses to make the structure or use a legal, conforming use or structure.</u>

<u>Residential Condominium</u>. An individually owned residential unit in a complex or building of like units. Condominium owners own their units but share common spaces, amenities, and other resources.

Short Term Rental. A dwelling unit in which sleeping accommodations are offered for pay to tourists or transients for periods of brief periods of time, said stays are predominantly less than 30 consecutive days. These facilities are sometimes referred to as "vacation rentals". They do not include a boarding house which does not accommodate tourists or transients, or bed & breakfast establishments or inns, or a hotel or motel with a central, on-site, staffed reservation desk, and on-site property management. For purposes of this land use, 'rental period' shall mean a definite period of time, typically two to seven consecutive days, with a fixed commencement date and a fixed expiration date; the length of time, in days, one party rents a dwelling unit in a consecutive seven day stretch of time. In the R-1, R-3 and CS-1 zoning districts, short-term rental properties shall be restricted in occupancy to a maximum of 3 persons per legally permitted bedroom in existence at the time of this amendment, or at the time of the dwelling unit's establishment after the date of this amendment; additional occupancy is permissible only upon Plan Commission approval. In no case shall more than four bedrooms be rented, unless more bedrooms are authorized by the Plan Commission. Any property licensed under Chapter 18 as a short-term rental

after July 1, 2023, which was not previously licensed as a short-term rental the prior year, or whose license was suspended or revoked and a new license is required to operate as a short-term rental, the property can be rented just two periods of time in a consecutive seven-day period, each period shall be a minimum of two nights. For a short-term rental in a R-2 district, if the rental is in a condominium, the short-term rental thereof shall only be permissible if the rental was authorized by a Development Agreement, or, if the Homeowner's Association or Condominium Bylaws allow such rental.

Transient Condominium. The furnishing of an individually owned unit in a condominium development

SECTION 2 Available for Inspection.

A copy of this code section shall be permanently on file and open to public inspection in the Office of the Village Clerk two weeks prior to its adoption and after its enactment.

SECTION 3 Ordinances in Conflict.

All other ordinances in conflict herewith be, and the same hereby are repealed.

SECTION 4 Effective Date.

This ordinance shall take effect and be in full force from and after its passage and posting.

SECTION 5 Severability.

If a court of competent jurisdiction adjudges any section, clause, provision or portion of this ordinance unconstitutional or invalid, the remainder of this ordinance shall not be affected thereby.

VILLAGE OF SISTER BAY	By: Mustable Nate Bell, President
Heidi Teich, Village Clerk	Ayes <u>(</u> Nays <u>/</u>

Filed/Posted: <u>June 27, 2023</u>
Village Administration Office, 2383 Maple Dr
Sister Bay Post Office, 10685 N Bay Shore Dr
Sister Bay Liberty Grove Library, 2323 Mill Rd