



Chelan County Planning Commission

Chair: Ryan Kelso

Vice Chair: Carl Blum

Commissioners District 1: Vicki Malloy, Ryan Kelso, Will Wiggs

Commissioners District 2: Jim Newberry, Randy Baldwin, Jordan McDevitt

Commissioners District 3: Carl Blum, Pat Hammersmith, Greg Becker

SPECIAL Meeting Agenda Public Hearing

Wednesday, June 17 at 5:00 P.M.

Chelan County Community Development

In response to the [Governor's Proclamation 20-28](#), the Planning Commission will hold all their Meetings via Zoom Video Conference until further notice. Click the link below to join the meeting, beginning at 5:00 pm on June 17, 2020.

To Join Zoom Meeting go to:

<https://us02web.zoom.us/join/tZwsdu2qpzoqGdwfW8QxHZO6pm9qGCqgqxqB>

Call Meeting to Order

I. Administrative

A. Review/Approval of Minutes from May 27, 2020

B. Review/Approval of Minutes from June 3, 2020

II. Public Comment Period

Comment for any matters not identified on the agenda (limit 2 minutes per person)

III. Old Business

IV. New Business

Public Hearing for the Code Development of Short-term Vacation Rentals

V. Discussion, at the Chair's discretion

VI. Adjournment *Meeting will go no longer than 9:00 PM.

Written comment must be received by June 19, 2020 @ 5:00 PM

Comment must be submitted to CD.Director@co.chelan.wa.us
(OR)

Chelan County Community Development – STR Comment
316, Washington Street, Suite 301
Wenatchee, WA 98801

Materials available on the Community Development website

Next Meeting Dates: Deliberation and Decision - June 24, 2020 at 7:00 pm

** All Planning Commission meetings and hearings are open to the public.*



CHELAN COUNTY PLANNING COMMISSION MINUTES

Chelan County Planning Commission
Chelan County Community Development VIA ZOOM

Date: May 27, 2020

Called to Order: 7:00 PM
316 Washington St Ste 301
Wenatchee, WA 98801

CALL TO ORDER

Meeting was called to order at 7:08 pm.

COMMISSIONER PRESENT/ABSENT

Greg Becker	Present	Carl Blum	Present
Randy Baldwin	Absent	Vicki Malloy	Present
Ryan Kelso	Present	Jim Newberry	Present
Jordan McDevitt	Present	Pat Hammersmith	Present
James Wiggs	Present		

STAFF PRESENT

Deanna Walter, Interim Assistant Director
RJ Lott, Planner II
Wendy Lane, Permit Clerk
Jim Brown, Director

PUBLIC PRESENT

ZOOM MEETING

BUSINESS:

Approval of minutes from May 13th and May 27th meeting.

PUBLIC COMMENT PERIOD FOR ITEMS NOT ON THE AGENDA

No Comments

OLD BUSINESS:

Continued Hearing for Short Term Rental (STR) Code Development Code from May 13, 2020

Ryan Kelso turned the meeting for presentation by Lisa from Berk Consulting. She reviewed the Board of County Commissioner vision from email the Commission responded to requesting their direction and vision.

Lisa also summarized the Health District comments received regarding their review of both water and septic systems, and what their standards and criteria would be. Jordan McDevitt had specific questions about when a Group B water system would be required.

Review of list of commenters was presented to the Planning Commission.

Review of proposed code amendments. More discussion took place in the regard of threshold of 5%, in an area where the existing percentage is already 13%. Jordan McDevitt asked Lisa if there was some middle ground within the range of presented percentages. Lisa explained how that would work with the reduction of STRs.

Greg Becker asked how that reduction will take place, either by a lottery right off the bat, or through attrition. We are not being proactive – just letting the reduction happen naturally?

Lisa explained that there may be some STRs that don't meet the standards and that there would be sunset dates. Greg Becker then asked how we are going to meet our mission statement them?

Vicki Malloy expressed concern about the protection of our citizens and that we shouldn't allow people to buy the property and inherit the right to continue operating.

Jordan McDevitt stated he is uncomfortable using such a heavy hand in our first attempt to regulate an industry that so many other businesses have been built around, like Leavenworth and Chelan?

Carl Blum stated that he thinks that STRs are currently illegal and now we are grandfathering unauthorized uses in. Vicki and Greg both agreed with Carl. Greg added that we also are not differentiating between owner and non-owner occupied.

Criteria for existing units – review from power point were presented.

New units permit lottery – 3 steps

Lisa asked if owner occupied would be viewed differently and possibly exempt from the cap? Less than 100 from the research data were owner occupied according to how they were advertised, as a room. Lisa explained how the 5% cap would work, and when the 1% increase would kick in.

Jordan again asked if any other PC members if they were interested in entertaining the 8% cap in the Leavenworth area where the percentage is already 13%, stating this would still represent a reduction. Ryan Kelso and Jim Newberry agreed, if preference is given to owner occupied. Carl, Will, Greg and Vicki disagree, still wanting the 5%, stating that these homes were purchased as residences and if they want to exceed that they can do so in commercial zones. They agree with preference to owner occupied STRs.

One way we can show preference for owner occupied is to not count the tier 1 owner occupied units in the 5% cap.

Discussion took place regarding what the threshold date will be for “in operation” as a short-term rental.

Discussion took place regarding what taxes need to be paid to consider them legal.

Discussion took place on how many bedrooms vs. max of ten people vs. size of home vs. appropriately sizing septic tank.

Discussion took place about how these hearings would occur. Greg proposed one more meeting to firm everything up and get the proposal together for public comment.

MOTION:

A motion was made Jim Wiggs to set hearing date of June 17th starting at 5:00pm, holding just one public hearing to capture all comments.

Jordan McDevitt 2nd and proposed a friendly amendment making it clear that people have 2 minutes for comment period.

Carl Blum proposed friendly amendment of unused time cannot be passed to other commenters.

Vote – unanimous

ADJOURNMENT

MOTION:

Motion to continue work session to May 27, 2020 at 7:00 pm made by Commissioner Jordan McDevitt and seconded by Commissioner Randy Baldwin.

Vote – unanimous

Meeting Adjourned

Next meeting – Continued workshop for Short Term Rentals (Special Meeting)
June 3rd, 2020 at 7:00 pm - Zoom meeting.

Hearing Set for Code Development of Short Term Vacation Rentals for June 17th at 5:00 pm.

Special meeting set for June 24th at 7:00 for Board Discussion and Decision for the Code Development of Short Term Rentals (special meeting).

All Planning Commission meetings and hearings are open to the public.



CHELAN COUNTY PLANNING COMMISSION MINUTES

Chelan County Planning Commission
Chelan County Administration Building, Room 1
400 Douglas Street
Wenatchee, WA 98801

Date: June 3, 2020
Called to Order: 7:00 PM

CALL TO ORDER

Meeting was called to order at 7:00 pm.

COMMISSIONER PRESENT/ABSENT

Greg Becker	Present	Carl Blum	Present
Randy Baldwin	Present	Vicki Malloy	Present
Ryan Kelso	Present	Jim Newberry	Present
Jordan McDevitt	Present	Pat Hammersmith	Present
James Wiggs	Present		

STAFF PRESENT

Jim Brown, Director
Lynn Machado, Administrative Supervisor
RJ Lott, Long Range Planner

PUBLIC PRESENT

ZOOM MEETING

APPROVAL OF MAY 27, 2020 MINUTES

Corrections made, by Ryan Kelso, to the May 27, 2020 minutes included – minutes were not approved for the previous meeting, need to be removed; under Old Business, replace the name Ryan Walker with Ryan Kelso; and mark Jim Newberry as present during the meeting.

PUBLIC COMMENT PERIOD

Comment made from AnnaGala, on when the date for the STR approval? Ryan Kelso stated that the goal is the end of summer.

OLD BUSINESS:

Continued Hearing for Short Term Rental (STR) Code Development Code

Director Jim Brown stated that Lynn Machado, Administrative Supervisor, created a website that directs the public to a section on Short Term Rentals rather than going through the Planning Commission page.

The content consisted of a large volume of comments and questions. Some of the comments did not make it to the Planning Commission, so an internal process was started that sends them all out at once. This creates a timeline where some of the comments would not make it to the Planning Commission in time for their review. Comments received outside of the timeframe would be sent the following week. There is no intention of withholding comments from the Planning Commissioners, so a safety net was created.

Some instruction was given on the operation of Zoom, so communication would be more effective.

Commissioner Carl Blum would like a deadline posted, for the public hearing, to submit comments. It was agreed that the public would be informed of such a deadline.

Lisa Grueter, BERKE Consultants, continued with her presentation and was asked to share her screen. She briefed the Planning Commission on the schedule and timeline for the STR Development Code. It will be posted on the website.

A flow chart described the progress so far. Step one, short term rental permitted or CUP in the use tables, a consideration for existing units. Developed the tiered system with owner-occupied as well as the zones that are designed for vacation homes. These would not be subject to the cap numbers. Standards were described for permitting. There was a further explanation of the chart. Commissioner Vicki Malloy commented on the percentage caps, 1% vs. 5%. Lisa Grueter explained that 1% was a starting point for new ones and 5% is for the rentals that could be located.

Lisa Grueter, BERKE Consultants, explained defining tiered permits on the PowerPoint. Tier one was modeled after Bend and Walla Walla. Commissioner Jordan McDevitt prefers option two. Chairman Ryan Kelso asked for other preferences. Commissioner Carl Blum likes option one as option two would require more Code Enforcement work. Tier two would require approval. Commissioner Vicki Malloy likes the second option. Chairman Ryan Kelso made clarifications and read the slide aloud. Chairman Ryan Kelso asked Commissioner Carl Blum if he meant he liked option two. Commissioner Carl Blum clarified that he did. Commissioner Greg Becker also likes option two. Commissioner Randy Baldwin likes option two but would limit days to 30-90 days with no more than 90 days allowed. Commissioner Pat Hammersmith added to the conversation. Consensus was made on option two for thirty days.

Lisa Grueter continued with density limits and caps as well as locations restrictions. She clarified the UGA within the County. There was a discussion about the pros and cons on the matter. The Planning Commission found consensus on 15 days for this area.

Lisa Grueter, BERKE Consultants, continued with the highlights. Basic criteria discussed as well as non-conforming units. The steps for establishing an existing unit were discussed. Manson UGA was highlighted by Commissioner Carl Blum's comments about requirements and non-conforming STR units. Lisa Grueter answered that some units may meet the criteria and can't expand and have only two years. Jordan McDevitt asked about a

chart to illustrate the matter. Commissioner Carl Blum said he was uncomfortable with having all existing rentals in the Manson UGA to be allowed.

Discussed next was operation standards. Parking would be the same as B&B. Response time was highlighted. Commissioner Vicki Malloy commented on the response person and what happens if they don't show up. She states that sixty minutes is a long time. Chairman Ryan Kelso also commented on the hour time range. Commissioner Jordan McDevitt commented that an hour is reasonable. Lisa Grueter talked about site plans and added unit floorplans. A qualified person needs to notice burn bans in effect. Commissioner Jordan McDevitt doubted the need for 24 hour periods between rentals. Lisa Grueter stated that it was, not specific to COVID pandemic. Commissioner Greg Becker commented that it originally was for the end of the pandemic. Chairman Ryan Kelso prefers no time limit. Commissioner Greg Becker clarified what he meant on cleaning requirements.. Back and forth comments ensued on the health standards. Director Jim Brown talked about the Health District requirements including response times and phone call versus physically responding. Chairman Ryan Kelso agrees with Director Jim Brown's comments. Commissioner Greg Becker elaborated on other items that he would like to add.

With regard to Permit Transference, does the sale of property allow for the permit to transfer? Would it be a onetime transfer? Commissioner Vicki Malloy commented that when transferring a business, one needs to be very careful that the new owners know that they need to apply for a permit for an STR. Homes owned by an LLC or Corporation, needs to be informed of the process. Commissioner Jordan McDevitt likes the one-time transfer. Commissioner Greg Becker would like a sunset. Director Jim Brown clarified the staffing needed to regulate as well as the Sheriff taking over some code enforcement responsibilities for STRs. Commissioner Vicki Malloy said Community Development is working with an agreement with the Sheriff and asked if 3 staff members would be added. Director Jim Brown elaborated on Code Enforcement protocols. Commissioner Carl Blum asked about transfer options. A vote taken on the options, there was a consensus on a one time transfer with a three year sunset.

Owner/operator definitions were discussed. RCW definitions were highlighted by Lisa Grueter. "Person" definition in RCW also highlighted. Legal issues were further discussed. Additional research may be needed on transfer language.

Lisa Grueter, BERKE Consultants, talked about the fees needed for review of an STR permit. Costs were estimated. Commissioner Greg Becker asked if there is any consideration on owner-occupied fees, could they be less.

Commissioner Carl Blum asked about bedrooms. Does that mean an ad is proof of permitted bedrooms? Clarification was made by Lisa Grueter. Commissioner Carl Blum also asked about density limits and possible conflicts. Commissioner Carl Blum has issues with tier three in Manson UGA overlay as mentioned by the Manson Community Council. Commissioner Greg Becker discussed a hotline so complaints would not go through 911. Commissioner Greg Becker asked for consideration of a task force. Director Jim Brown answered Commissioner Greg Becker's questions. Commissioner Jordan McDevitt agrees with the task force idea.

Commissioner Jordan McDevitt asked to revisit the cap in the Leavenworth area. He stated that a reduction from 13% to 5% is too great initially. Commissioner Greg Becker added that 5% is an ultimate goal. Commissioner Carl Blum added that the housing stock increase would also increase STRs. Commissioner Randy Baldwin said that 5% is too great of a reduction and he is in favor of a lottery system.

ADJOURNMENT

MOTION:

Upon motion and second by Commissioners Greg Becker and Carl Blum, the Commission unanimously agreed to adjourn the meeting at 9:24 pm.

Next Meeting: June 17, 2020 at 5:00 p.m. Public Hearing for Short Term Rentals

All Planning Commission meetings and hearings are open to the public.

Chelan County Short-Term Rentals

June 5, 2020 | Hearing Draft Code

Overview

REGULATION PROCESS

A short-term rental refers to a residential dwelling rented out on a nightly basis for less than 30 days to individual guests. It could be a whole home or just part of it. Short-Term Rentals are found across the county, but particularly in the Leavenworth-Peshastin area, Lake Wenatchee, Manson, and Chelan. The number of short-term rentals has increased rapidly in the last six years especially in Leavenworth and Manson areas.

Chelan County has been considering how to best address short-term rentals to allow for property owner income while protecting the character of residential communities across the county.

In 2019 Chelan County considered draft regulations. The Planning Commission and Board of County Commissioners heard comments and felt proposals did not meet the County's and community's needs, and denied the 2019 draft.

The Board of County Commissioners desire to look at new code options in 2020. The process now includes: development of a situation assessment; development of code options; Planning Commission review, hearing and recommendations; and Board of County Commissioner review, hearing, and decision. See Exhibit 1. The Planning Commission hearing is scheduled for June 17, and deliberations on June 24.

Exhibit 1. Short-Term Rental Regulation Process



Source: BERK 2020.

NUMBER OF SHORT-TERM RENTALS

In unincorporated areas including the urban growth areas (UGAs) and rural areas, Host Compliance has identified 2,376 listings, representing 1,535 unique rental units as of March 2020.

In addition to Host Compliance information provided to Chelan County, BERK Consulting, Inc. obtained short-term rental data through AirDNA (<https://www.airdna.co/>) which provided a database of geocoded listings from 2014-2020 (January) focusing on AirBnB and HomeAway listings. The AirDNA database evaluation allowed a review of trends and details of unit characteristics as well as spatial

29 location of units in relation to zoning districts. Within unincorporated Chelan County, the AirDNA data
 30 identified over 1,308 active properties as of January 2020. These would overlap the Host Compliance
 31 count of 1,535 unique rental units as of March 2020. Mapped AirDNA data shows properties with full
 32 home/apartment rentals which is over 1,200 units. See Attachment A.

33 The number of short-term rentals has increased rapidly in the last six years especially in Leavenworth and
 34 Manson areas. See Exhibit 2.

35 **Exhibit 2. Unincorporated Chelan County Listings December 2014-19: AirBnB & Home Away Monthly Data**

Zip Code	Zip Code Place	2014	2015	2016	2017	2018	2019
98815	Cashmere		4	11	25	30	35
98816	Chelan	1	3	14	64	60	75
98822	Entiat		3	4	4	2	2
98826	Leavenworth	59	110	205	611	816	868
98828	Malaga	1	2	2	4	4	4
98831	Manson*	6	9	56	212	215	229
98847	Peshastin	4	8	16	41	47	56
98801	Wenatchee	5	6	14	25	32	39
Grand Total		76	145	322	986	1,206	1,308

Note: *Includes about 83 units in 2019 on tribal land.

Source: AirDNA, BERK 2020

36
 37
 38 The highest share of total dwellings used for short-term rentals is within Leavenworth and Manson zip
 39 codes. See Exhibit 3.

40 **Exhibit 3. Unincorporated Chelan County Entire Home Short-Term Rentals as Share of Total Housing Units**

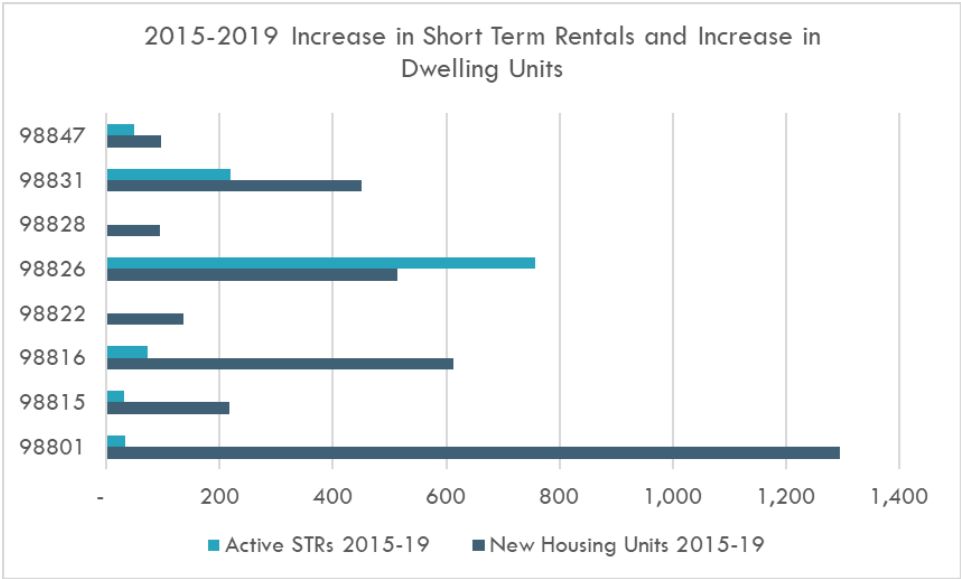
Zip Code Community Name	Zip Code	Total Dwellings Unincorporated 2019	January 2020 Active short-term rentals	% short-term rentals
Leavenworth	98826	6,099	749	12.3%
Manson	98831	2,519	281	11.2%
Chelan	98816	5,333	97	1.8%
Peshastin	98847	956	53	5.5%
Wenatchee	98801	17,989	30	0.2%
Cashmere	98815	2,977	28	0.9%
Malaga	98828	908	5	0.6%
Entiat	98822	1,138	4	0.4%
Total		37,920	1,247*	

Notes: *Slightly different counts of entire units comparing property based data to monthly rental data (10 units less).

Sources: AirDNA February 2020; BERK 2020

43 In some places recently added housing stock is less than the number of short-term rentals added. See
44 Exhibit 4. Short-term rentals can occur in existing dwellings as well as new ones. The use of short-term
45 rentals by a homeowner can provide income to support the housing costs, but it can also remove a unit
46 otherwise available for rent from the market place.

47 **Exhibit 4. Increase in Dwellings and Short-Term Rentals in Unincorporated Areas**
48 **by Zip Code 2015-2019: AirBnB and HomeAway Listings***



49
50 Note: property based data is slightly higher than monthly rental data by 10 units.
51 Source: OFM 2019; AirDNA 2020

52 AirDNA data identifies whole house rentals versus a private room. Private rooms tend to be rented out
53 for fewer days (94 days on average) than whole house rentals (about 135 days). See Exhibit 5 and
54 Exhibit 6. A whole house rental may still be a primary residence, just rented out in its entirety for some
55 period of time.

56 **Exhibit 5. Private Room – AirDNA January 2020 – Unincorporated County by Zip Code**

Zip Code	Count of Property ID	Average of Bedrooms	Average Num. Bookings LTM	Average Available Days LTM	Average of Occupancy Rate LTM
Cashmere	11	0.8	62	123	57%
Chelan	3	0.7	30	32	65%
Leavenworth	55	1.1	39	87	65%
Manson*	7	1.9	21	70	69%
Peshastin	3	1.0	36	116	50%
Wenatchee	13	1.5	37	121	57%
Grand Total	92	1.1	40	94	63%

57 Acronym – LTM = last 12 months *Includes about 83 short-term rentals on tribal land.
58 Sources: AirDNA February 2020; BERK 2020

59

60 **Exhibit 6. Unincorporated Chelan County Entire Home/Apartment – January 2020:**
 61 **AirBnB and HomeAway Listings Property Data**

Zip Code Place	Count of Properties	Average of Bedrooms	Average of Number of Bookings LTM	Average of Count Available Days LTM	Average of Occupancy Rate LTM	Average of Annual Revenue LTM	Average of Published Nightly Rate
Cashmere	28	2.0	42	91	52%	\$23,147	\$166
Chelan	97	3.2	25	120	44%	\$37,984	\$360
Entiat	4	1.0	21	110	43%	\$11,586	\$131
Leavenworth	749	2.7	46	144	48%	\$44,138	\$263
Malaga	5	1.8	50	130	57%	\$23,626	\$141
Manson*	281	3.3	27	122	46%	\$39,777	\$316
Peshastin	53	2.8	39	139	42%	\$29,878	\$253
Wenatchee	30	2.6	29	97	55%	\$27,957	\$247
Grand Total	1,247**	2.8	39	135	47%	\$41,029	\$278

62 Notes: *Includes housing on Wapato - about 83 in Manson
 63 **Slightly different counts of entire units comparing property based data to monthly rental data.

64 Acronym – LTM = last 12 months

65 **BOARD OF COUNTY COMMISSIONER VISION**

66 The Board of County Commissioners provided their vision for the short-term rental (STR) regulations after
 67 a session on May 20, 2020 excerpted below. The vision has been a reference point for the Planning
 68 Commission’s development of regulations.

69 The Board of Commissioners understands that the Planning Commission asked for a statement of
 70 intent for developing the code for short-term rentals in Chelan County. The BOCC met in session
 71 today and crafted the following statement, which hopefully will give the Planning Commission the
 72 direction it needs:

73 *The Board of Commissioners intends to adopt code that addresses the rapid proliferation of short-*
 74 *term rentals in Chelan County. The BOCC wishes to protect the character of residential communities*
 75 *across the county, while allowing for property-owner income from short-term rentals. The BOCC*
 76 *recognizes that STRs are an important part of our economy. However, while many owner/operators*
 77 *manage their properties responsibly, many clearly do not.*

78 *Chelan County needs the tools to ensure that all STR owner/operators meet a minimum set of*
 79 *standards. Those standards may include, but are not limited to: parking, garbage, noise, trespassing,*
 80 *privacy, septic capacity, fire risk, consumer safety, signs, hot tubs, pools and spas, occupancy limits*
 81 *by zone and neighborhood, density by zone and neighborhood, commercial and liability insurance,*
 82 *and the availability of STR owner/operators to respond to a complaint within a short-time frame.*

To ensure that these standards are met, the BOCC wishes to impose an annual registration fee for STRs to finance the following: fire marshal inspection, health district inspection, permit processing by Community Development Department, and code compliance cost recovery. Enforcement should be sufficient to allow for closure of short-term rentals that repeatedly violate code.

Nothing in the code will be inconsistent with RCW 64.37 or with the Manson and Peshastin Urban Growth Areas. The BOCC wishes to have this process completed by August 2020.

PLANNING COMMISSION HEARING DRAFT CODE

The Planning Commission reviewed county trends, best practices, the BOCC vision, and public input and developed hearing draft regulations. Major features of the draft code are listed in Exhibit 7 below.

Exhibit 7. Hearing Draft Code Features

#	Best Practice	Approach in Draft Code on Short-Term Rentals
1	Establish protections for the supply and affordability of housing	Allow a small increase annually in short-term rentals, e.g. 1% countywide. In areas with a high concentration (greater than 5%), allow existing short-term rentals compliant with rules, but restrict new ones. Owner-occupied short-term rentals (Tier 1) are preferred over non-owner-occupied short-term rentals (Tier 2) as it retains housing for long-term residents and addresses neighborhood quality.
2	Preserve neighborhood quality	Address nighttime and daytime occupancy, managing parking, restricting trespass, ensuring solid waste management, etc. Larger-occupancy short-term rentals are allowed with a conditional use permit.
3	Create protections for the wellbeing of guests	Provide for property management plan, health and safety, inspections by fire and health officials at start, self-certification at annual renewal, and insurance.
4	Establish oversight and complaint procedures for wellbeing of neighbors	Provide process for code compliance integrated with County code and state laws.
5	Preserve public tax revenues and level the playing field	Require short-term rentals owners/operators to comply with local and state tax requirements.
6	Regular permitting & record keeping	Provide process for initial permit and annual renewal.
7	Establish clear definitions	Consider state definitions and adapt for local needs.

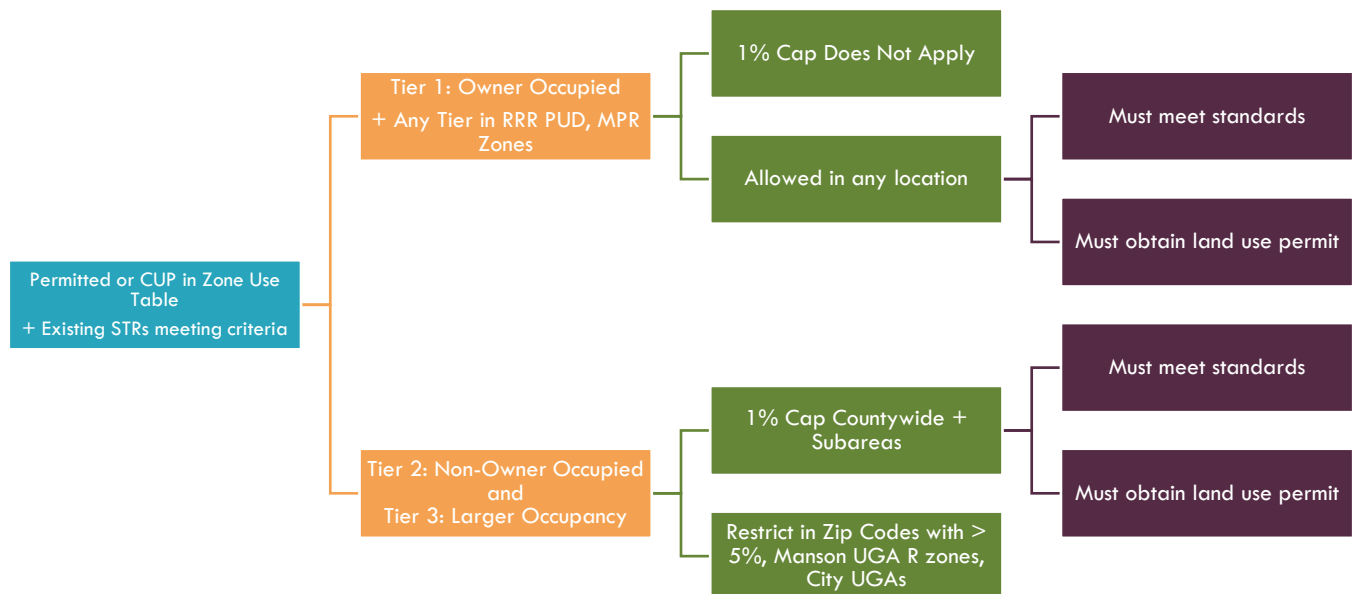
The overall regulatory process is illustrated in Exhibit 8 below.

- **Zones Allowed:** A short-term rental owner/operator would determine if the zoning district permits or conditionally permits a short-term rental. Owner-occupied short-term rentals (Tier 1) are permitted in most zones in the County provided they meet operational standards and obtain a land use permit. Tier 2 short-term rentals are non-owner occupied, and while allowed in a zone may be further restricted in overlay zones or in total numbers. Tier 3 short-term rentals are those with larger occupancies and would require conditional use permits and have similar location and number restrictions as Tier 2.
- **Number Allowed:** New non-owner-occupied units (Tier 2) and larger occupancy short-term rentals (over 10 guests; Tier 3) would be limited in number to 1% of existing compliant short-term rentals documented countywide. The Tier 2 and Tier 3 short-term rentals could locate in unincorporated

areas except for overlay zones with more than 5% short-term rentals as a share of total units.¹ Also, due to community preferences and concern over neighborhood quality, new short-term rentals would be limited in Peshastin and Manson Urban Growth Areas (UGAs) particularly in residential zones. As well, new Tier 2 and 3 short-term rentals are limited in city-assigned UGAs to avoid non-conformities when annexed.

- **Operational Standards:** Tier 1, 2, or 3 units would be required to meet standards such as occupancy, parking, noise, solid waste, adequate sewer and water, establishing a property management plan, etc.
- **Existing Units:** Existing short-term rentals established prior to the effective date of the code would need to meet criteria regarding use allowances in their zones (locating in a zone that allowed for a similar use such as a bed and breakfast), use as a short-term rental, proper payment of taxes, and compliance with operational standards. Permits would need to be obtained as well.
- **Permit Process:** Once compliant numbers of existing units are established through a land use permit process, the 1% cap of new units would be determined. Then new units could be permitted. The first permit would require inspections and more detailed review, but annual renewal would be based on self-certification and a more abbreviated review. Fees would be set to recover costs of permit reviews and inspections such as by the fire marshal, health district, etc.

Exhibit 8. Proposed Short-Term Rental Regulation Process



¹ The threshold share of short-term rentals is 5% of the total housing stock which is similar to a recommendation in a study of Oregon jurisdictions that found that where short-term rental growth and household formation is increasing at a faster rate than total housing unit growth there can be a constraint on housing affordability. See copy of study hosted by the City of Olympia's website: <https://engage.olympiawa.gov/4076/documents/5992>.

The rate of short-term rental growth has been occurring faster than new home construction in the Leavenworth Zip Code within unincorporated areas. The Zip Codes with greater than 10% share of short-term rentals compared to total dwellings within unincorporated areas include Leavenworth (12.3%) and Manson (11.2%). Peshastin Zip Code is at 5.5%. Chelan is 1.8% and others are less than 1%. These percentages are based on whole house rentals as shown in the Situation Assessment from March 30, 2020. The number of units where only a room is offered is less than 100. The true number of owner-occupied units is not fully known given the detail of data available at this time.

124 Enforcement provisions are added to Title 16. The Planning Commission suggestion for monitoring is also
125 included in the draft code.

126 In addition to the permitting and code compliance standards in the proposed regulations, the Planning
127 Commission has discussed the benefits of establishing a hotline for complaints. This is not a code standard
128 but a suggestion forwarded to the Board of County Commissioners.

129 BACKGROUND INFORMATION

130 Planning Commission packets are available at the following page, and show the progression of the
131 discussion over time: <https://www.co.chelan.wa.us/community-development/pages/planning-commission>.

132 The County has set up a project website with public meeting information, summaries of public comments,
133 and code proposals. See: [https://www.co.chelan.wa.us/community-development/pages/short-term-](https://www.co.chelan.wa.us/community-development/pages/short-term-vacation-rentals)
134 [vacation-rentals](https://www.co.chelan.wa.us/community-development/pages/short-term-vacation-rentals). Public comments received are now regularly scanned and posted at the project website.

135 The June 17, 2020 Planning Commission public hearing notice and project website contain information
136 about submitting comments through the hearing date.

137

Chelan County

Draft Short-term Rental Code

DRAFT June 5, 2020

Use Allowance Amendments

CHAPTER 11.04 DISTRICT USE CHART

11.04.020 District Use Chart

The use chart located on the following pages is made a part of this section. The following acronyms apply to the following use chart. If a cell in the table is blank, the use listed in the left hand column is a prohibited use in the zone that is the heading for that cell.

P — Permitted use

P(1) — Permitted use subject to development standards in Chapters 11.88, 11.93 and/or within the applicable zoning district standards

P(2) — Permitted use subject to development standards in Chapters 11.88, 11.93 and/or within the applicable zoning district standards, except for on parcels that are twelve thousand square feet or smaller, the use/structure must be located on a lot with an existing single-family residence

A — Accessory use

A(1) — Accessory use subject to development standards in Chapters 11.88, 11.93 and/or within the applicable zoning district standards

CUP — Conditional use permit

District Use Chart

USE/ACTIVITY	RR20	RR10	RR5	RR2.5	RW	RRR	RV	RC	RI	RP	AC	FC	MC
Short-Term Rentals Tier 1 or Tier 2	P(1)	P(1)	P(1)	P(1)	P(1)	P(1)	P(1)	P(2)			CUP	CUP	CUP
Short-Term Rentals Tier 3	CUP	CUP	CUP	CUP	P(1)	P(1)	P(1)	P(2)			CUP	CUP	CUP

CHAPTER 11.22 PESHASTIN URBAN GROWTH AREA

11.22.030 Permitted, Accessory and Conditional Uses

(1) A district use chart is established and contained herein as a tool for the purpose of determining the specific uses allowed in each use district. No use shall be allowed in a use district that is not listed in the use chart as either permitted, accessory or conditional use, unless the administrator determines, by a written administrative interpretation that may be appealed to the hearing examiner, that an unlisted use is similar to one that is already enumerated in the use chart and may therefore be allowed, subject to the requirements associated with that use and all other applicable provisions.

156 (2) The following acronyms apply to the following use chart:

Uses:
PRM = Permitted use
ACC = Accessory use
CUP = Conditional use
Where a cell is empty, the use is prohibited in that zone. All of these assume compliance with any and all development standards.

157

Districts:
R-1 = Low Density Residential
R-2 = Medium Density Residential
R-3 = High Density Residential
C-D = Downtown Commercial
C-H = Highway Commercial
I = Industrial
I-C = Campus Industrial
P-U = Public Use

158

Land Uses	R-1	R-2	R-3	C-D	C-H	I	I-C	P-U
RESIDENTIAL USES								
Boarding/ Lodging House ³	ACC	ACC	ACC	ACC ¹	ACC ¹			
<u>Short-Term Rentals Tier 1 or Tier 2²</u>				ACC	ACC			
<u>Short-Term Rentals Tier 3</u>				P	P			
COMMERCIAL USES								
Hotels/Motels/ <u>Lodging Facilities</u>				PRM	PRM	PRM	PRM	

159 ¹ In existing single-family residences only, as of July 1, 2008.
160 ² Indoor facility only.
161 ³ Per CCC 18.88.170 (4) In any district that permits single-family residences, the renting of rooms to not more than two
162 boarders, roomers, or lodgers is permitted as an accessory use.

163 CHAPTER 11.23 MANSON URBAN GROWTH AREA

164 11.23.030 DISTRICT USE CHART.

165 The use chart located on the following pages is made a part of this section. The following acronyms apply
166 to the following use chart. If a cell in the table is blank, the use listed in the left hand column is a
167 prohibited use in the zone that is the heading for that cell.

UR1	Urban Residential-1
UR2	Urban Residential-2
UR3	Urban Residential-3
CT	Tourist Commercial
CD	Downtown Commercial

² Removed prior proposal showing “PRM” in R-1, R-2, and R-3 zones.

MLI Manson Light Industrial
UP Urban Public

- P Permitted use—Subject to development standards in Chapter 11.88 and/or 11.93
A Accessory use—Subject to development standards in Chapter 11.88 and/or 11.93
CUP Conditional use permit—Subject to development standards in Chapter 11.93 and/or within this chapter

Table 9.1 – District Use Chart

USE/ACTIVITY	UR1	UR2	UR3	CT	CD	MLI	UP
Vacation-Short-Term Rentals Tier 1 or Tier 2	P ¹	P ¹	P ¹	A ¹	A ¹		
Short-Term Rentals Tier 3				<u>P¹</u>	<u>P¹</u>		

P¹ = Permitted with Standards

11.23.040 STANDARDS.

(3) ~~Vacation-Short-Term Rentals. See 11.88.280 Short-Term Rentals. Vacation rentals, any unit being rented for less than thirty consecutive days, shall be permitted as identified in Section 11.23.030, District use chart. All vacation rentals shall receive an annual permit from January 1st to December 31st, under Title 14 limited administrative review, documenting conformance and agreement to conform to the following provisions:~~

~~(A) Vacation rentals shall maintain the character of the surrounding neighborhood by:~~

~~(i) Providing year-around solid waste receptacles and pickup service. Trash cans, on the right-of-way, should be removed within twenty-four hours of pickup; and~~

~~(ii) Provide at least one off-street parking space, outside of the required setbacks for each two rented bedrooms. Where off-street parking requirements cannot be met the number of rented bedrooms shall be limited; and~~

~~(iii) Noise emanating from any use shall be in conformance with Chapter 7.35; and~~

~~(iv) Occupancy. The maximum number of occupants permitted to stay overnight shall be two people for each bedroom plus two additional persons, excluding children under the age of six; and~~

~~(v) Placing, adjacent to the front door (outside), a legible sign clearly visible to the general public listing the maximum number of occupants permitted to stay overnight, the maximum number of vehicles allowed to be parked on site, and the name and contact information of the local contact person.~~

~~(B) Vacation rentals shall provide a local contact person (within a forty-mile radius) twenty-four hours a day seven days a week. Contact information shall be provided to the adjacent properties, the Manson community council, District 5 fire chief, and the Chelan County sheriff.~~

~~(C) Enforcement. Any violation of the provisions of this chapter is punishable pursuant to Title 16. Enforcement actions may be brought against the owner of the vacation rental home for the conduct constituting the violation.~~

Short-Term Rental Standards

CHAPTER 11.88 SUPPLEMENTARY PROVISIONS AND ACCESSORY USES

11.88.280 Short-Term Rental Regulations

(1) PURPOSE

(A) The purpose of this section is to establish regulations for the operation of short-term rentals as defined in Chelan County Code (CCC) 14.98.1692, within the unincorporated portions of Chelan County. This chapter also establishes a short-term rental land use permit.

(B) The provisions of this chapter are necessary to promote the public health and safety by protecting year-round residents' enjoyment of their homes and neighborhoods by minimizing the impact of short-term rentals on adjacent residences.

(2) TYPE, NUMBER, AND LOCATION

(A) Type. Short-term rentals are distinguished in three tiers.

(i) Tier 1: Owner-occupied short-term rentals where either (a) rooms are rented and the owner is personally present at the dwelling during the rental period, or (b) the entire dwelling is rented no more than 15 total days in a calendar year. Portions of calendar days shall be counted as full days.

(ii) Tier 2: Short-term rentals at a dwelling that is not the owner's principal residence or that is rented more than 15 total days in a calendar year.

(iii) Tier 3: Short-term rentals exceeding occupancy limits of 11.88.280(3) or containing group facilities designed to host events such as weddings, gatherings, or retreats.

(B) Number.

(i) Tiered Permits and Numbers Allowed.

(a) Tier 1: Short-term rentals are allowed where permitted per subsection (C) and (D).

(b) Tier 2 and Tier 3: The annual number of new short-term rental land use permits issued must be capped to one percent (1%) of the total number of permitted short-term rentals in the county as determined through land use permit procedures in subsection (4) below, provided that:

(1) short-term rentals in the following zones are not subject to the 1% cap: the Rural Recreational/Residential (RRR) zone, or Planned Unit Development Overlay Districts expressly permitting short-term rentals, or Master Planned Resorts Overlay Districts.

(2) The number of short-term rentals subject to the cap and locating in the Leavenworth-Lake Wenatchee Overlay cannot exceed 1% of any subarea within the overlay.

(C) Zones Allowed. Short-term rentals must be permitted, accessory permitted, conditionally permitted, or prohibited pursuant to:

(i) Section 11.04.020 applicable to all Rural and Resource Designations, except as limited in Subsection (2)(D) Overlays Established, and in Subsection (2)(E) Density Limits.

(ii) Section 11.22.030 applicable to the Peshastin Urban Growth Area, except as limited in Subsection (2)(E) Density Limits.

(iii) Section 11.23.030 applicable to the Manson Urban Growth Area, except as limited in Subsection (2)(E) Density Limits.

(iv) In city-assigned Urban Growth Areas, pursuant to a city's land use regulations, development standards, and land use designations, where the County has adopted such pursuant to the County-City Memorandum of Understanding filed with the Chelan County Auditor July 8, 1997; provided that, the County's review procedures in this subsection 11.88.280 must control.

(D) Overlays Established. The following overlays are areas within which density limits are applied and are hereby established as:

(i) Leavenworth-Lake Wenatchee Overlay: An overlay district co-terminus with Zip Code 98826 encompassing Leavenworth-Lake Wenatchee. [See Attachment A.] It is further subdivided into three sub-areas for Lake Wenatchee, Plain, and Leavenworth areas. [See Attachment B.]

(ii) Manson Region Overlay: An overlay district including Zip Code 98831, excluding the Manson Urban Growth Area. [See Attachment A.]

(iii) Peshastin Region Overlay: An overlay district including Zip Code 98847, excluding the Peshastin Urban Growth Area. [See Attachment A.]

(E) Density Limits.

(i) The number of short-term rentals established in (2)(B) may locate in the zones where allowed in (2)(C), except that no new Tier 2 and Tier 3 short-term rentals are permitted in the following locations:

(a) Leavenworth-Lake Wenatchee Overlay

(b) Manson Region Overlay

(c) Peshastin Region Overlay

(c) Residential zones in the Manson Urban Growth Area

(d) Residential zones in the UGAs assigned to the cities of Chelan, Entiat, Leavenworth, or Wenatchee

(ii) Exceptions to Density Limits:

(a) Where such units are consistent with this section, density limits do not apply short-term rentals in the Rural Recreational/Residential (RRR) zone, or Planned Unit Development Overlay Districts expressly permitting short-term rentals, or Master Planned Resorts Overlay Districts.

(b) New short-term rentals may be established in the locations cited in subsection (2)(E)(i) if the combined percentage of Tier 2 and Tier 3 short-term rentals as a share of total dwelling units is less than five percent (5%) and the applications meet all requirements of this section 11.88.280 as determined by the Director.³ Total dwelling units must be determined based on the latest annual count of total housing units by the State of Washington Office of Financial Management. Short-term rental percentages must be determined at the time the number of allowed short-term rentals is determined per subsections (2)(B) and (3) of this section.

(iii) Existing Short-Term Rentals: A use shall not be considered lawfully established and existing as of the effective date of this ordinance XXX [effective date] unless the owner proves all of the following:

(a) That similar uses were allowed in the subject zones at the time the short-term rental was established, including but not limited to: bed and breakfast, guest inn, boarding house, lodging facility, hotel/motel, or other transient accommodation; and⁴

(b) That a location was used for short-term rental purposes during January 1, 2019 to XXX [effective date]. The Director may permit homes with approved building permits after January 2019, constructed within six months of the effective date of this ordinance to be considered as an existing short-term rental; and

(c) That all applicable state and local taxes were fully and timely paid for all short-term rental use that occurred prior to XXX [effective date], which at a minimum includes sales tax and hotel/motel taxes; and

(d) That the short-term rental meets all requirements of subsection (3); and

(e) That the short-term rental operator has obtained the required land use permits in subsection (4); and

(f) If located inside of the Manson Urban Growth Area, documentary evidence that the short-term rental was properly registered as a vacation rental with Chelan County per 11.23.040 as of XXX [effective date].

(iv) Nonconforming Short-Term Rental Units in Restricted Zones: Where a zone does not allow short-term rental units as of XXX [effective date] according to CCC Sections 11.04.020, 11.22.030, or 11.23.030, only those short-term rentals that exist as of XXX [effective date] and are compliant with criteria in subsection (iii) above, will be allowed as nonconforming uses. Such uses may not be significantly changed, altered, extended, or enlarged and must cease after two years from XXX [effective date]. After expiration or revocation of the permit authorizing a legal nonconforming short-term rental, no operator shall operate a short-term rental.

³ Per 14.98.580 Director. "Director" means the director of the Chelan County department of community development or designee. This term is synonymous with administrator.

⁴ See CCC 11.04. Generally Bed and Breakfasts are allowed in all rural residential zones and resource zones as accessory uses, and guest houses are conditional use permits in the same zones except they are not allowed in commercial forest zones (FC). Lodging facilities are allowed in the RC zone.

304 (3) SHORT-TERM RENTAL STANDARDS

305 (A) Primary or Accessory Residence. Short-term rentals must be operated out of an owner's main
306 house or a legally established accessory dwelling unit. In no case, shall an owner or operator
307 make available a recreational vehicle, tent, or other temporary or mobile unit for short-term
308 rental.

309 (B) Occupancy.

310 (i) Overnight Occupancy. The owner or operator must limit overnight occupancy to no more
311 than two guests per bedroom, not to exceed a total of 10 guests including children.
312 Occupancy limits must comply with the International Residential Code.

313 (ii) Daytime Occupancy. At no time shall the total number of persons at a short-term rental
314 exceed 10 persons, including children.

315 (iii) Exceeding Nighttime or Daytime Occupancy. In order to exceed daytime or nighttime
316 occupancy limits an operator must obtain a Conditional Use Permit provided that the zone
317 allows short-term rentals as an accessory, permitted, or conditionally permitted use and
318 meets all other short-term rental requirements of this section.

319 (C) Parking.

320 (i) One off-street patron parking space in addition to the residential parking
321 requirements, not located within a setback, shall be provided for each bedroom.

322 (ii) The number of vehicles allowed at the short-term rental must be limited to the number
323 of bedrooms plus one; this requirement must be included in the Property Management Plan
324 per Section (2)(K).

325 (D) Garbage. Trash containers must be provided. Trash must be in proper containers on collection
326 day. Where curbside recycling is available to the unit receptacles must be provided. Receptacles
327 must be set out on the right-of-way and removed within twenty-four hours of pickup. Trash must
328 be managed in compliance with CCC Chapter 4.04 Garbage. This requirement must be included
329 in the Property Management Plan per Section (3)(K) and good neighbor guidelines per subsection
330 (3)(M).

331 (E) Noise. Short-term rentals must be operated in compliance with Chapter 7.35 Noise Control.
332 This requirement must be included in the Property Management Plan per Section (3)(K).

333 (F) Trespass. Owners or operators must provide rules in rental contracts restricting occupants from
334 trespassing on neighboring private property and identify proper routes to public places such as
335 easements to shorelines. Such trespass rules must be included in the property management plan in
336 (3)(K) and good neighbor guidelines per subsection (3)(M).

337 (G) Signs. All owners or operators must display the address of the residence so that it is clearly
338 visible from the street or access road. The rental must have a sign or other identifier on outside as
339 short-term rental. The sign must be made of natural materials not exceeding two square feet in
340 area and if illuminated, must be indirectly illuminated.

341 (H) Consumer Safety. All Consumer Safety requirements of RCW 64.37.030 must be met by the
342 owner or operator. Violations are subject to Title 16. Requirements must be included in the
343 property management plan in (3)(K).

(I) Fire Safety and Outdoor Burning. Each owner or operator must include a fire protection plan in their property management plan in subsection (3)(K) to alert renters to respect firewise efforts on a property, or to comply with travel or activity restrictions of CCC Chapter 7.52, Fire Hazard Areas. This includes, but is not limited to, restricting use of outdoor fire places or grills and to properly secure and restrict portable barbeques.

(J) Qualified Person.

(i) The owner or operator must provide the name, telephone number, address, and email of a qualified person (which can be a person or company) who can be contacted concerning use of the property and/or complaints and can respond to the property within 60 minutes to complaints related to the short-term rental consistent with the requirements of this section. The owner or operator must provide a valid telephone number where qualified person can be reached 24 hours per day, every day.

(ii) The owner or operator must post a sign of similar materials and dimension as subsection (3)(G) with the contact information of the qualified person. If the permanent contact information changes during the permit period, the new information must be changed on the sign. Renewal applications must provide evidence of the sign. The Director may allow annual mailings to neighboring properties and an interior posted notice for tenants in lieu of an exterior sign where a property's size and visibility make an exterior sign ineffective. The purpose of this sign is so that adjacent property owners and residents can contact a qualified person to report and request resolution of problems associated with the operation of the short-term rental.

(K) Property Management Plan. Short-term rentals must maintain an up-to-date property management plan on file with the Chelan County Community Development Department and property owners within 300 feet of parcel boundaries within which the short-term rental is located. The property management plan must include the following:

(i) Provide a floor plan and site map clearly depicting the property boundaries of the short-term rental, and the escape route in case of an emergency. The map must indicate if there is an easement that provides access to the shoreline; if so, the boundaries of the easement must be clearly defined. If there is no access, this must be indicated together with a warning not to trespass;

(ii) Provide the unified business identifier number, and the names and addresses of the property owner;

(iii) Designate a qualified person and provide contact information consistent with (3)(j) ; and

(iv) Provide information required for Consumer Safety per (3)(H) and RCW 64.37.030 and fire protection plan per (3)(I).

(v) All units must have an operable landline telephone installed to aid in emergency response, and the dwelling recorded in "Rivercom" data base.

(vi) The plan must identify the method by which the owner/operator will notify renters of emergency or temporary conditions such as burn bans.⁵

(vii) The plan must specify the maximum number of guests and number of bedrooms.

(viii) The plan must be kept up to date at the time of the annual permit and include the annual permit number per subsection (L).

(ix) The plan must include the Good Neighbor Guidelines per subsection (M).

(L) Annual Permit Number. The owner or operator must include the Chelan County land use permit number for the short-term rental in all advertisements (AirBnB, VRBO, Craigslist, poster, etc.) and marketing materials such as brochures and websites.

(M) Good Neighbor Guidelines. Owners and operators must acknowledge receipt and review of a copy of the good neighbor guidelines. Owners and operators must provide evidence that the good neighbor guidelines have been effectively relayed to short-term rental tenants, by incorporating it into the property management plan, and rental contract, posting it online, providing it in a conspicuous place in the dwelling unit, or a similar method.

(N) Liability Insurance. A short-term rental owner or operator must maintain primary liability insurance consistent with RCW 64.37.050.

(O) Taxes. The owner or operator must be in compliance with CCC Chapter 6.30 Lodging Tax, and other local sales taxes and state hotel/motel and sales taxes in accordance with the Department of Revenue.

(4) LAND USE PERMITS

(A) Land Use Permit Required. No short-term rental owner or operator may advertise, offer, operate, rent, or otherwise make available or allow any other person to make available for occupancy or use a short-term rental without a valid short-term rental land use permit issued by the Director.

(B) Annual Renewal. Annual renewal of the short-term rental land use permit is required.

(C) Permit Applications. Short-term Rental owners must apply for a land use permit to establish compliance with this code.

(D) Application Acceptance and Evaluation.

(i) From September 1 to October 31 each year, existing short-term rental owners must submit a Short-Term Rental Land Use Application. By February 1 of each following year the Director must report the baseline number of authorized existing short-term rentals and identify the number of new short-term rentals allowed pursuant to subsection (2)(B). From February 15 to March 15, the Director must accept new applications for short-term rentals. Compliant permits will be entered into a lottery by June 1. The lottery must be conducted at a public meeting after the publishing of a legal notice a minimum of 10 days

⁵ The Planning Commission discussed adherence to health guidelines such as 24 hours between guests and determined that standards of cleanliness are likely beyond the scope of a land use permit (and may be self-regulating as guests would likely use short-term rentals where an owner/operator strives to demonstrate voluntary measures to provide for health). This provision to ensure that emergency or temporary conditions are communicated to guests by the owner/operator/qualified person could encompass health if there was an emergency health district order.

prior to the lottery. The number of issued permits selected by lottery will not exceed the number allowed per the applicable cap in subsection (2)(B). Selected permits remain valid until such time as an annual renewal is required.

(ii) Within the first year of adoption of this code [effective date XXX, 2020], the Director may provisionally approve initial short-term rental land use permits subject to the owner completing a self-certification form provided that inspections in subsection (4)(H) are accomplished prior to the first renewal thereafter.

(E) Term. A short-term rental land use permit must be issued for a period of one year, with its effective date running from the date the application is due as set forth in subsection (4)(D) above, and must be renewed annually by the owner or operator provided all applicable standards of this section are met.

(F) Forms and Procedures. Applications for short-term rental land use permits must be on forms provided by the County, demonstrating the application meets the standards required by this section. Permit review procedures must be consistent with Title 14.

(G) Nonuse. All short-term rentals must operate under a current short-term rental land use permit regardless of nonuse. If a property has not been rented in a twelve-month period, renewal of short-term rental land use permit must still be met to maintain the validity of the permit.

(H) Fire, safety, health and building compliance.

(i) Fire and Emergency Safety. Prior to approving the initial short-term rental permit, the applicable fire district or fire marshal must perform a life-safety inspection, except as provided under subsections (H)(iii) and (H)(iv).

(ii) Water and Wastewater. The Chelan-Douglas Health District must inspect the short-term rental to ensure that there is a verifiable legal source of water that meets applicable standards, and an approved on-site sewage disposal system, except as provided under subsections (H)(iii) and (H)(iv).

(iii) The Director may waive inspections under subsections (H)(i) and (H)(ii) associated with the initial short-term rental permit if the owner provides a notarized affidavit from the applicable fire district or fire marshal or Chelan-Douglas Health District that the short-term rental is in compliance with applicable requirements in subsections (H)(i) and (H)(ii).

(iv) The County building official must review each initial short-term rental application to ensure occupancy and other applicable building code requirements are met.

(v) After the unit is approved for rental, a completed self-certification checklist for health and safety is required to be submitted by the owner with each annual short-term land use permit renewal consistent with forms provided by the Director.

(vi) Owner Responsibility. It is the owner's responsibility to assure that the short-term rental is and remains in substantial compliance with all applicable codes regarding fire, building and safety, health and safety, and other relevant laws.

(I) Only one transfer of ownership is allowed, and the short-term rental is limited to a three-year operational period provided all permits per subsection (4) are obtained. A transfer occurs when the property is sold to a person or when officers of corporations are changed to remove former

officers and add new officers. At the time of the only transfer, all permits shall include the following provision: "This permit shall automatically expire upon sale or transfer of the property, or three years, whichever comes first." After a single transfer, the short-term rental permit is no longer valid after the land use permit expiration date. The operator must obtain a new short-term rental permit compliant with this section following expiration or cease operation. New owners must certify compliance with the conditions of permit approval within 90 days after the closing date of the sale of the property. Written certification must be submitted to the Community Development Department on forms specified by the Director. New owners must apply for a new permit by the annual deadline.

(J) Approval Criteria. To receive approval or renewal, an owner or operator must demonstrate to the satisfaction of the Director that all approval criteria listed below have been satisfied:

(i) The short-term rental is located in a base or overlay zone that allows its use pursuant to this section.

(ii) The short-term rental is consistent with density limitations of this section.

(iii) The short-term rental is consistent with short-term rental standards of this section.

(iv) The short-term rental is consistent with all applicable health and safety requirements of this section.

(v) The short-term rental is not the subject of outstanding code violations per Title 16.

(K) Appeals of the denial or conditions of short-term rental land use permits or annual renewals must be filed in compliance with Title 14 CCC.

(5) ENFORCEMENT

(A) Within Chelan County jurisdiction, a short-term rental must not operate without an approved and valid Short-Term Rental Permit. Evidence of operation includes advertising, online calendars showing availability, guest testimony, online reviews, rental agreements, or receipts.

(B) Enforcement of this section will be in accordance with Title 16 CCC.

(6) MONITORING

The Director shall report to the Board of County Commissioners on the status of short-term rental regulation implementation annually at the time the existing short-term baseline is reported per (4)(D). The County may initiate a review or amendment pursuant to Chapter 14.13.

Chapter 3.24 Community Development Department Fees

3.24.010 FEE SCHEDULE.

(a) Planning.

Application Type	Fee
Conditional use permit	\$1,520
Short-term rental (Tier 1, first permit)	\$500

Application Type	Fee
Short-term rental (<u>Tier 2, inspection not required, annual first permit</u>)	\$500
Short-term rental (<u>Tier 2, inspection required first permit</u>)	\$900
Short-term rental (<u>Tier 3 first permit</u>)	\$1,520
Short-term rental (<u>Tier 1 annual renewal</u>)	\$75
Short-term rental (<u>Tier 2 annual renewal</u>)	\$150
Short-term rental (<u>Tier 3 annual renewal</u>)	\$225

Definitions

14.98 DEFINITIONS

14.98.1410 Person.

"Person" means any individual, firm, association, partnership, corporation, or any entity, public or private. For the purposes of short-term rental regulations, person is defined consistent with in RCW 82.04.030.

14.98.1692 Short-Term Rental

"Short-Term Rental" means a dwelling unit, or portion thereof, that is offered or provided to a guest by a short-term rental owner or operator for a fee for fewer than thirty consecutive nights. They are commonly referred to as vacation rentals. They are a form of tourist or transient accommodations. Short-term rental units may be whole house rentals, apartments, condominiums, or individual rooms in homes. For the purpose of administration and enforcement of this title, the terms "overnight rental," "nightly rental," and "vacation rental" are interchangeable with short-term rentals. Subleasing or subletting of units for short-term rental is prohibited if the underlying zone prohibits such use.

14.98.1693 Short-Term Rental Operator

"Short-term rental operator" means any person who receives payment for owning or operating a dwelling unit, or portion thereof, as a short-term rental unit, or their authorized agent including a property management company or other entity or person who has been designated by the owner, in writing, to act on their behalf.

14.98.1694 Short-Term Rental Owner

"Owner" means any person who, alone or with others, has title or interest in any building, property, dwelling unit, or portion thereof, with or without accompanying actual possession thereof, and including any person who as agent, executor, administrator, trustee, or guardian of an estate has charge, care, or control of any building, dwelling unit, or portion thereof. A person whose sole interest in any building, dwelling unit, or portion thereof is solely that of a lessee under a lease agreement is not considered an owner.

16.20. SHORT-TERM RENTAL ENFORCEMENT AND VIOLATIONS

16.20.010 Compliance

Short-term rental owner's or operator's must comply with short-term rental regulations in Titles 11 and 14 CCC. Violations and enforcement must be in accord with Title 16 CCC.

16.20.020 Enforcement Procedures, Notices, and Citations

(1) Enforcement Procedures. Except as specified in this Chapter 16.20, all enforcement procedures of Title 16 apply to short-term rental owner's or operator's.

(2) Notice of Violation for Consumer Safety by County Attorney. If an owner or operator is suspected of violating Consumer Safety requirements of RCW 64.37.030, the County Attorney must issue a warning letter to the owner or operator for the first violation. Other procedures or requirements with regard to the warning letter must be consistent with Title 16. For any repeated violations, the County will employ its standard code compliance process consistent with Title 16.

(3) Citations must be issued consistent with Chapter 16.08, provided that citations may be issued on-site at the discretion of the code compliance officer if a violation of Short-Term regulations in Titles 11 and 14 CCC occurs. Alternatively, the citation may be accomplished in another manner consistent with Title 16.

16.20.030 Civil Penalties

(1) Civil penalties must be consistent with Title 16 including Chapter 16.16. except as identified in (2) below.

(2) The first violation of Consumer Safety requirements of RCW 64.37.030 is a class 2 civil infraction under chapter 7.80 RCW with a fine of one hundred twenty-five dollars (\$125). The fine for repeated violations must be consistent with CCC 16.16.010 Assessment Schedule.

16.20.030 Revocation

(1) Repeated failure of the owner or operator to timely and reasonably respond to a complaint(s) relayed by code compliance officers are grounds for civil fines, revocation, or other penalties consistent with Title 16.

(2) The following conditions may result in revocation of land use permits granted under short-term rental regulations in Titles 11 and 14 CCC:

(A) Failure to renew a short-term rental land use permit pursuant to CCC 11.88.280 short-term rental regulations and Title 14 is grounds for immediate revocation of the permit.

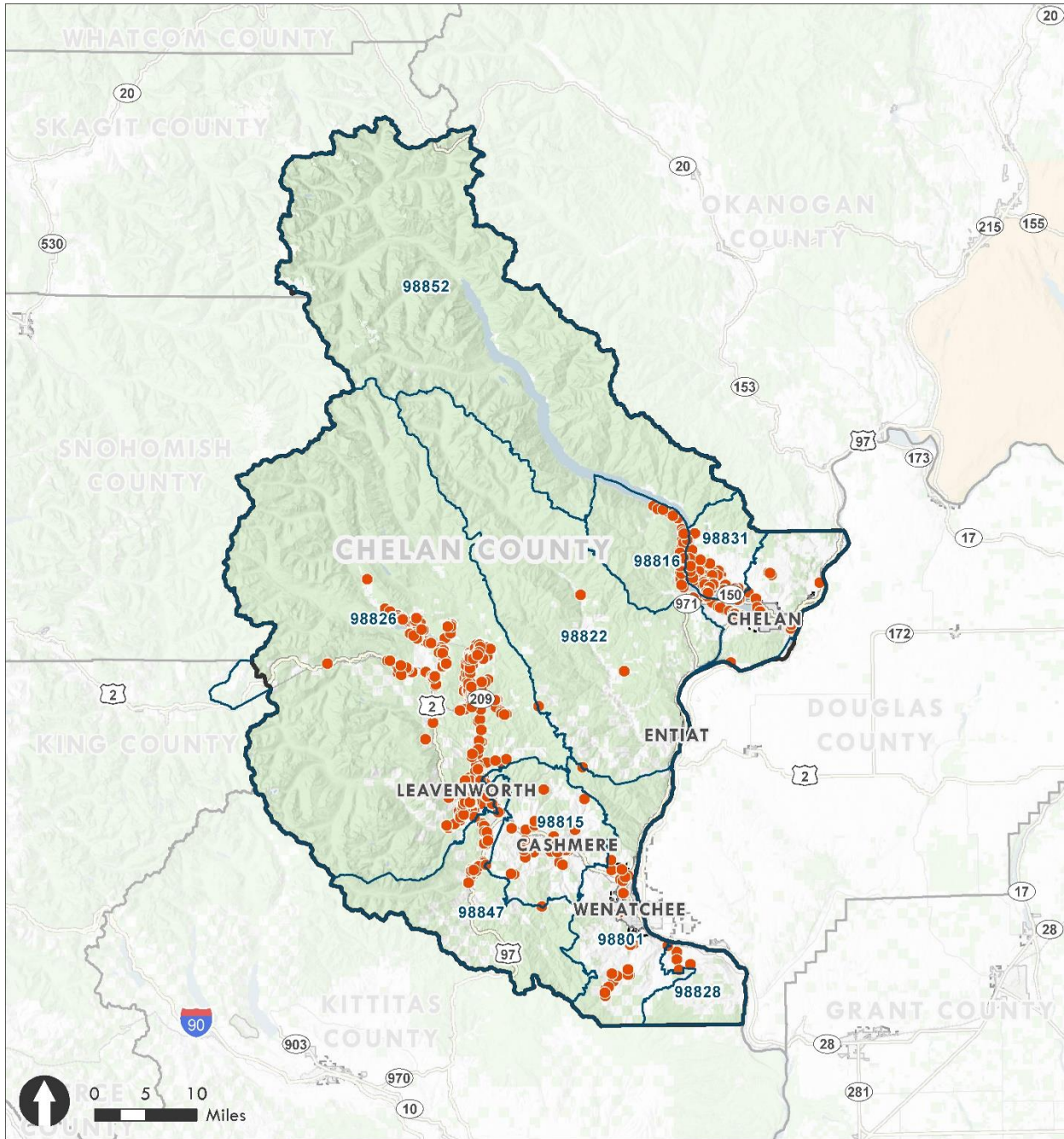
(B) Failure to meet the criteria of CCC 11.88.280 Short-Term Rental Regulations is grounds for immediate revocation of the short-term rental land use permit.

(C) The discovery of material misstatements or providing of false information in the short-term rental land use permit application or renewal process is grounds for immediate revocation of the permit.

547 (D) Such other violations of Titles 11, 14, and 16 of sufficient severity in the reasonable judgment
548 of the Administrator,⁶ so as to provide reasonable grounds for immediate revocation of the land
549 use permit.
550 (E) If three violations are verified under subsection (D) at any time during a twelve-month period,
551 the penalty shall be revocation in addition to any required civil penalties under 16.20.030.
552

⁶ In Title 16, reference is made to “Administrator” whereas in Title 11 reference is made to “Director”. Both have a similar meaning in Title 14 definitions.

Attachment A: Countywide Zip Code Map



LEGEND

- Short-term Rentals (est. 1,200 active)
- ZIP Code Boundaries

BERK
Map Date: March 2020

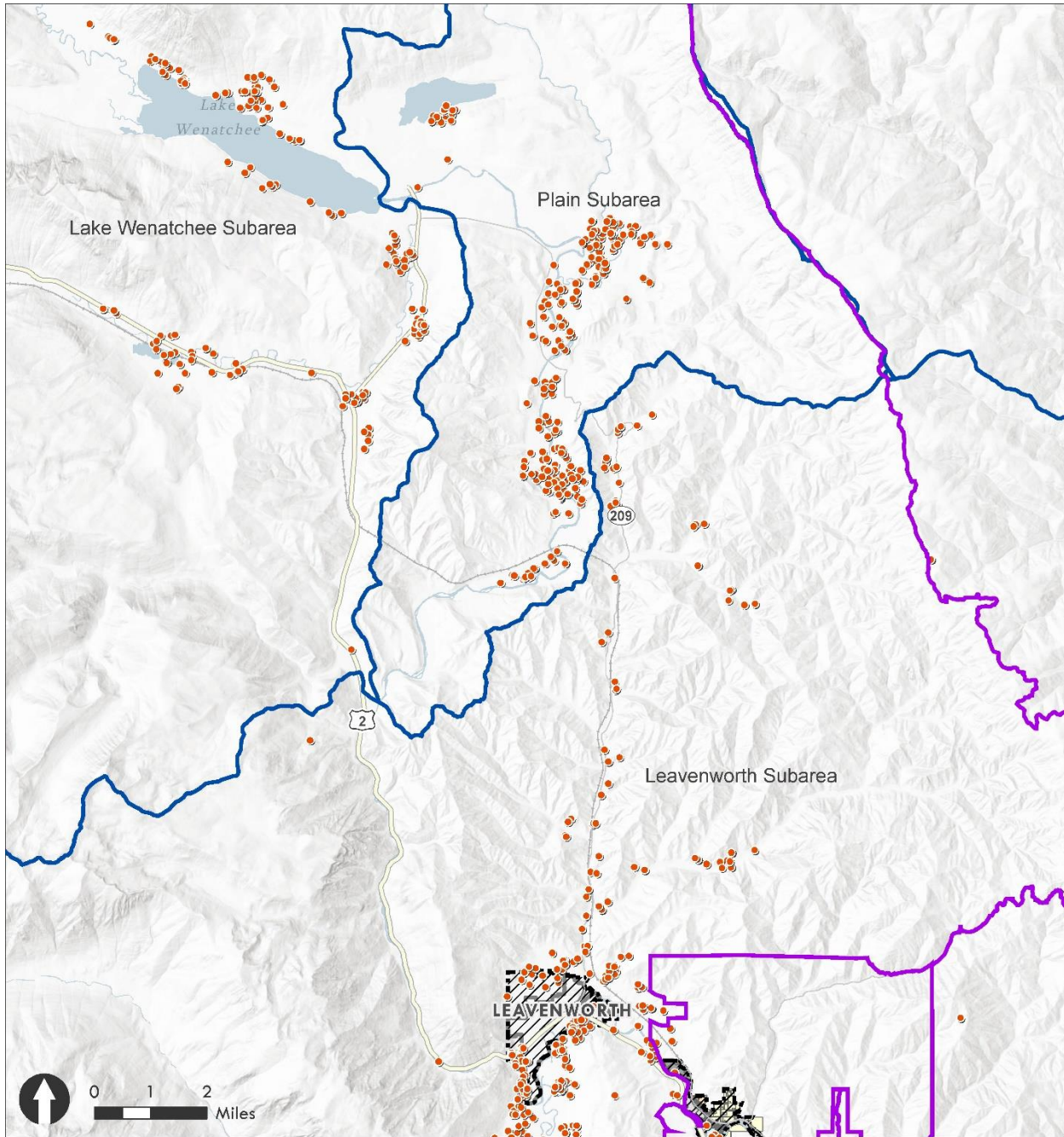
Source: AirDNA, 2020.

Data notes: This data tracks individual short-term rental property level from AirBNB and HomeAway. The location data on individual properties is within 500 meters of accuracy. It shows only properties that are assumed to be in unincorporated areas and are listed as an entire home/apartment.

556

Attachment B: Leavenworth-Lake Wenatchee Subareas

557



LEGEND

- Urban Growth Areas
- Short-term Rental
- STR (on tribal land)
- Preliminary Boundaries
- ZIP Code Areas



Source: AirDNA, 2020.
Data notes: This data tracks individual short-term rental property level from AirBNB and HomeAway. The location data on individual properties is within 500 meters of accuracy. It shows only properties that are assumed to be in unincorporated areas and are listed as an entire home/apartment.

558

Source: Chelan County GIS, AirDNA, BERK 2020