

Norwood Township Board of Trustees Special Meeting
September 7, 2021 Approved Minutes
Meeting Held Historic Norwood Township Hall

Call to Order – Meeting called to order at 7:00 P.M.

Pledge of Allegiance – by all present

Roll Call – Warner-present, Brenda Freds-present, Ben Freds-present, Lynn Smolenyak-present, Mike Spilis-present, Deputy Clerk/Recording Secretary Jones-present

Approval of September 7, 2021 Meeting Agenda –

Supervisor Freds stated he would like to move the Public Comment on the Agenda to be placed before the New Business.

MM by Warner to approve the Agenda with the amendment, 2nd by Smolenyak. Motion carried to approval 5-0.

Old Business - None

Public Comment –

Supervisor Freds gave a synopsis of why the Township Board is requesting to pass Resolution #4 of 2021. This resolution, if passed, will put a 90 day moratorium on new licenses for Short Term Rentals. The reason for doing this would give the Board a time to pause and have a chance to review the STR Licensing Ordinance to make sure it works for Norwood Township.

Trustee Warner stated he would like to see the moratorium be 180 days. He stated that knowing how the process works to update an Ordinance, it often takes more than 90 days in order for these steps to be taken.

Trustee Spilis asked to start the Public Comment.

Treasurer Smolenyak explained that the Short-Term Rental (STR) Licensing Ordinance originated in 2018. The prior ordinance had no power to regulate or attempt to regulate STR's. At that time there was pending legislation regarding STR's so rather than make STR owners get Special Use Permits the Township drafted a Police Power Ordinance as recommended by the Township Attorney. This gives a way to require STR owners to get a license and be able to do annual reviews thus being able to keep track of the STR's in Norwood Township. Smolenyak went on to say the Board would like to stay on top of the current pending legislation as it relates to STR's which will be decided in the House (HB4722) by December 2021. If this bill is passed the ordinance will need to back to the Attorney for review.

Supervisor Freds again addressed the attendees stating the Township has never received a formal complaint regarding rules of a Short Term Rental not being followed.

Gary LeChevalier, Clipperview resident – asked for an explanation for the moratorium. Supervisor Freds explained as he did previously.

Kelly Morris, 4224 Lakeshore Dr. – Kelly stated there has been talk in Clipperview regarding the pending House Bills. She stated she hates to see the Township spend money on further STR issues. Kelly also stated there are already remedies in place that can be used as neighbors.

James Furlong, 4495 Lakeshore Dr. – Mr. Furlong thanked the Board for considering the moratorium. He stated he was speaking representing concerned Clipperview residents who are opposed to short term rentals in the Clipperview neighborhood. He stated he could tell from reviewing the minutes of past Board meetings that Norwood Twp recognized STR limits as a potential problem when the current zoning ordinance was deliberated and finally adopted in Sept 2018. Unfortunately, through the lens of 20-20 hindsight, that decision was made on the basis of incorrect legal advice. Quoting from your minutes from the July 16th, 2018 Board meeting: “Question asked by an audience member if short term rentals can be banned and Wendling (atty) stated it really can’t be but numerous regulations and restrictions can be put on an S.U.P. which may discourage people from renting.”

Furlong went on to say some of you have told our committee members that there is currently no problem with STR’s in our township. So what has changed since 2018 and why do we need to reconsider our previous remedies? The short answer is the marketplace has drastically changed and the future is upon us. Recent technology developments in real estate have led to the advent of AI bots that scour the Multiple Listing Service (MLS) on the internet. They match up new property listings against desirable attributes (such as small town waterfront vacation destination) and against local STR zoning regulations. Where vacation rental value is high and zoning restrictions are low, as is now the case in Norwood Twp, referrals are immediately made to international investment property websites and services, such as Mashvisor and AirDNA, just to name a few. Furlong went on to say that this has happened twice in Clipperview over the past month. Lot 48 was listed on MLS 31 days ago. Within hours of that listing, it appeared on Mashvisor as an investment property. That occurred because 1) great location and 2) no challenging STR limitations to deal with. Since listing, it has received almost 12K views on Zillow. Lot 69, an existing licensed STR, was sold and quickly received their STR license within a day of closing, despite letters from many of your constituents requesting that you not grant the license until our concerns could at least be heard. The new owners are very nice people but told us that the only way that they could afford the property was to rent it out until they can move here after retirement. They are 42 years old. Most my age would counsel that if you cannot afford something, don’t buy it! But I’m just an old retired guy he stated.

Furlong passed out a packet to all Board Members titled “STR Proposal”. This packet contained informational statement regarding the STR Ordinance information and how the Licensing Ordinance came to be. It also included Suggested options, non-legal definitions, and petition information. It also included a map that showed lots with current STR’s, Residents that Signed Petition Opposing STR’s, Residents that Refused to sign Petition, Conservancy and Road Commission owned property. 150 properties from the County Parcel Search map, 2 current STR’s, shown in pink, 102 properties signed our petition, shown in green, 10 red properties opposed the petition, most frequently citing Individual Property Rights, 3 chateaux properties had no voice (1 Charlevoix Road Commission, 2 Little Traverse Conservancy) 34 “unpainted” properties were unreachable (mostly vacant lots not owned locally), abstained, or remained undecided, even after at least 1 repeat visit.

Furlong stated the answer is that we cannot. Unlike virtually all modern real estate developments, in 1960 when Clipperview was platted by the Portland Mulder Land Company, they did not put any restrictions on the Master Deed. Rather, over time, each individual deed has had some (or no) restrictions put on it. There is no Master list of restrictions that would apply to all Clipperview properties and permit us to make a change applicable to Clipperview only. As Board members, you all know from the myriad of “too many township restrictions” comments that you received on your Master Plan survey, that it would be a nearly impossible challenge for Clipperview residents to try to establish a Homeowners Association in the current political landscape.

Furlong said we are asking you to please accept our petition, examine the options we have outlined and work with us to protect our neighborhoods from the disintegrating effects of becoming income-driven investment opportunities. If this is not a problem today because we only have 5 licensed STR’s, then at what point does it become a problem? Is 10 STR’s too many? 50 STR’s? 100 STR’s? At whatever future point you recognize that there is a problem, there will certainly be more investors in opposition than there are now, likely backed by an army of attorneys. And at that point the only redress may be to sell out and move, making your home the next STR. Neighborhoods are for neighbors, not investors. Furlong said let’s do whatever we can NOW to keep it that way.

Furlong asked the Board to accept the Petition to protect the Township from income driven investors and don’t let them seize the neighborhood for profit.

Gary LeChevalier, Clipperview – stated he does not feel there should be a moratorium.

Tom Jaenicke, Clipperview – Jaenicke stated he has been a resident of Clipperview since 1997 and appreciates the concerns of the other citizens. He stated he owns four pieces of property in Norwood Township but only one in Clipperview so he said he feels the restrictions should not apply to all of Norwood Township taking into account his other properties.

Diane Allen, 4925 Lakeshore Dr. – Allen stated she would like to preserve the neighborhood. Allen read a portion of an email that Supervisor Freds sent to her stating that STR’s are not an issue. Allen said she would like to stop STR’s.

Sally Whitley, 4010 Lakeshore Dr. – Whitley said she has lived in Clipperview since 1972 and said she has always enjoyed visiting with her neighbors and that includes the STR renters. She said she loves meeting new people and has not seen any issues with the renters she has met. She feels property owners have the right to do what they want to do on their own property.

New Business –

Resolution for 90 Day moratorium on new short Term Rental License Applications -

Supervisor Freds asked for a Motion for the Resolution.

Warner stated he would still like to see the moratorium be extended to 180 days.

Spilis reminded the attendees that this is a time out period and is not a decision made.

Gary LaChevalier asked why take a pause?

Supervisor Freds questioned with a part time ZA and Board, whether the Township has the resources to effectively police more STR's than we already have. Freds also stated there have been no formal complaints other than the talk about lot #69 issues. He also stated there needs to be resources to see if the Licensing Ordinance can continue to work.

Mr. Furlong asked if lot #6 has a STR and he was told they have not applied for one yet.

Clerk Freds stated the Township Ordinance stated property owners can be fined if they are not licensed for STR's.

Smolenyak stated she understands there are concerning issues for many and stated the Board wants to do good things for the Township as a whole, but the Board does not always know what people are doing with their property. She stated she would like the opportunity for the Board to have a chance to fix the issues that have been presented. She also said in regards to the legislation that was taking place when the Licensing Ordinance was adopted, that the Board acted on the facts that are present at the time it was acted upon.

Roger Saldo, Clipperview resident, stated there was case law in 2018 when the Ordinance was adopted.

Gary LeChevalier asked what the cost was for adopting the STR Licensing Ordinance and Kelly Morris and the Clerk stated the cost was \$2,940 which included Attorney fees, extra meetings for Planning Commission and Board and meeting notices. He also asked how many STR licenses there are now, and Clerk stated five.

Kelly Morris stated the owners of lot #69 have applied for and been approved for a STR License.

Supervisor Freds asked for a motion to be made.

MM by Warner to approve Resolution #4 for a Moratorium on Short Term Rental Licenses for up to 180 days, 2nd by Spilis. Roll call vote: Spilis-aye, Smolenyak-aye, Warner-aye, Brenda Freds-aye, Ben Freds-aye. Motion carried to approval 5-0.

Meeting Adjourned by Supervisor Freds at 7:44 p.m.

Submitted by Shari M. Jones, Recording Secretary