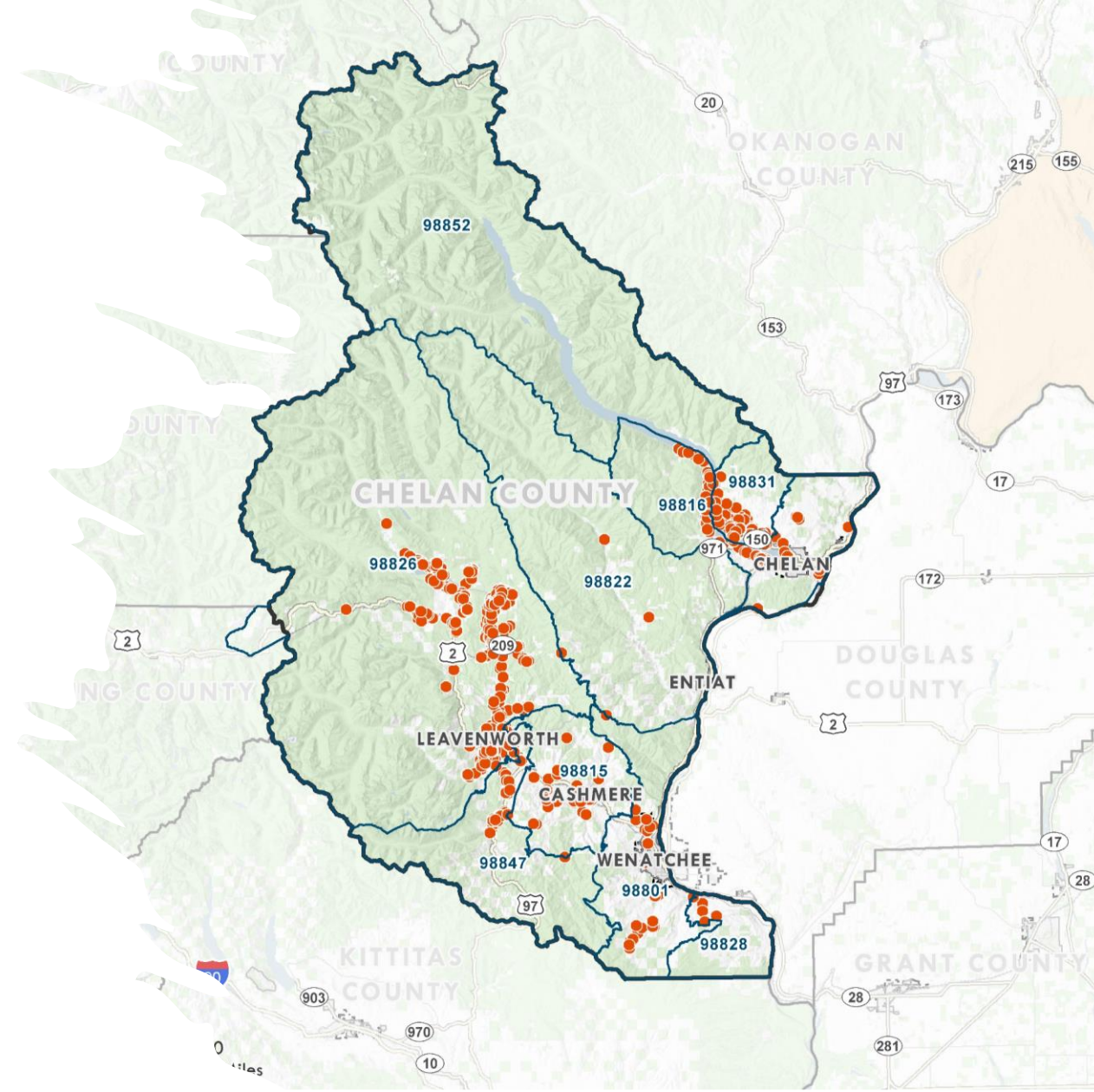


# *Short-Term Rentals*

Chelan County  
Board of County Commissioners  
Study Session  
July 21, 2020



7/21/2020



# *Overview*

- Process & Schedule
- BOCC Vision
- Planning Commission Recommended Code
- Planning Commission Recommended Task Force
- Examples & Background Information
- Next Steps

# ***Process***

## **Step 1.**

**Target: March-April  
2020**

Develop Situation  
Assessment

Develop Code  
Options

## **Step 2.**

**Target: April-June 2020**

Planning Commission  
(PC)  
Study Session

PC Public Hearing &  
Deliberation

## **Step 3.**

**Target: July-Aug 2020**

Board of County  
Commissioner  
(BOCC) Work Session

BOCC Public Hearing  
& Deliberation &  
Decision

# ***Schedule***

- **Planning Commission**

- Study Sessions: April 22, May 13, May 27, June 3
- Hearing: June 17
- Deliberation: June 24 and July 9

- **BOCC**

- Study Sessions
  - July 21, 5:30 pm
  - August 4, 5:30 pm
  - August 11, 5:30 pm
- Hearing: TBD


# ***Public Comment & Information***

- Planning Commission Public Hearing – June 17
  - Oral Testimony: 84 speakers over approx. 4 hours
    - # connected but unable to communicate or silent: 13
    - # registered but not online when name was called: 90
    - # that did not have an opportunity to speak: 84
  - Zoom Participants: 271 total
  - Written Comment Period held open until June 19
    - ~900 written comments
- Written Comments: May-July
  - ~1,545 pages of letters/emails

# ***Technology Used***

- Adapted project website and email collection
  - Dedicated website
    - <https://www.co.chelan.wa.us/community-development/pages/short-term-vacation-rentals>
  - Dedicated email
    - [cd.strcomments@co.chelan.wa.us](mailto:cd.strcomments@co.chelan.wa.us)

# ***BOCC Vision***

- The Board of Commissioners intends to **adopt code that addresses the rapid proliferation of short-term rentals in Chelan County.**
- The BOCC wishes to **protect the character of residential communities across the county, while allowing for property-owner income from short-term rentals.** The BOCC recognizes that STRs are an important part of our economy. However, while many owner/operators manage their properties responsibly, many clearly do not.
- **Chelan County needs the tools to ensure that all STR owner/operators meet a minimum set of standards.** 
- **To ensure that these standards are met, the BOCC wishes to impose an annual registration fee for STRs to finance the following: fire marshal inspection, health district inspection, permit processing by Community Development Department, and code compliance cost recovery.** Enforcement should be sufficient to allow for closure of short-term rentals that repeatedly violate code.
- **Nothing in the code will be inconsistent with RCW 64.37 or with the Manson and Peshastin Urban Growth Areas.**
- The BOCC wishes to have this process completed **by August 2020.**

Those standards may include, but are not limited to:

- parking,
- garbage,
- noise,
- trespassing,
- privacy,
- septic capacity,
- fire risk,
- consumer safety,
- signs,
- hot tubs, pools and spas,
- occupancy limits by zone and neighborhood,
- density by zone and neighborhood,
- commercial and liability insurance,
- and the availability of STR owner/operators to respond to a complaint within a short-time frame.

# Code Outline

- **Use Allowance Amendments**

- Chapter 11.04 District Use Chart
- Chapter 11.22 Peshastin Urban Growth Area
- Chapter 11.23 Manson Urban Growth Area

- **Supplementary Provisions And Accessory Uses**

- Chapter 11.88
  - 11.88.280 Short-Term Rental Regulations (new)

- **Conditional Use Permits**

- 11.93.450 (cross ref)

- **Fees**

- 3.24.010 Fee Schedule

- **Definitions**

- 14.98
  - Person (amended)
  - Bedroom (new)
  - Short-Term Rental (new)
  - Short-Term Rental Operator (new)
  - Short-Term Rental Owner (new)

- **Enforcement**

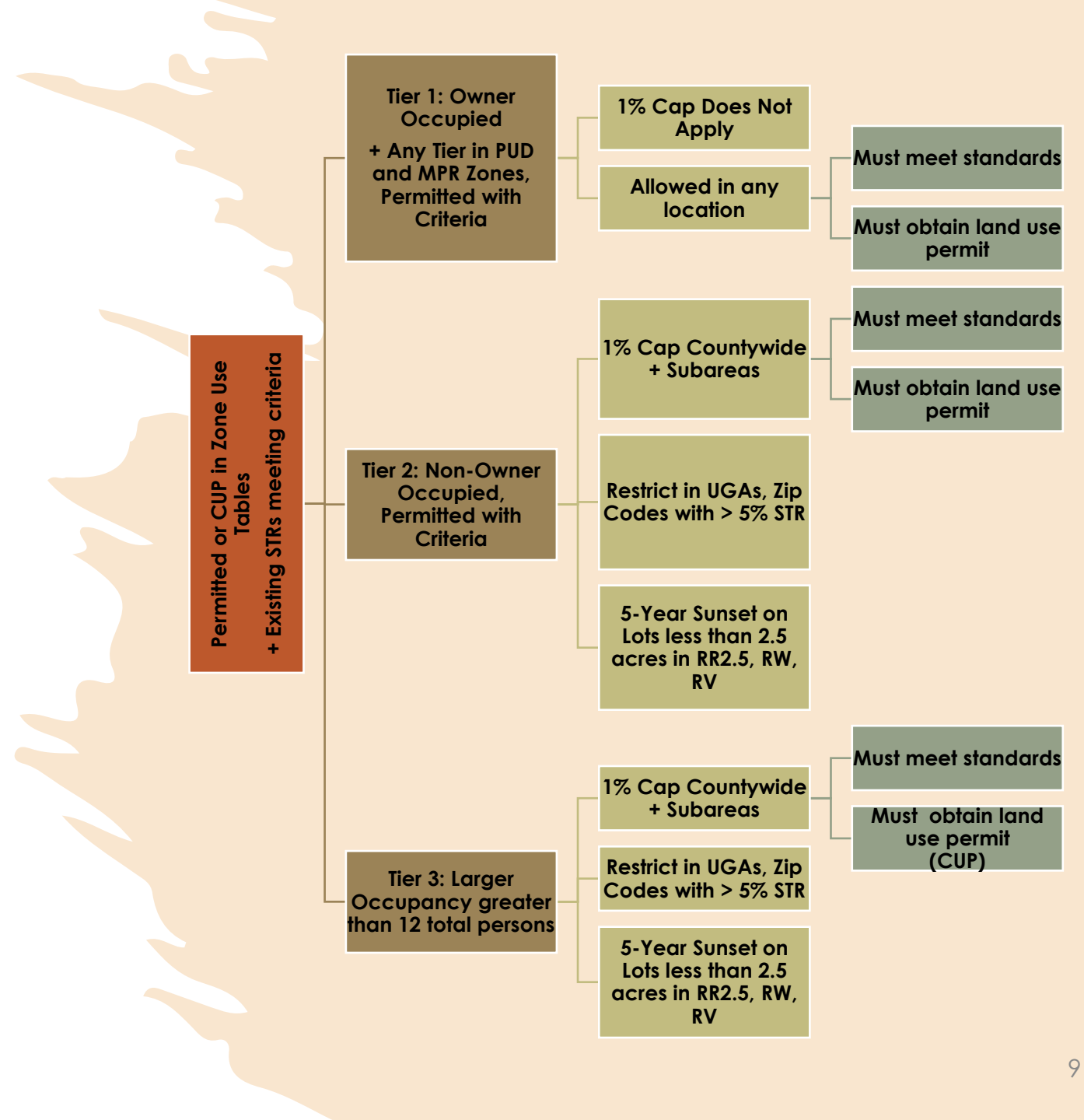
- Title 16
- 16.20. Short-Term Rental Enforcement and Violations (new)

## Best Practices

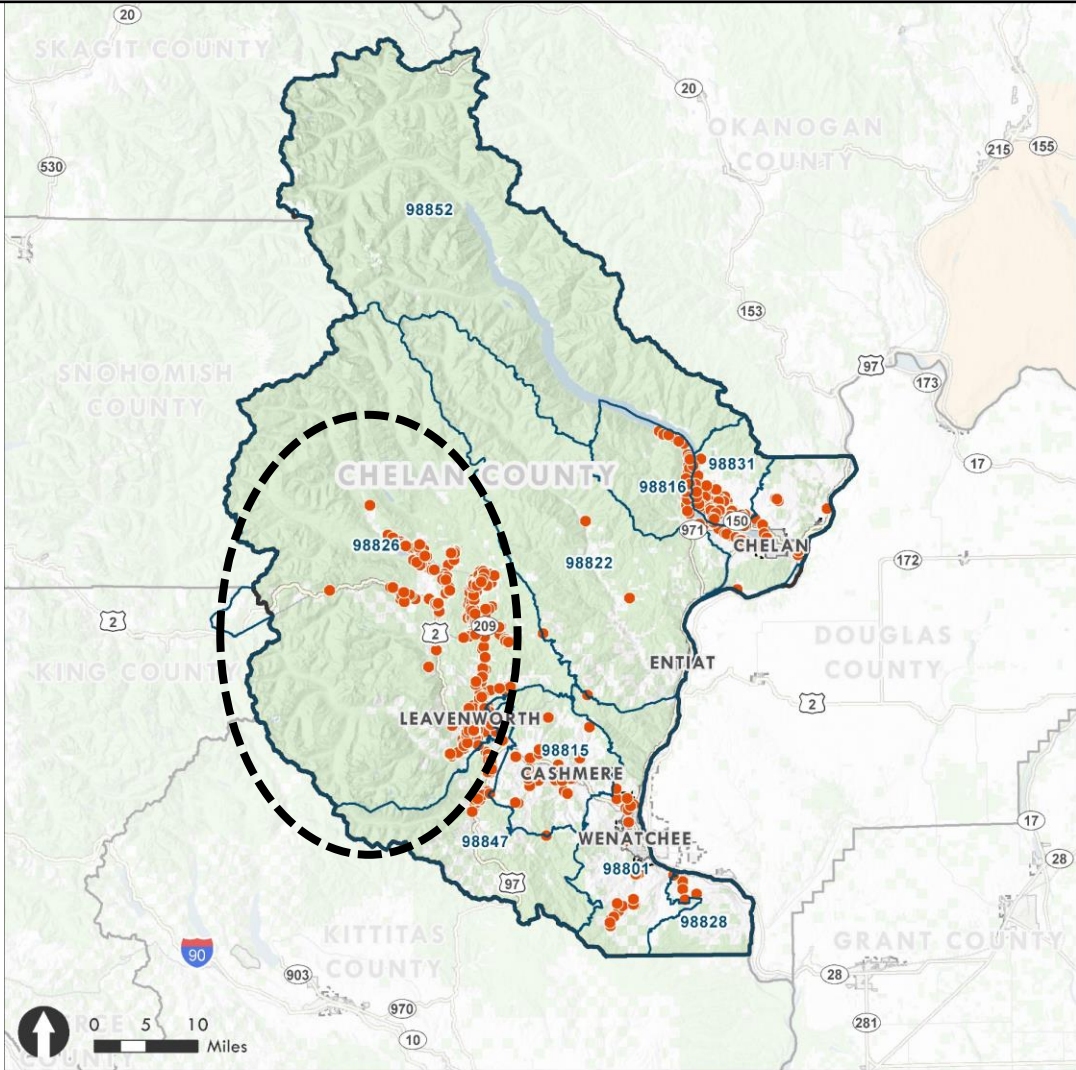
- 1 Establish protections for the supply and affordability of housing
- 2 Preserve neighborhood quality
- 3 Create protections for the wellbeing of guests
- 4 Establish oversight and complaint procedures for wellbeing of neighbors
- 5 Preserve public tax revenues and level the playing field
- 6 Regular permitting & record keeping
- 7 Establish clear definitions



# ***Proposed Short-Term Rental Regulation Process***



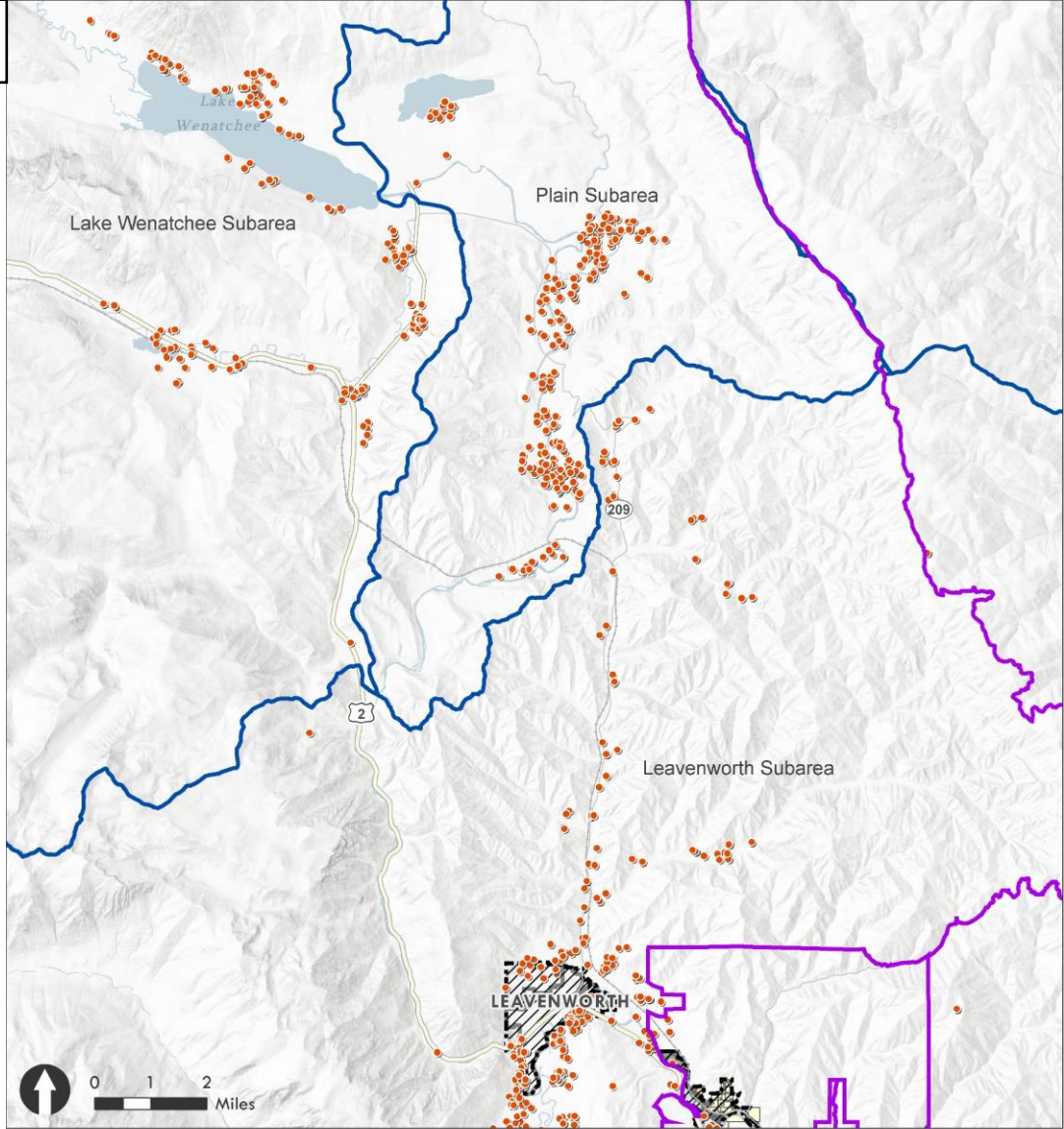
# Boundary in Leavenworth-Lake Wenatchee Zip Code



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

**BERK**  
Map Date: March 2020

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



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

**BERK**  
Map Date: May 2020

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

# *Existing Units*

## (iv) Nonconforming Short-Term Rental Units in Restricted Zones:

Where a zone does not allow short-term rental units as of XXX [effective date] according to CCC Sections 11.04.020, 11.22.030, or 11.23.030,

only those short-term rentals that exist as of XXX [effective date] and

are compliant with criteria in subsection (iii) above, will be allowed as nonconforming uses.

Such uses may not be significantly changed, altered, extended, or enlarged and must cease after two years from XXX [effective date].

After expiration or revocation of the permit authorizing a legal nonconforming short-term rental, no operator shall operate a short-term rental.

## (iii) Existing Short-Term Rentals: [All must show following]

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

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

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

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

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

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



# ***Task Force***

- Voluntary
- Review effects of regulations and determine refinements or clarifications
- 24-36 months after passage of regulations
- Members:
  - 3 STR owners
  - 3 Homeowners
  - 2 Planning Commissioners
  - 1 CD Staff as Chair

## STR Task Force

The Chelan County Planning Commission proposes to the Chelan County Board of Commissioners the forming of a voluntary Task Force in 24-36 months from the date of passage of the Chapter 11.88.280 Short Term Regulations. The purpose of the Task Force is to review the effects of the new regulations, and to determine if any refinement or clarification (of the code) needs to be made in order to address the performance and any issues that may have arisen during this 24-36 month period. Also, to assure that all aspects of the mission statement of May 20, 2020 issued by the Chelan County Board of Commissioners has been adequately addressed.

Considering the complexity of the issue at hand, it is felt such a review and possible recommendations 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 necessary.

The Task Force would be composed of:

1. 3 - Owners of Short-Term Rental units
2. 3 - Individual home homeowners (non-STR owner)
3. 2 – Planning Commission Members
4. 1 - Community Development staff designee as Chairperson

Thank-you for your consideration.

Respectfully,

Chelan County Planning Commission

# Examples

- Situation Assessment – March 30, 2020
- Planning Commission packets – April to July 2020

Feature	Okanogan Co	San Juan Co	Jefferson Co	Pacific Co	Bend, OR
Use Location Restrictions (P, CUP, X)	✓	✓	✓	✓	✓
Density Limits (Percent or Distance)			✓	✓*	✓
Occupancy Limits	✓	✓		✓	✓
Solid Waste, Signage, Parking, Noise, Property Management, Qualified Person, etc.	✓	✓	✓	✓	✓
Permit System (annual)	✓	✓		✓	✓
Inspections	✓		✓	✓	✓

\*Proposed. Pacific County is in moratorium to develop more STR rules due to proliferation.

# ***Discussion/Direction***

For schedule and info:

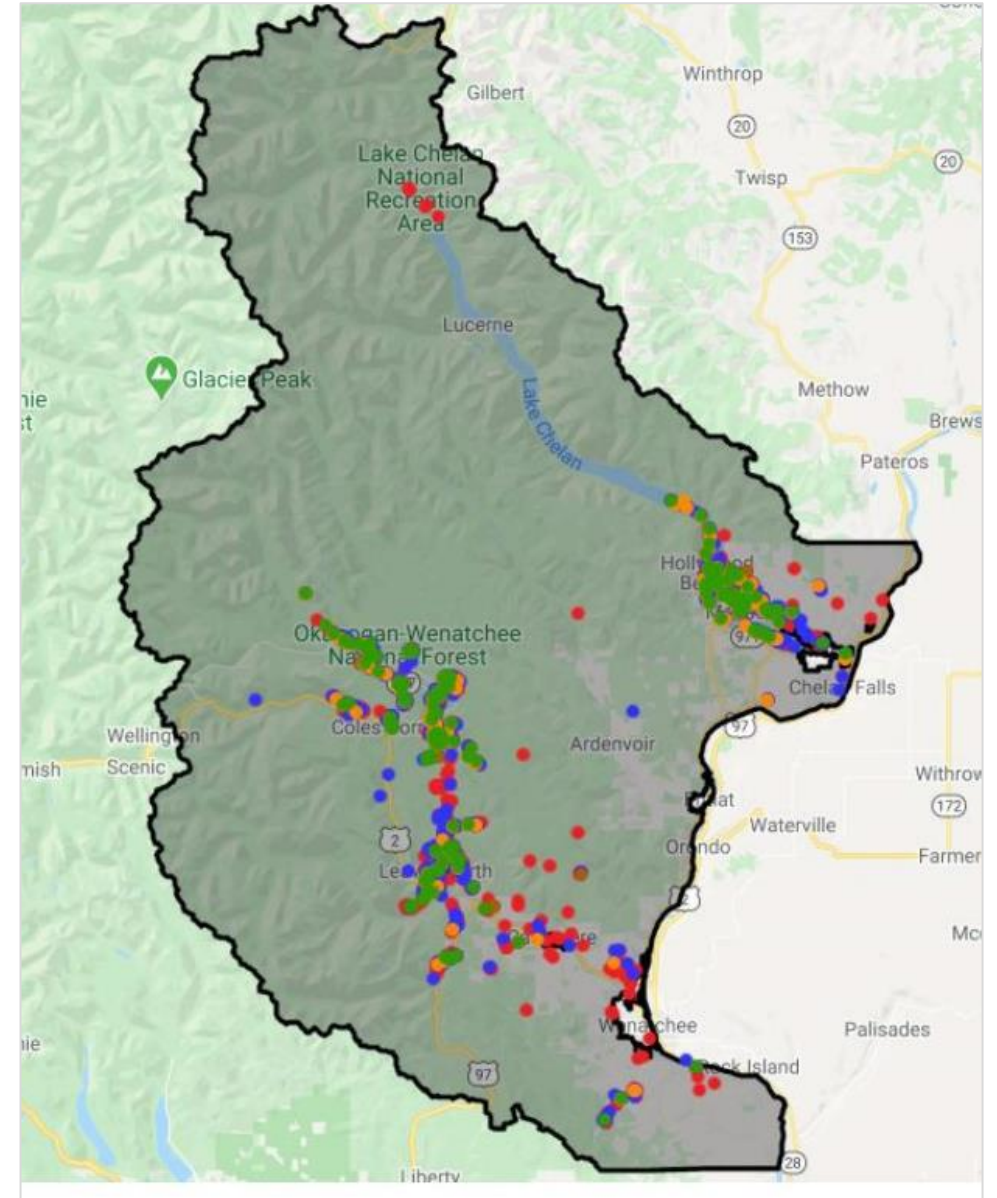
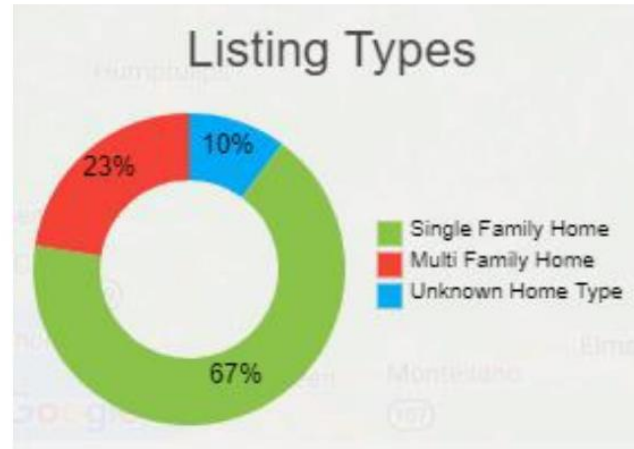
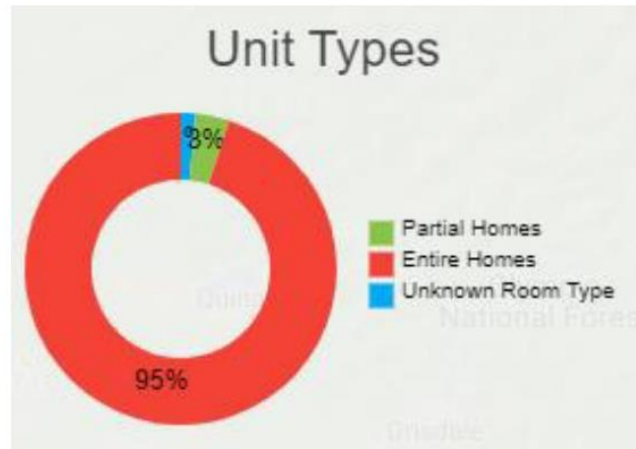
<https://www.co.chelan.wa.us/community-development/pages/short-term-vacation-rentals>

# ***Appendix: Background Information***

# ***Background Information - STRs***

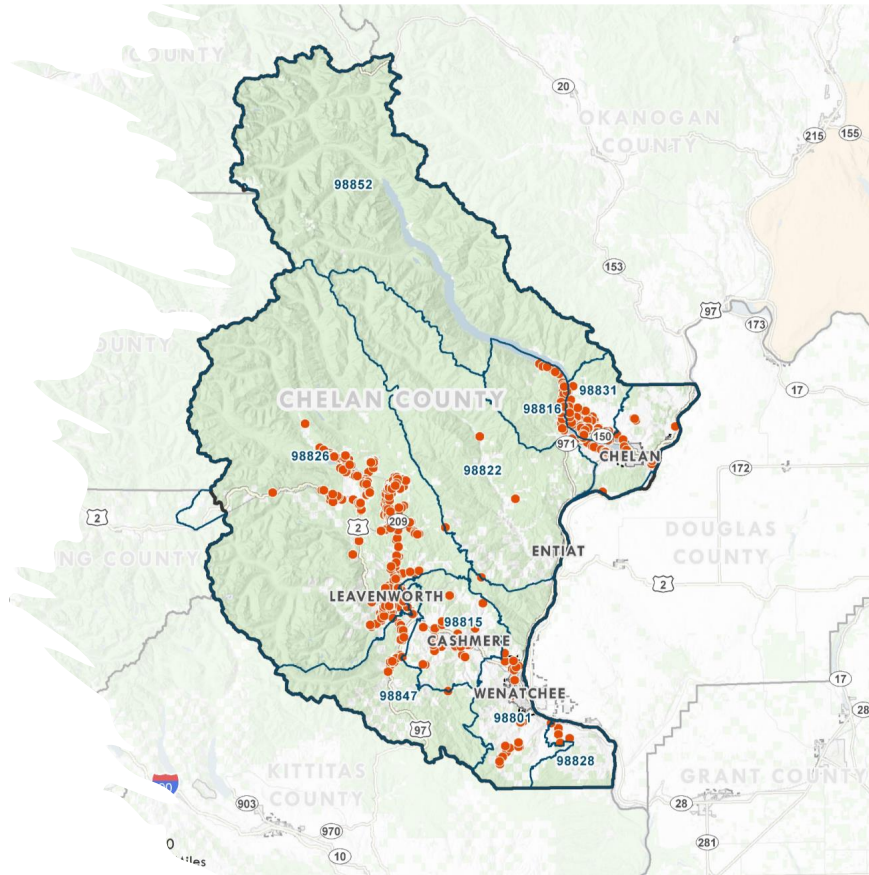
- 1,535 unique rental units as of March 2020.
- Most short-term rentals are offered as entire homes, and most are single-family in format.

## **Host Compliance, March 2020**





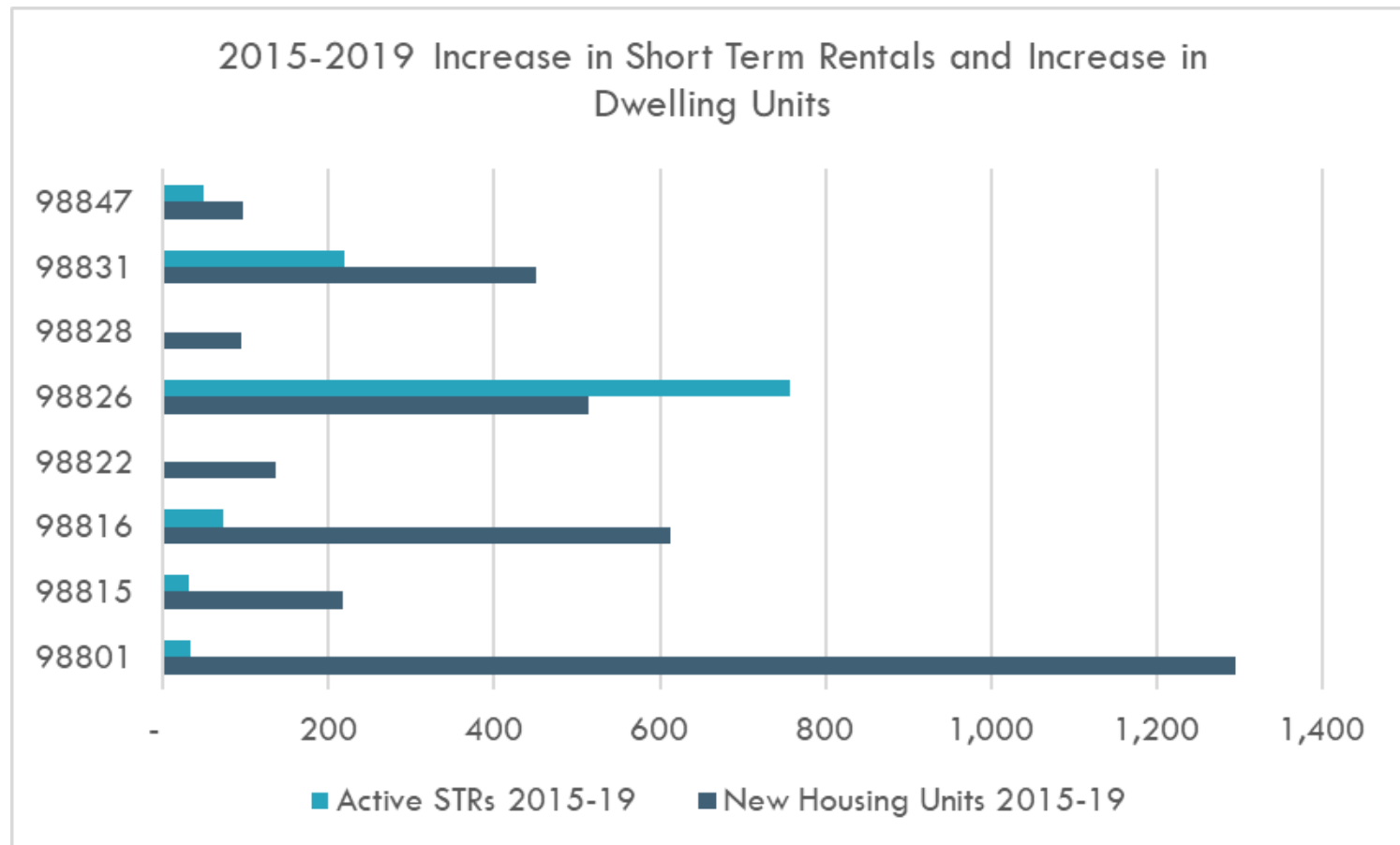
# *Data Available for STR Evaluation*



- AirDNA
  - Addresses AirBNB & Home Away
  - Over 1,300 units as of January 2020
  - Majority of Units in Host Compliance Data
  - Reviewed growth and location information

# ***Background: Share of STRs***

## **Unincorporated Chelan County Entire Home Short-Term Rentals as Share of Total Housing Units**



# ***Whole Home STRs Air D.N.A, Jan 2020***

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
<b>Grand Total</b>	<b>1,247**</b>	<b>2.8</b>	<b>39</b>	<b>135</b>	<b>47%</b>	<b>\$41,029</b>	<b>\$278</b>

Notes: \*Includes housing on Wapato - about 83 in Manson

\*\*Slightly different counts of entire units comparing property-based data to monthly rental data. | Acronym – LTM = last 12 months

# ***Whole Home STRs and Bedrooms Air D.N.A, Jan 2020***

Zip Code Area	Number of Bedrooms											Grand Total
	0	1	2	3	4	5	6	7	8	10	12	
Cashmere	4	9	8	2	2	2	1					28
Chelan		10	20	31	20	9	4	3				97
Entiat	1	2	1									4
Leavenworth	40	110	203	211	122	34	17	6	3	2	1	749
Malaga		1	4									5
Manson*	5	20	43	93	68	43	8	1				281
Peshastin	3	11	9	15	9	2	2	2				53
Wenatchee		8	5	10	5	1	1					30
<b>Grand Total</b>	<b>53</b>	<b>171</b>	<b>293</b>	<b>362</b>	<b>226</b>	<b>91</b>	<b>33</b>	<b>12</b>	<b>3</b>	<b>2</b>	<b>1</b>	<b>1,247</b>

\*Includes housing on Wapato - about 83 in Manson

# ***Private Room – AirD.NA 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%
<b>Grand Total</b>	<b>92</b>	<b>1.1</b>	<b>40</b>	<b>94</b>	<b>63%</b>

# Occupancy

## AirDNA January 2020 – Unincorporated County by Zip Code

\*Includes housing on Wapato - about 83 in  
Manson

Max Guests	Zip Code Area								Grand Total
	Cashmere	Chelan	Entiat	Leavenworth	Malaga	Manson*	Peshastin	Wenatchee	
1				1					1
2	8	2		52	1	4	3	4	74
3				8		1		1	10
4	8	10	2	93	2	15	8	2	140
5	2	4		28		5	2	1	42
6	3	12	2	161	1	31	15	6	231
7		2		20		8			30
8	3	21		142	1	54	8	11	240
9		2		25		8		2	37
10		15		63		79	7	2	166
11		3		19		2	2		26
12	2	11		61		55	3		132
13				9		1			10
14	1	9		25		10	2		47
15		1		3		2			6
16	1	3		28		4	3	1	40
17				1					1
18		1		4		1			6
20		1		1					2
21				1		1			2
22				1					1
25				1					1
26				1					1
37				1					1
<b>Total</b>	<b>28</b>	<b>97</b>	<b>4</b>	<b>749</b>	<b>5</b>	<b>281</b>	<b>53</b>	<b>30</b>	<b>1,247</b>