

83824 An Ordinance to amend various sections of Chapter 116 “Home Occupation” of Title VII “Licensing and Regulation” of the City Code to accommodate one-room rentals was presented to the City Commission on July 8, 2014 and August 12, 2014 under File Nos. 83652 and 83812, respectively, to be considered for adoption this date.

Com. Bliss, supported by Com. Kelly, moved adoption of the following ordinance:

**AN ORDINANCE TO AMEND SECTIONS 7.640, 7.641,
7.643, 7.644, 7.646, AND 7.648 OF TITLE VII, CHAPTER 116
OF THE CODE OF THE CITY OF GRAND RAPIDS**

ORDINANCE NO. 2014-66

THE PEOPLE OF THE CITY OF GRAND RAPIDS DO ORDAIN:

Section 1. That Section 7.640 of Chapter 116 of Title VII of the Code of the City of Grand Rapids is hereby amended in its entirety to read as follows:

“Sec. 7.640. - Purpose.

The services offered through a home occupation are a matter closely affecting the public interest. The public interest requires that home occupations be operated properly and in a safe, fair, honest, and competent manner by qualified persons. The public interest further requires that home occupations be clearly incidental to or secondary to the residential use of the dwelling. Home Occupations are divided into three classes as follows.”

Section 2. That Section 7.641 of Chapter 116 of Title VII of the Code of the City of Grand Rapids is hereby amended in its entirety to read as follows:

“Sec. 7.641. - Definitions.

Home Occupation-Class A. An accessory use with minimal to no impact on the surrounding neighborhood. The use is personal to the applicant, is not transferable to any other person, and does not apply to any other business of the applicant. Class A is also intended to allow businesses that rely solely on electronic or off-premise transactions. Types of business in this category include, but are not necessarily limited to:

- (a) Business where all work and communication is conducted over the internet, telephone, and/or electronic mail.
- (b) Business where a service is provided to a client or customer, with no client or customer visitation to the business location. In these instances, the business location is used solely for bookkeeping and electronic or telephone communication with clients and customers.
- (c) Business where the owner produces a product at the business location and offers it for sale or service over the internet or transports the product(s) to off-premise merchants, trade shows, flea markets, and the like for sale or service.
- (d) Business where an off-premise service, which includes but is not limited to, clerical, financial, cosmetic, kitchenware, jewelry, fine art, crafts, music instructor, tutoring of an individual, and clothing in nature is provided to a customer.

Home Occupation-Class B. An accessory use which may have potentially deleterious effects to the neighborhood or community and therefore require an additional level of administrative review. This is a conditional use intended to allow businesses that generate limited quantities of customer visitation and/or merchandise and service deliveries. These businesses are required to comply with other codes, i.e. Zoning, Building, Housing, Fire, Sales Tax, Income Tax, Hotel and Motel Tax, and other local or State codes and ordinances for home occupations. The business is personal to the applicant, and is not transferable to any other

person, and does not apply to any other business of the applicant. Types in this category include, but are not necessarily limited to:

- (a) Business where the design, preparation, production, storage, or distribution of goods and/or services takes place at the business location.
- (b) Business where not more than one-fourth ($\frac{1}{4}$) of the living area of the dwelling unit and less than one-half ($\frac{1}{2}$) of the living area of the main floor shall be devoted to the home occupation.
- (c) Business where chemicals, chemical compounds, fertilizer, combustible materials, corrosive, butane, nitrous oxide or flammable products are used.
- (d) Business where a service, which includes but is not limited to, hydroponic growing operation, taxidermy, medical marihuana caregiver, and agricultural activities in nature is provided to a customer.
- (e) Business where transients are accommodated for sleeping or lodging purposes under a one-room rental, as defined in Chapter 61 of this Code.
- (f) No more than two (2) adult customers, clients, students, or patients shall be on the premises at any one time.

Home Occupation-Class C. An accessory use which may have potentially deleterious effects to the neighborhood or community and therefore require an additional level of administrative review. This is a conditional use intended to allow businesses that involve overnight lodging accommodations. These businesses are required to comply with other codes, i.e. Zoning, Building, Housing, Fire, Sales Tax, Income Tax, Hotel and Motel Tax, and other local or State codes and ordinances for home occupations. The business is personal to the applicant, and is not transferable to any other person, and does not apply to any other business of the applicant. Types in this category include, but are not necessarily limited to:

- (a) Bed and breakfast establishments.
- (b) Rooming and boarding houses.
- (c) Any other place where transients are accommodated for sleeping or lodging purposes.”

Section 3. That Section 7.643 of Chapter 116 of Title VII of the Code of the City of Grand Rapids is hereby amended in its entirety to read as follows:

“Sec. 7.643. - Home Occupation License Required.

- (1) No person shall operate any Home Occupation business unless a license therefore has been obtained as provided for in this Chapter.
- (2) No person shall advertise any portion of a dwelling unit or rental by the night or by the week, unless that person shall have first obtained a Home Occupation license as provided for in this Chapter.”

Section 4. That Section 7.640 of Chapter 116 of Title VII of the Code of the City of Grand Rapids is hereby amended in its entirety to read as follows:

“Sec. 7.644. - Application for Home Occupation License.

Any person desiring a license to operate a Home Occupation business in the City of Grand Rapids shall pay an application fee as provided for in Chapter 92 of this Code and, after paying the application fee, shall file an application for a Home Occupation License with the City Clerk. The application shall be in a form provided or prescribed by the City Clerk and shall require such information to be provided under oath or affirmation as the City Clerk deems necessary to a fair determination of the applicant's ability to provide home occupation service to the public in a safe, fair, honest and competent manner and to comply with the provisions of this Code and other applicable Federal, State and local laws, or ordinances, rules and regulations.

The applicant may also be required to furnish such other information under oath as the Clerk may deem necessary.”

Section 5. That Section 7.646 of Chapter 116 of Title VII of the Code of the City of Grand Rapids is hereby amended in its entirety to read as follows:

“Sec. 7.646. - Issuance of License.

- (1) If, after investigation, the City Clerk shall be reasonably satisfied that the applicant has complied with the requirements of this Code and all other applicable laws, statutes, rules and regulations, and if the proper fee shall have been paid, the City Clerk shall issue a Home Occupation license.
- (2) No more than two hundred (200) Class B Home Occupation licenses for one-room short-term rentals shall be issued at any one time. Such permits are non-transferrable. A permit number shall be included in all advertising of the one-room rental.

The City Clerk shall provide a notice within ten (10) days of issuing a one-room short-term rental permit to all owners and residents within three-hundred (300) feet of the property. Notice of permit issuance for the short-term rental shall include property address, permit number, and contact information of the Clerk’s licensing division shall be provided to receive complaints regarding the operation or occupancy of the short-term rental use.”

Section 6. That Section 7.648 of Chapter 116 of Title VII of the Code of the City of Grand Rapids is hereby amended in its entirety to read as follows:

“Sec. 7.648. - Grounds for Denial, Suspension or Revocation of a Home Occupation License.

- (1) Any violation of this Chapter, of Chapter 61 of this Code, of Chapter 152 of this Code, or of the laws of this State or any other State relating to the operation of a home occupation business may be considered sufficient grounds for the denial of a license or the suspension or revocation of a license issued pursuant to the provisions of this Chapter. These grounds for denial, suspension or revocation of a license provided for in this Chapter shall be in addition to other grounds for denial, suspension or revocation of licenses or permits provided for in Chapter 91 and elsewhere in this Code.
- (2) For Class B Home Occupations to be used as a one-room short-term rental and Class C Home Occupations, if the real property has a 0% Principal Residence Exemption (PRE) on the current tax roll, as provided for in the General Property Tax Act, MCL 211.1 et seq., and this fact is brought to the attention of the City Clerk, then the City Clerk shall:
 - (a) in the case of an application for a new or renewal Home Occupation license, immediately deny the license application;
 - (b) in the case of an existing Home Occupation license, immediately suspend or revoke the license.
- (3) For Class B Home Occupations to be used as a one-room short-term rental and Class C Home Occupations, a license shall not be granted unless the applicant demonstrates to the City Clerk’s satisfaction that the applicant holds one of the following types of interest in the real estate upon which the Home Occupation is to be operated:
 - (a) sole ownership; or
 - (b) a joint tenant by the entireties; or
 - (c) a joint tenant.

(4) For Class B Home Occupations to be used as a one-room short-term rental and Class C Home Occupations, if it comes to the attention of the City Clerk that any person holds an interest in the real estate upon which the Class B Home Occupation to be used as a one-room short-term rental and Class C Home Occupation is to be operated, as a tenant in common, then the City Clerk shall:

- (a) in the case of an application for a new or renewal Home Occupation license, immediately deny the license application;
- (b) in the case of an existing Home Occupation license, immediately suspend or revoke the license."

Carried by a roll call vote:

Yeas: -7

Nays: -0

I hereby certify that the foregoing is a true transcript of the action of the City Commission of the City of Grand Rapids, Michigan, in public session held August 26, 2014.



Darlene O'Neal, City Clerk