

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

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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* | |

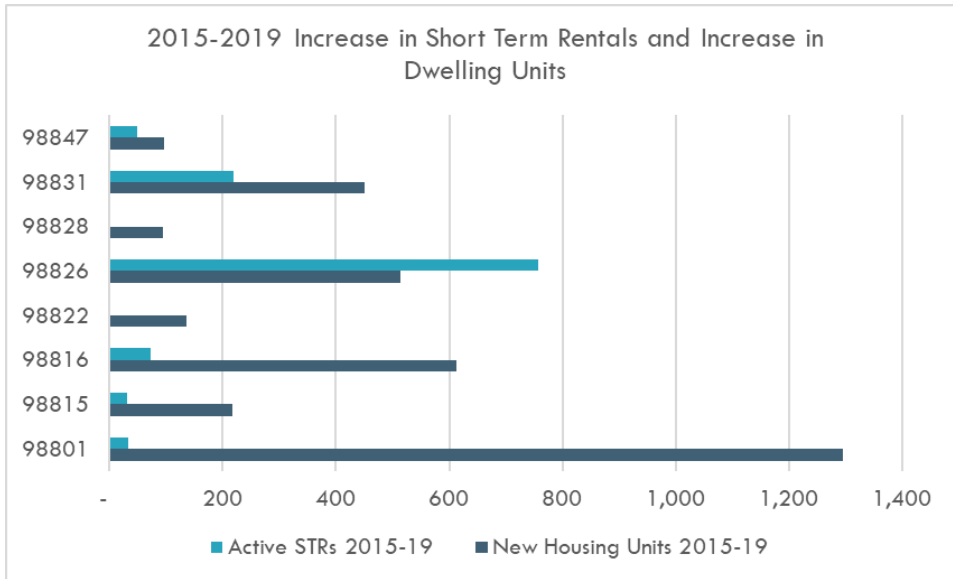
Notes: *Slightly different counts of entire units comparing property based data to monthly rental data (10 units less).

Sources: AirDNA February 2020; BERK 2020

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42

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 Note: property based data is slightly higher than monthly rental data by 10 units.
 50

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.*

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

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

89 **PLANNING COMMISSION HEARING DRAFT CODE**

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

92 **Exhibit 7. Hearing Draft Code Features**

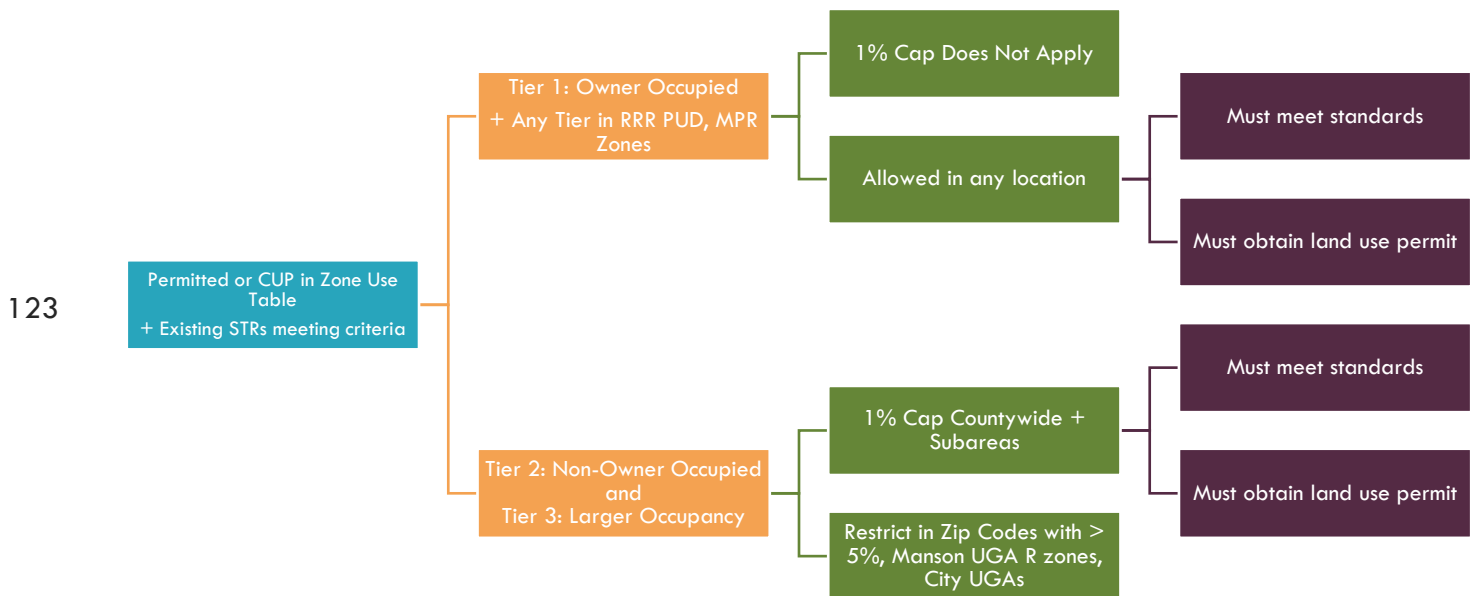
| # | Best Practice | Approach in Draft Code on Short-Term Rentals |
|---|---|--|
| 1 | Establish protections for the supply and affordability of housing | Allow a small increase annually in short-term rentals, e.g. 1% countywide. In areas with a high concentration (greater than 5%), allow existing short-term 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. |

93
 94 The overall regulatory process is illustrated in Exhibit 8 below.

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

- 105 areas except for overlay zones with more than 5% short-term rentals as a share of total units.¹ Also,
 106 due to community preferences and concern over neighborhood quality, new short-term rentals would
 107 be limited in Peshastin and Manson Urban Growth Areas (UGAs) particularly in residential zones. As
 108 well, new Tier 2 and 3 short-term rentals are limited in city-assigned UGAs to avoid non-conformities
 109 when annexed.
- 110 ■ **Operational Standards:** Tier 1, 2, or 3 units would be required to meet standards such as occupancy,
 111 parking, noise, solid waste, adequate sewer and water, establishing a property management plan,
 112 etc.
 - 113 ■ **Existing Units:** Existing short-term rentals established prior to the effective date of the code would
 114 need to meet criteria regarding use allowances in their zones (locating in a zone that allowed for a
 115 similar use such as a bed and breakfast), use as a short-term rental, proper payment of taxes, and
 116 compliance with operational standards. Permits would need to be obtained as well.
 - 117 ■ **Permit Process:** Once compliant numbers of existing units are established through a land use permit
 118 process, the 1% cap of new units would be determined. Then new units could be permitted. The first
 119 permit would require inspections and more detailed review, but annual renewal would be based on
 120 self-certification and a more abbreviated review. Fees would be set to recover costs of permit
 121 reviews and inspections such as by the fire marshal, health district, etc.

122 **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

138 **Chelan County**
 139 **Draft Short-term Rental Code**

140 **DRAFT June 5, 2020**

141 **Use Allowance Amendments**

142 **CHAPTER 11.04 DISTRICT USE CHART**

143 **11.04.020 District Use Chart**

144 The use chart located on the following pages is made a part of this section. The following acronyms apply
 145 to the following use chart. If a cell in the table is blank, the use listed in the left hand column is a
 146 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

147 **District Use Chart**

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

148 **CHAPTER 11.22 PESHASTIN URBAN GROWTH AREA**

149 **11.22.030 Permitted, Accessory and Conditional Uses**

150 (1) A district use chart is established and contained herein as a tool for the purpose of determining the
 151 specific uses allowed in each use district. No use shall be allowed in a use district that is not listed in the
 152 use chart as either permitted, accessory or conditional use, unless the administrator determines, by a
 153 written administrative interpretation that may be appealed to the hearing examiner, that an unlisted use
 154 is similar to one that is already enumerated in the use chart and may therefore be allowed, subject to the
 155 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! | ACC! | | | |
| Short-Term Rentals Tier 1 or Tier 2 ² | | | | ACC | ACC | | | |
| Short-Term Rentals Tier 3 | | | | P | P | | | |
| COMMERCIAL USES | | | | | | | | |
| Hotels/Motels/ Lodging Facilities | | | | 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 boarders, roomers, or lodgers is permitted as an accessory use.

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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 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.

166

167

| | |
|-----|---------------------|
| 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

168

- 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

169

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> | | |

170

P¹ = Permitted with Standards

171

11.23.040 STANDARDS.

172

~~(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:~~

177

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

178

~~(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~~

179

180

~~(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~~

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182

183

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

184

~~(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~~

185

186

~~(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.~~

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189

~~(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.~~

190

191

192

~~(C) Enforcement. Any violation of the provisions of this chapter is punishable pursuant to Title 16.~~

193

~~Enforcement actions may be brought against the owner of the vacation rental home for the conduct constituting the violation.~~

194

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.

- 230 (C) Zones Allowed. Short-term rentals must be permitted, accessory permitted, conditionally
231 permitted, or prohibited pursuant to:
- 232 (i) Section 11.04.020 applicable to all Rural and Resource Designations, except as limited
233 in Subsection (2)(D) Overlays Established, and in Subsection (2)(E) Density Limits.
- 234 (ii) Section 11.22.030 applicable to the Peshastin Urban Growth Area, except as limited
235 in Subsection (2)(E) Density Limits.
- 236 (iii) Section 11.23.030 applicable to the Manson Urban Growth Area, except as limited in
237 Subsection (2)(E) Density Limits.
- 238 (iv) In city-assigned Urban Growth Areas, pursuant to a city's land use regulations,
239 development standards, and land use designations, where the County has adopted such
240 pursuant to the County-City Memorandum of Understanding filed with the Chelan County
241 Auditor July 8, 1997; provided that, the County's review procedures in this subsection
242 11.88.280 must control.
- 243 (D) Overlays Established. The following overlays are areas within which density limits are applied
244 and are hereby established as:
- 245 (i) Leavenworth-Lake Wenatchee Overlay: An overlay district co-terminus with Zip Code
246 98826 encompassing Leavenworth-Lake Wenatchee. [See Attachment A.] It is further
247 subdivided into three sub-areas for Lake Wenatchee, Plain, and Leavenworth areas. [See
248 Attachment B.]
- 249 (ii) Manson Region Overlay: An overlay district including Zip Code 98831, excluding the
250 Manson Urban Growth Area. [See Attachment A.]
- 251 (iii) Peshastin Region Overlay: An overlay district including Zip Code 98847, excluding the
252 Peshastin Urban Growth Area. [See Attachment A.]
- 253 (E) Density Limits.
- 254 (i) The number of short-term rentals established in (2)(B) may locate in the zones where
255 allowed in (2)(C), except that no new Tier 2 and Tier 3 short-term rentals are permitted in
256 the following locations:
- 257 (a) Leavenworth-Lake Wenatchee Overlay
- 258 (b) Manson Region Overlay
- 259 (c) Peshastin Region Overlay
- 260 (c) Residential zones in the Manson Urban Growth Area
- 261 (d) Residential zones in the UGAs assigned to the cities of Chelan, Entiat,
262 Leavenworth, or Wenatchee
- 263 (ii) Exceptions to Density Limits:
- 264 (a) Where such units are consistent with this section, density limits do not apply short-term
265 rentals in the Rural Recreational/Residential (RRR) zone, or Planned Unit Development
266 Overlay Districts expressly permitting short-term rentals, or Master Planned Resorts
267 Overlay Districts.

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

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

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

283 (b) That a location was used for short-term rental purposes during January 1,
284 2019 to XXX [effective date]. The Director may permit homes with approved
285 building permits after January 2019, constructed within six months of the effective
286 date of this ordinance to be considered as an existing short-term rental; and

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

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

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

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

296 (iv) Nonconforming Short-Term Rental Units in Restricted Zones: Where a zone does not
297 allow short-term rental units as of XXX [effective date] according to CCC Sections
298 11.04.020, 11.22.030, or 11.23.030, only those short-term rentals that exist as of XXX
299 [effective date] and are compliant with criteria in subsection (iii) above, will be allowed as
300 nonconforming uses. Such uses may not be significantly changed, altered, extended, or
301 enlarged and must cease after two years from XXX [effective date]. After expiration or
302 revocation of the permit authorizing a legal nonconforming short-term rental, no operator
303 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).

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

349 (J) Qualified Person.

350 (i) The owner or operator must provide the name, telephone number, address, and email
351 of a qualified person (which can be a person or company) who can be contacted
352 concerning use of the property and/or complaints and can respond to the property within
353 60 minutes to complaints related to the short-term rental consistent with the requirements
354 of this section. The owner or operator must provide a valid telephone number where
355 qualified person can be reached 24 hours per day, every day.

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

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

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

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

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

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

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

- 382 (vi) The plan must identify the method by which the owner/operator will notify renters of
 383 emergency or temporary conditions such as burn bans.⁵
- 384 (vii) The plan must specify the maximum number of guests and number of bedrooms.
- 385 (viii) The plan must be kept up to date at the time of the annual permit and include the
 386 annual permit number per subsection (L).
- 387 (ix) The plan must include the Good Neighbor Guidelines per subsection (M).
- 388 (L) Annual Permit Number. The owner or operator must include the Chelan County land use permit
 389 number for the short-term rental in all advertisements (AirBnB, VRBO, Craigslist, poster, etc.) and
 390 marketing materials such as brochures and websites.
- 391 (M) Good Neighbor Guidelines. Owners and operators must acknowledge receipt and review of
 392 a copy of the good neighbor guidelines. Owners and operators must provide evidence that the
 393 good neighbor guidelines have been effectively relayed to short-term rental tenants, by
 394 incorporating it into the property management plan, and rental contract, posting it online,
 395 providing it in a conspicuous place in the dwelling unit, or a similar method.
- 396 (N) Liability Insurance. A short-term rental owner or operator must maintain primary liability
 397 insurance consistent with RCW 64.37.050.
- 398 (O) Taxes. The owner or operator must be in compliance with CCC Chapter 6.30 Lodging Tax,
 399 and other local sales taxes and state hotel/motel and sales taxes in accordance with the
 400 Department of Revenue.

401 (4) LAND USE PERMITS

- 402 (A) Land Use Permit Required. No short-term rental owner or operator may advertise, offer, operate,
 403 rent, or otherwise make available or allow any other person to make available for occupancy or use
 404 a short-term rental without a valid short-term rental land use permit issued by the Director.
- 405 (B) Annual Renewal. Annual renewal of the short-term rental land use permit is required.
- 406 (C) Permit Applications. Short-term Rental owners must apply for a land use permit to establish
 407 compliance with this code.
- 408 (D) Application Acceptance and Evaluation.
- 409 (i) From September 1 to October 31 each year, existing short-term rental owners must
 410 submit a Short-Term Rental Land Use Application. By February 1 of each following year the
 411 Director must report the baseline number of authorized existing short-term rentals and
 412 identify the number of new short-term rentals allowed pursuant to subsection (2)(B). From
 413 February 15 to March 15, the Director must accept new applications for short-term
 414 rentals. Compliant permits will be entered into a lottery by June 1. The lottery must be
 415 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.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

476 (5) ENFORCEMENT

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

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

481 (6) MONITORING

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

485 **Chapter 3.24 Community Development Department Fees**

486 **3.24.010 FEE SCHEDULE.**

487 **(a) Planning.**

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

| 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.

513 16.20. SHORT-TERM RENTAL ENFORCEMENT AND VIOLATIONS

514 16.20.010 Compliance

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

517 16.20.020 Enforcement Procedures, Notices, and Citations

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

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

525 (3) Citations must be issued consistent with Chapter 16.08, provided that citations may be issued on-site
526 at the discretion of the code compliance officer if a violation of Short-Term regulations in Titles 11 and
527 14 CCC occurs. Alternatively, the citation may be accomplished in another manner consistent with Title 16.

528 16.20.030 Civil Penalties

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

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

534 16.20.030 Revocation

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

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

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

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

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

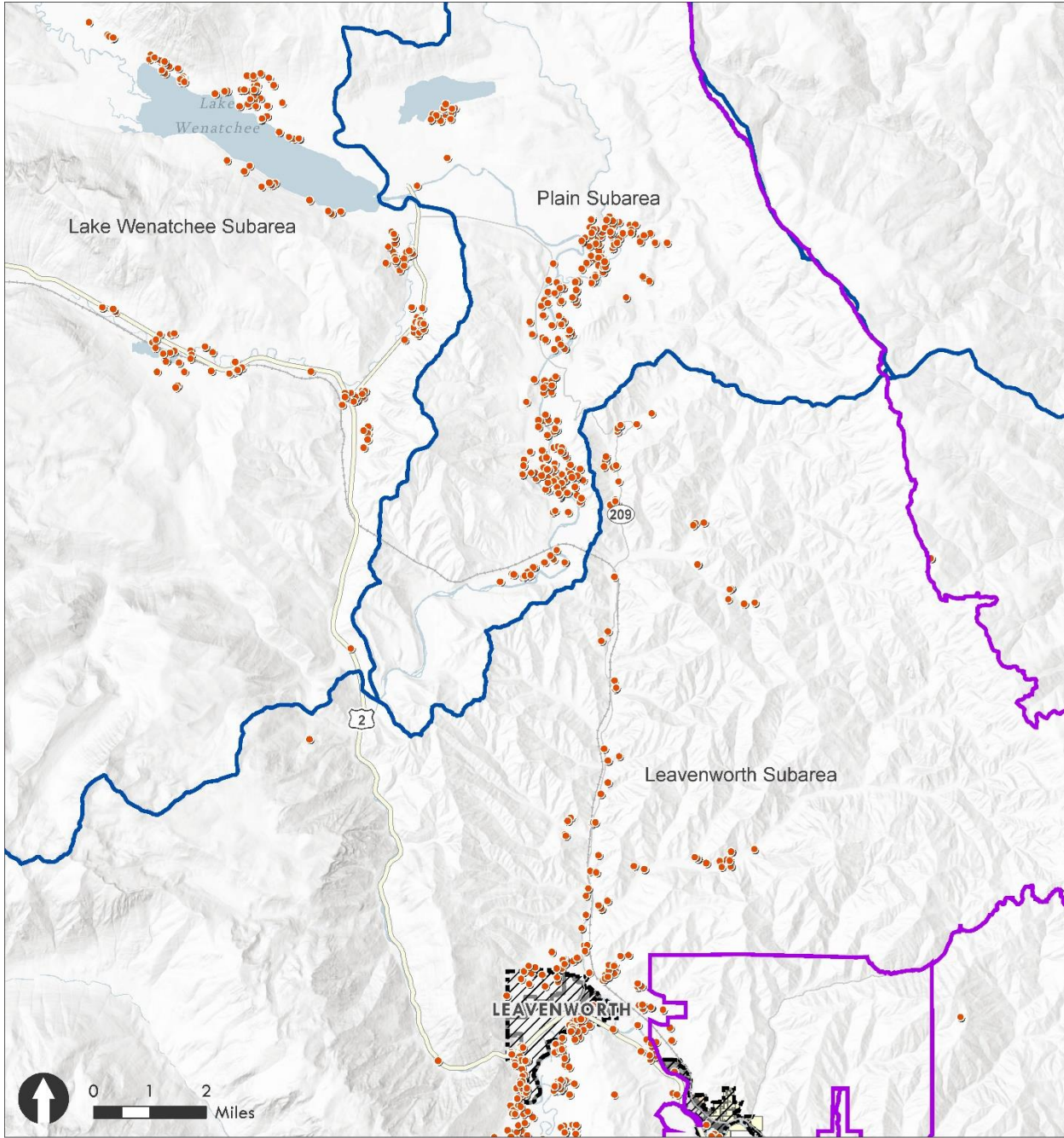
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(D) Such other violations of Titles 11, 14, and 16 of sufficient severity in the reasonable judgment of the Administrator,⁶ so as to provide reasonable grounds for immediate revocation of the land use permit.

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

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 B: Leavenworth-Lake Wenatchee Subareas



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.

Source: Chelan County GIS, AirDNA, BERK 2020