



Dear Applicant:

Attached is an Application for a Vacation Home Rental License which must be completed in its entirety prior to submission. In Traverse City, a “vacation home rental” is a dwelling that is rented for a period less than 30 days. **Only the owner of the property may hold a license for a Vacation Home Rental; tenants/lessees are prohibited.**

At this time, Vacation Home Rentals may only be operated in the following districts;

- C-1: Office-Service (with restrictions)
- C-2: Neighborhood Center (with restrictions)
- C-3: Community Center
- C-4: Regional Center
- D-1: Development District
- D-2: Development District (with restrictions)
- D-3: Development District
- GTC: Grand Traverse Commons
- HR: Hotel Resort
- I: Industrial District (with restrictions)
- T: Transportation District

For more information on zoning, call (231) 922-4464 or your property zoning designation may be searched by utilizing the interactive zoning map at:

<https://experience.arcgis.com/experience/6975411c36bd4582a5c1e595fa036e8e>

Please familiarize yourself and adhere to both the attached *Additional Information Regarding Vacation Home Rental License Applications*, and Traverse City Code of Ordinances Chapter 870 *Vacation Home Rental License* which can be viewed in its entirety at:

[https://library.municode.com/mi/traverse\\_city/codes/code\\_of\\_ordinances](https://library.municode.com/mi/traverse_city/codes/code_of_ordinances).

When submitting your application, please include the following:

1. Completed Application
2. Application Fee (an on-site inspection by the city is required for the first year; and then every three years. The fee is \$220 when an inspection is required and \$150 in other years.)
3. Proof of Insurance
4. For new applications or if changes have been made to the home, a detailed site plan drawn to scale
5. Fire Escape Plan

Please note that all Vacation Home Rental Licenses will expire on December 31 of each year.

***For your information, per the Michigan Department of Treasury PRE Division, if you rent more than 50% of your home, you may no longer be eligible for a Principal Residence Exemption (formerly known as the Homestead Exemption). Principal Residence Exemption exempts***

*qualifying property owner(s) from up to 18 mills of property taxes. As such, generally, an owner occupied hosted rental can retain the PRE Exemption. For specific questions regarding the property tax implications of obtaining this license, please contact the City Assessing Department (231) 922-4450, or visit the Michigan Department of Treasury PRE Division ([www.michigan.gov/taxes/0,4676,7-238-43535\\_43539---,00.html](http://www.michigan.gov/taxes/0,4676,7-238-43535_43539---,00.html)).*

We hope this information is helpful! Should you have any questions, please feel free to contact the City Clerk's office at 231-922-4480 or [tcclerk@traversecitymi.gov](mailto:tcclerk@traversecitymi.gov)

Most Sincerely,

A handwritten signature in blue ink, appearing to read "Benjamin Marentette".

Benjamin Marentette, MMC  
City Clerk

**City of Traverse City**  
**Application for Vacation Home Rental License**  
*TC Code of Ordinance: 870*



New Application  
 Renewal Application (please submit no sooner than 90 days before expiration and no later than 30 days before expiration – all licenses expire December 31<sup>st</sup>)

**License Year you're applying for:** \_\_\_\_\_

Applicant's Name: \_\_\_\_\_  
(Must be Property owner)                      First    Middle    Last

Vacation Home Address: \_\_\_\_\_

Unit(s): \_\_\_\_\_

Residence/Home Address (if different): \_\_\_\_\_

Phone No: \_\_\_\_\_ E-mail address: \_\_\_\_\_

Local Property Manager (if applicable): \_\_\_\_\_

Phone No: \_\_\_\_\_ E-mail address: \_\_\_\_\_

Name of Vacation Home: \_\_\_\_\_

Date of last on-site inspection by City? \_\_\_\_\_

***Please initial the following as acknowledgement to conform.***

If a new application, or if my vacation home has changed in any way, I have attached a site plan showing conformance to provisions identified in the respective zoning code.

My application is accompanied with Proof of Liability Insurance in the amount of \$1 million per occurrence.

I agree to post in a conspicuous location a summary of the noise ordinance hours and consumer fireworks ordinance as provided by the City Clerk's Office.

A fire escape plan has been developed and graphically displayed in each guest room and I have attached a copy of it to this application.

If applicable, I have attached a self-inspection checklist to this application.

I am the owner of this property; I am not a tenant/lessee.

**The undersigned declares and says he/she wishes to be permitted to perform the operation, service, or act stated hereon and that the statements made above are true and correct to the best of his/her knowledge and belief. Further says that he/she will comply with all provisions of the ordinances of the City of Traverse City and the laws of the state of Michigan relative to the operation, service, or act for which this license is required during the period the license is in effect. And further agrees to hold the City of Traverse City free and harmless from all liability which may be imposed upon it, to reimburse the City of Traverse City for any legal liability that may be adjusted against it and to reimburse the City of Traverse City for all expenses of litigation in connection with the defense of claims as such liability and claims may arise because of negligence in the performance of the operation, service, or act for which the license was issued. Further acknowledges that he/she has received a copy of the rules and regulations.**

**The applicant acknowledges that the City may be required from time to time to release records in its possession. The applicant hereby gives permission to the City to release any records or materials received by the City from the applicant as it may be requested to do so as permitted by the Freedom of Information Act, MCL 15.231 et seq.**

Date: \_\_\_\_\_

\_\_\_\_\_  
Signature of Property Owner & Applicant

## **Additional Information regarding Vacation Home Rental Licenses**

For further clarification regarding Vacation Home Rental licenses, review the Traverse City Code of Ordinances at [https://library.municode.com/mi/traverse\\_city/codes/code\\_of\\_ordinances](https://library.municode.com/mi/traverse_city/codes/code_of_ordinances).

**Term of License:** From date of issuance to the end of the calendar year, expiring annually December 31. All applications to renew a vacation home rental license should be submitted to the City Clerk no sooner than 90 days before expiration and no later than 30 days before expiration.

**License Fee:** Non-refundable \$220 fee for applications needing an inspection and a non-refundable \$150 fee for applications not needing an inspection.

### **Checklist for Completing an Application**

- Completed application
- Payment
- Attached Proof of Insurance
- Self-Inspection Checklist - to be filled out on years a fire inspection is not required
- If a new applicant, or if the existing vacation home has changed in any way, attach a site plan showing conformance to provisions identified in the respective zoning code, including the following information:
  - a. Scale of drawing, north arrow and date.
  - b. All rooms within the home
  - c. Exits and Emergency Exits
  - d. Streets and alleys
  - e. Ordinance required building setback lines. (Contact the Zoning Administrator for assistance at 231-922-4464)
  - f. Existing buildings on the property.
  - g. Proposed number and location of parking spaces and maneuvering lanes together with their dimensions, description of paving material proposed and the existing or proposed points of site access and egress.
  - h. Location of outdoor use areas including walkways, decks, patios, recreation areas, landscape areas and open space.

### **Upon receipt of the above, the following actions will take place:**

1. The Zoning Administrator will review for compliance with the standards of the ordinance.
2. The Fire Inspector will conduct an inspection, which will be done every third year.
3. The Deputy City Treasurer will verify that all taxes, utilities and parking tickets are paid and up to date.
4. The Vacation Home License will be issued.

## **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.