City Council Agenda Item Report

FROM: Luke Thompson
Director of Planning and Zoning

DATE: February 10, 2025

RE: Accessory Dwelling Unit

DESCRIPTION:

At the Planning Commission meeting on September 19, 2024, concerns were raised regarding the standards required for Accessory Dwelling Units (ADUs) to obtain Special Land Use approval for rental purposes. Owner occupying a single family home and separately renting an ADU requires Special Land Use approval. One of the key requirements is that the ADU must comply with all current zoning regulations. This creates an issue for legally nonconforming structures, as even though they can be occupied legally they are unable to rent due to the size or location of the structure. After several discussions on the feasibility of renting existing non-conforming ADUs and the minimum square footage requirements for new ADUs, the Planning Commission unanimously recommended an ordinance amendment.

Drafted Ordinances and Policy

Based on direction by the Planning Commission a text amendment was drafted for section 154.022 (W)(3) to revise the required minimum gross finished floor area for accessory dwelling units and to amend section 154.092 (J) to allow existing accessory dwelling units that do not conform to the requirements of 154.022 (W) to qualify for rental if all other applicable requirements are satisfied.

LEGAL REVIEW:

The City Attorney reviewed the draft ordinances, attended the Planning Commission meetings and will be at the City Council meeting to answer any questions.

SAMPLE MOTION:

Motion to approve Ordinance No. 250210-B an ordinance to amend Title XV, Chapter 154, of the Code of the City of Saugatuck to amend section 154.022 (W)(3) to revise the required minimum gross finished floor area for Accessory Dwelling Units and to amend section 154.092 (J) to allow existing accessory dwelling units that do not conform to the requirements of 154.022 (W) to qualify for rental if all other applicable requirements are satisfied.

CITY COUNCIL
CITY OF SAUGATUCK
ALLEGAN COUNTY, MICHIGAN

ORDINANCE NO. 250210-B

AN ORDINANCE TO AMEND TITLE XV, CHAPTER 154, OF THE CODE OF THE CITY OF SAUGATUCK TO AMEND SECTION 154.022 (W)(3) TO REVISE THE REQUIRED MINIMUM GROSS FINISHED FLOOR AREA FOR ACCESSORY DWELLING UNITS AND TO AMEND SECTION 154.092 (J) TO ALLOW EXISTING ACCESSORY DWELLING UNITS THAT DO NOT CONFORM TO THE REQUIREMENTS OF 154.022 (W) TO QUALIFY FOR RENTAL IF ALL OTHER APPLICABLE REQUIREMENTS ARE SATISFIED

Section 1. Amendment to Zoning Ordinance, Section 154.022(W). The City of Saugatuck Zoning Ordinance is amended to revise Section 154.022(W)(3) as follows:

Existing:

(3) An accessory dwelling unit shall have a minimum of 375 square feet of gross finished floor area and shall not exceed the lesser of 30% of the gross finished floor area contained within the single-family detached dwelling or 600 square feet of gross finished floor area; except, in the CRC zone district when the parcel on which the accessory dwelling unit is located is two or more acres in area, the floor area of an accessory dwelling unit shall not exceed the lesser of 30% of the gross floor area of the principal residence or 1,500 square feet. For purposes of this section, the floor area of an accessory dwelling unit is the total gross finished floor area intended for living, sleeping, bathing, eating and cooking. In the case of an accessory dwelling unit attached to or incorporated with a detached accessory building intended for other purposes, such as accessory studio, shop, or storage space, there shall be no internal access and connection to the additional floor area intended for the other purpose if the result of the connection would exceed the maximum gross finished floor area required for the accessory dwelling unit.

Revised (tracked changes shown for reference):

(3) Minimum and Maximum Size.

a. An accessory dwelling unit shall have the minimum gross finished floor area necessary to satisfy the State of Michigan Building Code for residential occupancy.

b. An accessory dwelling unit ~~shall have a minimum of 375 square feet of gross finished floor area and~~ shall not exceed the lesser of 30% of the gross finished floor area contained within the single-family detached dwelling or 600 square feet of gross finished floor area; except, in the CRC zone district when the parcel on which the accessory dwelling unit is located is two or more acres in

area, the floor area of an accessory dwelling unit shall not exceed the lesser of 30% of the gross floor area of the principal residence or 1,500 square feet.

c. For purposes of this section, the floor area of an accessory dwelling unit is the total gross finished floor area intended for living, sleeping, bathing, eating and cooking. In the case of an accessory dwelling unit attached to or incorporated with a detached accessory building intended for other purposes, such as accessory studio, shop, or storage space, there shall be no internal access and connection to the additional floor area intended for the other purpose if the result of the connection would exceed the maximum gross finished floor area required for the accessory dwelling unit.

Section 2. Amendment to Zoning Ordinance, Section 154.092(J). The City of Saugatuck Zoning Ordinance is amended to revise Section 154.092(J) as follows:

Existing:

(J) *Rental of an accessory dwelling unit*. Unless otherwise specified below, a rental accessory dwelling unit shall conform to all regulations in § 154.022(W) and the following:

(1) A rented accessory dwelling unit shall only be permitted on a parcel that contains a single-family detached dwelling that is occupied and used by the owner as his or her primary, year-round residence. Under no circumstances may a single-family detached dwelling and an accessory dwelling unit on the same parcel be rented to separate parties or under separate contracts.

(2) Accessory dwelling units rented for less than 31 days shall require a short-term rental license pursuant to the City of Saugatuck's Short-Term Rental Ordinance, Chapter 99.5 of the City Code, and shall otherwise adhere to all of this chapter's requirements concerning short-term rentals.

Revised (tracked changes shown for reference):

(J) *Rental of an accessory dwelling unit*. ~~Unless otherwise specified below,~~ A rental accessory dwelling unit shall comply with ~~conform to all regulations in § 154.022(W) and~~ the following requirements:

(1) A rented accessory dwelling unit shall only be permitted on a parcel that contains a single-family detached dwelling that is occupied and used by the owner as his or her primary, year-round residence. Under no circumstances may a single-family detached dwelling and an accessory dwelling unit on the same parcel be rented to separate parties or under separate contracts.

(2) Accessory dwelling units rented for less than 31 days shall require a short-term rental license pursuant to the City of Saugatuck's Short-Term Rental Ordinance, Chapter 99.5 of the City Code, and shall otherwise adhere to all of this chapter's requirements concerning short-term rentals.

Section 3. Repeal. All Ordinances or parts of Ordinances in conflict herewith are hereby repealed.

Section 4. Effective Date. This Ordinance shall take effect seven (7) days after publication of a notice of adoption of this Ordinance, unless referendum procedures are initiated under MCL 125.3402. If referendum procedures are initiated, this Ordinance will take effect in accordance with MCL 125.3402.

YEAS:_____
NAYS: _____

ABSENT/ABSTAIN:_____

ORDINANCE DECLARED ADOPTED.

_____
Holly Anderson
City of Saugatuck, Mayor

CERTIFICATION

I hereby certify that:

1. The above is a true copy of an ordinance adopted by the City of Saugatuck at a duly scheduled and noticed meeting of the City Council held on _____, _____ 2024, pursuant to the required statutory procedures.

2. A summary of the above ordinance was duly published in the _____ newspaper, a newspaper that circulates within the City of Saugatuck, on _____, 2024.

3. Within 1 week after such publication, I recorded the above ordinance in a book of ordinances kept by me for that purpose, including the date of passage of the ordinance, the names of the members of the City Council voting, and how each member voted.

ATTESTED:

_____
Jamie Wolters
City of Saugatuck, Clerk