

Vacation Home Rental Amendment

FAQ

Changes to the Vacation Home Rental Ordinance will go into effect on November 1, 2020. The changes affect the C-1 and C-2 districts. Please see below.

Traverse City Code of Ordinances will restrict vacation home rentals in the C-1, Office Service and C-2, Neighborhood Center Districts, with the exception for newly modified developments of two or more residential units which would be allowed the greater of either one vacation home rental or 25% of the units as a vacation home rental and added the Transportation District as an allowable location for vacation home rentals.

If I have a Vacation Home Rental License in the C-1 or C-2 District, can I be grandfathered?

If you are a license holder in 2020 in the C-1 and C-2 districts, moving forward, you will need to maintain your status as license holder in order to be grandfathered into the program. Applications must be pending prior to December 31, 2020, and meet all the requirements of the ordinance to be grandfathered.

If I have an existing building in the C-1 or C-2 district and do not have a Vacation Home Rental License, what do I need to do in order to obtain a license?

If you are not a current license holder in the C-1 or C-2 district, a complete application must be submitted to the City Clerk's Office prior to November 1, 2020 and meet all the requirements of the ordinance.

All pending Vacation home rental licenses not approved within ninety (90) days from the Vacation home rental license application date will be denied and the property will be ineligible for a license in perpetuity.

If I purchase a property that has a Vacation Home Rental License in the C-1 or C-2 district will I still qualify for the license?

All Vacation home rental license transfers must be approved within ninety (90) days from the property closing date; and if not, the property will be ineligible for a license in perpetuity.

I purchased a property in the C-1 or C-2 district and it is under construction. Do I qualify for a Vacation Home Rental License?

Any building under construction must meet the following:

Building foundations have been installed for the building(s); and

The applicant, in writing to the City Clerk's Office or City Planning Department, has expressed intent to operate as a Vacation home rental in that building; and

A land use permit and building permit have been issued.

All other City licensing requirements will be met, including the corresponding Building Construction Code specifications for R-1 and R-3 building types of mixed-use buildings.

If all requirements are met, the owner must submit a Vacation Home Rental application within 90 days of purchase.

I purchased a property in the C-1 or C-2 district and it states that 25% of the property can be Vacation Home Rentals. How do I obtain the license as part of the 25%?

New owners of properties located in a building that allows 25% of the entire development to be Vacation Home Rentals will be handled on a first come first serve basis. The owner must have closed on the property to apply for the license.