

MEMORANDUM



TO: VICTOR CARDENAS, INTERIM CITY MANAGER
FROM: CHARLES BOULARD, COMMUNITY DEVELOPMENT DIR.
SUBJECT: TURO AUTO RENTALS IN RESIDENTIAL NEIGHBORHOOD
DATE: APRIL 2, 2023

Mayor and Council –

Update for a Code Compliance matter in Village Oaks. Staff continues to prepare for a recommendation to ORC for consideration.

- Victor

Background:

The Code Compliance staff recently received complaints regarding the use of one or more single-family homes in the Village Oaks neighborhood on Cranbrook and Oak Tree for storage, staging, and delivery of online vehicle rentals. Follow-up with the complainant(s) and investigation revealed the presence of a number of vehicles parked at or near the homes with rental availability through Turo, an online vehicle rental app. Subsequent conversations with the property/vehicle owner confirmed that this activity was taking place. The issues were exacerbated by a number of vehicles owned and operated by legitimate occupants of the residences.

Progress to date:

Code Compliance staff notified the owner that the activity was counter to several portions of the Home Occupations section of the City of Novi Zoning Ordinance, specifically sections:

4.4 Home Occupations

2. The home occupation is conducted wholly within the main building by the residents thereof.
3. There is not involved the keeping of a stock in trade and no article shall be sold or offered for sale from the home. Articles made in the home by the inhabitants thereof, may be delivered by the resident to markets off premises.
4. Home occupations shall not be carried on to an extent so as to require parking in excess of that required for the residential structure in which it is located.
5. Any home occupation that creates objectionable noise, fumes, odor, dust, electrical interference or more than normal residential traffic shall be prohibited.

The resident initially appeared to have taken steps to ameliorate the issues by making transactions offsite and relocating some vehicles. This response was insufficient to eliminate the violations and resulted in further notice and an agreement to completely cease the unauthorized auto rental home occupation.

As of the end of last week, an officer has walked the properties with the owner, recorded the registrations of all vehicles onsite, and verified that all remaining vehicles are registered to occupants of the residences. Removal of the vehicles from Turo and major competing applications was also confirmed.

Ongoing Verification:

Code Compliance staff will continue to monitor the online market for a reoccurrence of the listings as well as monitor the vehicles parked on or near the properties. As noted above, there are several licensed drivers that reside in both properties, and it should be expected that even without the rental business, there are likely to be multiple vehicles parked at or near the residences. Other concerns, such as drivers exceeding the paved limits of a curb approach when backing out are not violations.

Code Compliance staff will separately attempt to resolve the ongoing drainage dispute between the neighboring property owners.

Please let me know if I can provide any additional information.

The screenshot shows the Turo website interface for a car rental search in Detroit, MI. The search parameters are set for the dates 05/06/2023 to 05/09/2023, from 10:00 AM to 10:00 AM. The results are sorted by price, showing six vehicles available for rent. Each vehicle listing includes a photo, the model name, a 5.0-star rating, the number of trips, and the daily rate. A map on the right side of the screen shows the search area in Detroit, with a red pin indicating the search location.

Vehicle	Rating	Trips	Host	Price
Chevrolet Sonic 2016	5.0	11	All-Star Host	\$30/day
Chevrolet Equinox 2019	5.0	11	All-Star Host	\$54/day
Jeep Grand Cherokee L 2023	5.0	7	All-Star Host	\$92/day
Chevrolet Trailblazer 2022	5.0	39	All-Star Host	\$63/day
Cadillac XT5 2019	5.0	51	All-Star Host	\$65/day
Ford Escape 2019	5.0	9	All-Star Host	\$52/day



Staff have confirmed that none of these vehicles are currently available for "rent" on the Turo site.