

Jessica K. Thompson

From: Joanna Dunn, Yoga Teacher <yoga@joannadunn.com>
Sent: Tuesday, September 24, 2024 8:35 AM
To: CD Comment
Subject: STRs in Chelan County

External Email Warning! This email originated from outside of Chelan County.

Dear Planning Commission -

I have resided in Leavenworth since 2005 and am a native Washingtonian. As a long-time, full-time resident and small business owner, I have a vested interest in making sure that this is a community of residents who love, care about and are also invested in the community.

It is my understanding that there are forces at work to try to alter an agreement that was hard fought on the part of the residents of this county back in September of 2021. Please take a look around the country at other communities that are struggling with this issue and learn from the success stories. It IS possible to have a thriving tourist economy AND to regulate the use of homes for Short Term Rentals. Many communities around the country and around the world do this for the sake of the long-term health of the economy in their communities. We need to have housing available for full-time residents and increasing the number of short term rentals negatively impacts the pool of available housing as well as bringing in outside investors who only care about profits and not about this community.

Please DO NOT increase the percentage of STRs in Chelan County. Please note that I am a registered voter in Chelan County and this issue is important enough to me that it will be a primary issue that dictates my vote in any election.

Joanna Dunn

Joanna Dunn ([she/her](#))

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509.470.0542



Jessica K. Thompson

From: susan trimpeville.com <susan@trimpeville.com>
Sent: Tuesday, September 24, 2024 8:09 AM
To: CD Comment
Subject: Proposed changes to STR

External Email Warning! This email originated from outside of Chelan County.

Dear Sir,

We have looked over the proposed changes to the STR code for Chelan County and are in support of the changes.

Susan and Ken Trimpe

Sent from my iPad

Jessica K. Thompson

From: royce.woody2 <royce.woody2@nwi.net>
Sent: Tuesday, September 24, 2024 5:02 AM
To: CD Comment
Subject: Short term rentals

External Email Warning! This email originated from outside of Chelan County.

Since we worked so hard to get a short term rental agreement, we don't feel like it needs to be changed. Especially allowing rentals without the owner living on the property. We have that situation next door to us. It barely works now and would be a disaster if the owner wasn't present. Please make no changes. They would do nothing possible to us who live here full time.

Sincerely Roy and Joyce Schiferl
9031 Icicle Road
Leavenworth

Sent from my Verizon, Samsung Galaxy smartphone

Jessica K. Thompson

From: Michael Martin <Ma9martin@outlook.com>
Sent: Tuesday, September 24, 2024 4:53 AM
To: CD Comment
Subject: STR

External Email Warning! This email originated from outside of Chelan County.

asking them **not to increase the current 6% cap on Tier 2 and Tier 3 Short Term Rentals.**

Dear Members,

We live in the UGA of Leavenworth. We purchased here 20 years ago.

Our values are for peace, quiet, space, and opportunities for all.

We fell holding the Tier 2 & 3 Cap at 6% is wise and prudent policy.

Please do investigate any proposals thoroughly before making any revisions.

Respectfully,

M. Martin
360-901-4932

Jessica K. Thompson

From: cnhdeems <cnhdeems@gmail.com>
Sent: Monday, September 23, 2024 9:25 PM
To: CD Comment
Subject: Changes to str codes/ restrictions

External Email Warning! This email originated from outside of Chelan County.

Dear commissioners,

We ask that you not eliminate any of the restrictions currently in place regarding STR's for Chelan County.

Our 10-home neighborhood has been subjected to and held hostage by a single grandfathered STR. The renters of this single family home that has 10 beds and 2 bars and an outdoor hot tub, has hosted bachelor parties, and large college parties with great disregard for the neighborhood quiet hours from 10pm to 7am. Renters have left fires unattended through the nite posing a huge fire risk, and they have trapsed on private property while also disturbing the peace multiple times resulting in complaints to the local sheriff's office. Allowing more str's in our Lake Wenatchee area will not only corrupt our neighborhood, but could potentially result in greater fire risk and risk of property damage as well as careless regard for water restrictions and conservation. Please vote no to "updating" code that relaxes restrictions or makes way for even more STR's in Chelan County. We are currently over capacity at Lake Wenatchee now and long term renters can not find decent housing as a result!

Please consider that allowing more owners to rent from far off places will erode the beautiful caring community we have and force caregivers and community servers to move out of our area!

Thanks,

Helen and Curtis Deems
Residents

Sent from my Verizon, Samsung Galaxy smartphone

Jessica K. Thompson

From: Mark Julian <mjulian25@msn.com>
Sent: Monday, September 23, 2024 8:06 PM
To: CD Comment
Subject: Comment on STR regulations

External Email Warning! This email originated from outside of Chelan County.

Dear County Commissioners,

I am a long term Chelan County property owner. As I have expressed before, I believe STR use is detrimental to our community. It may be a good way for out of the area owners to make money but it is a misuse of property zoned single family residential. I am tired of trespassers from an adjacent STR and tired of the noise as well.

The current rules are at least moving in the direction of reducing that impact over time. Most all other Cities and Counties are working to tighten STR rules, not weaken them. It would be in the Counties best interest to follow suit and not cater to out of the area profiteers.

Best regards,

Mark Julian

Jessica K. Thompson

From: Carmela Riggio <carmelariggio18@gmail.com>
Sent: Monday, September 23, 2024 7:15 PM
To: CD Comment
Subject: STR Changes

External Email Warning! This email originated from outside of Chelan County.

Not really sure why the STR needs to be changed again but here are my comments. The main issue is Chelan is a very small town being exploited by certain individuals trying to pad their own pockets by causing housing prices to skyrocket and make it impossible for the general public to live here. We need people to work here for the better part of the year now because of all that is happening with the winery industry. The short term rental business has been taking over any homes that could have been affordable in the past and turned them into a money making process but not enhancing this City's beauty and desirability. Opening up the ability to have unlimited short term rentals is damaging to such a beautiful area and an area that has been home to so many people that are actually being squeezed out because of the cost of property taxes. I know we need short term rentals but making them a "free for all" is a crime. Fortunately, we have the Chelan Valley Housing Trust building affordable/attainable housing to try to counteract what others are causing. I, actually, am building affordable cottages at the moment - the only person doing it on their own dime because I just can't believe what people think is OK to do this area. Restrictions need to remain in place to protect this amazing place that is HOME to people,
not to those that don't really care about it.

Regards,
Carmela Riggio

Jessica K. Thompson

From: Patti McGaughey <pamcgoy@gmail.com>
Sent: Monday, September 23, 2024 6:12 PM
To: CD Comment
Subject: Short term rentals

External Email Warning! This email originated from outside of Chelan County.

Please do not increase the current 6% cap on Tier 2 and Tier 3 Short Term Rentals. We want to protect our community and build more affordable workforce housing in Leavenworth.

Thank You

Patti McGaughey

230 Pinegrass

Leavenworth WA

Sent from my iPhone

Jessica K. Thompson

From: Celeste Peterson <celpeterson@outlook.com>
Sent: Monday, September 23, 2024 5:39 PM
To: CD Comment
Cc: kurtapeterson@outlook.com
Subject: 6% CAP on Short Term Rental

External Email Warning! This email originated from outside of Chelan County.

Dear Planning Commission,

My name is Celeste Peterson and I am a resident of the Leavenworth UGA. I am writing to urge you NOT to increase or eliminate the current 6% cap on the percentage of Tier 1 and 2 Short Term Rentals in our County. In Leavenworth, we are fighting tooth and nail to keep our community and this change would unequivocally have a detrimental impact on our town. It will create another avalanche of local homes that slide away from residential housing stock, homes we need to keep everyone from city employees to teachers to doctors and dentists living here, where they work. Contributing to our community in a meaningful way. And I know for a fact that this same fight is being waged all up and down the valley and throughout Chelan County.

Increasing our current 6% cap on STRs just a few years after the thorough, thoughtful, fruitful process to create the county's STR code is symbolic and indicative of absolutely everything that people detest about our government. It would decimate the hard fought compromise negotiated, with time and our tax money, between the county and its residents. This would be a grave blow to the trust that Chelan County residents have in their government. And frankly, the small, expected drop in lodging tax revenue is a fair and reasonable price to pay to keep our communities' homes, improve our quality of life, and give our communities a chance to thrive.

Please keep the 6% cap on STRs.

Sincerely,
Celeste Peterson
12700 Spring Street
Leavenworth, WA 98826

Jessica K. Thompson

From: CRAIG JOHNSON <mr_craigj@comcast.net>
Sent: Monday, September 23, 2024 4:58 PM
To: CD Comment
Subject: too early to discuss changes to County STR code

External Email Warning! This email originated from outside of Chelan County.

It is way too early for Chelan County to discuss changes to the county STR code adopted not more than 3 years ago.

What is the rush? Commissioners should have the benefit of thorough research and then comprehensive analysis of the that research to inform and justify changes they make to the the current code.

Moreover, public comment gets shortchanged if the county acts too quickly. As you are well aware, this is a hot button topic in counties and municipalities nation wide. Rash decisions from acting hastily could make make Chelan County commissioners the laughing stock of the country.

Let's revisit discussion of the code in 5 years time. Or better yet, 6 years. That gives commissioners ample time to process data that will give allow them to make solid, defensible code changing decisions going forward.

Sincerely,

Leland Craig Johnson
17651 N Shore Dr.
Leavenworth, 98826

206.755.5067

Jessica K. Thompson

From: Amy Carlson <bearrunantics@gmail.com>
Sent: Monday, September 23, 2024 4:08 PM
To: CD Comment
Subject: Short Term Rentals

External Email Warning! This email originated from outside of Chelan County.

Greetings. I live up Dempsey Road in Leavenworth and find myself wondering why I must write another letter to the powers-that-be about short term rental code changes. I know the rental owners' association has a lot of money behind it, hence lawyers to continue "the fight," but I thought we had reached a compromise that worked.

STRs destroy neighborhoods. We don't need more, and we don't need to worry about ongoing attempts at changing what we all agreed upon. Leave it alone, please: previously identified concerns are still valid and have been hashed out such as Tier One needs to remain owner occupied ... please honor your word. Please honor our neighborhood communities over profits.

Thank you.

Amy Carlson

Jessica K. Thompson

From: Bruce Williams <bwseattle@gmail.com>
Sent: Monday, September 23, 2024 4:00 PM
To: CD Comment
Subject: Please do not make hasty changes to the STR code

External Email Warning! This email originated from outside of Chelan County.

Dear Planning Commissioners and County Commissioners,

I am appalled to hear that the compromise on STR's that was reached after years of consideration, research, citizen input and consultant time and fees may now be suddenly and drastically altered. That shows great disrespect to all who participated in the initial process.

It is also, frankly, bad governance. Those of us involved in the initial process learned how complicated policymaking in this area can be. There are many different stakeholders with widely varying interests. For the Planning Commissioners and the County Commissioners, this topic became a huge time sink, taking away time and resources to address the county's many other issues. Revision of the STR code should only be undertaken when the County has the resources to do another thoughtful, in-depth, review. That time is not now.

It is arrogance for one group of stakeholders to think they are the only ones with the right policies and that it is acceptable for them to rush through drastic changes in their self-interest at the expense of others in the community.

None of us were particularly happy about the initial compromise but it is something we can all live with. We should leave this alone until we can do a thoughtful review. And if/when we do that, we should again seek a compromise, not a one-sided policy grab. The proposals suggested currently are anything but balanced.

Thank you.

Bruce Williams
bwseattle@gmail.com
509.888.1935
8050 E. Leavenworth Road
Leavenworth WA 98826

Jessica K. Thompson

From: Alison Miller <alison@alisonmillerarch.com>
Sent: Monday, September 23, 2024 3:36 PM
To: CD Comment
Subject: STR code revision comment

External Email Warning! This email originated from outside of Chelan County.

Hello, I am writing in support of keeping the current 6% cap on Tier 2 and 3 STRs, and changing the cap in Manson to 6%. We are experiencing a housing shortage, and allowing a larger number to be used as STRs increases the problem. Even if many of these properties would be second homes, discouraging buyers from owning multiple properties as investments improves the supply available for residents.

This spring, I applied for a building permit on a Tier 2 STR on behalf of my clients. The owners are doing a major remodel that will increase the number of bedrooms. We were informed that applying for the building permit changes the conditions of the STR permit and would mean they lose the STR permit. The owners decided to move forward, because it's a second home for their sporadic use, and renting it when they were not there was just a bonus. I'm sharing this story because it shows that there is some turnover within the current cap, and while the turnover may be slow it should be enough.

So much effort was put into this code, it does not make sense to change it drastically now. In another 5 years we can see more of the effects, rates of turnover, etc. STRs are a great source of revenue to the County, but visitors have a lot of options right now and changing the cap will not bring about improvements for the residents of Chelan County. It is far more likely to bring negative changes to our quality of life in terms of housing options and neighborhood character. I am saying this as the owner of a bed-and-breakfast in Leavenworth. I like having a cap now in effect in Leavenworth because I know I won't have so much competition that I'll have to lower my prices (and in the next 5-8 years I expect to give up my permit as my aging parents are likely to move into my ADU). Scarcity in STRs is preferable to scarcity of primary residences- and there is absolutely not a scarcity of STRs currently, so why increase the cap and risk the impacts to residents?

Thank you,

Alison Miller, AIA

509-860-3545

www.alisonmillerarch.com

Jessica K. Thompson

From: Rob Fallon <rf@3sherpas.com>
Sent: Monday, September 23, 2024 3:28 PM
To: CD Comment
Subject: Concern Regarding Changes to the Short Term Rental Codes - Maintain the 6% Cap on Tier 2 and Tier 3 STRs

External Email Warning! This email originated from outside of Chelan County.

Dear Chelan County Planning Commission,

I am writing to express my concern regarding the proposed revisions to the Short Term Rental (STR) codes, specifically the potential increase in the 6% cap on Tier 2 and Tier 3 STRs (where no owner resides on the property). As a resident, property owner, rental owner, business owner and employer in our community, I believe it is crucial that the commission carefully consider the negative impacts such a change could have on our neighborhoods and local economy.

The current cap, which was adopted after a thorough two-year community engagement process in September 2021, represents a balanced compromise between the needs of local homeowners, long-term renters, and those operating STRs. This code was the product of extensive input from residents, business owners, and housing advocates, who shared concerns about the over-proliferation of STRs. These concerns remain relevant today, including:

1. **Housing Availability & Affordability:** Increasing the cap would likely exacerbate the ongoing housing crisis by reducing the availability of long-term rental properties and affordable housing options for local residents. More homes turned into non-owner-occupied STRs push the prices higher for potential homebuyers and make renting long-term housing even more difficult for the local workforce.

As an employer in the Leavenworth area this is my #1 issue in attracting and retaining employees.

2. **Community Character:** Non-owner-occupied STRs can erode the sense of community that so many of us cherish in Chelan County. When homes are frequently rented to short-term visitors, it can create instability in neighborhoods, where residents no longer feel connected to their neighbors or invested in their community. Maintaining the 6% cap helps preserve the integrity and character of our neighborhoods.
3. **Tourism vs. Quality of Life:** While STRs certainly contribute to tourism, unchecked expansion of non-owner-occupied STRs could harm the quality of life for full-time residents. Over time, this imbalance could lead to a diminished sense of community, more noise disturbances, and potentially strain public resources. Keeping the current cap ensures a balance between tourism and the well-being of residents.
4. **Recent Code Adoption:** The current regulations were developed through a transparent and highly engaged public process just three years ago. Modifying the code so soon would undermine the legitimacy of that process and disregard the hard work and input of all those who contributed to finding a workable solution. The 6% cap was designed to address concerns about STR proliferation and should not be hastily amended before allowing adequate time for it to work as intended.

I urge you to consider the long-term implications of increasing the 6% cap and to prioritize the needs of the entire community. The existing cap strikes a reasonable balance between fostering tourism and protecting housing affordability, neighborhood character, and the quality of life for Chelan County residents.

Thank you for your time and consideration of this important issue. I encourage the Commission to maintain the current STR regulations as they were carefully crafted to reflect the best interests of our community.

Sincerely,

^^^

Rob Fallon | Sherpas IT

Phone: +1 509-548-4100 x21

Direct: +1 509-548-3800

10171 Chumstick Hwy Ste F

Leavenworth WA 98826



Support | Security | Strategy

Jessica K. Thompson

From: Sean Lynn <sean@loveleavenworth.com>
Sent: Monday, September 23, 2024 3:23 PM
To: CD Comment
Subject: Additional Comments Sept 23 2024
Attachments: Lake Chelan Chamber Director Comments.pdf; Leavenworth Chamber Presentation.pdf

External Email Warning! This email originated from outside of Chelan County.

Dear Planning Commissioners,
It has come to my attention that the Residents Coalition Group (RC3) is questioning the facts I previously presented and has provided its own set of "facts." This is an urgent matter that I feel compelled to address and clarify, albeit in a much more direct and time-saving fashion.

The informational graphic I previously provided came directly from the Leavenworth Chamber of Commerce and a 2020 economic study paid for by the North Central Washington Association of Realtors. These two groups are tourism and housing experts, respectively.

The Chamber Directors of Leavenworth and Lake Chelan Chamber of Commerce have recently and publicly pointed to the enactment of the Short-Term Rental Code's negative impact on Chelan County tourism revenues.

Lake Chelan Chamber of Commerce Executive Director Mike Steele was quoted in an 8/28/24 Kozi Community Radio Article (attached) discussing STRs "there is a direct correlation between the percentage that we're down in revenue to the regulated amount of short-term vacation rentals in Chelan County."

The Leavenworth Chamber of Commerce presented the previously submitted lodging tax graphic (attached) to their entire membership at a recent chamber dinner "Due to short term rental legislation passed in early 2021, the amount of rentals in the county has decreased as evidenced by the declining tax revenue." In today's meeting in front of the Chelan County Board of Commissioners Executive Director Troy Campbell echoed this exact same sentiment.




The Residents Coalition group has submitted a vast and dizzying amount of information on various topics to support their narrative. It has been truly impressive and makes me look forward to retirement so that I can take up important calls to action. However, I still have to work every day, and I believe that the Chamber of Commerce and the Real Estate Professionals of Chelan County are the ones who should be considered the experts in the room as I just do not have time to create my own set of facts and statistics to fit a pro STR narrative.

Thank you for your consideration. Sean Lynn

SEAN LYNN

Founder & CEO



 sean@loveleavenworth.com
 +1(509) 548-5683 Ext 103
 +1(509) 293-0814

Jessica K. Thompson

From: Alan Hunt <a_f_hunt@hotmail.com>
Sent: Sunday, September 22, 2024 5:48 PM
To: CD Comment
Subject: Comment on Proposed Changes to the STR Ordinance

External Email Warning! This email originated from outside of Chelan County.

Dear Commissioners,

I am opposed to several of the proposed changes to the STR code. This code was adopted after 2 years of study, analysis, multiple workshops and public hearings and involvement by hundreds if not thousands of residents.

Yet, with no known studies or analyses, the County is proposing to amend this code in a manner that undermines its fundamental purposes.

Any increase in the 6% cap (by zip code) would result in more STRs almost immediately. There is a very high demand by investors wanting income producing property and non-Chelan County residents desiring a short term rental property to help finance a second home in Chelan County. Property which produces an income sells for a higher price than ordinary residential property and this drives up housing costs and property taxes for residents especially in the 98826 and 98831 zip codes. Moreover, with about 40% of our housing stock already vacant due to absentee second home owners and by STRs, it is unconscionable to further reduce the housing inventory available for residents.

I am opposed to the proposal to allow Tier 1 STRs to be non-owner occupied. This was a special STR category designed to benefit homeowners by allowing them a source of income to help offset the cost of a mortgage and property taxes. Unlike Tier 2 and Tier 3, Tier 1 is not subject to any minimal lot size and it is allowed in all zoning districts. Neither is there a requirement for a 200 foot separation from other STRs. By changing the requirement for owner occupancy in Tier 1 STRs, you are opening up all residential homes (with existing or potential apartment units or ADUs) to the possibility of becoming a STR. This means that residents will again have to compete with non-residents to purchase a home. This is not a level playing field. Income producing residential property sells for more than ordinary residential property.

Finally, the requirement to exclude children under 2 from the occupancy limits will result in higher overall occupancy in all tiers. Not all STR platforms exclude children under 2 from the occupancy limits so the argument that this requirement causes problems for STR owners is false.

The state's regulations for the design of septic systems do not exclude children under 2. While children under 2 may not be using the toilet, water is necessary for food preparation and dish washing, laundry and bathing. Therefore they do contribute to wastewater discharge.

STRs have already been given a break by not requiring them to meet commercial standards for the design of septic systems. Residential systems are designed for continuous flows and only have a small margin of

excess for occasional increased flows. This is why STRs must be required to meet state regulations and not given more occupancy than allowed.

Thank you for the opportunity to comment.

Alan Hunt
Leavenworth

Jessica K. Thompson

From: Residents Coalition of Chelan County <info@coalitionofchelancounty.org>
Sent: Sunday, September 22, 2024 11:13 AM
To: CD Comment
Subject: STR Fact Sheet
Attachments: Short Term Rental Fact Sheet for Chelan County September 2024.pdf

External Email Warning! This email originated from outside of Chelan County.

Dear Planning Commissioners,

We have prepared the attached Fact Sheet on Short-Term Rentals.

This fact sheet includes data on the current status of short-term rentals (STRs) in the unincorporated areas of the county and information about why the regulations are so important. It summarizes the impacts of STRs on: housing availability and costs; economic benefits and costs; and the health of communities. It also provides a synopsis of the lengthy process involved in adopting the current code.

The code we have today is the result of over 2 years of research and analysis and well over 1,000 public comments during the numerous public hearings. Hundreds of thousands of dollars were spent on Berk Consulting, staff time, and finally, the Short-Term Rental Task Force. The current ordinance is based on sound data and a thorough vetting process. It reflects a fair compromise between residents and STR owners and advocates.

In contrast, the proposed changes are not based on data and analysis. Instead, they are the result of special interest groups providing distorted information about lodging taxes as well as pressure from STR owners, advocates, and non-County residents who want to make more money at the expense of residents and our small communities.

There is room for a modest level of well-managed STRs in our residential zones. We believe the current code reflects an appropriate number of STRs in suitable locations. The standards governing occupancy and operation of these commercial lodging facilities ensure compatibility in a residential setting.

If the County is going to amend the STR code, changes should be based on sound research and analysis and an accurate assessment of the impacts of the current code, positive and negative. The current process is hasty and lacking in any research and analysis.

As a result, the County is at risk of making a major policy decision based on limited information and virtually no analysis. The STR code was put in place to achieve specific goals related to residential housing availability, quality of life for Chelan County residents, and neighborhood sustainability. Absent factual information and analysis and a thorough vetting process, changes to the code should not be considered.

Respectfully submitted,

Residents Coalition of Chelan County (RC3)

Chelan County Short-Term Rentals FACT SHEET

CURRENT STATUS:

Total Number of Permitted STRs in 2023 — 666 active permits, 42 pending

Number of Tier 1 -- 98

Number of Tier 2 -- 545

Number of Tier 3 -- 23

Percentage Owned by Chelan County Residents – 37%

Percentage Owned by Others Outside of Chelan County – 63%

Estimated Number of STRs operating without permits – 96 confirmed illegal and have live advertisements, 543 that previously operated and currently do not have live advertisements but their status is unknown.

BACKGROUND:

Process for Adoption of Short-Term Rental (STR) Code: The County's existing short-term rental (STR) code was the result of a two-year process involving numerous research reports prepared by Berk Consulting, hundreds of hours by Community Development staff, well over 1,000 public comment letters, and multiple public hearings. The code is based on factual information and the result of a thorough vetting process.

2013—First STR code adopted which applied only to the Manson UGA

August 2019—Public hearing held on first draft of code before Planning Commission; it was subsequently withdrawn and the County decided to hire a consultant.

Early 2020—Berk Consulting hired to provide expertise and guidance on adoption of the code. Numerous reports and studies were prepared.

August 25, 2020—County enacted first moratorium on construction or remodeling of STRs.

2020—In addition to numerous hearings before the Planning Commission, the BOCC held workshops and public hearings on October 28, November 3, 10, 16 and, 24, and December 1, 8 and 22.

January 2021—BOCC decided to establish a Task Force consisting of 3 STR owners, 3 residents, and 3 members of the Planning Commission.

May 2021—Task Force issued its final report which contained a consensus recommendation on the most contentious issues.

July 2021—Revised STR code released and public hearings held on July 13 and 27.

September 2021—Final Code adopted by BOCC.

September 29, 2021—Community Lodging Operators of Chelan County filed an appeal to the Growth Management Hearings Board.

March 24, 2023—Growth Management Hearings Board upheld the code with the exception of one minor administrative error which the BOCC subsequently corrected.

IMPACTS OF SHORT-TERM RENTALS ON COMMUNITIES:

A. Housing Availability and Costs

Adequate, affordable housing is key to ensuring stable, healthy communities and a high quality of life for residents. Housing is the top need identified by residents in our community. The region's housing crisis has impacted all socio-economic groups in one way or another. In many cases, people are paying significantly more for housing than they can afford.

When homes are removed from the available overall housing inventory through conversion into second homes for non-residents or into STRs, the local market for home purchase or long-term rentals is narrowed unless this loss is compensated for by new construction. Prior to the adoption of the County's STR code, conversion of homes to STRs was far outpacing new construction.

The housing situation in Chelan County is compounded by the fact that it is a sought after location for second homes in which the purchaser does not intend to operate a rental. Census data on the vacancy rate indicates that in 2019, 41% of the homes were classified as vacant (i.e., seasonal use homes). Some of these may be short-term rentals and some may be second homes that are not rented out. In either case, the result is that homes available for purchase or long term rental are only 59% of the available inventory (in the Chelan, Manson, and Leavenworth census tract areas this is even worse at closer to 50%). This fact makes a strong argument for placing strict limits on the number of STRs in our communities.

The option to convert a single-family residence into a short-term rental increases the sales price of a home in the touristed areas of Chelan County by \$100,000 or more. With the average rate for an overnight rental in Chelan County being \$362 per day, owners can not only cover their expenses but realize a positive income stream. For many buyers, they get two benefits, a positive income flow and the opportunity to use their house for weekend getaways and vacations. The accelerating home prices in Manson and the cities of Leavenworth and Chelan are congruent with the findings in numerous international studies that show that housing costs rise faster in communities with STRs than in communities without STRs.

B. Economic Benefits and Costs

While proponents assert that short-term vacation rentals have positive economic impacts in communities, they actually negatively impact those economies. Owners and proponents of the industry cite increases in sales tax revenue from short-term tenants. Yet, the evidence demonstrates that spending by full-time residents on food and

beverages, entertainment, and other retail exceeds spending by short-term visitors. Modeling from the San Francisco Office of Economic Analysis calculated that removing a single housing unit from the market (so that it can become an STR) would have a total negative economic impact on San Francisco's economy of approximately -\$250,000 to -\$300,000 per year. The study notes that this greatly exceeds the annual total economic benefit from visitor spending, host income, and hotel tax, given prevailing short-term rental rates.

Further, studies done by pro-STR groups imply that all of the estimated dollars of spending by tenants of STRs would be lost to the local economy if the STRs did not exist. However, some studies indicate that only 2 to 4 percent of those using Airbnb say that they would not have taken the trip were Airbnb rentals unavailable. This supports the conclusion that STRs are merely substitute accommodations for hotels. If STRs did not exist, hotels would be built to satisfy the lodging demand. Hotels, unlike STRs, are located in commercial zones precisely to isolate their impacts from residential communities. Furthermore, STR guests contribute less to the local economy than do hotel guests. STRs have kitchens and are often distant from restaurants. Hotel visitors eat out. In Hawaii, it was found that travelers staying in STRs contributed 20% fewer dollars to the local economy than did travelers staying in hotels.

Thus, it is a fallacy to suggest that STRs contribute to local economies IF those STRs reduce the available local housing stock for permanent residents. A high percentage of STRs in communities not only exacerbates the cost and availability of housing especially in the highly touristed areas of Chelan County but also negatively impacts businesses. In Manson, and the cities of Chelan and Leavenworth, local employers such as restaurants, shops, hospitals and schools are increasingly challenged to find and keep workers. Proponents' argument that STRs create local jobs is false if businesses cannot hire the workers, in part because short-term rentals have priced local residents out of the local housing market and converted otherwise long-term rentals into vacation rentals.

C. Effects on Community Cohesion

The networks of relationships among people who live and work in a particular community enable it to function effectively. These relationships and the contributions made by individuals to the betterment of their community are often referred to as social capital. Social capital is closely linked to the nonprofit sector in communities. This includes charities and voluntary groups, such as Rotary. This sector delivers essential services, helps to improve people's well-being, and contributes to economic growth. It plays a vital role in supporting communities at a local level. It also has economic value. The U.S. Census estimated that volunteer activity contributed \$167 billion in economic value in 2017.

It is hard to imagine life in Chelan County without the contributions of residents to volunteer fire departments, youth sports and recreation, environmental protection, senior centers, and social safety nets such as local food banks. Social capital is built through hundreds of actions, large and small, that residents take every day. Communities that have strong social capital have better children's welfare, stronger education systems, and more economic prosperity. In sum, they are healthier, more vibrant, and more resilient.

The ability to convert residential homes into short-term rentals coupled with the high percentage of second homes, especially in the 98826 and 98831 zip codes, has a direct negative impact on the health of our communities.

CONCLUSION:

STRs have both positive and negative economic impacts in communities. Owners and proponents of the industry point to increased sales and lodging tax revenue, jobs, and increased diversity of tourist accommodations. However, there are also significant costs including loss of community cohesion, disruption of neighborhoods, upward pressure on housing costs, and increasing tourist congestion.

When the impacts, positive and negative, of STRs are examined in a comprehensive manner, the conclusions are undeniable. Increasing numbers of STRs in residential neighborhoods leads to declining social capital and less healthy communities; reduction of available housing for Chelan County residents; overtourism resulting in declining quality of life for residents and a declining quality of experience for tourists; and environmental degradation due to overuse of natural amenities such as hiking trails and beaches. From a purely economic perspective, the balance sheet is also negative. Increased tourist spending does not make up for loss of spending by displaced residents, the increased costs to locals in terms of higher housing costs, and loss of volunteer contributions of labor and dollars to the community.

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