Chelan County Short-Term Rentals

2 Planning Commission Recommendations July 9, 2020 | Report Date: September 1, 2020

Introduction

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

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- 9 Chelan County has been considering how to best address short-term rentals to allow for property owner
- 10 income while protecting the character of residential communities across the county.
- 11 In 2019 Chelan County considered draft regulations. The Planning Commission and Board of County
- 12 Commissioners heard comments and felt proposals did not meet the County's and community's needs, and
- 13 denied the 2019 draft.
- 14 The Board of County Commissioners desire to look at new code options in 2020. The process includes:
- development of a situation assessment; development of code options; Planning Commission review,
- 16 hearing, and recommendations; and Board of County Commissioner review, hearing, and decision.
- 17 The Chelan County Planning Commission met seven times over April to July 2020 to develop draft short-
- term rental regulations, with a hearing on June 17, 2020 and deliberations on June 24 and July 9, 2020.
- 19 The Board of County Commissioners met in July and August 2020 to consider the Planning Commission
- 20 Recommendations. The Board remanded the short-term rental code back to the Planning Commission for
- 21 reevaluation in September 2020 including a new hearing and deliberation.
- 22 This document presents Planning Commission recommendations as of July 9, 2020 and would be the basis
- for the Planning Commission hearing scheduled for September 9, 2020.
- 24 Data on short-term rentals and the evolution of the draft code can be found at:
- 25 Project website: https://www.co.chelan.wa.us/community-development/pages/short-term-vacation-
- 26 rentals. Public comments received through the review process are posted at the project website.
- 27 Planning Commission packets are located at this link: https://www.co.chelan.wa.us/community-
- development/pages/planning-commission.

Planning Commission Recommendations

- 30 The Consultant and County staff reviewed meeting minutes and direction from the Planning Commission at
- 31 their deliberation on July 9, 2020 to document the recommendations; our intent was to accurately capture
- 32 the voted options and reconcile between the options and code text. Footnotes explain final changes
- 33 meant to match Planning Commission recommendations or to clarify information.

- 34 Planning Commission recommendations are illustrated in Exhibit 1 and described below.
 - Zones Allowed: A short-term rental owner/operator would determine if the zoning district permits or conditionally permits a short-term rental. Tier 1 owner-occupied short-term rentals 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 are permitted but are further restricted on smaller lots in certain zones with a sunset clause, or limited in numbers in areas where there is a high concentration of existing short-term rentals. Tier 3 short-term rentals are those with larger occupancies (over 12 total guests) and would require conditional use permits and have similar restrictions on locations and numbers as Tier 2.
 - Number Allowed: New non-owner-occupied units (Tier 2) and larger occupancy short-term rentals (over 12 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 zip codes, overlay zones, and Urban Growth Areas (UGAs) with more than 5% short-term rentals as a share of total units.¹ See Attachment A for a map of zip codes, and Attachment B for a map of the Leavenworth-Lake Wenatchee subareas. These areas are referenced in relation to the restrictions on locations where short-term rentals make up more than 5% of the housing stock. Also, due to community preferences and concern over neighborhood quality, new short-term rentals would be limited in Peshastin and Manson UGAs particularly in residential zones. Tier 1 includes developments specifically designed for short-term rentals (e.g. Planned Unit Developments and Master Planned Resorts) are not subject to the cap.
 - Operational Standards: Tier 1, 2, or 3 units would be required to meet standards such as occupancy, parking, noise, solid waste, pool/hot tub monitoring, adequate sewer and water, fire preparedness, access to a qualified person within 60 minutes, 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. Where existing units are in the RR2.5, RV, and RW zones but are on lots less than 2.5 acres, there is a 5-year sunset clause. Where existing units are in a zone that prohibits them, there is a 2-year sunset period.
 - **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

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 (15.6%) and Manson (11.2%). Peshastin Zip Code is at 5.5%. Chelan is 3.9% and others are less than 2%. These percentages are based on whole house rentals and are corrected to exclude housing inside city limits. The number where only a room is offered is < 100. See Attachment D for the updated information.

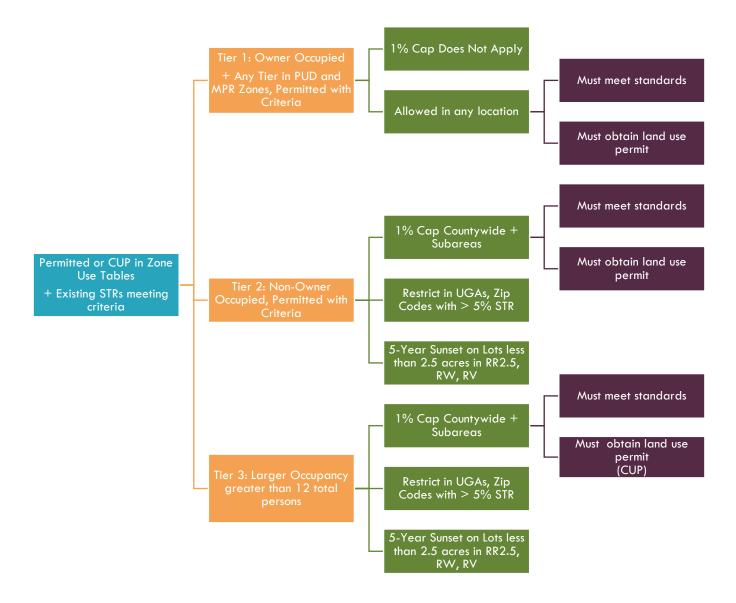
self-certification and a more abbreviated review. Fees would be set to recover costs of permit reviews and inspections such as by the fire marshal, health district, etc.

Exhibit 1. Proposed Short-Term Rental Regulation Process

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Task Force

- 71 In addition to the permitting and code compliance standards in the proposed regulations, the Planning
- 72 Commission has recommended a Task Force be formed to review the effectiveness of the regulations
- 73 after a 2 to 3 year period. It would have nine members.
- 74 See Attachment C.

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Schedule

- 76 The Planning Commission recommendations will be the subject of a hearing on September 9, 2020. A
- deliberation session is scheduled for September 23, 2020. More information about the schedule can be
- 78 found at the project website: https://www.co.chelan.wa.us/community-development/pages/short-term-
- 79 <u>vacation-rentals</u>

Chelan County Draft Short-term Rental Code

DRAFT July 9, 2020 | Planning Commission Recommendations

Use Allowance Amendments

CHAPTER 11.04 DISTRICT USE CHART

11.04.020 District Use Chart

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- 87 The use chart located on the following pages is made a part of this section. The following acronyms apply
- 88 to the following use chart. If a cell in the table is blank, the use listed in the left hand column is a
- 89 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
 - P(3) On lots 2.5 acres or smaller the short-tern rental shall sunset within 5 years of XXX [effective date]
 - 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

90 District Use Chart

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

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
- 95 use chart as either permitted, accessory or conditional use, unless the administrator determines, by a

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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.

99 (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.

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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

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Land Uses	R-1	R-2	R-3	C-D	C-H	I	I-C	P-U
RESIDENTIAL USES								
Boarding /Lodging House³	<u>ACC</u>	<u>ACC</u>	<u>ACC</u>	ACC1	ACC1			
Short-Term Rentals Tier 1 or Tier 2 ²				ACC	ACC			
Short-Term Rentals Tier 3				<u>P</u>	<u>P</u>			
COMMERCIAL USES								
Hotels/Motels/ <u>Lodging Facilities</u>				<u>PRM</u>	<u>PRM</u>	<u>PRM</u>	<u>PRM</u>	

¹ In existing single-family residences only, as of July 1, 2008.

CHAPTER 11.23 MANSON URBAN GROWTH AREA

11.23.030 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.

UR1 Urban Residential-1
UR2 Urban Residential-2

² Indoor facility only.

³ Per CCC 18.88.170 (4) In any district that permits single-family residences, the renting of rooms to not more than two boarders, roomers, or lodgers is permitted as an accessory use.

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

UR3	Urban Residential-3	
CT	Tourist Commercial	
CD	Downtown Commercial	
MLI	Manson Light Industri	
UP	Urban Public	

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- 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

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Table 9.1 - District Use Chart

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

113 $P^1 = Permitted with Standards$

11.23.040 STANDARDS.

- 115 (3) Vacation Short-Term Rentals. <u>See 11.88.280 Short-Term Rentals.</u> Vacation rentals, any unit being
- 116 rented for less than thirty consecutive days, shall be permitted as identified in Section 11.23.030, District
- 117 use chart. All vacation rentals shall receive an annual permit from January 1st to December 31st, under
- 118 Title 14 limited administrative review, documenting conformance and agreement to conform to the
- 119 following provisions:
- 120 (A) Vacation rentals shall maintain the character of the surrounding neighborhood by:
- 121 (i) Providing year around solid waste receptacles and pickup service. Trash cans, on the right-of-way,
- 122 should be removed within twenty-four hours of pickup; and
- 123 (ii) Provide at least one off-street parking space, outside of the required setbacks for each two rented
- 124 bedrooms. Where off-street parking requirements cannot be met the number of rented bedrooms shall
- 125 be limited; and
- 126 (iii) Noise emanating from any use shall be in conformance with Chapter 7.35; and
- 127 (iv) Occupancy. The maximum number of occupants permitted to stay overnight shall be two people for
- 128 each bedroom plus two additional persons, excluding children under the age of six; and
- 129 (v) Placing, adjacent to the front door (outside), a legible sign clearly visible to the general public listing
- 130 the maximum number of occupants permitted to stay overnight, the maximum number of vehicles allowed
- 131 to be parked on site, and the name and contact information of the local contact person.
- 132 (B) Vacation rentals shall provide a local contact person (within a forty-mile radius) twenty-four hours a
- 133 day seven days a week. Contact information shall be provided to the adjacent properties, the Manson
- 134 community council, District 5 fire chief, and the Chelan County sheriff.

135 136 137	I 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.
138	Short-Term Rental Standards
139	CHAPTER 11.88 SUPPLEMENTARY PROVISIONS AND ACCESSORY USES
140	11.88.280 Short-Term Rental Regulations
141	(1) PURPOSE
142	(A) The purpose of this section is to establish regulations for the operation of short-term rentals as
143	defined in Chelan County Code (CCC) 14.98.1692, within the unincorporated portions of Chelan
144	County. This chapter also establishes a short-term rental land use permit.
145	(B) The provisions of this chapter are necessary to promote the public health and safety by
146	protecting year-round residents' enjoyment of their homes and neighborhoods by minimizing the
147	impact of short-term rentals on adjacent residences.
148	(2) Type, Number, and Location
149	(A) Type. Short-term rentals are distinguished in three tiers.
150	(i) Tier 1: Owner-occupied short-term rentals where either (a) rooms are rented and the
151	owner is personally present at the dwelling during the rental period, or (b) the short-term
152	rental is located within 200 feet of the owner's primary residence ³ , or (c) the entire
153	dwelling is rented no more than 15 total days in a calendar year provided that an on-site
154	qualified person is there during the owner's absence. Portions of calendar days shall be
155	counted as full days.
156	(ii) Tier 2: Short-term rentals at a dwelling that is not the owner's principal residence or
1 <i>57</i>	that is rented more than 15 total days in a calendar year.
158	(iii) Tier 3: Short-term rentals exceeding occupancy limits of 11.88.280(3) or containing
159	group facilities designed to host events such as weddings, gatherings, or retreats.
160	(B) Number and Density
161	(i) Tiered Permits and Numbers Allowed. ⁴
162	(a) Tier 1: Short-term rentals are allowed where permitted per subsection (C).5
163	(b) Tier 2 and Tier 3: The annual number of new short-term rental land use permits
164	issued must be capped to one percent (1%) of the total number of permitted short-

³ Editorial: Could clarify measurement: "within 200 feet of the <u>parcel containing</u> the owner's primary residence.

⁴ Editorial: Could move the (B)(i) to become title of (B) and renumber subsections accordingly.

⁵ With the consolidation of number and density provisions under Option J in Planning Commission's July 9, 2020 recommendations, only cross reference to (C) is needed for Tier 1.

165	term rentals in the county as determined through land use permit procedures in
166	subsection (4) below, provided that:
167	(1) Short-term rentals in the following zones are not subject to the 1% cap:
168	Planned Unit Development Overlay Districts expressly permitting short-term
169	rentals, or Master Planned Resorts Overlay Districts.
170	(2) The number of short-term rentals subject to the cap cannot be located
I <i>7</i> 1	where short term rentals make up 5% or more of the total housing stock:6
172	countywide, zip codes ⁷ , urban growth areas ⁷ , or the Leavenworth-Lake
173	Wenatchee Overlay or any subarea within the overlay. If allowed in the
174	future by paragraph (D), the number of short-term rentals subject to the
175	cap cannot exceed 1% of the total countywide short-term rentals or
176	exceed 1% of those located in the Leavenworth-Lake Wenatchee Overlay
177	or any subarea within the overlay.6
178	(3) Leavenworth-Lake Wenatchee Overlay: An overlay district co-terminus
179	with Zip Code 98826 encompassing Leavenworth-Lake Wenatchee. [See
180	Attachment A.] It is further subdivided into three sub-areas for Lake
181	Wenatchee, Plain, and Leavenworth, as well as lands abutting Fish Lake
182	areas. [See Attachment B.]
183	(C) Zones Allowed. Short-term rentals must be permitted, accessory permitted, conditionally
184	permitted, or prohibited pursuant to:
185	(i) Section 11.04.020 applicable to all Rural and Resource Designations, except as limited
186	in Subsection (2)(B).8
187	(ii) Section 11.22.030 applicable to the Peshastin Urban Growth Area, except as limited
188	in Subsection (2)(B).8
189	(iii) Section 11.23.030 applicable to the Manson Urban Growth Area, except as limited in
190	Subsection (2)(B). 8
191	(iv) In city-assigned Urban Growth Areas, pursuant to a city's land use regulations,
192	development standards, and land use designations, where the County has adopted such
	40.0.0pmon standards, and taile ose designations, where the county has deopted soci

⁶ The 1% cap identifies the total units allowed and paragraph (2) indicates where they can locate. The Planning Commission recommended Option J to "Continue the 1% cap on new Tier 2 and Tier 3 short-term rentals, but amend the code to limit new short-term rentals from locating in any place countywide where the share of short-term rentals exceeds 5%." The July 2, 2020 deliberation draft code text at lines 388-393 conflicted with the intent of Option J by indicating "The number of short-term rentals subject to the cap cannot exceed 1% in any of the following locations where short term rentals make up 5% or more of the total housing stock...". An unintentional reading of it is that Tier 2 and 3 rentals could locate in impacted areas but not add more than 1%. The intent of Option J was to consolidate elements of the hearing draft code to streamline it without changing meaning. Per the hearing draft code and Option J, the concept was to not allow Tier 2 or 3 short-term rentals until the share was below 5% in various impacted locations. Thus the first sentence has been changed to reconcile the code text with Option J as: "The number of short-term rentals subject to the cap cannot be located where short term rentals make up 5% or more of the total housing stock." The hearing draft code was also intending that short-term rentals allowed by the 1% cannot all locate in one geographic area especially in the Leavenworth-Lake Wenatchee area; the last sentence is clarified to match the hearing draft and Option J intent to clearly indicate that when short-term rental units are allowed in the future if the share drops below 5% the 1% cap applies countywide and to the Leavenworth-Lake Wenatchee overlay.

⁷ Made plural since there is more than one in county.

⁸ With the consolidation of number and density provisions under Option J in Planning Commission's July 9, 2020 recommendations, only cross reference to (2)(B) is needed.

193 pursuant to the County-City Memorandum of Understanding filed with the Chelan County 194 Auditor July 8, 1997; provided that, the County's review procedures in this subsection 195 11.88.280 must control. 196 (D) New short-term rentals may be established in the locations cited in subsection (2)(B)8 if the 197 combined percentage of Tier 2 and Tier 3 short-term rentals as a share of total dwelling units is 198 less than five percent (5%) and the applications meet all requirements of this section 11.88.280 as determined by the Director. 10 Total dwelling units must be determined based on the latest 199 annual count of total housing units by the State of Washington Office of Financial Management. 200 201 Short-term rental percentages must be determined at the time the number of allowed short-term 202 rentals is determined per subsections (2)(B) and (4) 11 of this section. 203 (E) Existing Short-Term Rentals: 204 (i) A use shall not be considered lawfully established and existing as of the effective date 205 of this ordinance XXX [effective date] unless the owner proves all of the following: 206 (a) That similar uses were allowed in the subject zones at the time the short-term 207 rental was established, including but not limited to: bed and breakfast, quest inn, 208 boarding house, lodging facility, hotel/motel, or other transient accommodation; and^{12} 209 210 (b) That a location was used for short-term rental purposes during January 1, 211 2019 to XXX [effective date]. The Director may permit homes with approved 212 building permits after January 2019, constructed within six months of the effective 213 date of this ordinance to be considered as an existing short-term rental; and 214 (c) That all applicable state and local taxes were fully and timely paid for all 215 short-term rental use that occurred prior to XXX [effective date], which at a minimum includes sales tax and hotel/motel taxes; and 216 217 (d) That the short-term rental meets all requirements of subsection (3); and 218 (e) That the short-term rental operator has obtained the required land use permits 219 in subsection (4); and 220 (f) If located inside of the Manson Urban Growth Area, documentary evidence that 221 the short-term rental was properly registered as a vacation rental with Chelan 222 County per 11.23.040 as of XXX [effective date]. 223 (ii) Nonconforming Short-Term Rental Units in Restricted Zones: Where a zone does not 224 allow short-term rental units as of XXX [effective date] according to CCC Sections 225 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 (i) above, will be allowed as

⁹ Based on Planning Commission recommendations (July 9th, Option J consolidation) this paragraph is renumbered.

¹⁰ 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.

¹¹ Corrected cross reference to (4) since that is where permit process is addressed.

 $^{^{12}}$ 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.

227	nonconforming uses. Such uses may not be significantly changed, altered, extended, or
228	enlarged and must cease after two years from XXX [effective date]. After expiration or
229	revocation of the permit authorizing a legal nonconforming short-term rental, no operator
230	shall operate a short-term rental.
231	(iii) See CCC 11.04.020. Within the RR2.5, RW, and RV zones, short-tern rentals on lots
232	2.5 acres or smaller shall sunset within 5 years of XXX [effective date]. 13
233	(3) SHORT-TERM RENTAL STANDARDS
234	(A) Primary or Accessory Residence. Short-term rentals must be operated out of an owner's main
235	house or a legally established accessory dwelling unit. In no case, shall an owner or operator
236	make available a recreational vehicle, tent, or other temporary or mobile unit for short-term
237	rental.
238	(B) Occupancy.
239	(i) Overnight Occupancy. The owner or operator must limit overnight occupancy to no more
240	than two guests per bedroom, not to exceed a total of 12 guests including children.
241	Occupancy limits must comply with the International Residential Code.
242	(ii) Daytime Occupancy. At no time shall the total number of persons at a short-term rental
243	exceed 12 persons, including children.
244	(iii) Exceeding Nighttime or Daytime Occupancy. In order to exceed daytime or nighttime
245	occupancy limits an operator must obtain a Conditional Use Permit provided that the zone
246	allows short-term rentals as an accessory, permitted, or conditionally permitted use and
247	meets all other short-term rental requirements of this section. All applicable criteria of
248	CCC Chapter 11.93 shall be met.
249	(C) Parking.
250	(i) One off-street patron parking space in addition to the residential parking
251	requirements, not located within a setback, shall be provided for each bedroom.
252	(ii) The number of vehicles allowed at the short-term rental must be limited to the number
253	of bedrooms plus one; this requirement must be included in the Property Management Plan
254	per Section (3)(K). ¹⁴ ¹⁵
255	(D) Garbage. Trash containers must be provided. Trash must be in proper containers on collection
256	day. Where curbside recycling is available to the unit receptacles must be provided. Receptacles
257	must be set out on the right-of-way and removed within twenty-four hours of pickup. Trash must
258	be managed in compliance with CCC Chapter 4.04 Garbage. This requirement must be included
259	in the Property Management Plan per Section (3)(K) and good neighbor guidelines per subsection
260	(3)(M).

¹³ To match Planning Commission's recommendations on July 9, 2020 (amended Option C), the 5-year sunset limitation is stated here as well as in a note to the use chart in CCC 11.04.020 since this section contains regulations of existing short-term rentals and has other provisions about sunsets.

¹⁴ Corrected cross reference to (3)(K) instead of (2)(K).

¹⁵ Consider cross referencing to parking code and placing parking requirement in Chapter 11.90.

- Recommendations: July 9, 2020 | Report Prepared: September 1, 2020 261 (E) Noise. Short-term rentals must be operated in compliance with Chapter 7.35 Noise Control. 262 This requirement must be included in the Property Management Plan per Section (3)(K). 263 (F) Trespass. Owners or operators must provide rules in rental contracts restricting occupants from 264 trespassing on neighboring private property and identify proper routes to public places such as 265 easements to shorelines. Such trespass rules must be included in the property management plan in 266 (3)(K) and good neighbor guidelines per subsection (3)(M). 267 (G) Signs. All owners or operators must display the address of the residence so that it is clearly 268 visible from the street or access road. The rental must have a sign or other identifier on outside as 269 short-term rental. The sign must be made of natural materials not exceeding two square feet in 270 area and if illuminated, must be indirectly illuminated. 271 (H) Consumer Safety. All Consumer Safety requirements of RCW 64.37.030 must be met by the 272 owner or operator. Violations are subject to Title 16. Requirements must be included in the property management plan in (3)(K). 273 274 (I) Fire Safety and Outdoor Burning. Each owner or operator must include a fire protection plan in 275 their property management plan in subsection (3)(K) to alert renters to respect firewise efforts on 276 a property, or to comply with travel or activity restrictions of CCC Chapter 7.52, Fire Hazard 277 Areas. The fire protection plan shall demonstrate consistency with a Ready Set Go program or 278 equivalent. This includes, but is not limited to, restricting use of outdoor fire places or grills and to 279 properly secure and restrict portable barbeques. 280 (J) Qualified Person. 281 282 of a qualified person (which can be a person or company) who can be contacted 283
 - (i) The owner or operator must provide the name, telephone number, address, and email 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

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302 303 304	there is an easement that provides access to a ¹⁶ 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;
305 306	(ii) Provide the unified business identifier number, and the names and addresses of the property owner;
307 308	(iii) Designate a qualified person and provide contact information consistent with (3)(j); and
309 310	(iv) Provide information required for Consumer Safety per (3)(H) and RCW 64.37.030 and fire protection plan per (3)(I).
311 312	(v) All units must have an operable landline telephone installed to aid in emergency response, and the dwelling recorded in "Rivercom" data base.
313 314	(vi) The plan must identify the method by which the owner/operator will notify renters of emergency or temporary conditions such as burn bans. ¹⁷
315	(vii) The plan must specify the maximum number of guests and number of bedrooms.
316 31 <i>7</i>	(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).
318	(ix) The plan must include the Good Neighbor Guidelines per subsection (M).
319 320 321	(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.
322 323 324 325 326	(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.
327	(N) Liability Insurance. A short-term rental owner or operator must maintain primary liability
328	insurance consistent with RCW 64.37.050.
329	(O) Taxes. The owner or operator must be in compliance with CCC Chapter 6.30 Lodging Tax,
330	and other local sales taxes and state hotel/motel and sales taxes in accordance with the
331	Department of Revenue.

 $^{^{\}rm 16}$ Changed from "the" to "a" since it could be any shoreline.

¹⁷ 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.

(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. Fees consistent with CCC 3.24.010 must be paid. The Director may waive the initial conditional use permit fee if the applicant provides written and notarized proof that an approval was granted by Chelan County prior to the effective date of this code. All other permit costs apply.
 - (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 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.

367 (H) Fire, safety, health and building compliance. 368 (i) Fire and Emergency Safety. Prior to approving the initial short-term rental permit, the 369 applicable fire district or fire marshal must perform a life-safety inspection, except as 370 provided under subsections (H)(iv) and (H)(v).¹⁸ 371 (ii) Water and Wastewater. The Chelan-Douglas Health District must inspect the short-term 372 rental to ensure that there is a verifiable legal source of water that meets applicable 373 standards, and an approved on-site sewage disposal system, except as provided under 374 subsections (H)(iv) and (H)(v).¹⁸ 375 (iii) Hot Tubs or Pools. The Chelan-Douglas Health District must inspect new hot tubs or 376 pools. Existing and new hot tubs and pools shall be annually monitored by either the 377 District or a third-party inspector. Water quality shall be consistent with Chapter 246-260 378 WAC and Chapter 246-262 WAC. 379 (iv) The Director may waive inspections under subsections (H)(i) and (H)(ii) and (H)(iii)¹⁹ 380 associated with the initial short-term rental permit if the owner provides a notarized 381 affidavit from the applicable fire district or fire marshal or Chelan-Douglas Health District 382 that the short-term rental is in compliance with applicable requirements in subsections (H)(i) 383 and (H)(ii). 384 (v) The County building official must review each initial short-term rental application to 385 ensure occupancy and other applicable building code requirements are met. 386 (vi) After the unit is approved for rental, a completed self-certification checklist for health 387 and safety is required to be submitted by the owner with each annual short-term land use 388 permit renewal consistent with forms provided by the Director. 389 (vii) Owner Responsibility. It is the owner's responsibility to assure that the short-term 390 rental is and remains in substantial compliance with all applicable codes regarding fire, 391 building and safety, health and safety, and other relevant laws. 392 (I) Only one transfer of ownership is allowed, and the short-term rental is limited to a three-year 393 operational period provided all permits per subsection (4) are obtained. A transfer occurs when 394 the property is sold to a person or when officers of corporations are changed to remove former 395 officers and add new officers. At the time of the only transfer, all permits shall include the 396 following provision: "This permit shall automatically expire upon sale or transfer of the property, 397 or three years, whichever comes first." After a single transfer, the short-term rental permit is no 398 longer valid after the land use permit expiration date. The operator must obtain a new short-term 399 rental permit compliant with this section following expiration or cease operation. New owners must 400 certify compliance with the conditions of permit approval within 90 days after the closing date of 401 the sale of the property. Written certification must be submitted to the Community Development 402 Department on forms specified by the Director. New owners must apply for a new permit by the 403 annual deadline.

¹⁸ Corrected cross references with the insertion of Planning Commission recommendation on Option K regarding hot tubs or pools.

¹⁹ Due to addition of Planning Commission Recommendation of Option K on Hot Tubs and Pools added cross reference.

404 405	(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:
406 407	(i) The short-term rental is located in a base or overlay zone that allows its use pursuant to this section.
408	(ii) The short-term rental is consistent with density limitations of this section.
409	(iii) The short-term rental is consistent with short-term rental standards of this section.
410 411	(iv) The short-term rental is consistent with all applicable health and safety requirements of this section.
412	(v) The short-term rental is not the subject of outstanding code violations per Title 16.
413 414	(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.
415	(5) ENFORCEMENT
416	(A) Within Chelan County jurisdiction, a short-term rental must not operate without an approved and valid
417	Short-Term Rental Permit. Evidence of operation includes advertising, online calendars showing
418	availability, guest testimony, online reviews, rental agreements, or receipts.
419	(B) Enforcement of this section will be in accordance with Title 16 CCC.
420	(6) MONITORING
421	The Director shall report to the Board of County Commissioners on the status of short-term rental
422	regulation implementation annually at the time the existing short-term baseline is reported per (4)(D). The
423	County may initiate a review or amendment pursuant to Chapter 14.13.
424	Chapter 11.93 Conditional Use Permits
425	11.93.450
426	All short-term rental applications requiring a conditional use permit shall be consistent with CCC 11.88.
427	Chapter 3.24 Community Development Department Fees
428	3.24.010 FEE SCHEDULE.
429	(a) Planning.
	Application Type Fee
	Conditional use permit \$1,520
	Short-term rental (Tier 1, first permit) \$500

Short-term rental (Tier 2, inspection not

required, annual first permit)

\$500

Application Type	Fee
Short-term rental (Tier 2, inspection required first permit)	<u>\$900</u>
Short-term rental (Tier 3 first permit)	<u>\$1,520</u>
Short-term rental (Tier 1 annual renewal)	<u>\$75</u>
Short-term rental (Tier 2 annual renewal)	<u>\$150</u>
Short-term rental (Tier 3 annual renewal)	<u>\$225</u>

Definitions

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431

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- 14.98 DEFINITIONS
- ₄₃₂ 14.98.1410 Person.
- 433 "Person" means any individual, firm, association, partnership, corporation, or any entity, public or private.
- 434 For the purposes of short-term rental regulations, person is defined consistent with in RCW 82.04.030.

435 14.98.1632 Bedroom

- For the purposes of CCC 11.88, a "bedroom" means either enclosed or open areas within a structure
- being used as a Short Term Rental that provides sleeping accommodations such as mattresses, beds, sofa
- sleepers, roll away beds, day/trundle beds, bunkbeds, murphy beds, etc.

439 14.98.1692 Short-Term Rental

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

14.98.1693 Short-Term Rental Operator

- 448 "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
- 450 property management company or other entity or person who has been designated by the owner, in
- 451 <u>writing, to act on their behalf.</u>

14.98.1694 Short-Term Rental Owner

- 453 "Owner" means any person who, alone or with others, has title or interest in any building, property,
- 454 dwelling unit, or portion thereof, with or without accompanying actual possession thereof, and including
- 455 any person who as agent, executor, administrator, trustee, or guardian of an estate has charge, care, or
- 456 control of any building, dwelling unit, or portion thereof. A person whose sole interest in any building,

- 457 <u>dwelling unit, or portion thereof is solely that of a lessee under a lease agreement is not considered an</u>
- 458 <u>owner.</u>

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459 16.20. SHORT-TERM RENTAL ENFORCEMENT AND VIOLATIONS

16.20.010 Compliance

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

16.20.020 Enforcement Procedures, Notices, and Citations

- 464 (1) Enforcement Procedures. Except as specified in this Chapter 16.20, all enforcement procedures of
- 465 <u>Title 16 apply to short-term rental owner's or operator's.</u>
- 466 (2) Notice of Violation for Consumer Safety by County Attorney. If an owner or operator is suspected of
- 467 <u>violating Consumer Safety requirements of RCW 64.37.030, the County Attorney must issue a warning</u>
- 468 letter to the owner or operator for the first violation. Other procedures or requirements with regard to
- 469 the warning letter must be consistent with Title 16. For any repeated violations, the County will employ its
- 470 <u>standard code compliance process consistent with Title 16.</u>
- 471 (3) Citations must be issued consistent with Chapter 16.08, provided that citations may be issued on-site
- 472 at the discretion of the code compliance officer if a violation of Short-Term regulations in Titles 11 and
- 473 14 CCC occurs. Alternatively, the citation may be accomplished in another manner consistent with Title 16.

474 16.20.030 Civil Penalties

- 475 (1) Civil penalties must be consistent with Title 16 including Chapter 16.16. except as identified in (2)
- 476 below.
- 477 (2) The first violation of Consumer Safety requirements of RCW 64.37.030 is a class 2 civil infraction
- 478 <u>under chapter 7.80 RCW with a fine of one hundred twenty-five dollars (\$125). The fine for repeated</u>
- 479 <u>violations must be consistent with CCC 16.16.010 Assessment Schedule.</u>

480 <u>16.20.030 Revocation</u>

- 481 (1) Repeated failure of the owner or operator to timely and reasonably respond to a complaint(s)
- 482 <u>relayed by code compliance officers are grounds for civil fines, revocation, or other penalties consistent</u>
- 483 <u>with Title 16.</u>
- 484 (2) The following conditions may result in revocation of land use permits granted under short-term rental
- 485 regulations in Titles 11 and 14 CCC:
- 486 (A) Failure to renew a short-term rental land use permit pursuant to CCC 11.88.280 short-term
- 487 rental regulations and Title 14 is grounds for immediate revocation of the permit.
- 488 (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.
- 490 (C) The discovery of material misstatements or providing of false information in the short-term
- 491 rental land use permit application or renewal process is grounds for immediate revocation of the
- 492 permit.

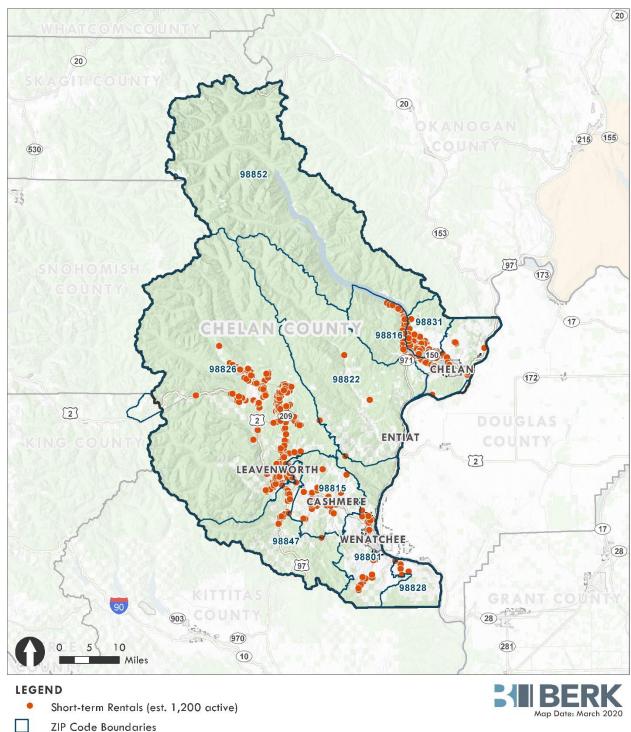
493 (D) Such other violations of Titles 11, 14, and 16 of sufficient severity in the reasonable judgment
494 of the Administrator, 20 so as to provide reasonable grounds for immediate revocation of the land
495 use permit.

496 (E) If three violations are verified under subsection (D) at any time during a twelve-month period, 497 the penalty shall be revocation in addition to any required civil penalties under 16.20.030.

²⁰ 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

498



Source: AirDNA, 2020.

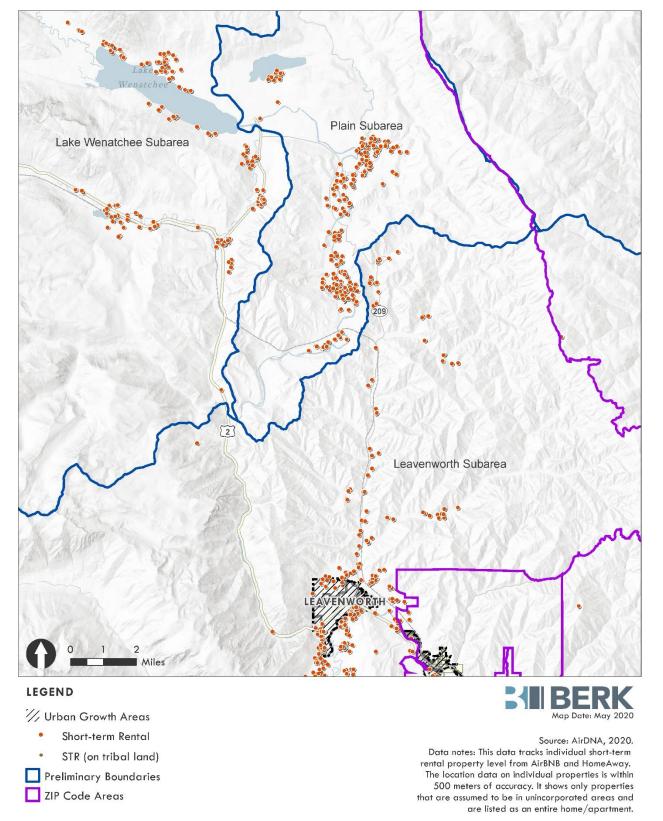
Data notes: This data tracks individual short-term rental property level from AirBNB and HomeAway.

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.

Sources: Chelan County GIS, 2020. BERK 2020. Powered by AirDNA: https://www.airdna.co, 2020.

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Attachment B: Leavenworth-Lake Wenatchee Subareas



Sources: Chelan County GIS, 2020. BERK 2020. Powered by AirDNA: https://www.airdna.co, 2020.

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ATTACHMENT C: STR TASK FORCE

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1 STR Task Force 2 The Chelan County Planning Commission proposes to the Chelan County Board of Commissioners the 3 forming of a voluntary Task Force in 24-36 months from the date of passage of the Chapter 11.88.280 Short Term 4 Regulations. The purpose of the Task Force is to review the effects of the new regulations, and to determine if any 5 refinement or clarification (of the code) needs to be made in order to address the performance and any issues that 6 may have arisen during this 24-36 month period. Also, to assure that all aspects of the mission statement of May 20, 7 2020 issued by the Chelan County Board of Commissioners has been adequately addressed. 8 Considering the complexity of the issue at hand, it is felt such a review and possible recommendations 9 would and could be beneficial for the county and its citizens. It is expressly not the purpose of the Task Force to rewrite the document (code), but merely to review its performance and suggest fine tuning points if any are felt 10 11 necessary. 12 The Task Force would be composed of: 13 1. 3 - Owners of Short-Term Rental units 14 2. 3 - Individual home homeowners (non-STR owner) 15 3. 2 – Planning Commission Members 16 4. 1 - Community Development staff designee as Chairperson 17 Thank-you for your consideration. 18 Respectfully, 19 Chelan County Planning Commission 20 21 22 23 24 25 26 27 28 DRAFT

ATTACHMENT D: UPDATED SHORT-TERM RENTAL INFORMATION

Correct March 30, 2020 Situation Assessment: Account for city housing units: Exhibit 11, page 12

Does not change overall conclusions. While correcting for city dwellings, same Zip Codes exceed 5%

509 share of short-term rentals:

- Leavenworth (higher)
- 511 Manson (no change)

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512 • Peshastin (no change)

Table D-1. Shares of Short-Term Rentals by Zip Code: Whole Home Short-Term Rentals

Zip Code Community Name	Zip Code	Total Dwellings 2019	Total <u>Unincorporated</u> Dwellings 2019	January 2020 Active short- term rentals	% short-term rentals - Unincorporated
Leavenworth	98826	6,099	4,811	749	15.6%
Manson	98831	2,519	2,519	281	11.2%
Chelan	98816	5,333	2,492	97	3.9%
Peshastin	98847	956	956	53	5.5%
Wenatchee	98801	17,989	3,607	30	0.8%
Cashmere	98815	2,977	1,785	28	1.6%
Malaga	98828	908	908	5	0.6%
Entiat	98822	1,138	551	4	0.7%
Various	Various	836	836	0	0.0%
	Total	38,672	18,466	1,247*	6.8%

Note: * Entire home/apartment.

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Sources: Powered by AirDNA: https://www.airdna.co, 2020. State Office of Financial Management, 2019. BERK 2020.

Table D-2. Zip Codes with No Short-Term Rentals per AirDNA

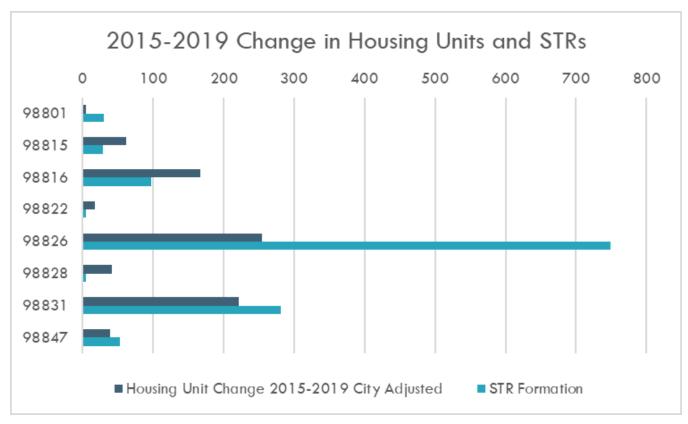
Zip Code Community Name	Zip Code	Total Dwellings 2019 (Unincorporated)
Ardenvoir	98811	37
Chelan Falls	98817	1 <i>5</i> 8
Dryden	98821	212
Monitor	98836	227
Stehekin	98852	203

Total 836

- 517 Sources: Powered by AirDNA: https://www.airdna.co, 2020. State Office of Financial Management, 2019. BERK 2020.
- 518 Correct March 30, 2020 Situation Assessment Exhibit 12, page 13. Compare new housing units to short-
- 519 term rentals and correct for homes in city limits.
- Results show a higher formation of short-term rentals compared to new housing stock in Zip Codes:
- 521 Leavenworth (previously identified)
- 522 Manson (new)

- 523 Peshastin (new)
- In Wenatchee, small formation of both dwelling units and short-term rentals.
- 525 These results are in line with other information about short-term rentals as a share of total housing stock.

Figure D-1. Change in Housing Units and Short-Term Rentals: Whole Home Rentals



Sources: Powered by AirDNA: https://www.airdna.co, 2020. State Office of Financial Management, 2019. BERK 2020.

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