

## Use and Occupancy Permit Frequently Asked Questions

### 1. What is a Use and Occupancy Permit and why does the City require them?

- a. A Use and Occupancy Permit is a permit issued by the City Code Enforcement Department (subsection of the Assessing Department) approving occupancy of a specific structure or portion of a structure for a specific use.
- b. The purpose of any permit is to provide for inspection by the issuing agency as a proactive means of identifying potential or actual violations of code, giving notice to the property owner of those violations and allowing them a chance to correct the violations within a reasonable amount of time.
- c. The City specifically utilizes the Use and Occupancy Permit inspection as a means of verifying that the current or proposed use of the property is in compliance with zoning, fire, and any other applicable codes and that the structure has been maintained in compliance with the property maintenance code and is safe for occupancy for its intended use.
- d. The Use and Occupancy Permit inspection is similar to the inspection required by other local units for rental registrations, but also applies to owner-occupied structures.
- e. Virtually every local unit of government has a property maintenance or blight ordinance. The City of Hillsdale chooses to actively enforce theirs through the Use and Occupancy Permit. The permit inspection allows the City to identify small violations before they become big violations generating complaints from surrounding property owners and/or other members of the public.

### 2. Who is required to get a Use and Occupancy Permit?

- a. Both the owner and the occupant are responsible for verifying that there is a valid Use and Occupancy Permit on file prior to the structure or unit being occupied by that occupant for that specific use.
- b. The owner is usually the party cited when use and occupancy without a permit is discovered, unless they can prove that they notified the occupant of the requirement and have a written agreement for the occupant to pull the permit.
- c. The requirement applies whether the intended occupant is the owner (without 100% PRE), a lessee, or anyone else.

### 3. How often are new permits required?

- a. Any time there is a change in use, including but not limited to:
  - i. Conversion of a single-family home into two or more separate apartments or conversion of a multiple-unit structure to single-unit;
  - ii. Conversion of an unfinished area (such as a basement, attic, or garage) into occupied space;

- iii. Conversion of commercial office space into retail showroom.
- iv. These changes may also require a Zoning Compliance Permit from the City Zoning Administrator and/or a Building Permit/Certificate of Occupancy issued by the Hillsdale County Building Official.
- b. For properties with transient or semi-transient occupancy (Bed and Breakfast, hotel/motel, and student rentals) a new permit is required every two years. The inspection should include all common areas, plus we ask for access to inspect any vacant units available for rent. At least one of the rental units must be inspected before the permit will be issued.
- c. For all others – the permit is valid for two years, but a new permit is not required until there is a change in occupants. Therefore if the property is owner-occupied, no permit is required until the property sells or converted to a rental property.
- d. For rentals, a new permit is not required until the occupant as of the date the permit expires moves out (before the next tenant moves in).

#### 4. What is the Use and Occupancy Permit Process?

- a. **Application** (signed by the owner, the occupant, or an authorized agent) – may be filed by mail or email ([codeenforcement@cityofhillsdale.org](mailto:codeenforcement@cityofhillsdale.org))
- b. **\$100 application fee** paid to City Clerk or Treasurer (covers the first inspection)
- c. **Inspection is scheduled by the City Fire Department.**
- d. The inspection results will be forwarded by the Fire Department to the Assessing/Planning Department.
- e. If no violations are found, a permit will be issued **valid for 2 years** and mailed to the applicant.
- f. If violations are found, a temporary permit will be issued for **2 weeks, 30 days or 6 months** (based on a reasonable deadline for correction).
  - i. Re-inspection fee of \$50 will be invoiced to the applicant.
  - ii. Re-inspection must be scheduled upon correction of the violations with the Assessing/Planning Department. Upon verification that all violations have been corrected, a permit will be issued valid for 2 years from the date of the initial inspection.
  - iii. If violations are not corrected by the deadline, a re-inspection may be scheduled to verify reasonable progress and a request for extension submitted by the applicant. The temporary permit may be extended multiple times in 6-month increments.
  - iv. If no re-inspection is scheduled upon expiration of the permit, the permit may be cancelled, the structure may be posted as unfit for occupancy (depending on the severity of the violations) and a new permit required prior to reoccupation. In addition, if no attempt has been made to correct the violations (whether or not the structure is occupied), the owner may be issued a municipal civil infraction.

**5. Who does the inspection for the Use and Occupancy Permit?**

The inspection is done by the Fire Department.

**6. When is an inspection required?**

- a. The inspection is required prior to the change in occupants.
- b. It should be scheduled after any known repairs or alterations have been made and prior to the new occupant moving in.

**7. Does the City require an inspection prior to sale of property?**

- a. Yes and no.
  - i. **Yes** - If the property has an active Neighborhood Enterprise Zone (NEZ) Certificate. The NEZ provides for a tax abatement for either new residential single- or two-family homes or rehabilitation of existing residential structures with up to 8 units and a current value of less than \$80,000 per unit. The enabling legislation (specifically MCL 207.773(3)) states, “Before the sale of a unit in a new or rehabilitated facility for which a neighborhood enterprise zone certificate is in effect, an inspection shall be made of the unit to determine compliance with any local construction or safety codes and that a sale may not be finalized until there is compliance with those local construction or safety codes.”
  - ii. **No** – if no change in use or occupant(s) AND there was a valid Use and Occupancy permit at the time the current occupants moved in. If no valid permit is on file or the use or occupants are changing, then an inspection is required prior to occupation.

**8. What code(s) are applied when properties are inspected?**

- a. The code requiring the permit specifically adopted the International Property Maintenance Code (IPMC) with a few minor changes. A copy of this code with the adopted changes is available online at [www.cityofhillsdale.org](http://www.cityofhillsdale.org). Click on the Government tab at the top of the page and select Code Enforcement under Departments. There is also a link to the Application for Use and Occupancy Permit and other information.
- b. The City has also adopted Zoning and Fire Codes, and will use the Use and Occupancy Permit application and inspection as an opportunity to verify compliance with those and any other adopted codes as needed. This is done as a proactive means of identifying violations before they happen or before they create bigger problems for the owner, the occupant or the City.
- c. All new construction and alterations to existing structures are also subject to Michigan Building Code regulations. These can be found online at <https://up.codes/codes/michigan>.

**9. How is the Use and Occupancy Permit inspection different from a Home Inspection?**

- a. The purpose of the Use and Occupancy inspection is to identify immediate threats to the safety and welfare of the occupants, and to verify general compliance with the IPMC for issuance of a permit. Once violations of the code have been identified, the owner of the property (or subsequent owner) is **legally required** to bring the property into compliance before the permit can be approved. Failure to correct the violations could result in legal action against the owner of the property, especially if the property is occupied.
- b. **There is no legal obligation** (outside of the terms of the sales agreement) for either the seller or the buyer to correct any violations found as part of a pre-purchase inspection by a privately hired home inspector. The purpose of an inspection by a licensed home inspector should not only be to identify items that need immediate attention and/or may pose a threat to the occupant, but also to advise the buyer about the condition of components such as the roof or HVAC that may be serviceable at the time of inspection but show signs that they are nearing the end of their useful life. For this reason, home inspections are usually far more thorough than the City inspection.

**10. Why does the City require real estate agents to have a signed letter of authorization to set up an inspection? Wouldn't the purchase agreement clause for pre-purchase inspection cover this?**

- a. The Code Enforcement Department has adopted a policy requiring the seller to either sign the permit application, or sign a letter of authorization specifically naming who may file an application and/or schedule an inspection on their behalf. This is to protect the current property owner's constitutional rights against unlawful search and seizure (entry without a warrant). As stated above, if violations are found the seller may be legally responsible to correct those violations, even though they may not have been legally required to obtain a new permit at the time application was made.