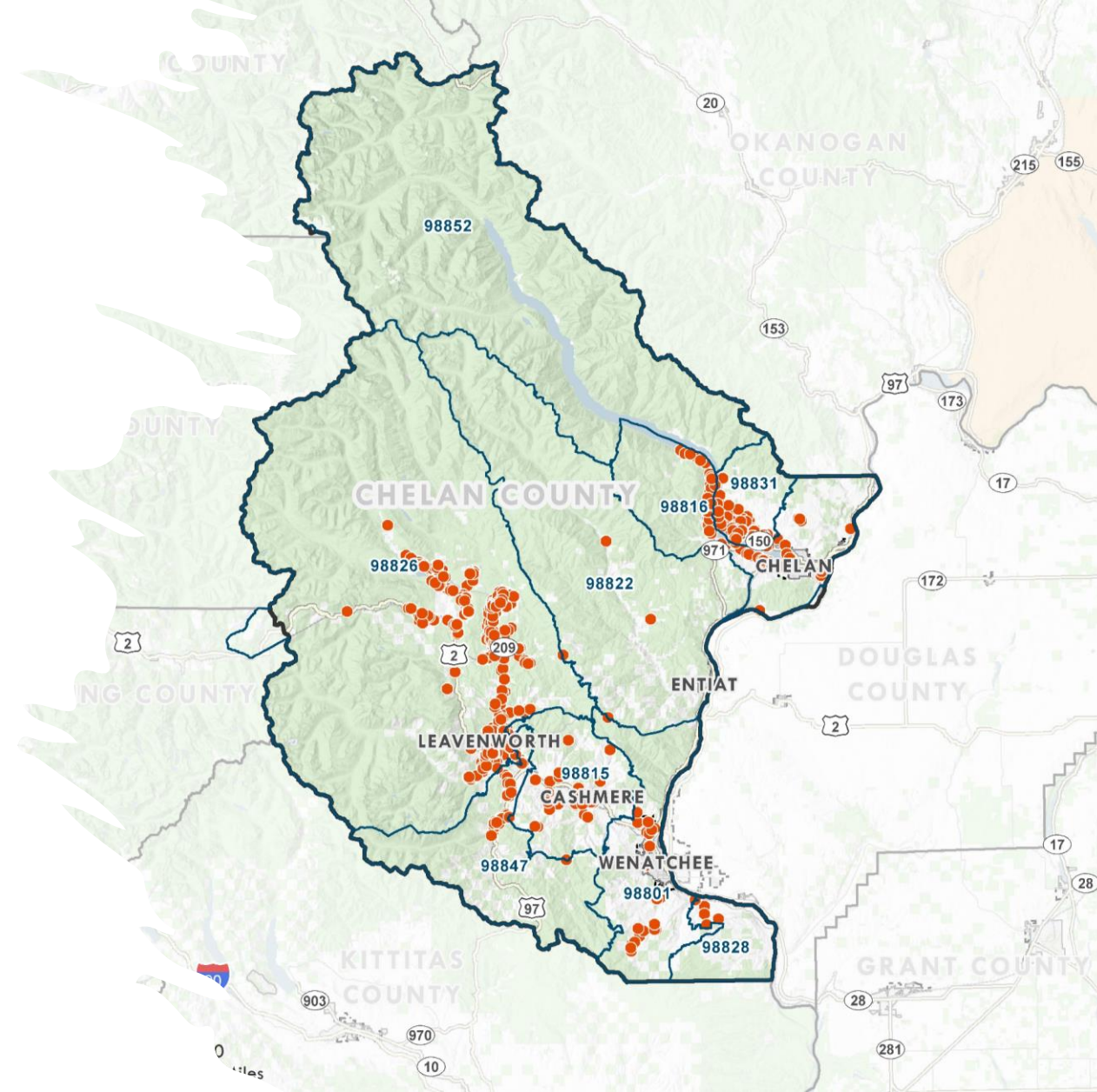


Short-Term Rentals

Chelan County
Planning Commission
Study Session
April 22, 2020



Goals for Study Session

- Share:
 - Purpose, Background, Process
 - Community Input to Date
 - BOCC Study Session Discussion
 - First Draft Code
- Looking for questions or suggestions to help direct:
 - Research
 - Code Amendment Options
- Goal: After study session develop draft for public hearing

Introduction/Purpose

- Short-term rentals accommodating visitors have been established rapidly over the last several years.
- Goal:
 - **Allow for property owner income while protecting the character of residential communities across the county.**
- 2019 Draft Code Heard and Denied by Planning Commission and BOCC.
- BOCC desires to review other alternatives.

Short-Term Rentals

(STRs): Means a residential dwelling rented out on a nightly basis for less than 30 days to individual guests.

Note: This study session is covering the County's options for long-term regulations addressing STRs and is *not related to* the Chelan County Resolution 2020-39, which is a temporary response to the State's Stay at Home Order.

Proposed STR Code Review Process

Step 1.

Target: March-April
2020

Develop Situation
Assessment

Develop Code
Options

Step 2.

Target: April-May 2020

Planning Commission
(PC)
Study Session

PC Public Hearing &
Deliberation

Step 3.

Target: June-July 2020

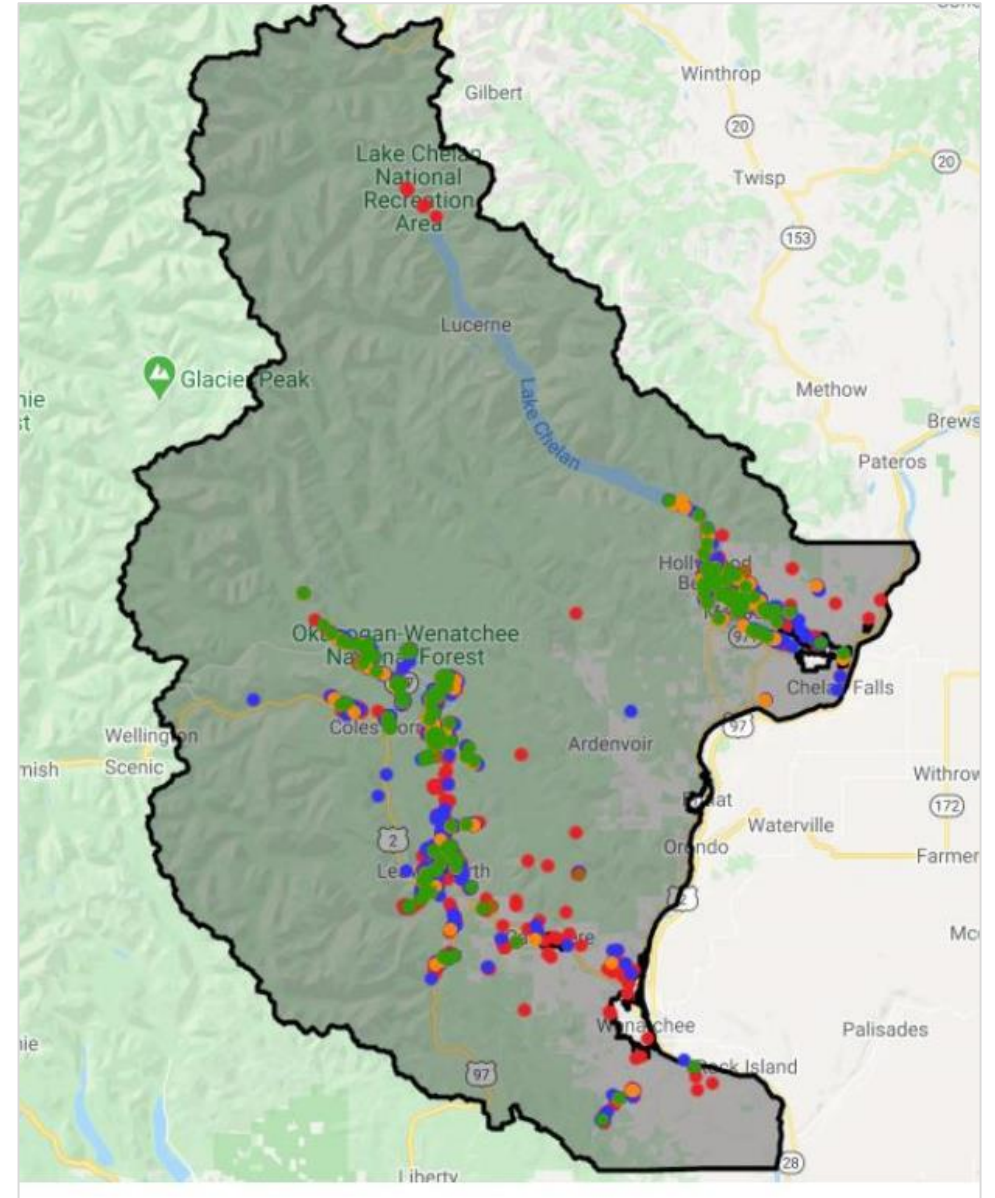
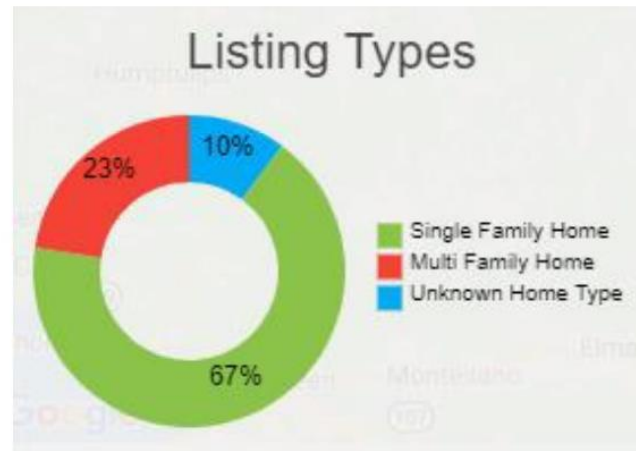
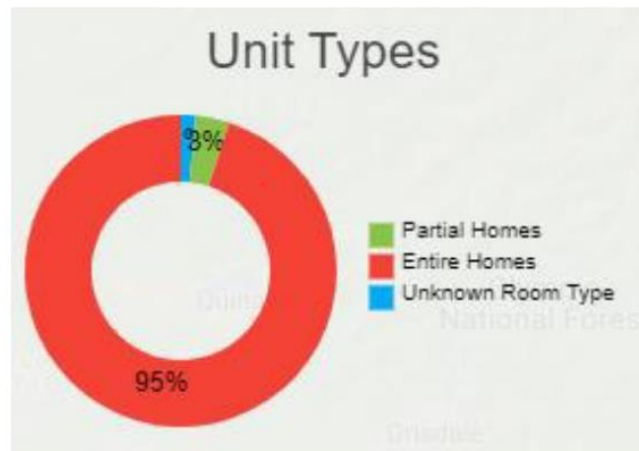
Board of County
Commissioner
(BOCC) Work Session

BOCC Public Hearing
& Deliberation &
Decision

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



Trends

Active Listings of All Listing Types

– December 2014 to December 2019: AirBnB and 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

*Includes about 83 units in 2019 on tribal land.

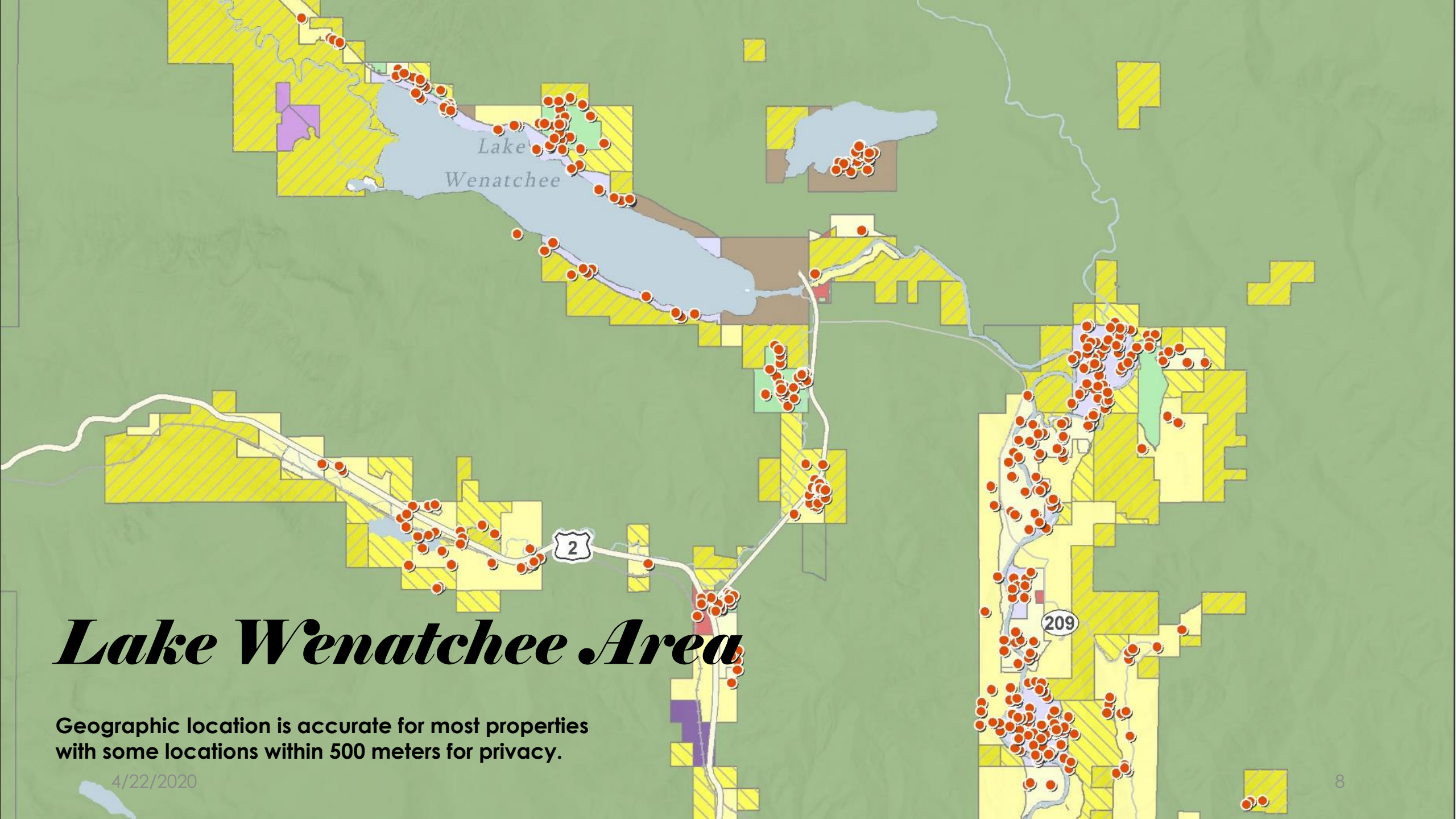
Size, Average Bookings, Occupancy

Unincorporated Chelan County Entire Home/Apartment – January 2020

Zip Code Place	Count of Property	Avg of Bedrooms	Average Number of Bookings LTM	Average of Count Available Days LTM	Average of Occupancy Rate LTM	Average of Annual Revenue LTM (USD)	Average of Published Nightly Rate (USD)
Cashmere	39	1.6	48	99	53%	\$19,258	\$137
Chelan	100	3.2	25	117	45%	\$37,033	\$353
Entiat	4	1.0	21	110	43%	\$11,586	\$131
Leavenworth	804	2.6	45	140	49%	\$42,242	\$252
Malaga	5	1.8	50	130	57%	\$23,626	\$141
Manson*	295	3.2	26	121	47%	\$38,404	\$310
Peshastin	56	2.7	39	138	42%	\$29,037	\$245
Wenatchee	43	2.3	32	104	55%	\$23,447	\$204
Grand Total	1,346	2.7	39	132	48%	\$39,042	\$266

LTM = last 12 months

*Includes housing on Wapato - about 83 in Manson



Lake
Wenatchee

2

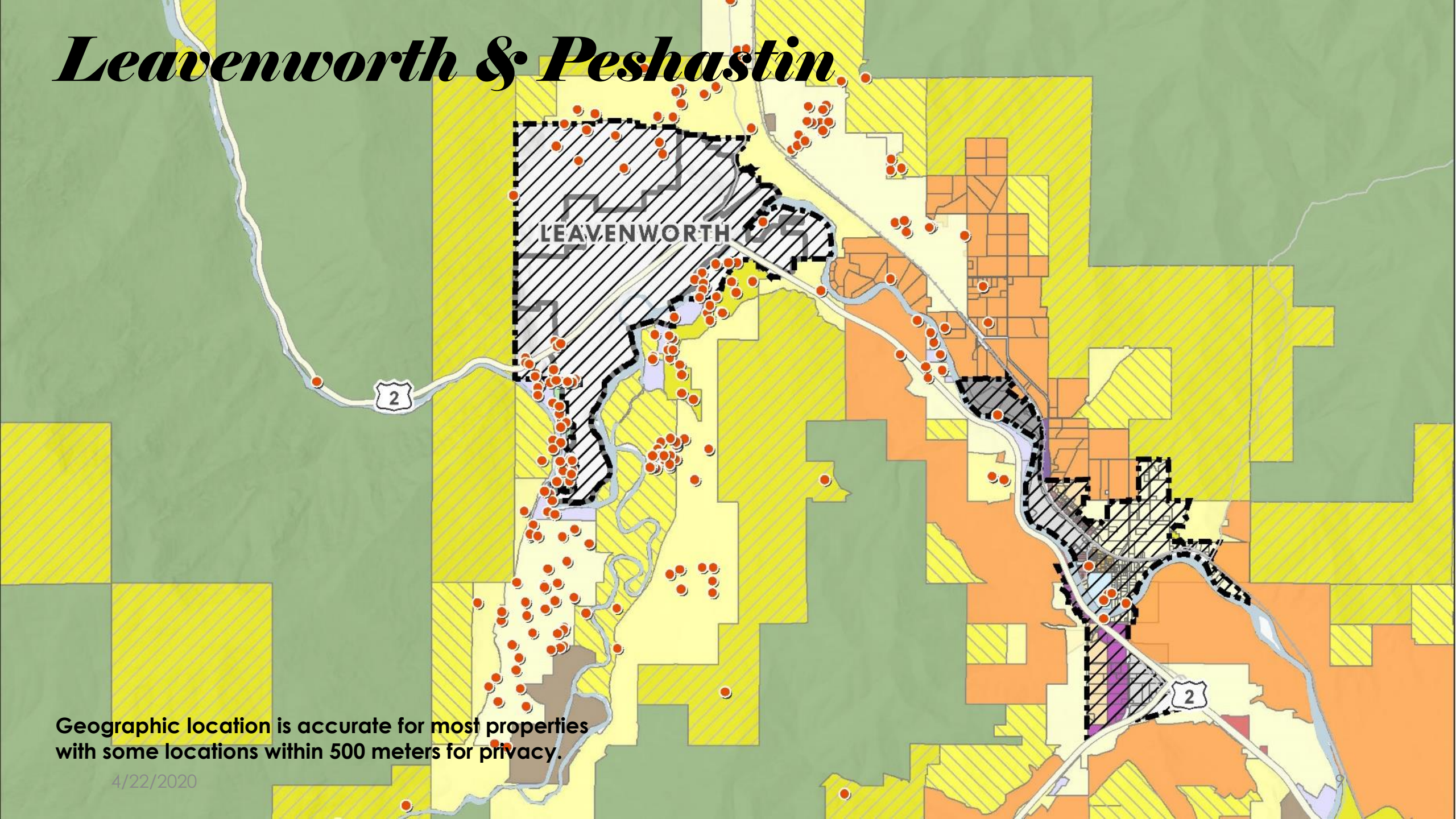
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Lake Wenatchee Area

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

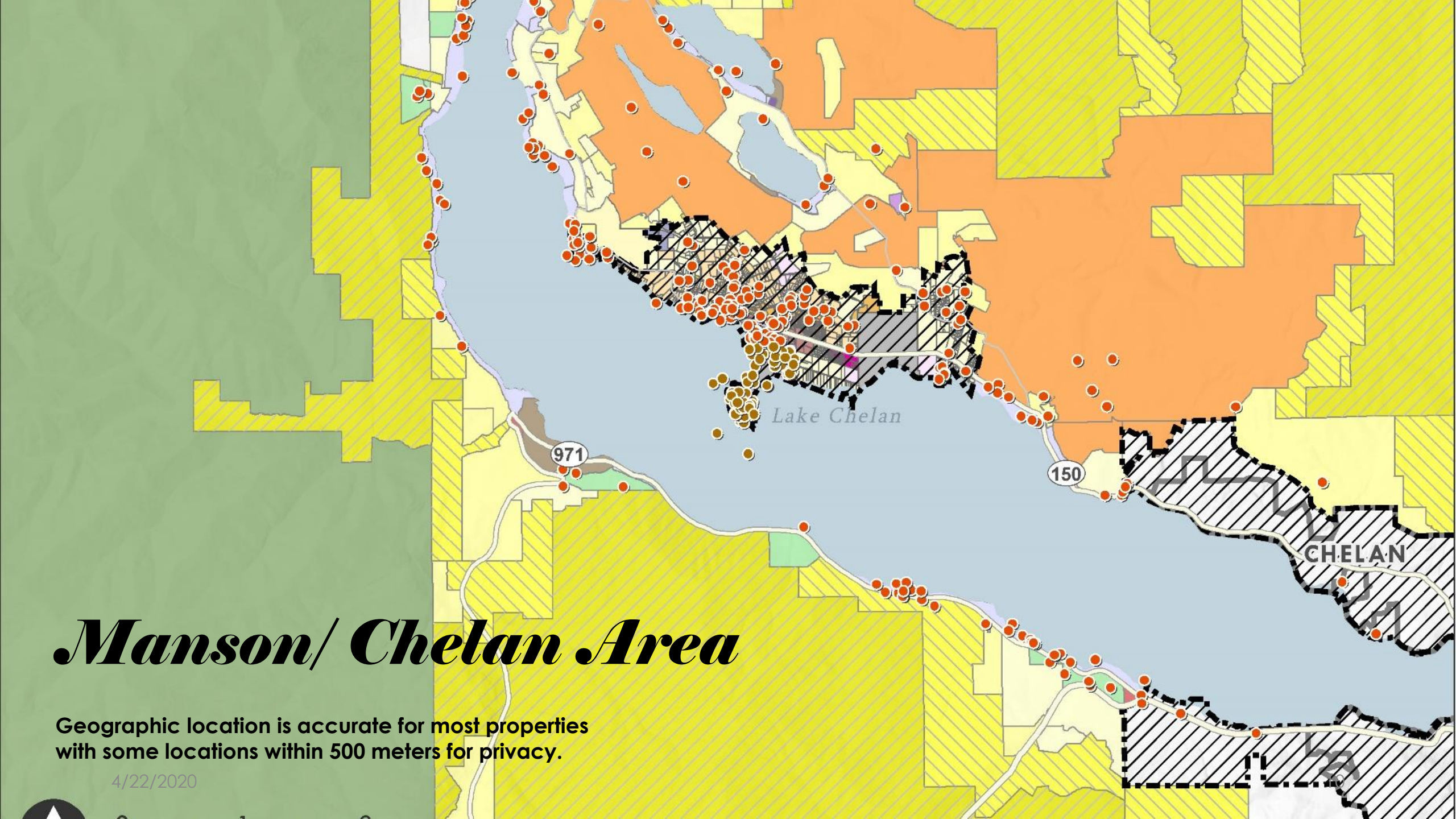
4/22/2020

Leavenworth & Peshastin



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

4/22/2020



Manson/ Chelan Area

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

4/22/2020



Community Input Summary

- **2019**: About 215 commenters. See March 2020 Situation Assessment.
- **January-March 2020**: Several requests and approaches. See March 2020 Situation Assessment for comments and ideas.

Themes

- Clear and fair process & enforcement.
- Address common nuisance impacts.
- Address pressure on septics & utilities.
- Address public health and safety.
- Avoid too many STRs – concern about housing affordability & supply & residential character.
- Range of opinions on occupancy limits (total versus bedrooms).
- Limit the density of STRs or how many owned in the county.
- STRs should be regulated like a business.

Community Input (Continued)

(*in PC Packet)

Name	Date	Summary of Concerns
Leavenworth/Plain/Lake Wenatchee residents' group	3/27; 3/28	Set density limit in impacted zip codes and spacing, require registration and fees, taxes paid, limit to 4 bedrooms and 10 people, adequate septic, water, etc.
Kirvil Skinnarland	4/1; 4/3 *	Apply density limit, avoid new ones in heavily impacted areas, regulation by zip code, etc.
Peshastin Community Council	4/3 *; 4/20	STRs are lodging and should not be in residential zones. Don't recognize illegal STRs.
James A. Gebhardt	4/3	Require licensing, payment of taxes and inspections; allow for some areas to be STR-free.
Barbara Rossing	4/10	Regulate STRs, limit occupancy, limit density.
Jim Passage	4/12	Develop a permit fee that is formula based; will some of the fee cover Sherriff's office; limit financial burden.
Mark D. Babcock	4/13	Don't apply 1% to RRR development that is expressly recreation home development; RC zone not residential.
Shannon Rome	4/16	Ensure public comment opportunities; don't add licensing and other restrictions.
Nathan and Kendall Newell	4/20	Propose different occupancy approach; too limiting for large homes.
Sean Lynn, Love Leavenworth LLC	4/20	Do not oppose smart, thoughtful regulations and want to see a reasonable solution to some of the challenges that STR's can create in neighborhoods.
Zelda Holgate, Natapoc Lodging	4/21	Process is rushed. Don't address during COVID-19 crisis.
George Wilson	4/21	Shared photos of existing STR advertised for large num. of guests – don't allow.
Unsigned Attachment	4/21	Scanned list of detailed questions on draft code.
Bruce Williams	4/22	It is possible to prohibit STRs where they exist (article provided). Set the optimal number of STRs and move towards that. Figure out a sunset provision for others.

Regulatory Approaches and Options

Best Practices

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



BOCC Work Session – Early Direction

3/31

- **Zones Allowed/ Limits on Numbers:**

- Provide a 1% cap.
- Consider permit type by location: rural, resource, UGAs.
- Consider Overlays for density (e.g. existing grandfathered but no additional vacation rentals in Leavenworth area).
- Other rules apply countywide.

- **Unit Types:** Allow within either primary residence or accessory dwelling units.

- **Permit Transfer:** Permit is not transferable to new owner.

- **Occupancy:** Relate occupants to bedrooms and have a cap at 10. Bedrooms/sleeping units advertised will be used in compliance.

- **Standards for health and safety:** Use combo of state/local standards for health and safety. Ensure there is response within 30-45 minutes by designated manager. Address fire protection plan. Address noise, garbage, trespassing.

- **Permits, Inspections, and Enforcement:** Require annual permit. First permit requires inspections by Fire and Health. Costs should address permits and inspections. Enforce based on Title 16 and state. Citations should be given to owner.

First Draft of 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
- Chapter 11.88 Supplementary Provisions And Accessory Uses
 - 11.88.280 Short-Term Rental Regulations (new)
- 14.98 Definitions
 - 14.98.1692 Short-Term Rental (new)
 - 14.98.1693 Short-Term Rental Operator (new)
 - 14.98.1694 Short-Term Rental Owner (new)
- Title 16
 - 16.20. Short-Term Rental Enforcement and Violations (new)

Key Elements of Draft Code

- **Zones Allowed**

- All subject to standards and limitations**

- **Rural and Resource:**

- Permitted: RR20, RR10, RR5, RR2.5, RW, RRR, RV, RC
 - CUP: AC, FC, MC
 - Prohibited: RI, RP

- **Manson:** Like today

- Permitted: UR1, UR2, UR3, CT (Acc), CD (Acc)
 - Prohibited: MLI, UP

- **Peshastin:**

- Permitted: R-1, R-2, R-3, C-D (Acc), C-H (Acc)
 - Prohibited: I, I-C, P-U

- **Limits on Numbers:**

- **1% cap:** 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
 - **No new STRs in:**
 - **Leavenworth–Lake Wenatchee Overlay:** co-terminus with [Zip Code 98826]
 - **Residential zones in the Peshastin Urban Growth Area**
 - **Residential zones in the Manson Urban Growth Area**
 - **Residential zones in the UGAs assigned to the cities** of Chelan, Entiat, Leavenworth, or Wenatchee
 - After **3 years**, new short-term rentals may be established in the locations above if the percentage of short-term rentals as a share of total dwelling units is less than **X percent (X%)**

Standards

- Primary or Accessory Residence: either but not both
- Occupancy up to 10: night and day
- Parking: 1 additional spot
- Garbage
- Noise
- Trespass
- Signs
- Consumer Safety
- Fire Safety and Outdoor Burning
- Qualified Person: Respond in 30 min.
- Property Management Plan
- Annual Permit Number: on Ad
- Good Neighbor Guidelines
- Liability Insurance
- Taxes: Pay applicable state and local taxes

Permits

- Land Use Permit
- First Permit
 - Fire, safety, health inspections
- Annual Renewal
 - Self-certification
- Schedule
 - Annual Renewal:
 - September 1 to October 31
 - County review Nov. 1-January 31
 - By February 1 of each following year County reports the baseline number of authorized existing STRs and identifies the number of new short-term rentals allowed with 1%.
 - From February 15 to April 15, the accept new applications.
 - New STR applications will be accepted on a first-come, first-served basis up to the cap allowed.

Enforcement

- Use Title 16
- Except:
 - Notice of first Violation for Consumer Safety by County Attorney and associated civil fine per RCW 64.37.030
- Revocation of land use permits

Schedule

- Proposed Schedule in Contract Scope
 - BOCC Workshop – 3/31
 - Planning Commission Study Session – 4/22
 - Planning Commission Hearing – 5/13 (Tentative, Special)
 - Planning Commission Deliberations – 5/27
 - BOCC Work Session – 6/9
 - BOCC Hearing – 6/30
 - BOCC Decision – 7/21

Planning Commission Discussion

- Questions or suggestions to help direct:
 - Research
 - Code amendment options
- Next steps: BERK coordinate with staff and develop draft for public hearing