

CITY OF SAUGATUCK

SHORT-TERM RENTAL LICENSE NOTIFICATION AND ISSUANCE POLICY

Section I: Intent and Purpose

The City of Saugatuck Code of Ordinances imposes maximum limits on the number of short-term rental licenses (“STR licenses”) that may be issued in the City’s R-1 zoning districts. Under the City Code, once the number of active STR licenses in a district falls below the maximum number of licenses, the City must provide notice of available STR licenses and for receiving applications for the same, which will be selected for approval by random lottery.

The following policy is intended to provide administrative guidance as to how applications for new STR licenses will be received, processed, and approved by the City, consistent with the City Code. This policy is intended to compliment and coincide with the City Code, which provides some flexibility as to how it is administered. However, to the extent this policy conflicts with or is contradicted by any provision of the City Code, the City Code will control.

Section II: Notice of Available Licenses; Publication

1. When the number of active STR licenses falls in a district subject to a maximum number of licenses falls below the established limit, the City shall prepare and circulate a notice to the public. The notice shall:
 - a. Be published in a newspaper of general circulation and posted on the City’s website.
 - b. Indicate how many STR licenses are available and in which zoning district(s).
 - c. Indicate the application window, including the exact date and time that applications for STR licenses will be received by City, and the time when applications will no longer be accepted.
 - d. Indicate the manner in which applications must be submitted to the City.
 - e. Indicate that copies of this policy are available on the City’s website.
 - f. Provide contact information for questions concerning the application process.
2. The City shall not be required to provide notice of available STR licenses more than once per year. Beyond this minimum requirement, the City may, but is not required to, provide notice of available STR licenses more than once per year.
3. If additional STR licenses become available between the time the City publishes notice of available licenses and the date selected for the application window, the City may, but is not required to, circulate an updated notice indicating the new number of available licenses and establishing a new application window. Otherwise, a separate notice must be circulated for such additional available licenses, along with a separate application window as set forth herein.

Section III: Application Window; Submission of Applications

1. Applications for available STR licenses shall only be accepted by the City during the application window. The application window shall open no sooner than 14 calendar days after and no later than 90 days after the publication date of the most recent notice provided for in Section II.
2. The application window shall last for 21 calendar days. Applications shall be accepted beginning at 8:30 a.m. on the first day until 5:00 p.m. of the last day of the established application window. Applications will be deemed received on the date and time they are actually received by the City. Applications received outside of the application window by any increment of time shall be rejected
3. Applications for STR licenses may be submitted via regular mail, electronic mail, or delivered in person to the City, shall contain all of the information required by the City Code, and shall be accompanied by the required application fee.
4. Applicants may submit only one application per proposed short-term rental location. If the City receives duplicate applications for a single location, all such applications shall be rejected. Any attempts to circumvent the limitations imposed by this policy may also result in the rejection of applications.
5. Applications shall clearly indicate the zoning district in which the proposed short-term rental is located. The City will only process applications pertaining to property located within the zoning district or districts described in the notice of available licenses. Applications pertaining to property in districts without available licenses will be rejected outright.

Section IV: Selection of Applications

1. If the number of applications submitted during the application window is less than or equal to the number of available STR licenses, the City will process such applications normally under the City Code.
2. If the number of applications submitted during the application window is greater than the number of available STR licenses, selection of applications for available STR licenses will be completed by a random lottery drawing open to the public.
3. After the application window closes, the City will publish notice of the time and place of the lottery drawing in a newspaper of general circulation and on its website. Such notice shall be published at least 7 days before the lottery drawing.
4. If there are available STR licenses in more than one zoning district, the City will separate the applications by district and conduct a lottery drawing for each zoning district having available licenses.
5. At the lottery drawing, the City will randomly select a number of applications equal to available licenses in each zoning district to be processed and approved (the “initial applications”). To avoid conducting subsequent lottery drawings, the City may, in its discretion, select alternate applications for each zoning district which will be processed in the event the initial applications

are withdrawn or rejected (the “alternate applications”). Such alternate applications will be assigned priority in the order they are drawn.

Section V: Processing of Selected Applications

1. Upon completion of the selection process set forth in Section IV, the City shall begin its review by processing the initial applications. The initial applications will first be reviewed for completeness. If any required information is missing or the applicant failed to pay the required application fee, the City shall notify the applicant consistent with the City Code. If the applicant does not remedy any deficiencies within 14 calendar days after receiving such notice, the application shall be deemed incomplete and rejected.
2. After the City verifies the completeness of the initial applications, they will be reviewed for compliance with the standards and regulations of the City Code and subjected to the requisite inspections. If these requirements are met, the City shall approve the initial applications and issue the STR licenses consistent with the applicable provisions of the City Code. Initial applications that do not meet the requirements of the City Code shall be rejected.
3. If at any point in this process an initial application is withdrawn or rejected, the City shall process alternative applications, in the priority assigned at the lottery drawing, until City approves a number of STR applications equal to the number of available STR licenses, at which point it will cease its review and processing of applications, and all remaining applications will be deemed rejected.
4. Application fees shall be deemed nonrefundable for applicants whose applications are reviewed by the City, regardless of whether an STR license is issued. After the City issues all available STR licenses, application fees will be refunded to any applicants whose applications were not reviewed.
5. The City shall provide notice via email and regular mail to each applicant whose application is rejected.
6. If there are still available STR licenses after the initial applications and alternate applications are processed, the City will conduct a second lottery drawing following the procedures outlined in Section V above to select additional applications for review. If there are still available STR licenses after the City completes its review of all applications submitted during the application window, the City shall again publish notice and establish an application window as set forth in Section II.

Section VI: Amendment of Policy

7. The City Council may amend this policy from time to time as it sees fit to carry out the fair and efficient administration of the short-term rental regulations set forth in the City Code. Any such amendments must be approved by a majority vote of the City Council.

Approved by the Saugatuck City Council on August 26, 2024.