



**CHELAN COUNTY**  
**DEPARTMENT OF COMMUNITY DEVELOPMENT**  
316 WASHINGTON STREET, SUITE 301, WENATCHEE, WA 98801  
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October 2, 2020

TO: Planning Commission

FROM: Jim Brown, Director

SUBJECT: **PACKET--REMAND OF SHORT TERM RENTAL CODE DRAFTING**

This packet of materials contains:

**Exhibits (3):**

- A: PC Agenda for October 15, 2020 meeting: Continuing deliberations on STR code draft**
- B: Draft Minutes from the September 23, 2020 meeting**
- C: Three-page document: Tables on pages 1 and 2 showing requested data from Berk, and page 3 showing potential “options” to consider to address issues you identified**

NOTE: We did not build a “complaint” map for you based on the prior STR written comments. The comments, when reviewed, often showed complaints but nothing that would be anything more than anecdotal “hot spots”. The comments requested at the time were actually *supposed to be about the draft code*. But instead many of the responses presented site complaints, or offered support for STRs. They mostly didn’t address the code’s application to improve their issues, or examples. So, you really cannot rely on those “comments” to form a “complaint map.” We didn’t ask for that in the comment process. And you have no way to even verify the ones we got, nor at a scale that would say anything reliable when applied to specific geographic areas of the county.

There will be no more materials before the actual meeting. **We will be working from the same draft code packet you were provided before the last meeting.** No background presentation will be made. You are simply picking up where you left off, with some discussion around the requests to staff in the last meeting. **Exhibit B** may help you refocus your discussions from last meeting.

As stated in the September 23 meeting, I would suggest a preliminary discussion about “how” you want to review the code. Lisa and I will be prepared to “walk” through the code, *or* to go to a particular section, *or* however else you choose to proceed. If you want to first take a vote on the code as it now exists, even if only on parts of it, you may also do that as an option. It may help to facilitate and focus your discussion on any remaining and more contentious sections of the code. These are only suggestions for you to consider. The choice is yours.

# Exhibit A



## 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, Ed Martinez, Joel Walinski  
Commissioners District 3: Carl Blum, Pat Hammersmith, Vacant

### Meeting Agenda

Wednesday, October 15, 2020 at 6:00 P.M.  
Chelan County Community Development

*In response to the [Governor's Proclamation 20-28](#), the Planning Commission will hold all of their Regular and Special Meetings via Zoom Video Conference until further notice. Click the link below to join the meeting, beginning at 6:00 pm on October 15, 2020.*

Join Zoom Meeting

<https://us02web.zoom.us/j/86892663538?pwd=ai9uRWNwZDZ3UWtYNkIU09FRHVSQT09>

Meeting ID: 868 9266 3538

Passcode: 085931

#### Call Meeting to Order

**I. Administrative**

A. Review/Approval of Minutes from September 23, 2020

**II. Public Comment Period**

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

**III. Old Business**

Deliberation and Possible Decision for Short-term Rentals

**IV. New Business**

Technical Review Group for Critical Area Ordinances  
Upcoming Meetings and Possible Date Adjustments for Holidays

**V. Discussion, at the Chair's discretion**

**VI. Adjournment \*Meeting will go no longer than 8:00 PM.\***

Any person may join this meeting via Zoom Video conference, of which the link is provided on the Chelan County Website. A Copy of the Agenda may be reviewed online <https://www.co.chelan.wa.us/community-development/pages/planning-commission> or requesting it by email at [CD.Director@co.chelan.wa.us](mailto:CD.Director@co.chelan.wa.us)

Chelan County has been recording Planning Commission meetings which will continue to be accessible on the Community Development Planning Commission web page shortly after the

meeting takes place. If you need special accommodations to view the meetings while they take place, please contact us immediately at 509-667-6225 to set up a place for you to do so on the County Campus. Keep in mind you would be required to wear personal protective equipment and maintain social distancing guide lines at all times.

Materials available on the Community Development website

**Next Regular Meeting: Comp Plan Amendment Workshop  
October 28, 2020 at 6:00 pm via Zoom**

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

# Exhibit B



# CHELAN COUNTY PLANNING COMMISSION MINUTES

Chelan County Planning Commission  
Chelan County Community Development VIA ZOOM

Date: September 23, 2020

Called to Order: 7:05 PM  
316 Washington St., Suite 301  
Wenatchee, WA 98801

## CALL TO ORDER

Meeting was called to order at 7:05 pm.

## COMMISSIONER PRESENT/ABSENT

|                        |                |                      |                |
|------------------------|----------------|----------------------|----------------|
| <b>Ryan Kelso</b>      | <b>Present</b> | <b>Carl Blum</b>     | <b>Present</b> |
| <b>Vicki Malloy</b>    | <b>Present</b> | <b>Jim Newberry</b>  | <b>Present</b> |
| <b>Pat Hammersmith</b> | <b>Present</b> | <b>Ed Martinez</b>   | <b>Present</b> |
| <b>James Wiggs</b>     | <b>Present</b> | <b>Joel Walinski</b> | <b>Present</b> |

## STAFF PRESENT

**Jim Brown, Director**  
**Catherine Lorbeer, Assistant Director**  
**Wendy Lane, Permit Clerk**

## PUBLIC PRESENT

ZOOM MEETING – 46 PARTICIPANTS INCLUDING STAFF AND PC MEMBERS

Chairman Ryan Kelso asked the Planning Commission members if all had read the minutes from the July 22, 2020, meeting.

## **MOTION:**

Motion made by Commissioner Jim Newberry, second by Commissioner Carl Blum, to approve the minutes from the July 22, 2020, meeting.

Chairman Ryan Kelso asked the Planning Commission members if all had read the minutes from the September 9, 2020, meeting.

## **MOTION:**

Motion made by Commissioner Joel Walinski, second by Commissioner Vicki Malloy, to approve the minutes from the September 9, 2020, meeting.

Vote – Unanimous

**OLD BUSINESS:**

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

Director Jim Brown gave a Power Point presentation to set the tone and pace for the deliberation on Short-term Rental Code. The following topics were presented -

- Reviewed the Process (date line)
- Process now Continues
- Schedule
- Public Comment and Info
- Technology Used
- Code Outline
- Proposed STR Regulation Process
- Existing Units
- Task Force
- Examples
- Discussion / Directions

Direction Jim Brown then paused for questions from the Planning Commission. He also asked Lisa Grueter for her input with regard to answering questions. There was a period of discussion among the group with regard to STRs allowed in certain zones, district charts and zoning intent statements.

Director Jim Brown proceeded through the text, answering questions along the way.

There was discussion in the group concerning the percentages of STRs that should be allowed in communities verses countywide. Considering changing the language from countywide to zone wide.

Director Jim Brown continued with his presentation. There was a discussion among the group on sunsets and how they were addressed in the different tiers. What should be allowed and what should be augmented.

Next, came a walk thru of the Chelan County Draft Short-term Rental Code. He went over the District Use Chart - Tiers 1, 2 and 3 with what would be allowed and what the requirements would be.

Discussion returned again to sunseting; was it needed or should it be removed from the Draft Code.

**MOTION:**

Motion made by Commissioner Carl Blum, second by Commissioner Jim Newberry, to remove sunseting for Tier 2 in the District Use Chart on line 90. There was discussion within the group.

Vote – Commissioners in favor were Blum and Newberry; those who opposed were Malloy, Wiggs, Walinski, Martinez, Hammersmith. Motion denied.

Continued discussion on sunseting - what should be allowed and/or removed.

Commissioner Joel Walinski floated the idea of studying different impacts depending on different solutions. He wanted to know if Lisa Grueter could compile information explaining different case scenarios with county data. She used the Tier 2 & 3 STRs by Zoning District chart to explain how the information could be digested.

Commissioner Vicki Malloy brought up what the Comprehensive Plan says about housing, to allow for perspective. She brought up the impacts some of the new stuff is having on the residents. She wants to work on normalizing the STR limits to 5%. There was discussion among the Commissioners on how to arrive at that goal.

In winding down the meeting, Chairman Ryan Kelso asked the Planning Commissioners for input for a request for additional information to assist the Commission in the making decision process. The Commissioners made requests to Community Development and Lisa Grueter for various information on what other cities have done, areas in the county that generate heavy complaints, and where owners live who actually operate local STRs.

Chairman Ryan Kelso tabled the deliberation of Short-term Rental Draft Code.

**NEW BUSINESS:**

**Meeting Start Time for Winter Months**

Chairman Ryan Kelso asked the Commissioners if they wanted to change the start time to 6:00 pm as it has been done on the past for the winter months.

**MOTION:**

Motion made by Commissioner Carl Blum, seconded by Commissioner Joel Walinski, to change the Planning Commission Meeting start time to 6:00 pm.

Vote – unanimous

Director Jim Brown brought forth to the Commissioners the possibility of presenting the Critical Area Ordinance, in conjunction with Christina Wollman from PERTEET, in a way that would satisfy the Planning Commission that enough staff work has been done to bring a product that was explainable for the changes. He is proposing that they do a Technical Committee that would consist of staff from Community Development, Natural Resources, and possibly a volunteer from the Planning Commission to try to drill down and make a better product that is more refined so there is a clearer ask for the Planning Commissioners. It would put the Critical Area Ordinance off of the table for a few months. This would allow time for Comp Plan Amendments that need to be brought forward by Assistant Director Catherine Lorbeer in the near future.

Commissioner Ryan Kelso asked for a time line to continue the Short-term Draft Code.

**MOTION:**

Motion made by Commissioner Carl Blum, seconded by Commissioner James Wiggs, to establish a Special Meeting to be scheduled Thursday, October 15, 2020, at 6:00 pm.

Vote - unanimous

Assistant Director Catherine Lorbeer updated the timeline for a future Comp Plan Amendment Workshop to be held during the October 28, 2020 Planning Commission Meeting. The public meeting would then be held during the November meeting with possible deliberation during the December meeting.

## **ADJOURNMENT**

### **MOTION:**

Motion made by Commissioner Vicki Malloy, seconded by Commissioner Ed Martinez, to adjourn the meeting.

Vote – unanimous

Meeting Adjourned at 9:10 pm.

Next Planning Commission Meeting is a Special Meeting to be held on October 15, 2020, at 6:00 pm, – a Zoom meeting.

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

# Exhibit C

# Short-Term Rental – Planning Commission Information Requests

## Location of Short-Term Rentals

At the Planning Commission meeting on September 23, 2020, we shared information on the relative number of short-term rentals by County zone. The table appears below. The information should be considered conceptual as AirDNA does include a “fuzziness” factor to protect privacy and some locations may be “off” by 500 meters. Should the Planning Commission make changes to the hearing draft code to remove some requirements or add requirements these estimates may be helpful to consider effects.

**Table 1. Share of Short-Term Rentals by Zoning District – Whole House Rentals 2020**

***NOTE: Geographic location is accurate for most properties with some locations within 500 meters for privacy.***

### Rural Chelan County

| Zone  | RR20 | RR10 | RR5 | RR2.5 | RW  | RRR | RV | RC | RI | RP | AC | FC | MC | Total |
|-------|------|------|-----|-------|-----|-----|----|----|----|----|----|----|----|-------|
| STR # | 61   | 83   | 183 | 178   | 272 | 126 | 55 | 12 | 0  | 4  | 27 | 19 | 0  | 1,020 |
| Share | 5%   | 7%   | 15% | 14%   | 22% | 10% | 4% | 1% | 0% | 0% | 2% | 2% | 0% | 82%   |

### Manson UGA

| Zone  | UR1 | UR2 | UR3 | CT | CD | MLI | UP | WAPATO | Total | Total Excl.Wapato |
|-------|-----|-----|-----|----|----|-----|----|--------|-------|-------------------|
| STR # | 18  | 62  | 33  | 0  | 22 | 0   | 0  | 83     | 218   | 135               |
| Share | 1%  | 5%  | 3%  | 0% | 2% | 0%  | 0% | 7%     | 17%   | 11%               |

### Peshastin UGA

| Zone  | R-1 | R-2 | R-3 | C-D | C-H | I | I-C | P-U | Total | Share |
|-------|-----|-----|-----|-----|-----|---|-----|-----|-------|-------|
| STR # | 3   | 0   | 0   | 1   | 0   | 0 | 1   | 2   | 7     | 1%    |

Whole House Rentals Jan 2020 AirDNA STRs: 1,247

Source: AirDNA, BERK 2020.

## Summary of Code Comparisons

Below is a matrix of example regulations. Most vary the location of where short-term rentals are allowed, and most have requirements for different types of short-term rentals such as large ones or ones that are owner-occupied. Fewer have caps or limits on distances, and even fewer have sunset clauses. Some have custom non-conforming rules for short-term rentals and others apply standard zoning.

**Table 2. Summary of Other Jurisdiction Regulations**

| Community                              | Vary Zone or Location Allowed | Vary Permit (Zone, Owner-Occupied, Large) | Operation Standards | Permit System (annual) | Inspections | Cap or Distance         | Restrict Transfer of Ownership | Sunset Clause  | Custom Non-conforming Rules |
|--|-------------------------------|---|---------------------|------------------------|-------------|-------------------------|--------------------------------|----------------|-----------------------------|
| Chelan County, WA (Draft; #1,247 + 92) | Yes                           | Yes                                       | Yes                 | Yes                    | Yes         | Yes                     | Yes                            | Yes (some)     | Yes                         |
| Clallam County, WA                     | No                            | Yes                                       | Yes                 | No                     | Yes         | No                      | NA                             | No             | No                          |
| Jefferson County, WA                   | Yes                           | Yes                                       | Yes                 | No                     | Yes         | Yes (cap*)              | No                             | No             | No                          |
| Okanogan County, WA                    | Yes                           | Yes                                       | Yes                 | Yes                    | Yes         | No                      | No                             | No (removed**) | No                          |
| Pacific County, WA (#200)              | Yes                           | Yes                                       | Yes                 | Yes                    | Yes         | Yes (distance: pending) | Yes                            | No             | No                          |
| Pierce County, WA                      | No                            | No  | Yes                 | Yes                    | Yes         | No                      | No                             | No             | No                          |
| San Juan County, WA (#1,040)           | Yes                           | Yes                                       | Yes                 | Yes                    | No          | No                      | No                             | No             | No                          |
| Spokane City, WA                       | Yes                           | Yes                                       | Yes                 | Yes                    | Yes         | No                      | No                             | No             | Yes                         |
| Walla Walla City, WA                   | Yes                           | Yes                                       | Yes                 | Yes                    | Yes         | No                      | No                             | No             | Yes                         |
| Bend, City, OR (#2,671)                | Yes                           | Yes                                       | Yes                 | Yes                    | Yes         | Yes (distance)          | Yes                            | No             | Yes                         |
| Cannon Beach, City, OR (#203)          | Yes                           | Yes                                       | Yes                 | Yes                    | Yes         | No (removed)            | Yes                            | Yes            | No                          |
| Newport, City, OR (#200)               | Yes                           | Yes                                       | Yes                 | Yes                    | Yes         | Yes                     | Yes                            | No             | Yes                         |
| Ventura County, CA                     | Yes                           | Yes                                       | Yes                 | Yes                    | Yes         | No                      | Yes                            | Yes            | Yes                         |

Green shaded communities have more than 4% short-term rentals.

\*Jefferson County The share of short-term rentals versus permanent homes is set so that a master planned resort does not become a predominantly year-round community.

\*\*See: <https://methowvalleynews.com/2017/08/18/county-imposing-stricter-rules-for-nightly-rentals/>.

## Potential Code Options

The Planning Commission discussed some options to balance restrictions on new short-term rentals and existing ones:

- Countywide Location Limit with 5% Share of County Unincorporated Stock: Keep the location limit on zip codes or Urban Growth Areas exceeding a 5%, but remove the requirement that limits short-term rentals to 5% countywide so that the few new ones allowed could go into low-impacted area.
- Remove three-year sunset clause in identified zones as likely more strict than some would like and rather address limits on transfer of sales or other strict enforcement of septic requirements, etc.

The information in the two tables in this document may help the Planning Commission calibrate their thoughts, questions, and potential adjustments to the hearing draft code. For example:

- If removing the 5% on Countywide short-term rentals (but keeping it for the zip codes and other subareas noted), the County could consider separation between short-term rental structures, e.g. 250 feet like other communities, to avoid areas less impacted from becoming more impacted.
- The zones identified for a three-year sunset clause could have the sunset removed. The separation requirement could be added to address future new short-term rentals (if not restricted by 5% clause). There could be more emphasis on how sales/transfers are allowed. There could also be some areas considered for an administrative conditional use permits in particular impacted areas.