



RESIDENTS COALITION of Chelan County

August 23, 2024

Chelan County Planning Commission
316 Washington Street, Suite 301
Wenatchee WA 98801

Re: August 28, 2024, Hearing for Proposed Amendments to the Short-Term Rental Provision in the Chelan County Code, specifically Section 11.88.290.

Dear Honorable Planning Commissioners,

Residents Coalition of Chelan County (RC₃) is submitting the following comments on the proposed changes to Chelan County Code (CCC) pertaining to Short-Term Rentals (STRs) (CCC 11.88.290) to be discussed at the August 28, 2024, Planning Commission hearing.

As you know, Residents United for Neighbors (RUN), RC₃'s predecessor organization, was deeply involved in the original promulgation of CCC 11.88.290, including having a board member on the Task Force associated with code development. This process took over two years of intensive effort, reflecting the complexity and importance of the issues at hand. Both sides of the issue, represented by RUN and the Short-Term Rental Association of Chelan County, made significant compromises during the final STR Task Force negotiations to achieve a comprehensive and balanced outcome. The extensive deliberations and compromises made over this period were essential to develop a code that addresses the needs and concerns of all stakeholders. These historical efforts must be respected.

The following comments are provided for some of the specific code changes proposed. RC₃ is supportive of the other minor changes proposed that are not specifically addressed below.

Comments on Specific Proposed Changes to the Code

Proposed Changes to CCC 11.98.290(2)(A)(i) – Description of Tier 1 Short-Term Rental

The following changes to this section of the code are proposed:

(i) Tier 1. Owner/Manager/Operator-occupied (as defined in 14.98.1363) short-term rentals where either (a) rooms are rented and the owner/manager/operator (to include title holders, corporate officers, and contract purchasers) is personally present at the dwelling during the rental period, or (b) the short-term rental is located within the same parcel as the owner/manager/operator's principal residence and the owner/manager/operator is personally present at the dwelling during the rental period, or (c) the entire dwelling is rented no more than fifteen total days in a calendar year; provided, that an on-site qualified person is there during the owner/manager/operator's absence. Portions of calendar days shall be counted as full days.

RC₃ strenuously objects to this proposed change. Anyone other than a true owner would not have the same interests in ensuring that noise, parking, and other potentially-disruptive issues are immediately addressed. The owner has an incentive to keep down nuisance issues while on-site, while a manager does not necessarily. And what would stop the owner from just naming one member of each group renting the STR from being the official manager for that stay? It would result in renters policing themselves.

Moreover, there is no way for the County to keep track of who is the designated manager or even assure that one is designated. There could be turnover in renters every 30 days in the unit that is not designated as the STR.

Tier 1 STRs must be owner-occupied. One of the aims in allowing owners to rent out accessory dwelling units was to provide them with a source of income to offset the high cost of housing and property taxes. It was not intended to turn more of our housing stock into commercial investments.

The proposed changes to this section would amount to allowing an unlimited number of STRs in residential neighborhoods and would destroy the whole intent of CCC 11.98.290 as stated in the Purpose section (CCC 11.88.290(1)).

It is unconscionable that the County would change a key element of the code that took years of effort and compromises to develop.

Proposed Changes to CCC 11.98.290(2)(B)(ii)(a) – Short-Term Rental Caps

The cap on STRs within the Manson UGA is proposed to change from nine percent to six percent. Additionally, a desire to revisit/reassess all cap numbers is noted and highlighted in the proposed code text. We have also heard that the Board of County Commissioners has actually proposed that the caps be entirely eliminated, which is hard to fathom.

To put it bluntly, we have a housing crisis in Chelan County. Our Valley Our Future conducted a regional housing survey in 2022. Over 1,500 people responded, two thirds of whom were Chelan County residents. About 90 percent of the residents who completed this survey cited housing availability and affordability as either an “extremely important” or an “important” issue for the community today. The County needs to take action to increase housing availability, not turn our existing housing units into STRs.

These cap numbers were negotiated at length during the initial promulgation of the STR code. Raising caps would eliminate a large part of the purpose of the code by further upsetting the balance between STRs and dwelling units available for residential use within residentially-zoned areas. During the code development process, there was reliance on studies that examined appropriate cap percentages that were unlikely to adversely affect housing affordability and even the existing caps are above those percentages.

In the marked up version of the code posted to the SEPA Register for this hearing, Chelan County Prosecuting Attorney Marcus Foster commented on the proposal to revisit/revise the STR density caps in this section of the code as follows:

This could create an issue in litigation. These numbers were negotiated at length. So far the only testimony to change caps I know of is Manson wanting to DECREASE their cap. Raising caps eliminates a large part of the purpose of the code

RC₃ wholeheartedly agrees with Mr. Foster's comments and is deeply disturbed that the County would even consider creating this legal issue while destroying the intended purpose of the code. RC₃ is concerned about any wholesale effort to change these cap numbers and would strenuously object to any effort to increase or eliminate the cap values. We believe that Chelan County residents feel the same way and would vigorously protest any such changes.

We understand that the Board of County Commissioners has expressed that the nine percent cap for the Manson UGA (which is in addition to the six percent cap for the entire 98831 zip code) is somehow confusing. Although we don't understand the confusion, the proposed six percent cap for the Manson UGA has recently been supported by the Manson Community Council. RC₃ also supports this change.

Proposed Changes to CCC 11.98.290(2)(D)(i) – Minimum Lot Sizes

A minimum lot size of 10 acres for Tier 2 STRs is proposed to be added to the code. Given that the District Use Chart already allows Tier 2 STRs in AC zoning, but no minimum lot size for this zone is currently included in CCC 11.88.290, RC₃ has no objections to this proposed change to the code.

Proposed Changes to CCC 11.98.290(2)(E) – Existing STRs

We would like additional explanation about the extensive deletions of code language in this section. While we understand portions of this code are now obsolete, we would like assurances that all issues relating to the "grandfathered" STRs that were in operation prior to the adoption of this code have now been resolved.

Proposed Changes to CCC 11.98.290(3)(A)(ii) – Primary or Accessory Residence

The following changes to this section of the code are proposed:

(ii) A short-term rental owner may operate only one short-term rental per parcel as designated on their permit application form, which may be in either the primary dwelling or the accessory dwelling unit but not both. The property owner (which includes title holders, corporate officers, and contract purchasers) shall occupy either the primary unit or the accessory unit as their permanent residence if property is permitted and used as a short-term rental. In the case a corporate entity owns the property, at least one principle officer must be a permanent resident of the property. Proof of residence includes, but is not limited to, government issued identification, utility bills, or other proof satisfactory to the Director. If the short-term rental occurs in a multifamily dwelling the same owner may not rent more than one unit in the development.

Since this section of the code applies to “All Short-Term Rentals”, it is unclear why a requirement that the owner occupy either the primary unit or the accessory unit is being suggested. It is our understanding that the requirement for an owner to be onsite does not apply to Tier 2 or Tier 3 STRs, even if there is a second dwelling unit. The entire (3)(A) subsection applies to ownership and dwelling unit use as an STR, not owner occupancy.

RC₃ suggests that this addition makes no sense and should be removed or modified.

Proposed Changes to CCC 11.98.290(3)(B) – Short-Term Rental Occupancy Limits

The proposal to exclude children under 24 months of age from the occupancy limits is unacceptable.

The first reason is a legal issue. Many of the STRs in the county are on septic systems. Such systems are carefully designed to accommodate expected wastewater discharge based on occupancy and estimates of wastewater that is generated on a per person basis. The occupancy is determined by assuming two persons per bedroom. The discharge amount is assumed to be an average of 45 gallons per day per person and the resulting total is multiplied by 1.33 to account for surge capacity when the average daily flows may be exceeded.

Average daily flow includes the wastewater generating activities in a building. These activities typically include toilet flushing, showering and bathing, clothes washing and dishwashing, use of faucets, and other miscellaneous uses.

To exclude children under 24 months means that one has to assume that there is no wastewater generated by children. This is obviously a false assumption. Moreover, nowhere in the State regulations governing onsite sewage systems (Chapter 246-272A WAC) are children under two excluded from the calculation of occupancy and wastewater discharge for a residential structure.

If the County were to exclude children under two, the design capacity of septic systems could be exceeded on a regular basis leading to failing systems.

The second reason for objecting to the exclusion of children under two is that the result will be higher numbers of older children and adults in all STR tiers. Families and groups of renters tend to maximize the occupancy of STRs so that the per person cost is less. As it is, the occupancies

in all Tiers greatly exceed the average occupancy of a typical single family home which is 2.55 people. The higher occupancy will put greater stress on septic systems and it uses up capacity in areas serviced by sewer. High occupancies will result in more visitors in residential neighborhoods and increase the risk of parking overflow, more noise, etc. The caps on occupancy were negotiated by the STR Task Force and should not be changed.

In sum, we believe there is no justification for exempting children under two from the occupancy limits.

Proposed Changes to CCC 11.98.290(3)(O) – Payment of Taxes

The following changes to this section of the code are proposed:

(O) Taxes. The owner or operator must comply with Chapter 6.30, and other local sales taxes and state hotel/motel/lodging and sales taxes in accordance with the Department of Revenue. Proof of paid sales tax and lodging tax must be provided annually at time of renewal.

RC₃ agrees that this is a reasonable change and that STR owners should be able to provide documentation indicating that these taxes have been paid based on the method of payment used and/or income tax returns.

Proposed Changes to CCC 11.98.290(4)(B)(iv)(b) – Permit Renewal Applications

The following changes to this section of the code are proposed:

(b) Permit renewal applications received after December 31st will not be accepted, and the short-term rental operating without obtaining a renewal must immediately cease operations ~~on~~by January 1st of the following year. The owner and property lose any vesting to continue operation as a legally conforming or nonconforming short-term rental under this chapter. Expired short-term rentals under this subsection are then subject to the housing cap provisions of ~~subsection (2)(B) of this section and must apply as a new short-term rental if all other provisions of this section allow, and consistent with the applicable district use chart.~~

The strikethrough portion of these proposed changes near the end of the paragraph leaves a grammatically incorrect sentence. It is not clear why this text needs changing in the first place, but as long as the intent is retained, RC₃ has no objections to changes aimed at clarification or simplification.

Closing

As the Planning Commission is aware, a great deal of thought, effort, and compromise went into the development of CCC 11.98.290 in the years leading up to its promulgation in mid-2021. Clean-up of the code to clarify and provide further detail based on its implementation over the past few years, as well as removal of now-irrelevant portions of the code, is completely



appropriate. However, changes to the code affecting the actual structure and restrictiveness of the code should only be undertaken to correct verified flaws in its effectiveness. As noted in the comments herein, RC₃ strongly objects to any proposed changes that reduce the protections which the code provides to residents and neighborhoods, and to changes which would weaken the intended protections, as stated in the Purpose section (CCC 11.88.290(1)); e.g.:

Where excess rental units exist in residential communities, it has been shown to be detrimental to the affordable residential housing inventory and adversely affect the residential character of those neighborhoods.

and

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 nuisance impact of short-term rentals on adjacent residences and by minimizing the detrimental impact of excessive short-term rentals on the affordable housing supply.

Thanks for your serious consideration of our comments. Please contact us with any questions at info@coalitionofchelancounty.org.

Sincerely,

Board of Directors
Residents Coalition of Chelan County (RC₃)

cc: Deanna Walter – Director, Chelan County Community Development

August 27, 2024

Short Term Rental Alliance of Chelan County
PO Box 321
Leavenworth, WA 98826
Info@straccwa.org

Comments for the Chelan County Planning Commission Meeting Aug 28, 2024

Dear Commissioners,

The Short Term Rental Alliance of Chelan County (STRACC) appreciates the opportunity to comment on the revisions to the STR code that are currently under consideration. Below, we briefly summarize our perspectives on several issues in the code, and we look forward to engaging further as this process proceeds.

Excluding infants under 24 months from two-per-bedroom occupancy limit.

STRACC welcomes this proposed change, which would make Chelan County's code more consistent with that of peer jurisdictions and with the practices of leading booking platforms. Booking platforms including Airbnb do not count infants under 24 months as guests at the time of booking. As such, STR operators in Chelan County are placed in an awkward position of cancelling reservations, issuing refunds, and forcing guests to rebook elsewhere upon learning that a guest made a reservation that includes infants under 24 months. There is no evidence that this industry-standard practice of omitting infants from guest limits has caused problems with noise, parking, or septic systems in peer jurisdictions.

Changing Tier 1 to include a manager or operator on site.

This change would increase opportunities to develop parcels with a long-term renter in one unit serving as an on-site manager for an STR, incentivizing more rental housing development and allowing for creative arrangements for on-site managers to defray their rent costs.

Language in 3(A)(ii) on page 29 of the PC's August 28 packet seems to require owner to live on site, which contradicts earlier language opening up Tier 1's to include owners, managers, and operators on site. It may be intended to apply only to parcels with multiple dwelling units, but could be interpreted to apply to any parcel. The intention of this passage should be clarified.

Replacing self-certification with mandatory annual inspections.

STRACC opposes this change, which will impose significant time and monetary costs on owners with little benefit. There is no evidence that there is currently a problem with false reporting or safety issues. Homeowners, STR operators, and insurance companies are well aware of liabilities and are adequately incentivized to address issues in self-certification.

Requiring proof of paying sales tax and lodging tax annually at time of renewal.

STRACC believes this change is unlikely to achieve any real benefit, but it is going to impose compliance costs on operators. Most STR bookings are made through platforms such as VRBO and Airbnb, which collect and remit sales and lodging taxes on behalf of operators. Larger property management companies also take direct bookings, and are already required by state law to pay all applicable taxes. Requiring documentation of taxes paid will force owners to compile documentation from across multiple platforms, but is unlikely to increase tax collections. The Department of Revenue is competent to ensure collection of sales and lodging taxes, and enforcement is best left to them.

Changes to parking rules.

STRACC welcomes the removal of the requirement that parking not be located in a setback. This change will hold STRs to the same standards as other home owners in this regard.

STRACC is concerned that the language defining “vehicles” may be too broad as written. It could be interpreted to count a truck towing a trailer with two personal watercraft on it as 4 vehicles.

STRACC encourages allowing property managers to establish site-specific parking limits, and to clearly communicate these to guests. A single vehicle can easily accommodate 4 or even 6 guests. The requirement of one parking space per two guests encourages additional traffic on highways and roads in our county.

Replacing discretionary hardship exemption for late permit renewal applications with progressive late fees and delayed issuance.

This is a reasonable proposal that STRACC believes would be better than the status quo for both owners and CD staff.

Changing cap percentages.

STRACC recognizes that a cap on STRs was central to the Task Force agreement. However, it has become clear that STRs are not uniformly distributed around the county. STRACC recommends applying a 6% cap at the county level, rather than separately within ZIP codes and subareas. Under such a system, only the countywide STR percentage would be used to determine whether new STR permits can be issued.

If ZIP code and subarea caps are retained, STRACC recommends increasing the caps in the Leavenworth ZIP code to 9% in return for reducing the Manson cap from 9% to 6%. This would bring the Leavenworth area cap into line with current STR counts, which represent more than a 60% reduction from 2020 levels.

Signage Rules

STRACC believes the requirements for signs to be permanent, weatherproof, and reflective to be excessive. Most STR operators have spent hundreds of dollars per property on new signs since the code was adopted. Changing the requirements now will require them to spend even more to replace functional signs.

Additional Land Use Permits

4(C)(i) on p. 37 states that operating an STR requires an STR permit “and, in some cases, an additional land use permit.” It is not clear what additional permits this is referring to. STRACC would like to better understand the implications of this language for STR operators.

Cleaning up language relating to existing nonconforming STRs.

STRACC appreciates the effort to clean up the code by removing sections that are no longer relevant. However, before this is done, we would like to ensure that removal of this language cannot be later construed to remove the right to continued operation for existing nonconforming STRs that were in operations before the original code was adopted.

Thank you for your consideration.

Board of Directors
Short Term Rental Alliance of Chelan County

From: Mark Kirshner <markkirshner@windermere.com>
Sent: Tuesday, August 27, 2024 11:51 AM
To: Tiffany Gering <Tiffany.Gering@CO.CHELAN.WA.US>
Subject: RE: STR Regulations

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

Good morning Tiffany,

Thank you for sending this my way. I read through it and I like a lot of the changes. I don't see any changes that would materially change our situation. Under the renewal section of this proposal, I would like to add the following **verbiage**:

annually by October 31st of the preceding year.

(a) At their discretion the director may, upon showing of a hardship reason for applicant's delay, accept permit renewal applications received after October 31st but before December 31st of the same year and may assess double the normal fees for permitting, Annual renewal applications will be considered on time if received between September 1 – October 31 each year. Renewal applications received between November 1 – November 30 will be considered late, and will pay a late fee of \$--- in addition to the renewal fee. Renewal applications received between December 1 – December 31 will be considered late, and will pay a late fee of \$--- in addition to the renewal fee. Late renewals will be processed, but provided the short-term rental may not continue operation past December 31st until the permit application is approved and a permit issued, and renewal approval is not guaranteed. This applies to all permit tier levels.

Upon adoption of this change, the Planning Director shall notify, within 60 days, previous STR permit holders who lost eligibility for a renewal because of their late submission, that they may re-apply for an STR permit under the framework of this change of regulation. The applicant is responsible to meet all other requirements of the STR code.

Mark Kirshner

Managing Broker

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Cindy Wright

From: innkeeper@cashmeremountainbandb.com
Sent: Sunday, August 25, 2024 11:38 AM
To: CD Comment
Subject: Regulation Change Meeting

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

I am sending this email with regard to the upcoming meeting on August 28th to address changes to the current STR regulations.

I am opposed to any changes in the STR code that would result in an increase in the number of STRs in the County.

Hours and hours were spent on adopting the current regulations with many concessions made on both sides that have been working very well, so why would we feel the need to go over this again!

I am opposed to any change in the 6% cap on the number of STRs.

More homes are now open for locals to purchase, prices of homes have steadied and people have been able to enjoy their own neighborhoods and actually have neighbors that are local and live in the community. A vacation rental next to us sold due to the regulations and we have finally got our neighborhood/community back enjoying each other, the quiet etc that goes along with living in a community with locals and not mostly vacation rentals.

We have friends that were forced to sell their home moving to Wenatchee a few years prior to the new regulations going into effect because their neighborhood off Icicle Rd was primarily vacation rentals making it miserable to live there with all of the noise, renters parking and driving on their property constantly and even having an illegal bonfire in the backyard next door in August among all of the trees the line properties. They even purchased sound proof windows to help. It went on and on. They were constantly policing renters and couldn't take it anymore!

We talked to another friend that had all vacation rentals surrounding his home on East Leavenworth Road just the other day. He was thrilled that finally enforcement has shut those down with all of the cars coming and going at all hours of the night along with noise and parties, garbage all over the side of the road, etc. Three of the houses completely ignored the regulations and only recently have been shut down! This is the attitude of some of these owners!

I am also opposed to changing the rule which requires Tier 1 rentals to be owner occupied!! This would allow investors to buy up even more homes in the county that would not be managed by the owners living on the property. When owners live on the property, it eliminates noise and other abuses by vacation renters. I own Cashmere Mountain Bed & Breakfast. Clearly having us on the property monitoring our guests helps our quiet neighborhood community off North Road. When we had a non owner occupied vacation rental next door, cars were speeding up and down our road and up our private single lane road with blind corners making it dangerous for all of us especially with small children at play.

I am opposed to excluding anyone from the head count. The number of people at the vacation rental should include all ages. Who will regulate if a child is actually two and under allowing more people at the rental that could be older?

Please keep the regulations that are now in place. They work and there is no reason to change something that is working great for our county! Why would the county go backwards when cities and towns all over the world (Barcelona recently) are placing strong regulations on short term rentals to take back their communities.

Thank you for your consideration,

Rochelle Shugrue
10300 Suncrest Drive
Leavenworth, WA 98826
509-548-2382

Cindy Wright

From: Barbara Rossing <brossing@lstc.edu>
Sent: Monday, August 26, 2024 9:36 AM
To: CD Comment
Subject: Oppose changes to Short Term Rental Code

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

Dear Planning Commission and Commissioners

I am so disheartened to hear that changes are again being proposed to the Short Term Rental Code. It's like the movie Groundhog Day: we had these exact same debates 3 years ago!

STR businesses and organizations keep trying the same tactics to erode the Code's protections, over and over, in order to make more money-- at the expense of residents.

Here is the history, as you recall:

The current 2021 Code was a compromise arrived at after much debate, for two years, including many trade-offs that favored STRs.

The 6 % percent cap was a trade-off in exchange for grandfathering most existing rentals. That is the reason we have so many STRs in the Leavenworth zone-- they were most all grandfathered in!

The rule including all infants and children in the occupancy limits was agreed on in a bitter trade-off for occupancy limits higher than residents favored. (Tier 1 limit of 8 renters was higher than we wanted.)

The absence of a cap for Tier 1's (they are not subject to the 6% density cap, so we have seen a proliferation of Tier 1's in neighborhoods that exceed the 6% cap) was a trade-off for **owner being required to live on site**, in residence, during any rental.

Please do not change the Code!

1. I oppose any changes in the STR code that would result in an increase in the number of STRs in residential zones where the 6% cap has been exceeded. Leavenworth, Chelan, Plain, and Manson have enough STRs already-- in fact, too many, because of the grandfathered STRs that increase our percentages far above the 6%. Commercial Zones, which do not have a cap, is where more STRs belong, since they are commercial businesses. Residential zones are for residents. We already have a housing crisis. More STRs will only make the housing crisis worse for residents and our children. Already, unlimited numbers of Tier 1's are being built... But at least there is a density cap on Tiers 2 and 3.
2. Do not change the 6% density cap. We need it. I hope we will go down to that percentage within my lifetime, but that would mean developers need to build more housing for long-term residents. A dream!
3. Do not change the rule which requires Tier 1 rentals to be **owner** -occupied. The purpose of the Tier 1 classification was to allow homeowners to rent out an a mother-in-law apartment or ADU so that they could earn modest additional income to help them to afford their homes. It was not intended to allow investors to buy up more homes in Chelan County. Already we have too many Tier 1's where the owner supposedly lives in the ADU and rents out the larger house as an STR. But at least the owner must reside on site, in their own HOME. That rule is crucial. Otherwise we will many more see absentee-owner Tier 1's built as a way to evade the 6% cap!
4. Do not exclude children under two from the head count for occupancy limits. The current occupancy limits are already high. Why make any change that will result in even more children and adults in short term rentals? Is 16 persons plus infants and small children normal in a residential zone?-- NO. These STRs already make so much more noise than residents. Increasing occupancy limits by not counting young children would only make that noise worse.

Thankfully, things are better for neighbors since the new Code was adopted, but not perfect. For example, improvements include:

- The gigantic 8-bedroom STR "lodge" next to us can now only rent to 16, including children under age 2. (Before the Code, they advertised renting to 24!) We were sad the County allowed them a Tier 3 permit, since East Leavenworth Rd is not a "highway." But at least they can only rent to 16, and that number must include infants and children, no matter what age children.
- One of the Tier 2's across the street from us is still too noisy; but thankfully with the Code they are only allowed to rent to ONE large group, two noisy groups on separate floors of the duplex.
- The new Tier 1 house across the street rents to party groups that keep lights and noise at a much higher level than normal neighbors. But at least the owner is required to be on site during the parties.

Please do not succumb to pressure to change the Code in favor of STR owners or developers who want more and larger STRs. Let them build them in Commercial Zones, not residential zones.

The County should care about residents. Housing for residents is the primary purpose of residential zones. We have a housing crisis. Relaxing the Code would only make the housing crisis worse.

I am discouraged and disheartened that the County is proposing such drastic changes in an ordinance that the community fought so hard to put in place. Why go backwards now? Is it just for MONEY?

Is it Groundhog Day?

Thank you,

Barbara Rossing, 7785 E. Leavenworth Rd

Cindy Wright

From: The RPM Group <info@therpmgroup.net>
Sent: Tuesday, August 27, 2024 11:28 AM
To: CD Comment
Subject: Planning Commission Comments

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

Chelan County Community Development,

I am writing to respectfully request your consideration in amending the current short-term rental occupancy code, specifically the provision that includes children under the age of two in the total occupancy count. While I fully support the County's efforts to regulate short-term rentals in order to maintain neighborhood tranquility and protect infrastructure, I believe this aspect of the code may not serve its intended purpose and could be revised for greater fairness and practicality.

Reason for Request

The current code, as written, applies the occupancy limit uniformly to all individuals, including infants and toddlers under two years old. This interpretation does not align with the primary concerns that the code was designed to address noise levels, unauthorized parking, and strain on septic systems.

Allow me to elaborate:

1. **Noise Control:** Children under two years old, by nature, are not significant contributors to noise that would disturb neighbors. Their inclusion in the occupancy cap is unlikely to prevent or mitigate noise issues within a neighborhood.
2. **Parking:** Infants do not contribute to parking demands, as they do not require vehicles. The current code's inclusion of children under two in the occupancy count does not alleviate potential parking concerns.
3. **Septic System Capacity:** The waste generated by children under two is minimal compared to that of older children and adults. Their impact on septic systems is negligible and does not justify their inclusion in the occupancy count.

Proposed Amendment

To better align the code with its original intent, I propose that the county amend the short-term rental occupancy regulations to exclude children under the age of two from the total occupancy count. This change would maintain the integrity of the county's regulations while offering a more practical approach for families who wish to stay in our community.

Supporting Evidence

Many other jurisdictions have adopted similar provisions, recognizing that infants do not contribute significantly to the issues the regulations are designed to address. These amendments have been implemented successfully without negative consequences, providing a fair and balanced approach to occupancy limits.

Conclusion

Amending the code in this way will not only address the practical concerns mentioned above but also ensure that families with young children are not unfairly penalized when seeking to enjoy short-term

accommodations in our county. This change will help strike a balance between preserving community standards and allowing responsible use of short-term rentals.

Thank you for your time and consideration of this request. I am confident that this small but meaningful adjustment will benefit both the residents and visitors of our county.

Sincerely,

Sean Reid

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Web: www.VacayinWA.com

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Cindy Wright

From: Lehren <lehrenllc@gmail.com>
Sent: Wednesday, August 28, 2024 12:08 AM
To: CD Comment
Subject: Regulatory updates on STR code

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

Dear Members of the Chelan County Planning Commission,

I am writing to respectfully urge you to reconsider the current and proposed regulations on short-term rentals (STRs) in Chelan County. While I understand the need for thoughtful regulation in our community, I believe that overly restrictive policies could lead to unintended consequences, including potential legal action from those affected. These restrictions not only undermine the rights of property owners but also put the county at risk of lawsuits, which could be both costly and time-consuming.

Restrictive policies have a history of sparking legal battles, especially when they disproportionately affect certain groups of property owners, such as those who rely on rental income. By limiting STRs, the county may inadvertently open itself up to claims that property rights are being unfairly curtailed. This can be particularly problematic when owners have made significant investments in their properties with the expectation that they could rent them out as part of their financial planning. Without offering reasonable alternatives or providing sufficient avenues for STR owners to remain in compliance, the county could face legal challenges that claim economic harm or property devaluation.

Additionally, short-term rentals play an essential role in supporting tourism in Chelan County, particularly in beloved towns like Leavenworth. Restricting STRs could have far-reaching economic consequences that extend beyond property owners, affecting local businesses, restaurants, and even tax revenues that rely on visitors who stay in these rentals. This is not a matter of one industry suffering; it is about the broader economic ecosystem of Chelan County, which has long been buoyed by the steady influx of tourists.

Leavenworth, Washington, is a prime example of how short-term rentals have enhanced the local economy while allowing visitors to experience the unique charm of the area. People flock to Leavenworth for its distinct Bavarian architecture, vibrant festivals, and scenic beauty. The town is more than just a destination—it offers an immersive cultural experience, where visitors can enjoy everything from authentic German cuisine to holiday markets and outdoor recreation. Short-term rentals provide an affordable and accessible option for families, couples, and tourists looking for a home-like setting where they can relax and fully engage with the area.

For many travelers, staying in a short-term rental is the preferred way to experience Leavenworth, offering an intimate connection with the community that traditional hotels cannot replicate. These rentals allow guests to be part of the town's unique culture, often nestled in charming neighborhoods that showcase the natural beauty of the region. Whether visiting for the annual Christmas Lighting Festival, Oktoberfest, or just to enjoy the majestic Cascade Mountains, short-term rentals offer flexibility and comfort that enhance the visitor experience.

Beyond its aesthetic and cultural draw, Leavenworth is a gateway to outdoor adventures like hiking, river rafting, skiing, and wine tasting in the nearby Wenatchee Valley. With such a diverse range of activities, visitors often seek out STRs for longer stays where they can enjoy both the festive town atmosphere and the surrounding wilderness. Limiting the availability of these accommodations could deter tourism, leading to a potential drop in visitor numbers and a subsequent decline in local business revenues. This would affect not only the property owners but also the community at large.

In closing, I urge the Planning Commission to carefully evaluate the long-term effects of its policies on short-term rentals. While regulation is necessary, it must be balanced to protect both the rights of property owners and the vibrancy of Chelan County's tourism-driven economy. Overly restrictive measures could result in legal challenges and harm to the local economy—outcomes that I believe are avoidable with thoughtful reconsideration.

Thank you for your time and attention to this matter. I am confident that with a balanced approach, we can preserve the unique character of Leavenworth and Chelan County while ensuring that our local economy remains strong and inclusive for all.

Sincerely,

Kelly Ambrosian

Cindy Wright

From: Anika Ryka <anikaryka@gmail.com>
Sent: Wednesday, August 28, 2024 12:34 AM
To: CD Comment
Subject: Letter from Jackson on 6% cap and county discrimination

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

To Planning Commissioners,

It has become abundantly clear that the current short-term rental (STR) regulations in Chelan County are not only overly restrictive, but they are actively harming property owners, local businesses, and the very economy that tourism has long supported. The burdensome and rigid rules, including the arbitrary 6% cap by zip code, have resulted in unnecessary limitations on property owners' rights, while other residents who contribute far greater strain to local infrastructure are not held to the same standard. This disparity is both unjust and unacceptable.

The 6% cap per zip code is a blunt instrument that punishes responsible property owners and stifles the tourism industry. Tourism is one of the cornerstones of Chelan County's economy, and short-term rentals are a crucial part of that industry. Why is the county imposing arbitrary limits on a vital economic driver? This cap is choking local growth and causing harm to small businesses that depend on the steady influx of tourists. Furthermore, the cap completely disregards the fact that different areas within the same zip code have drastically different needs and tourism demands.

Additionally, your current enforcement practices regarding septic limitations for STRs are hypocritical at best and discriminatory at worst. Short-term rental owners are being unfairly targeted for occupancy limits based on septic system capacity, while full-time residents and long-term renters regularly exceed those same limits without any enforcement. How is it fair to penalize property owners who rent to short-term guests for a few days, while year-round residents or long-term renters—who place a far greater strain on septic systems—go completely unchecked? The double standard is glaring and must be addressed.

On top of this, the county's decision to hire significant code enforcement personnel and deploy an online surveillance agency to "spy" on STR owners is nothing short of government overreach. It's an affront to personal privacy and property rights, creating a hostile environment where property owners are unfairly surveilled and penalized. The level of enforcement being applied to STRs is disproportionate and extreme, bordering on harassment. It is offensive that the county has chosen to treat STR owners as though they are criminals when they are simply trying to participate in the local economy.

The message is clear: Chelan County is unfairly targeting STR owners while ignoring other residents who are doing more harm to local infrastructure. This treatment is not only harmful but utterly unjust. It is time for Chelan County to

wake up and recognize that these regulations are causing more damage than good. The current code must be overhauled immediately.

I demand that the 6% cap by zip code be removed, and that enforcement of septic limits be applied equally across all homeowners—both STR and non-STR. Furthermore, the county needs to reduce its reliance on invasive surveillance practices and overbearing code enforcement. The path you are on will result in likely more lawsuits if Chelan County continues to treat STR owners as scapegoats for every community issue.

I strongly urge you to take immediate action to reduce these harmful regulations before more damage is done to property owners and the local economy.

Form:

Jackson & Anika Ryka

Cindy Wright

From: Joni Fisher <jonimfisher@msn.com>
Sent: Wednesday, August 28, 2024 11:09 AM
To: CD Comment
Subject: STR Comments

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

Hello Commissioners,

I would like to send in a couple comments on the proposed STR Code changes.

1. Not counting kids 2 and under would be a huge improvement.
 - a. One to align with most other jurisdictions and platforms
 - b. More importantly, families are the best renters. Asleep early, no wild parties. I love to see the multi-generational renters, it's a great memory making experience, introduces kids to the wonders of Chelan County and are the best repeat customers.
2. Allowing "Renter/Care Taker" to manager Tier 1's would be a huge benefit to Chelan County tourism and affordable housing, just think if some of the current ADU's and potentially new ADU's could be renter to local residents at a discounted rate, Win Win. The current rule is just meant to make it harder to have an STR, this is a win for RUN but isn't a win for most of the residents of Chelan County.
3. Is there an issue with the current signage requirements we are trying to solve here or just add another burden? Do we really need glowing permanent signs on our homes, this is intrusive to the neighborhood appeal and neighbors. We aren't trying to make the neighborhoods look or feel like commercial zones, why does the county want or need this? This shouldn't be any more of a safety issue for fire, 911 then any other residence.
4. STR's and Resident homes should be treated equally in the rules for parking... these parking rules were just used as another way to shut down some STR's. Not due to actually issues or fairly enforcing these requirements for all.
5. Why are we revisiting the Manson UGA percentage, with the 200FT limit, Manson is unlikely to hit the 9% limit. It was negotiated and agreed to by the representative from the Mason Community counsel. We can also clearly see by the current percentages in the UGA, this 9% caps is not causing an issue or explosion in STR's.
6. Why is this needed, have there been issues? Eliminates self-certification checklist and instead requires annual inspections for "life-safety and applicable short-term rental or conditional land use permit standards." No evidence there's a problem with false reporting or safety issues, but there will be a lot of headaches, money and time for owners, CD and the fire marshal to deal with scheduling and reporting inspections. Likely an additional inspection fee to be added to already-increasing permit fees
7. This is nearly impossible for an STR to do, most of the homes are on sites that collect and pay the taxes on our behalf. We have already tried this and determined this is not feasible. There could be a few bad actor's out there but there is slim minority. Contrary to popular belief most STR owners do Love and Care about Chelan County and do the right/legal thing.
8. Replaces discretionary hardship exemption for late permit renewal applications with late fees (amount TBD), and no commitment to process them on time: This 100% should be changed, having one person get to decided what is and isn't a hard ship, and a person who is anti-STR is not a good process. Fine the late renewals with double permit fee fine and they will be on time the next year. There should be some commitment on processing the renewals, CD must have some guidelines spelled out in this, or they are let them linger indefinitely. Arbitrary decisions should not be allowed.

9. Please don't change the transfer requirements to include changes required due to divorce or death of one or both owners. Sure if the house is sold, that makes sense but this is just trying to make it more difficult for the current owners.
10. Although not listed... requiring a land line in all STR's is antiquated technology and not really solving any safety issues. If a home doesn't have cell service maybe they should be required but 90+ % of the houses do have cell coverage. This has just been a big when for Local Tel, other providers and tax authorities. There are pretty high taxes on a land line. My phone has cost me 1K so far in two years, has rang 5 times and appears to have had 10 out going calls.

Sincerely,
Joni Fisher

Cindy Wright

From: Residents Coalition of Chelan County <info@coalitionofchelancounty.org>
Sent: Friday, August 23, 2024 12:03 PM
To: CD Comment
Cc: Deanna C. Walter; Kirsten Ryles
Subject: Comments on Proposed Changes to Short Term Rental Code
Attachments: RC3 Letter to PC for Aug 28 Hearing (8_23_24).pdf

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

Dear Planning Commissioners,

Our comments on the proposed changes to Section 11.88.290 – Short Term Rental Code are attached.

Sincerely,

Board of Directors
Residents Coalition of Chelan County (RC3)

Cindy Wright

From: Barbee Teasley <beeteasley@gmail.com>
Sent: Friday, August 23, 2024 1:02 PM
To: CD Comment
Subject: STR Code

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

Planning Commission -

Who were you elected to represent? The 90% of the STR owners who don't even live in Chelan county, or those of us who do live here? The idea that changes to the STR policy are even up for review so soon after the last go round is preposterous. the Residents have spoken and worked to achieve a compromise. And now it's open up for revision again?!

- We need a decrease in the number of STRs, not an increase. Make policies that support that goal
- Make sure Tier 1 rentals continue to require an owner in place. AN OWNER THAT LIVES HERE
- How can babies suddenly NOT be people? Don't they use water, take space, use the septic systems etc etc just like any human? What a shameless scam.

It IS possible to go too far in bringing in tourists. I offer you this article as proof.



'The Demand Is Unstoppable': Can Barcelona Survive Mass Tourism? (Gift Article)
nytimes.com

Let's keep Chelan County Commissioners serving the actual citizens of our county, and not the STR owners whose only goal is making more money that does not stay in the county.

Barbee Teasley
9510 Eagle Creek Rd
Leavenworth, WA 98826
509-881-7674

Cindy Wright

From: Mimi Reid <mimi@2reids.com>
Sent: Friday, August 23, 2024 1:19 PM
To: CD Comment
Subject: Chelan County STR proposed changes

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

Dear County Commissioner,

1. I am opposed to any changes in the STR code that would result in an increase in the number of STRs in the County. Let them know that we have a housing crisis and that our housing stock must be preserved for the residents who need homes.
2. I am opposed to any change in the 6% cap on the number of STRs.
3. I am opposed to changing the rule which requires Tier 1 rentals to be owner occupied. The purpose of the Tier 1 classification was to allow homeowners to rent out an accessory dwelling unit or basement apartment so that they could realize some additional income to help them to afford their homes. It was not intended to allow investors to buy up more homes in Chelan County.
4. I am opposed to excluding children under two from the head count for occupancy limits. This change will result in more older children and adults in short term rentals.

Please keep the STRs as they are for local residents.

Thank you,

Mimi Reid
17751 N Shore Dr.
Leavenworth, WA

Cindy Wright

From: Inmusick@gmail.com
Sent: Friday, August 23, 2024 1:49 PM
To: CD Comment
Subject: STR changes

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

To whom it may concern,

My name is Lauren Musick and I have been a resident of Leavenworth for the past 12 years. We've chosen to start a family here and are frustrated to hear about the proposed short term rental changes. We are already facing a housing crisis for our local community and these changes put long term rentals and the housing supply in general at risk. We need homes for people who live and work in our community like teachers, nurses, and firefighters.

There should be no change on the 6% cap for STRs. Additionally eliminating the on site homeowner requirement for tier one rentals is only going to lead to more properties becoming STRs and taking valuable housing away from our local community. We want to raise our son in community full of people who can live and work here, not not a community destroyed by over tourism. Please support our local community and do not change the current short term rental code.

Thanks,
Lauren Musick
211 Cherry st, Leavenworth

Sent from my iPhone

Cindy Wright

From: Sandra Phenning <sandra.phenning@gmail.com>
Sent: Friday, August 23, 2024 1:50 PM
To: CD Comment
Subject: Proposed STR Changes

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

Dear Chelan County Planning Commission ,

We live in the midst of many STR's. We have voiced concerns and supported the changes that were made in 2021. Those changes improved many of the ongoing noise, trash, and trespassing issues we have with STR's. But did not eliminate them.

We oppose any relaxing of those codes, as there are still issues with having STR's in our residential area. We continue to have trash pulled onto our property by bears when STR guests do not secure their garbage. We have people walking through our property to take advantage of better views or sledding hills than where they rented. We have late night noise issues not always solved by calling the property manager. Several of the STR's still don't have signs with the manager's number. We have requested the required sign from both the property managers and filed complaints with Code Enforcement, but still no sign.

We also have adult children that have been unable to find housing, either a rental or home to purchase, because the extreme profitability of STR's has priced young families right out of the market. They cannot compete with commercial income property prices/rents.

The newly instituted cap is important and should NOT be adjusted down. With it, we may have finally have a chance to reestablish a more residential neighborhood in many of our local areas.

The biggest change we always see in an STR is when the owners are onsite. The guests are always so much better behaved and any problems are easy to fix when we are dealing with a neighbor, not an investor or property management firm. I wish ALL tiers had that requirement.

Finally, we have had problems with STR's when they do not count small children in the capacity. Often, they will cram a home with young families, stash the kids at the house with a sitter, and the adults go out. This has the double whammy of kids running amuck in the area and inebriated parents noisily arriving back in the wee hours of the morning.

Please continue to listen and consider the communities, neighborhoods, and individuals impacted by the business of STR's dropped in our midst.

Thank you,
Sandra Phenning

*The most difficult thing is the decision to act;
the rest is merely tenacity.*
—Amelia Earhart

Cindy Wright

From: Elizabeth McIndoe <mcindoeeliz14@gmail.com>
Sent: Friday, August 23, 2024 2:22 PM
To: CD Comment
Subject: STRs in Chelan County

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

I am writing to vehemently oppose any changes to the STR code now in place in Chelan County.

This code was adopted, finally, after a hard fought campaign, following the rules set for such changes in the county, and after many hours of debate, conversation and tedious work from those close to the process. The communities spoke of their fears, the lack of housing for those that work hard to be here, the degeneration of local neighborhoods where our children grow up, and the residents demanded that commercial tourist lodging be kept in commercial districts.

I am opposed to any changes in the STR code that would result in an increase in the number of STRs in the County. Let them know that we have a housing crisis and that our housing stock must be preserved for the residents who need homes.

I am opposed to any change in the 6% cap on the number of STRs.

I am opposed to changing the rule which requires Tier 1 rentals to be owner occupied. The purpose of the Tier 1 classification was to allow homeowners to rent out an accessory dwelling unit or basement apartment so that they could realize some additional income to help them to afford their homes. It was not intended to allow investors to buy up more homes in Chelan County.

I am opposed to excluding children under two from the head count for occupancy limits. This change will result in more older children and adults in short term rentals.

Please LISTEN to your constituents and residents. The quality of life for all is at stake.

Betsy McIndoe
Chelan County resident

Cindy Wright

From: Jenny Copson <jennycopson@hotmail.com>
Sent: Friday, August 23, 2024 2:25 PM
To: CD Comment
Subject: No STR codes revisions!

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

To whom it may concern,

I oppose any modifications to the STR code that would lead to an increase in short-term rentals (STRs) within the County. Given our housing crisis, it's crucial to preserve our housing stock for residents in need of homes. I am against altering the 6% cap on STRs and am also against the amendment that would no longer require Tier 1 rentals to be owner-occupied. The Tier 1 category was designed to enable homeowners to earn additional income by renting out accessory units or basement apartments, aiding them in affording their homes, not for investors to acquire more properties in Chelan County. Additionally, I oppose the proposal to not include children under two in the occupancy count, as this could lead to an increase in the number of older children and adults staying in short-term rentals.

Do not revised the STR codes! Chelan county is a special place, please protect it and help us keep our amazing communities intact.

Thanks,

Jennifer Copson
(Leavenworth fulltime resident)

Cindy Wright

From: Gary Phenning <im4leroy@gmail.com>
Sent: Friday, August 23, 2024 2:48 PM
To: CD Comment
Subject: Short Term Rental

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

In 2021 after a long and contentious struggle, specific codes were finally established for STRs. It is my understanding that now there are revisions that loosen the restrictions for STRs being considered. I am opposed to any increase in the number of STRs in this county. In the Leavenworth area we have many STRs already that frequently operate in violation of these codes. Reporting STR violations to the county results in no response at the violating site and the county office saying they don't have the manpower to enforce these reports. Fix the county infrastructure first and let those with the STRs pay for it.

Increasing the 6% cap is a horrible idea. With the current cap in place neighborhoods are already diluted where many of the homes are not full time residents who have no vested interest in keeping a neighborhood up. They do the bare minimum to only facilitate the next rental. You need only to look at other tourist-based towns that have let the STR volume go unchecked to see the negative results. Do not let investors push the idea that it won't be like that here. It will.

When you live in neighborhoods with Tier 1 STRs, they are the only ones with a vested interest in helping maintain a neighborhood. That is only due to the fact that the owner is living on site and available to monitor renters and maintain upkeep. I am for letting homeowners rent out space in their homes that they live in for their personal income but am opposed to removing the owner occupied requirement.

Leave the occupancy limits as they are. Children are people and should not be excluded in the occupancy limits even if they are under the age of two.

Thank you

Gary Phenning
Leavenworth

Cindy Wright

From: paul zuleta <pzexperience@gmail.com>
Sent: Friday, August 23, 2024 2:55 PM
To: CD Comment
Subject: STR rules

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

Hi there,

I strongly feel there should be a friends and family exemption for STRs. We want to share our place with close friends and family. Doing so thru a short term rental platform provides a lot of benefits.

Please add friends and family exemption.

Thank you,

Chelan County Homeowner
Paul

Cindy Wright

From: Patty <pattymmhebert@gmail.com>
Sent: Friday, August 23, 2024 3:14 PM
To: CD Comment
Subject: Oppose STR PROPOSED changes

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

As a Chelan county resident impacted by illegal STRs, I'm against any proposed changes that would result in an increase in the number of STRs in the County. Concerned citizens spent countless hours proving the need for these regulations to protect the quality of Chelan Co neighborhoods. We have a housing crisis and our housing stock must be preserved for the residents who need homes. I'm opposed to any change in the 6% cap on the number of STRs.

I'm opposed to changing the rule which requires Tier 1 rentals to be owner occupied. The purpose of the Tier 1 classification was to allow homeowners to rent out an accessory dwelling unit or basement apartment so that they could realize some additional income to help them to afford their homes. It was not intended to allow investors to buy up more homes in Chelan County.

I'm opposed to excluding children under two from the head count for occupancy limits. This change will result in more older children and adults in short term rentals. Please do not end run the process that we faithfully adhered to let profiteers sacrifice our communities for financial gain. Respectfully, Patricia Hebert 542 Dempsey Rd, Leavenworth WA. Cell # 425-765-6729

Cindy Wright

From: Susan Dodge <susandodge46@gmail.com>
Sent: Friday, August 23, 2024 3:23 PM
To: CD Comment
Subject: STR

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

I am a resident of Chelan County and live on Mountain Home Road. I am 100% TOTALLY AGAINST changing the current STR codes!!! I have lived here since 1987 and have watched the many changes that have taken place in our County. It took a long time and a great deal of effort to draw up and pass the current codes (that haven't been in effect for very long) and now changes are being proposed??????? NO!

Susan Dodge

Cindy Wright

From: Laila Sharpe <laila.sharpe@gmail.com>
Sent: Friday, August 23, 2024 4:49 PM
To: CD Comment
Subject: STR ordinance

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

Dear Planning Commission,

We are opposed to making changes to the STR codes that were so earnestly worked for on behalf of our community. When we bought our home in Leavenworth there was one STR next door that we soon discovered was the “party house” with owners who live on the west side and are never around. Now we have four STRs around us and it diminishes the sense of neighborhood and community. It also becomes challenging for long term renters in need of housing. We’re losing our sense of neighborhood due to monetary greed, often to those who aren’t even part of the community. It’s bad enough as it is, so PLEASE do not change the 6% cap or requirement for owner occupied rentals. Let’s live in peace.

Thank you,
Laila Sharpe

Sent from my iPhone

Cindy Wright

From: jeff jeffconwell.com <jeff@jeffconwell.com>
Sent: Friday, August 23, 2024 5:22 PM
To: CD Comment
Subject: STR Code Changes

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

Members of The Chelan County Planning Commission-

I urge you in the strongest terms to remove STR opportunities in traditional neighborhoods where, without the thought or concern for the neighbors affected, these imposing businesses have been allowed to take root.

Two have been operating in my neighborhood for several years now. This neighborhood was created when this concept wasn't an idea, therefore NOT allowing them was not considered as part of the language of our CC&R's. Adding that language now is virtually impossible. So the rest of neighborhood suffers.

My wife & I turned our home into an STR with no intentions of ever renting. We did so just to create the barrier and prevent those right next to us from turning into an STR. What a thing the county has allowed that so dramatically infringes on the original intent of a quiet residential community. It's crazy we would have to resort to this type of action to preserve our existence at a residence we built 25 years ago. It shouldn't be this way.

Further, I stand opposed to the following:

1. I am opposed to any changes in the STR code that would result in an increase in the number of STRs in the County. housing crisis and that our housing stock must be preserved for the residents who need homes.
2. I am opposed to any change in the 6% cap on the number of STRs.
3. I am opposed to changing the rule which requires Tier 1 rentals to be owner occupied. The purpose of the Tier 1 classification was to allow homeowners to rent out an accessory dwelling unit or basement apartment so that they could realize some additional income to help them to afford their homes. It was not intended to allow investors to buy up more homes in Chelan County.
4. I am opposed to excluding children under two from the head count for occupancy limits. This change will result in more older children and adults in short term rentals.

I'm for STRs in communities DESIGNED for the opportunity. Wapato Point Resort, The Look Out are great examples of that opportunity. Thrusting this on residential neighborhoods is just wrong.

Many communities are aggressively limiting short term rentals. I'm bewildered by the county's actions given our severe housing crises and the fact that the vast majority of these STRS are owned by NON-RESIDENTS.

Respectfully submitted,

Jeff Conwell
Manson Resident
509-433-8300

Cindy Wright

From: Ed Martinez <edmar1960@gmail.com>
Sent: Friday, August 23, 2024 5:27 PM
To: CD Comment
Subject: Urgent: Preserve Chelan County's STR Code and Protect Our Community

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

Dear Chelan County Planning Commissioners,

I am writing to express my deep concern regarding the proposed changes to the Chelan County Short Term Rental (STR) code. As a resident who values the integrity and sustainability of our community, I urge you to reconsider these revisions that threaten our neighborhoods and housing availability.

The existing STR code, adopted in July 2021, was the result of extensive community involvement and significant investment of county resources. It provides essential controls on the location, number, and operation of STRs, ensuring that our residential areas remain vibrant and cohesive. The proposed changes, however, undermine these efforts and could have detrimental impacts on our community:

- **Removal of the 6% Cap**: Eliminating the cap on STRs would increase their presence in residential neighborhoods, exacerbating our housing crisis. It is crucial to preserve our housing stock for residents, not investors seeking to profit from our tourist economy.
- **Tier 1 Owner-Occupancy Requirement**: Allowing renters to manage Tier 1 STRs without owner occupancy diminishes neighborhood character and cohesion. Homeowners have a vested interest in maintaining community standards, which is not guaranteed with renter management.
- **Occupancy Count Exclusion for Children Under Two**: Excluding young children from occupancy limits could lead to overcrowding, as renters aim to maximize occupancy. This change could strain our neighborhoods and impact the quality of life for residents.

The county has already invested significant tax dollars in developing and implementing the current STR regulations. These rules were designed to balance the needs of residents with the economic benefits of tourism. Altering them now would not only waste these resources but also jeopardize the stability and future of our community.

I strongly oppose any changes that would increase the number of STRs, alter the 6% cap, or weaken the owner-occupancy requirement for Tier 1 rentals. I urge you to prioritize the needs of Chelan County residents and maintain the existing STR code.

Thank you for considering my concerns.

Sincerely,
Ed. Martinez
17055 N Shore Dr.
Leavenworth, WA 98826

Ph. 425 457 6266

Cindy Wright

From: Todd Doherty <tbd1030@outlook.com>
Sent: Saturday, August 24, 2024 7:42 AM
To: CD Comment
Cc: Tracey Doherty
Subject: Changes to STR Codes

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

Greetings,

Our family is very opposed to any changes in the STR code that would result in an increase in the number of STRs in the County. We have had very negative experiences with absentee owners of STRs that border our property. We are specifically opposed to any change in the 6% cap on the number of STRs, and changing the rule which requires Tier 1 rentals to be owner occupied.

Please do not sacrifice the well being of residents in the county for the economic benefit of those outside of it.

Kind Regards,

Todd Doherty
Leavenworth, WA
Home: 509.888.5889
Mobile: 510.390.4651
Tbd1030@outlook.com

Cindy Wright

From: Andy Day <andyday208@gmail.com>
Sent: Saturday, August 24, 2024 9:47 AM
To: CD Comment
Subject: Proposed changes to STR code

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

Members of the Planning Commission:

I was saddened to hear that after residents of our Chelan County worked so hard to establish limits on short-term rentals (STRs), that the County is proposing drastic changes that will negatively affect those who reside and vote in Chelan County. The negative impacts of STRs have not changed - reducing the supply of houses for residents and workers, more strangers in residential neighborhoods, and problems with parties and noise. Lightly regulated STRs can dramatically alter the fabric and livability of communities as evidenced by the experience of Sedona, AZ and many other communities around the world. Let's not go backwards!

To be specific, I encourage you join me in opposition to proposed changes to the STR code including:

-
-
- Limits
• on the numbers of STRs
-
-
-
- Any
• changes to the 6% cap on STRs.
-
-
- Requirement
• for rentals to be owner occupied.
-
-
- Excluding
• kids under two from the head count for occupancy limits.
-

The bottom line is, given the housing crisis we are in, we cannot afford to lose any more housing units to investors and people who are not planning to live here full time.

Thank you for your careful consideration of this critical issue.

Andy Day
340 Prospect St, C4

Cindy Wright

From: Aaron Hansen <hansen.a@me.com>
Sent: Saturday, August 24, 2024 10:15 AM
To: CD Comment
Subject: No STR code changes please

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

Hi,

Please maintain the current STR related code as is.

I'm opposed to any changes that would result in additional STR in the county. Building community starts at the neighborhood level. I've lived in places where I didn't know my neighbors and the lack of community was one of the major factors that lead us to move away. To that end, I'm specifically against any changes to the requirement that Tier 1 rentals are owner occupied.

There's already not enough affordable housing in our community. Please don't make the problem worse by allowing more STR's into our community.

Thank you,
Aaron Hansen

Cindy Wright

From: buford@tumwater.net
Sent: Saturday, August 24, 2024 10:22 AM
To: CD Comment
Subject: STR Rules

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

As a long-time resident (35 years) of Chelan County, I am adamantly opposed to ANY changes in the present STR rules. Adjacent to our property are two STRs - one is a tier 1 and the other is a tier 2. There have been no problems with the tier 1 property and just a few with the tier 2.

In short, nearby STRs have not been a major problem with the current rules. There are currently two tier 1, three tier 2, and one tier 3 STRs in our neighborhood. Since almost half of the homes in our neighborhood are second homes, I fear more would be converted to STRs if the rules were relaxed.

The current STR rules were adopted after much research and community involvement. As I wrote above, I am adamantly opposed to any changes in the current rules.

Buford Howell
509-433-1476

Cindy Wright

From: Tim Seaman <tkseaman@gmail.com>
Sent: Saturday, August 24, 2024 10:59 AM
To: CD Comment
Subject: Proposed Changes to the STR Codes

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

I cannot believe we are back dealing with STR's in the county. I am opposed to any changes to the codes that were hammered out previously. The 6% cap is appropriate and should be enforced. Landlord/owners Have to be present to keep some semblance of order and decency throughout our neighborhood. Every beating heart needs to be counted as an occupant because there is a limit to how much infrastructure is required for each and every beating heart.

Do your job and enforce the existing codes and quit looking for ways to get around them!

Cindy Wright

From: Gretchen Daiber <rocklady@tumwater.net>
Sent: Saturday, August 24, 2024 11:37 AM
To: CD Comment
Subject: STR changes

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

August 24, 2024

Attention:
Chelan County Board of Commissioners and the Community Development Department

As residents of Chelan County for thirty four years we have lived through many changes to our neighborhood. The most distressing and destructive of the changes are the result of the mostly unchecked tourist impact on our local community. Any changes to the STR code would only further degrade the quality of life and safety of full residents.

We need more housing to be available to residents not short term renters.

Do not change the 6% cap on STR numbers.

Keep Tier 1 as owner occupied rentals. We do not need outside investors owning more residences in the county. Children under two should continue to be part of the head count for occupancy. Toilets are still flushed for toddlers and more renters would be impacting our neighborhoods if the count is increased.

We live on a private road with four existing STRs and the added cars on our road already reduce our safety on our non county standard road. Exit from this road in case of a fire emergency and driving in winter conditions are concerns we already face with the tourists in our neighborhood. Please do not make our residential communities less livable.

Gretchen Daiber
1535 Dempsey Rd., Leavenworth

Cindy Wright

From: Tim Worcester <timwla@gmail.com>
Sent: Saturday, August 24, 2024 11:46 AM
To: CD Comment
Subject: Propose changes to the STR code regulations

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

I have recently been informed that there is another attempt to weaken the existing code regulations on the STR issue in Chelan County. I think the existing regulations are fair to both sides of the issue, and should not be changed. In particular:

I am opposed to any changes in the STR code that would result in an increase in the number of STRs in the County. Let them know that we have a housing crisis and that our housing stock must be preserved for the residents who need homes.!!!

I am opposed to any change in the 6% cap on the number of STRs.!!!!

I am opposed to changing the rule which requires Tier 1 rentals to be owner occupied. The purpose of the Tier 1 classification was to allow homeowners to rent out an accessory dwelling unit or basement apartment so that they could realize some additional income to help them to afford their homes. It was not intended to allow investors to buy up more homes in Chelan County.

I am opposed to excluding children under two from the head count for occupancy limits. This change will result in more older children and adults in short term rentals.

Please don't ruin this beautiful place for the sake of profiteering.

Tim and Jan Worcester

Sent from [Mail](#) for Windows

Cindy Wright

From: Brian Davis <sloopnarhval@msn.com>
Sent: Saturday, August 24, 2024 12:19 PM
To: CD Comment
Subject: STR changes

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

Please do not allow STRs to continue to degrade the peace and security of our neighborhoods. STRs are out of hand. I express my opposition to altering the 6% cap, the Tier 1 owner-occupancy rule, and excluding children under two years old from occupancy limits.

Quality of life before raw cash. Please listen.

Thank you

Brian Davis
2642 Cottonwood Ln
Leavenworth, Wa
98826

Cindy Wright

From: Sandy <sjd2944@comcast.net>
Sent: Saturday, August 24, 2024 12:57 PM
To: CD Comment
Subject: STR Changes

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

Commissioners:

Once again we are sitting across from one another, sizing each other up: money versus families.

It never fails to astonish me (silly me) how little people in power really take into account the importance of neighborhood and family. Truly amazing!

This latest attempt by Chelan County to loosen STR restrictions adopted in July of 2021, to the detriment of neighborhoods and families, is sad, unwise and shameful.

Point #1:

Removing the current 6% cap on STR is only your first step in allowing a free-for-all in all family neighborhoods in Chelan County. The traffic, noise and additional renters have no place in a neighborhood of families. Try and imagine only one permanent homeowner surrounded by an entirety of loud, obnoxious renters. Property values go down; stress goes up.

Point #2:

Are you all out of your freakin' minds?? Allowing the removal of Tier 1 requirements for owner occupied management is simply a sneaky and underhanded way of allowing property investors to buy up more housing and deny families from buying a home of their dreams. Disgusting.

Point #3:

This one is a beauty! Eliminating children under two from an occupancy head count. Have any of you EVER been to a "Chuck e Cheese" or other kids' birthday venue and had a hearing loss from the volume of screaming? Eliminating the "children under two" for a total renter count is ludicrous. I know this is shocking but children under two ARE considered people just about everywhere. So to dismiss this rule of inclusion is both laughable and intolerable, as well. Neighbors and resident homeowners have a right to expect some level of regulation. You would have me believe that 15 two year olds are no more noisy than one. Take a field trip to a day care and see for yourselves.

Lastly, I am totally opposed to ANY changes to STR policies in place currently. So tired of big business and (lack of a backbone on your part) pushing families and Chelan neighborhoods out. Start to care. It would be a nice change that I would support.

Sandy Duvall
140 Roses Lake Lane
Manson

Cindy Wright

From: BRIAN Shugrue <shugruebf@msn.com>
Sent: Saturday, August 24, 2024 1:19 PM
To: CD Comment
Subject: Proposed STR Regulation Changes - Public Comment Enclosed
Attachments: Chelan County August 28 PC Agenda Packet.pdf

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

Regarding the upcoming August 28 public hearing about the proposed changes to the STR regulations, I find it shocking and incredible for the County to consider any changes at all. The initial problems that had arisen as a result of inadequate regulations (destruction of neighborhoods, rapid increases in the pricing of real estate and the subsequent reduction of affordable housing and the overall degradation of quality of life as a result of overcrowding due to unregulated STR's) are once again being given a chance to resurface. Incredible.

Why is this even being considered? What is prompting these proposed changes?

The regulations have been working extremely well. Illegal STR operators have been uncovered and forced to cease and desist. As a result, the quality of life in neighborhoods has been improving due to the reduction of STR abuses (illegal parking, trespassing, overcrowding, excess trash, noise & light pollution, etc.).

Most important, real estate pricing has stopped it's constant rise thanks to these STR regulations. In the past, out-of-town speculators would snap up homes and turn them into STR's unabated by any County pressures. *That has stopped.* The 6% Cap has stopped the constant rise in real estate values and will allow them to drop down to reasonable levels that will eventually create affordable housing in our area once again. It takes time, but it IS happening.

So, why on Earth is the County even considering making any change here? This makes zero sense.

I am firmly against the removal of the 6% Cap. The Cap is what stopped the massive STR problem in its tracks. Opening the door for this to occur (and that is what these proposed changes will do) can and will lead to more STRs in residential neighborhoods once again. No way!!!

I am firmly against the proposed Tier 1 Rental Requirement Change. It would allow renters to manage the properties, not owners living on the property. This is also a giant leap backwards. The prior unregulated occupation of STR's by renters clearly proved that without onsite management, constant renter abuse occurs. This is a matter of record, and the County is clearly aware of these past abuses. Why then would anyone consider reopening this can of worms?

As far as changing the regulations for children, they make just as much noise (oftentimes more) than adults, and they are more prone than adults to wander and trespass on neighboring properties. I used to have an STR adjacent to my home, and this happened all the time. The question once again is why? Why is this change being considered? Keep the number of people in the STR properties limited as they currently are.

I am against ANY changes that can weaken the current STR regulations. Leave them alone. They are working well and are beginning to make life better for the residents of Chelan County.

Thank you.

Brian Shugrue, Innkeeper

Cindy Wright

From: Matthew Carlisle <carlislematthew@hotmail.com>
Sent: Saturday, August 24, 2024 2:24 PM
To: CD Comment
Subject: STR rules

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

Commissioners,

Please do NOT loosen restrictions on STRs. In particular, the density caps. They were a key compromise that the residents got in the code. Without that, all that remains is occupancy limits (which you are also unfortunately looking to water down) and some minor inspection and signage clauses.

The caps are working. I no longer see or hear Long term renters complaining about being kicked out of a house so the owners can rent it out. Sure, housing is still not affordable but that's clearly due to interest rates, and lack of construction. Removing caps is just going to make it worse.

Please remember that in the original discussions for the code, the residents were clearly in favor of strict limits, often pure prohibition, as I was. Most STR owners are from out of town, and they flooded the county with copy and paste emails claiming their altruistic intentions for local businesses, while actually just looking to continue to monetize our neighborhoods. The money mostly flows out of the county...

Leave the code as it is. It's working.

Matthew Carlisle
210 Pinegrass St, Leavenworth WA 98826

PS I sold my place in unincorporated Chelan County due to the influx of STRs around me. Noise, garbage, and no community. I live in Leavenworth city now with a prohibition on STRs. It's much nicer this way.

Cindy Wright

From: Joan Frazee <joanfrazee@icloud.com>
Sent: Saturday, August 24, 2024 3:13 PM
To: CD Comment
Cc: haberberger James
Subject: proposed changes to STR in unincorporated areas

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

To whom it may concern,

I am a resident of Leavenworth and I am opposed to any changes in the STR code that would result in an increase in the number of STRs in the County. We have a housing crisis and our housing stock must be preserved for the residents who need homes.

I am opposed to any change in the 6% cap on the number of STRs.

I am opposed to changing the rule which requires Tier 1 rentals to be owner occupied. The purpose of the Tier 1 classification was to allow homeowners to rent out an accessory dwelling unit or basement apartment so that they could realize some additional income to help them afford their homes. It was not intended to allow investors to buy up more homes in Chelan County.

I am opposed to excluding children under two from the head count for occupancy units. This change will result in more older children and adults in short term rentals.

In summary, I am discouraged and disheartened that the County is proposing such drastic changes in an ordinance that the community fought so hard to put in place. Why is Chelan County choosing to go backwards? We do not want any more commercial lodging in our neighborhoods. Tourist lodging should be located in commercial zoning!

Thank you for reading and digesting my comments.

A concerned citizen of Chelan County,
Joan Frazee
242 Park Ave.
Leavenworth, WA 98826

Cindy Wright

From: Michael Kirk <mike_c_kirk@icloud.com>
Sent: Saturday, August 24, 2024 3:20 PM
To: CD Comment
Subject: Short Term Rental Code Changes

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

Dear Members of the Chelan County Planning Commission:

I am very much against the purported Short Term Rental Code Changes. Why would anyone want to remove the cap on short term rentals. This was a reasonable compromise to limit the number of properties being allowed to rent short term in residential neighborhoods. This would truly bring back the "wild west" of short term rentals, and be a step backwards from what we have now. If some communities want more short term rentals, they can simply raise their cap.

I am also against the change to "tier one" properties not having an owner-operator living on the property. The owner would definitely not allow activities on their property long before a neighbor might complain about it.

I am also against excluding children under 2 years of age from the head count for all tiers of the short term rentals. Children under 2 years of age can still scream and cry, and some of them can also run around.

Thank you.

Mike Kirk
1546 Santana Drive
P.O. Box 92
Manson, Wa 98831

509-433-8800
mike_c_kirk@icloud.com

Cindy Wright

From: Marty Fallon <martyfallon@gmail.com>
Sent: Saturday, August 24, 2024 3:53 PM
To: CD Comment
Subject: STR Code Changes

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

Chelan County Commissioners:
Chelan County Planning Commissioners:

Two years of work, a multitude of hours of volunteer and staff input, and finally a code was adopted that seems to be working quite well. The goal was to preserve the residential communities, allowing for neighbors to know one another, not have a house-next-door with constant turnover of short-term occupants, and to limit the number of STR in these communities so as to allow for housing for people who actually live and work here.

- I am totally opposed to making changes to this code.
- I am opposed to changing the 6% cap on the numbers of STR's in an area.
- I am opposed to changing the Tier 1 Classification. Owner-occupied homes decrease the number of problems that arise and allow for neighbors to co-exist with a STR.
- I am opposed to excluding children under two for occupancy limits.

Please consider carefully the impact of STR in our residential communities.

Marty Fallon
12275 Village View Dr.
Leavenworth, WA 98826
509-881-8473

Cindy Wright

From: Lisa Diederich <Imdiederich@gmail.com>
Sent: Saturday, August 24, 2024 3:57 PM
To: CD Comment
Subject: Keep str cap at 6%

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

Hello,

Please keep the STR cap where it is and leave it at 6%.

Thanks,
Lisa Diederich
Sent from my iPad

Cindy Wright

From: david satterfield <davesfield@comcast.net>
Sent: Saturday, August 24, 2024 4:23 PM
To: CD Comment
Subject: STR code changes proposal

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

Hello,

We are residents on Lake Wenatchee and are very concerned by the proposed changes to the STR code. This code was established after local residents had enough impact that the county finally reacted to the STR problem and we don't want the problem to return.

We are opposed to the following proposals:

1. **Removal of 6% Cap:** The proposed changes may eliminate the 6% cap on the number of STRs in Chelan County. This could lead to more STRs in residential neighborhoods, potentially reducing available housing for residents.
2. **Tier 1 Rental Requirement Change:** The draft code suggests allowing renters to manage Tier 1 rentals (previously required to be owner-occupied). This change might result in more Tier 1 rentals without owners living on the property, impacting neighborhood character and cohesion.
3. **Exclusion of Children Under Two:** The proposal excludes children under two years of age from occupancy limits. This could lead to higher occupancy in all STRs.

Thank you for your attention to this matter.

Dave & Molly Satterfield
15956 Cedar Brae, Leavenworth, WA

Cindy Wright

From: Cindy Shurtleff <cindy@shurtleff.org>
Sent: Saturday, August 24, 2024 5:47 PM
To: CD Comment
Subject: STR revisions: opposition to changes

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

Please, please **do not change** the rules that would alter the 6% rental cap, and the Tier 1 owner -occupancy rules. A child under 2 is a person, they must be counted in the occupancy cap.

I live at Lake Wenatchee, we have so many rental properties around the lake. These proposed changes impact us greatly.

Please respect the rules as written. These were years in the making, with lots of feedback. Respect what the voters want.

Thank you,
Cindy Shurtleff.

16075 N Shore Dr
Leavenworth, WA 98826

206.390.4431 C
cindy@shurtleff.org

Cindy Wright

From: Don Bottoms <donb@plainhookey.com>
Sent: Saturday, August 24, 2024 7:56 PM
To: CD Comment
Subject: Proposed STR Code Changes

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

We are residents of Plain.

We have an STR property adjacent to ours.

We are FULL-TIME residents there.

The Owners and managers of that adjacent STR property are doing a marginal job at best to maintain it and to ensure the prescribed guest limits are observed.

These proposed changes will act only to exacerbate situations such as this.

We strongly oppose adoption of the below changes to the code:

- *Altering the 6% cap on the number of STR's in our area
- * Changing the Tier 1 Occupancy Rule
- * Excluding children under 2 from occupancy limits.

Thank you for your consideration

Don & Pat Bottoms

12398 Hill Street

Plain, WA

Best Regards,

Don Bottoms
Plain WA, USA

Cindy Wright

From: pat thirlby <patthirlby@gmail.com>
Sent: Saturday, August 24, 2024 8:54 PM
To: CD Comment
Subject: No Short Term Rental Code Changes

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

Dear Community Development,

The Chelan County community went through two years of a pain staking, arduous process to help create a code to regulate STR's. This effort was open to the public, a Task Force was employed and a code was finally created. The Community Development staff has worked hard at applying the code correctly and an enforcement agency has been hired to help.

The difference in our Leavenworth neighborhood that the current regulations have made are life changing. STR homes that are registered, following the rules and respecting neighbors are more able to coexist in our rural residential setting. The bad actors aren't as bad. Recent real estate sales on our road have not turned into STR's because of the cap. We have new families for neighbors. They care about our future, the landscape, fire safety and we take care of each other.

Residents United for Neighbors was started at my dining room table over eight years ago. So many people in the community have poured hours into encouraging the County to do the right thing for residents and for rental owners. It would be a tragedy and a grave injustice to change the code. Our community's future will be in peril again if investors are allowed to ruin our precious housing stock and residential quality of life.

PLEASE DO NOT RUIN THE SHORT TERM RENTAL CODE by putting private business and development interests ahead of our neighborhoods.

Sincerely,
Pat Thirlby

Cindy Wright

From: Carol & Fred Guimond <carolfredg@gmail.com>
Sent: Sunday, August 25, 2024 8:57 AM
To: CD Comment
Subject: STR Code

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

I strongly disagree with the proposed change. Wasn't that made clear in the last go around?

Please don't agree to these changes!

Thanks you!

Carol Kasper

Cindy Wright

From: Juris Vagners <jurisvagners@icloud.com>
Sent: Sunday, August 25, 2024 9:25 AM
To: CD Comment
Subject: County wide STR

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

To the Board:

Being full time residents at Lake Wenatchee, surrounded by STR properties, we wish to register our concerns about the regulations changes currently under consideration. Even with the current regulations, the behavior of those who use STR properties continues to create issues, particularly violations of occupancy, late night parties as well as trespassing to access the Lake. So we hope that the proposed changes will NOT be implemented as they would only make issues worse.

Thank you!

Juris Vagners & Linda Christianson
16376 North Shore Drive
Leavenworth, WA 98826

Cindy Wright

From: Daniel O'Connor | See Bicycles <dan@seebicycles.com>
Sent: Sunday, August 25, 2024 11:15 AM
To: CD Comment
Subject: Proposed STR code changes

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

There are already far too many STRs in Chelan County which has directly caused a severe housing shortage for residents and the only housing available is totally unaffordable for most of the people who actually live here. That is unacceptable.

I am opposed to any changes in the STR code that would result in an increase in the number of STRs in the County. We have a housing crisis and our housing stock must be preserved for the residents who need homes.

I am opposed to any change in the 6% cap on the number of STRs.

I am opposed to changing the rule which requires Tier 1 rentals to be owner occupied. The purpose of the Tier 1 classification was to allow homeowners to rent out an accessory dwelling unit or basement apartment so that they could realize some additional income to help them to afford their homes. It was not intended to allow investors to buy up more homes in Chelan County.

I am opposed to excluding children under two from the head count for occupancy limits. This change will result in more older children and adults in short term rentals.

Daniel O'Connor
12597 Wilson St
Leavenworth, WA

Cindy Wright

From: jems4mnts@comcast.net
Sent: Sunday, August 25, 2024 11:47 AM
To: CD Comment
Subject: Proposed STR changes

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

We strongly encourage the Chelan board to NOT alter the STR rules. We live full time on N Shore Dr, Lake Wenatchee. We are retired. We are daily dog walkers so are very aware of the impacts to our neighborhood of STRs. There are currently five STR-2's and two STR-1's within a short walk (1/4 mile) of our home. There are two more STR-1's (ADU's) being built right across the street bring our total to nine (9) STR's!! We are far over 6% in this neighborhood and we hope we can get to at-or-below 6% someday.

Increasing the cap above 6% is depressing to us. Very insensitive to residents who want to live in a residential, not commercial, neighborhood. STR Issues we regularly deal with are the same issues you have heard about before (significant increase in people noise, garbage dumping (wind or bears), trespassing, dog poop on walking sides of N Shore Dr) or in our yard!, traffic, etc). We have observed the issues are less with owner-occupied STR's as their guests act more well behaved, however, it still changes the character of the neighborhood.

Bottom line is it is a hassle living among STRs regardless of STR tier, and it lessens the quality of the neighborhood. Please, whatever you do, do NOT increase the ability to have more non-owner occupied STR's! Also do NOT raise the 6% cap or allow more people because of age. People are people. (If your doing under 2 yrs old who/how are ages checked? Why 2 and not 3 or 1? Etc.) These proposed changes are a direct negative impact to the residents of my residential neighborhood.

While you ponder softening the STR restrictions please really listen to us who live here. Think hard about who benefits and who doesn't, and not just financially but quality of life. Think long -term. STR & ADU rules do change neighborhoods and does not do so evenly within your zones. Some streets are significantly more impacted. What you may think is a minor tweak can and does have heavy impacts on specific neighborhoods and specific neighbors.

We think full time Chelan neighborhood residents should be your priority rather than those wanting more commercialization of residential neighborhoods. We think STR's change the character of neighborhoods and the more STR's, regardless of Tier, the more the neighborhood becomes commercialized.

We ask you to NOT make changes to existing STR rules.

Sincerely,
J&E Morse
17xxx N. Shore Dr.
Lake Wenatchee

Cindy Wright

From: william.lockinger@frontier.com
Sent: Sunday, August 25, 2024 11:52 AM
To: CD Comment
Subject: Proposed revisions to Chelan County STR Code

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

We currently have one STR adjacent to our property and another across the street. There are another 10 plus STR's within a 1/2 mile radius of our home. Essentially we have new neighbors every week as the homes are rented continually throughout the year.

This does away with any sense of community, and you are looking to increase the cap and further saturate the area in rentals. The proposed changes are another way for Chelan County to generate additional revenue and inconvenience the residents that call this home.

1. I am opposed to any changes in the STR code that would result in an increase in the number of STR's in the County. We have a housing crisis and our housing stock must be preserved for the residents who need homes.
2. I am opposed to any change in the 6% cap on the number of STR's.
3. I am opposed to changing the rule which requires Tier 1 rentals to be owner occupied. The purpose of the Tier 1 classification was to allow homeowners to rent out an accessory dwelling unit or basement apartment so that they could realize some additional income to help them to afford their homes. It was not intended to allow investors to buy up more homes in Chelan County.
4. I am opposed to excluding children under two from the head count for occupancy limits. This change will result in more older children and adults in short term rentals.

We have first hand experience in Chelan County of unaffordable housing. Our daughter was offered employment in Wenatchee, but due to the cost and lack of affordable housing she was unable to take the position.

Regards,
Bill Lockinger

Cindy Wright

From: Jabe Blumenthal <jabe@haycanyon.com>
Sent: Sunday, August 25, 2024 12:44 PM
To: CD Comment
Subject: proposed STR code changes

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

I am writing to oppose the weakening and watering down of the existing STRs in Chelan County including:

- * I am opposed to any change/weakening in the sensible 6% cap on the number of STRs.
- * I am especially opposed to any change/weakening in the current sensible requirement that Tier 1 rentals be owner-occupied properties.
- * I am opposed to excluding children under two from the head count for occupancy limits, which exclusion makes no rational sense.

The vast majority of absentee owners of STRs don't even live in Chelan County. And we have a serious housing shortage. Your priority should be addressing that shortage for the working families of Chelan County, not for out-of-county rental owners driving up housing prices.

Thank you for considering.
Jabe Blumenthal
Cashmere, WA

Cindy Wright

From: Gro Buer <grobuer@gmail.com>
Sent: Sunday, August 25, 2024 2:41 PM
To: CD Comment
Subject: Nightly Rentals

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

Dear Commissioners,

I am so angry and disappointed that you 3 would consider changing the STR guidelines/rules after the years of work by so many people.

It is sneaky and a slap in the face to many who believe in neighborhoods/community and have supported the regulations that are now in force.

I live in Leavenworth and STRs really affect us in multiple negative ways and most people who own STRs don't live here. We want our community to be cohesive and united, but multiple STRs in neighborhoods make it less likely to know your next door neighbors. .

Tier 1 proposal change is particularly enraging since we need affordable housing and your proposals make it more difficult for someone who lives on site to rent out space for income.

Proposing to change the regulations of STRs after the negotiations that took so long and in good faith(and included compromises) undermines the process of democracy .

Shame on you!!!!

I will do everything in my power to stop this process and will lose my trust in you as elected officials if this change happens.

In summary: The residents of Leavenworth and Chelan County worked together to create the STR guidelines along with Commissioners and it feels like a betrayal for you to consider changing them.

I'm suspicious of why this is happening now before Brad comes on the commission and I think you need to come clean!

Sincerely, Gro Buer 8050 E Leavenworth Rd

Cindy Wright

From: fergjs@comcast.net
Sent: Sunday, August 25, 2024 2:47 PM
To: CD Comment
Subject: Opposition to changes in Chelan County Short Term Rental Codes

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

Dear Chelan County Planning Commission,

We have been informed of proposed changes to the Short Term Rental Codes, and we are writing you to let you know that we are opposed to the proposed changes. Specifically:

1. We are opposed to any changes in the STR code that would result in an increase in the number of STRs in the County. We already have a housing crisis and our housing stock must be preserved for the residents who need homes.
2. We are opposed to any change in the 6% cap on the number of STRs.
3. We are opposed to changing the rule which requires Tier 1 rentals to be owner occupied. The purpose of the Tier 1 classification was to allow homeowners to rent out an accessory dwelling unit or basement apartment so that they could realize some additional income to help them to afford their homes. It was not intended to allow investors to buy up more homes in Chelan County.
4. We are opposed to excluding children under two from the head count for occupancy limits. This change will result in more older children and adults in short term rentals.

Sincerely,

/s/

John & Sue Ferguson
12745 Shore St.
Leavenworth, WA 98826

John: 206-498-5902 / fergjs@comcast.net

Cindy Wright

From: marycox@nwi.net
Sent: Sunday, August 25, 2024 6:51 PM
To: CD Comment
Subject: STR Code change comments

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

To: Members of the Chelan County Planning Commission

From: Mary Cox, full-time resident of Chelan County

Subject: I am strongly opposed to any changes to the STR Code!

I read the agenda for the meeting on August 26 and the related staff materials regarding the proposed changes in the STR code. I am shocked, disheartened, and angry that Chelan County is proposing such drastic changes to an ordinance that the community fought so hard to put in place. The negative impacts of STRs on communities have not changed. Communities with high levels of tourism all over the world are enacting strong regulations to limit STR's. Why is Chelan County choosing to go backwards? I/we do not want any more commercial lodging in our neighborhoods! Tourist lodging should be located in commercial zoning.

Some relatives came to visit me in the Leavenworth this summer and they said they found an abundance of hotel accommodations just 2 weeks in advance of their trip. This tells me that we don't need more STR's for tourists – seems to be plenty of hotel space!

- 1) I am strongly opposed to any changes in the STR code that would result in an increase in the number of STR's in Chelan County. I believe we have a housing crisis and that our available housing must be preserved for the residents who need homes.
- 2) I am opposed to any change in the 6% cap on the number of STR's.
- 3) I am opposed to changing the rule which requires Tier 1 rentals to be owner occupied.
- 4) I am opposed to excluding children under two from the head county for STR occupancy limits.

Please recommend to the County Commissioners that no changes should be made to the STR code.
Thank you,
Mary Cox
Lake Wenatchee

Cindy Wright

From: Maureen <maureen@nwi.net>
Sent: Sunday, August 25, 2024 7:20 PM
To: CD Comment
Subject: Proposed changes for STR'S

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

I live in the Ponderosa in Plain and am strongly opposed to changes that would remove the 6% cap or remove the requirement that Tier 1 rentals be owner occupied.

I am shocked and honestly sick to my stomach that you would consider dismantling a code that took years to put together. A compromise that supported tourism, acknowledged the housing shortage in our area, and protected the desire of residents to maintain a sense of community in their neighborhoods.

Who do you represent?

Maureen O'Dea
24201 Morgan St.
Leavenworth, WA. 98826

Sent from my Verizon, Samsung Galaxy smartphone
Get [Outlook for Android](#)

Cindy Wright

From: John Neff <johnneffnow@gmail.com>
Sent: Sunday, August 25, 2024 9:10 PM
To: CD Comment
Subject: STR Code Proposals

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

Dear Chelan County Board of Commissioners,

I and my family are stunned by the County proposing drastic changes in an ordinance that the community fought so hard to put in place.

Who is benefitting? Certainly not the residents.

The negative impacts of STRs on communities have not changed - reduction in the number of houses available for residents to buy or rent, more strangers in residential neighborhoods, and problems of parties and excess noise. Communities with high levels of tourism all over the world are enacting strong regulations to limit short term rentals

1. I am **STRONGLY** opposed to any changes in the STR code that would result in an increase in the number of STRs in the County. Let them know that we have a housing crisis and that our housing stock must be preserved for the residents who need homes.

2 . I am **STRONGLY** opposed to any change in the 6% cap on the number of STRs.

3 I am **STRONGLY** opposed to changing the rule which requires Tier 1 rentals to be owner occupied. The purpose of the Tier 1 classification was to allow homeowners to rent out an accessory dwelling unit or basement apartment so that they could realize some additional income to help them to afford their homes. It was not intended to allow investors to buy up more homes in Chelan County.

4. I am **STRONGLY** opposed to excluding children under two from the head count for occupancy limits. This change will result in more older children and adults in short term rentals.

John Neff

Resident of Leavenworth, WA
for 13 years

Cindy Wright

From: CLeuck@nwi.net
Sent: Sunday, August 25, 2024 10:11 PM
To: CD Comment
Subject: Constituent feedback regarding proposed changes to the STR code

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

I am a Chelan County full time resident. I live in the Lake Wenatchee area. Prior to the County adopting the current STR codes our neighborhood was suffering from too many nightly rentals, most of which were mismanaged by absentee property owners. Our daily plight included but was not limited to trespassing, dangerous bonfires, occasional drunken fights, and almost daily mis-parked cars that blocked egress in and out of our shared driveway and access road with community easement. The current code is not perfect but has greatly improved my neighbors and my quality of living by reducing the number of STRs in our neighborhood.

The proposed changes to the code all support an increased foot print size and increased profitability of the STR industry in our country. If granted the changes would support profit and business over community and quality of life in residential neighborhoods that were not and never have been zoned for running businesses. Short term rentals are businesses. For this reason:

- I am opposed to any changes in the STR code that would result in an increase in the number of STRs in the County. We have a housing crisis and our housing stock must be preserved for the residents who need homes.
- I am opposed to any change in the 6% cap on the number of STRs.
- I am opposed to changing the rule which requires Tier 1 rentals to be owner occupied. The purpose of the Tier 1 classification was to allow homeowners to rent out an accessory dwelling unit or basement apartment so that they could realize some additional income to help them to afford their homes. It was not intended to allow investors to buy up more homes in Chelan County.
- I am opposed to excluding children under two from the head count for occupancy limits. This change will result in more older children and adults in short term rentals.

Cindy Wright

From: Mike Worden <wordenmike@yahoo.com>
Sent: Sunday, August 25, 2024 10:56 PM
To: CD Comment
Cc: mike worden; Lori Worden
Subject: New STR Proposals

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

Dear Planning Commission,

As a resident who is surrounded by STRs and still suffers from noise and trespassing from these renters, I appreciate the positive changes you have introduced in recent years to regulate this activity. Enforcement still remains a challenge.

We are opposed to any STR code changes that would increase the number of STRs. We have a housing shortage/crisis as it is and housing should be preserved for residents who need homes. So please do not increase beyond the 6% cap. We are opposed to changing the rule that Tier 1 rentals be owner occupied. This keeps owners nearby/easily accessible and helps them supplement income to help them afford their homes, etc. We also oppose excluding children under two from headcount of occupancy limits. We have seen a tendency to already over stuff the STRs with older kids and adults, why add to this?

Thanks for your kind consideration,

Mike and Lori Worden

9675 Dye Road
Leavenworth WA
98826

Sent from my iPad

Cindy Wright

From: Shaun Seaman <shaunm48@gmail.com>
Sent: Monday, August 26, 2024 6:55 AM
To: CD Comment
Subject: Proposed changes to the Chelan County STR code

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

I am writing to inform the Chelan County Commission of my complete opposition to the proposed changes to the County's STR code related to the removal of the 6% cap on STRs, the change in Tier 1 STRs requirement for a owner on-site and the exclusion of children under 2 years of age from the head count.

The current code as you must know was a compromise that no one was happy with but all accepted as the best that could be achieved. These actions being proposed now are simply a slap in the face of those that worked to keep Chelan County a livable place, not a large, sprawling resort where those that work and VOTE here have our lives impacted regularly.

This action clearly violates the letter and spirit of the County's Comprehensive Plan that recognises the value of neighbors of all sizes and characteristics and the need to maintain valuable housing stock. This latter point is crucial as much of the county, state and nation face a housing shortage. It is amazing to those of us that care deeply about the character and future of Chelan County that the Commission is even considering these actions.

It is clear that the timing of these proposals is intentional and an act that will benefit a few non-Chelan County residents to the detriment of many full-time residents.

Please reject these proposals.

Shaun Seaman
Leavenworth

Cindy Wright

From: Linda Wood <lwood11@icloud.com>
Sent: Monday, August 26, 2024 7:58 AM
To: CD Comment
Subject: Chelan County STR Code

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

Hello,

I am a Chelan County full time resident. I live in the Lake Wenatchee area. Prior to the County adopting the current STR codes our neighborhood was suffering from too many nightly rentals, which were mismanaged by absentee property owners. The proposed changes to the code all support an increased foot print size and increased profitability of the STR industry in our country. If granted the changes would support profit and business over community and quality of life in residential neighborhoods that were not and never have been zoned for running businesses. Short term rentals are businesses. For this reason:

- I am opposed to any changes in the STR code that would result in an increase in the number of STRs in the County. We have a housing crisis and our housing stock must be preserved for the residents who need homes.
- I am opposed to any change in the 6% cap on the number of STRs.
- I am opposed to changing the rule which requires Tier 1 rentals to be owner occupied. The purpose of the Tier 1 classification was to allow homeowners to rent out an accessory dwelling unit or basement apartment so that they could realize some additional income to help them to afford their homes. It was not intended to allow investors to buy up more homes in Chelan County.
- I am opposed to excluding children under two from the head count for occupancy limits. This change will result in more older children and adults in short term rentals.

Cindy Wright

From: bmpayne@nwi.net
Sent: Monday, August 26, 2024 8:21 AM
To: CD Comment
Cc: info@coalitionofchelanchelan.org
Subject: Short Term Rentals

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

I am **STRONGLY** opposed to changing and watering down the requirements for Short Term Rentals.

My wife and I moved to the Plain area of Chelan County twenty years ago to retire in a place with beautiful scenery, much less traffic, and peaceful, quiet surroundings.

Over the last 10 years this has been shattered by ever increasing numbers of people coming from the West side to vacation and party. Many of them take unsafe risks and increase the burden on our volunteer fire districts. Some of them disregard rules and jeopardize the safety of others by activities like:

- Having bonfires during periods when burning and campfires are prohibited,
- Rafting the river without lifejackets,
- Hiking without taking essential items,
- Allowing their dogs to run loose,
- Renting snowmobiles or 4 wheelers with minimal training on how to use them safely, and
- Trespassing on private property.

These risks often turn into calls for help from Fire Districts and or the Sheriff. In the Plain area responses from the Sheriff Deputies are frequently over an hour to reach the scene. These risks appear somewhat mitigated, but are not eliminated when the STRs owners are present on the property.

The STR renters often arrive at rural fire stations with medical issues expecting the stations to be continuously manned.

I strongly encourage you not to increase the number of STRs and to keep the existing requirements in place.

Mike Payne

Cindy Wright

From: bmpayne@aol.com
Sent: Monday, August 26, 2024 8:26 AM
To: CD Comment
Subject: Short Term Rentals

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

I am STRONGLY opposed to changing and watering down the requirements for Short Term Rentals.

My husband and I moved to the Plain area of Chelan County twenty years ago to retire in a place with beautiful scenery, much less traffic, and peaceful, quiet surroundings.

Over the last 10 years this has been shattered by ever increasing numbers of people coming from to vacation and party. Many of them take unsafe risks and increase the burden on our volunteer fire districts. Some of them disregard rules and jeopardize the safety of others by activities like:

- Having bonfires during periods when burning and campfires are prohibited,
- Rafting the river without lifejackets,
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These risks often turn into calls for help from Fire Districts and or the Sheriff. In the Plain area responses from the Sheriff Deputies are frequently over an hour to reach the scene. These risks appear somewhat mitigated, but are not eliminated when the STRs owners are present on the property.

The STR renters often arrive at rural fire stations with medical issues expecting the stations to be continuously manned.

I strongly encourage you not to increase the number of STRs and to keep the existing requirements in place.

Becky Payne

Cindy Wright

From: Rob Shurtleff <rob@shurtleff.org>
Sent: Monday, August 26, 2024 8:52 AM
To: CD Comment
Subject: STR Regulations

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

Please do not remove the cap on short term rentals or change the owner in residence requirement for Tier 1 rentals.

We have too many STRs, the regulations have made things somewhat better for neighbors of STRs but reducing the number over time is a good goal

Thanks
Rob Shurtleff
Lake Wenatchee

Cindy Wright

From: Don <phatberryfarm@gmail.com>
Sent: Monday, August 26, 2024 9:47 AM
To: CD Comment
Subject: Opposition to STR Code Changes

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

I am in opposition to any changes to the current STR Codes.

Don Cullison 134 Borealis Lane Manson, WA 98831 509-415-9462

Cindy Wright

From: Jackie Cagle <ichasebikes@yahoo.com>
Sent: Monday, August 26, 2024 10:13 AM
To: CD Comment
Subject: STR Codes

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

STRS

My husband and I live next to a STR on a small lake. Living next to one has taken the joy out of living in our own home inside and out. Summers we leave as much as possible so that we don't have to endure all the negative aspects of living next to one. The experiences we've endured are absolutely deplorable.

- loud music
- outdoor party venue, drinking screaming, yelling, foul language at any time of the day
- drone flying over our deck space filming into our living room
- inappropriate behavior
- Building Open fires during a no burn ban
 - Being called every name you can possibly imagine because we are asking them to please take their party inside
 - Breaking boating regulations
 - Stuffing their trash in our garbage can and we are charged the extra fee
 - Renters come with an agenda, that they're going to have a good time and no one is going to stop them
 - Renters bring their attitude and lack of respect
 - Neighbors of rentals suffer from greedy property owners

I oppose the removal of the STR cap, or excluding children under 2 in the headcount or allowing the renter to manage the rental property

My question to you is do you live next to a short term rental and with all the information gathered about the negativity of STR's would you want to live next to one? Would you purposely buy a home next to a short term rental? Would you want your children or grandchildren or friends to live next to one. They are a community problem, a county problem, a statewide problem, a nationwide problem, and a worldwide problem. Please give back our community, we all deserve to enjoy our homes.

Thank you,
Jackie Cagle
Manson Washington

Sent from my iPhone

Cindy Wright

From: fred guimond <fredguimond@bellsouth.net>
Sent: Monday, August 26, 2024 10:32 AM
To: CD Comment
Subject: Upcoming CDD proposal for revisions to the STR Code

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

I am **AGAINST** removing the 6% cap on the number of of STR's in Chelan County. Leave it where it is.

We are **AGAINST** letting Tier 1 rental properties be managed by the renters. Keep the requirement that these properties have a owner living in them. They **MUST** be owner -occupied.

Do **NOT** make a change excluding Children under two years old being included in the occupancy limits. Keep them in the occupancy limits.

Thank you, Fred Guimond & Carol Kasper

Cindy Wright

From: Ryan Sommers <ryansommers07@gmail.com>
Sent: Monday, August 26, 2024 10:59 AM
To: CD Comment
Subject: Proposed Changes in Short-Term Rental Code

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

To whom it may concern,

This email is in regard to the hearing for proposed STR changes on August 28. My wife and I are unable to attend, but as residents living next door to an STR with the additional burden of a shared space, we feel compelled to express our strong opposition to the proposed changes to the short-term rental regulations in Chelan County.


- We strongly oppose any alterations that would lead to an increase in the number of STRs within the County. Chelan County is already grappling with a severe housing shortage, and it's crucial to safeguard our housing for permanent residents rather than expanding short-term rental opportunities.
- We are against modifying the current requirement that Tier 1 rentals be owner-occupied. The purpose of this rule was to support homeowners who need additional income by allowing them to rent out part of their primary residence. It should not be a loophole for investors to acquire more properties in the area.
- We also oppose the proposal to exclude children under two from the occupancy limit count. How would this be enforced? Renters already ignore rules and this adjustment will lead to higher occupancy in general, diminishing the quality of life for full-time residents.

It already feels like we're losing the makeup of our town, and everything seems geared towards making sure STR's can make more money at the detriment of residents. We've had less than ideal interactions with code enforcement and don't have confidence that expanding STR's and occupancy will be handled in a satisfactory manner.

We urge you to prioritize the needs of our local community and protect housing availability for those who live here year-round over the interests of expanding short-term rentals.

Thank you for considering our perspective on this important matter.

Sincerely,

 Ryan and Tristan Sommers
74 Fishermen Pl
Manson WA 98831

Cindy Wright

From: Gina Quinn <gina.a.quinn@gmail.com>
Sent: Monday, August 26, 2024 11:13 AM
To: CD Comment
Subject: Opposed to Changes in STR Code - Input for Public Hearing on WED 08/28

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

Commisioner Overbay, Commissioner Smith, and Commissioner Gering,

Good Morning,

As you are well aware, we have a housing-crisis in Chelan County AND across the State. I am disheartened that the County is proposing drastic changes in an ordinance that the community fought so hard to put in place. The negative impacts of STRs on communities have not changed. This includes the reduction in the number of houses available for residents to buy or rent, more strangers and outsiders in residential neighborhoods, and problems with disorderly parties, congested driveways/traffic/street parking and excess noise.

I am opposed to any changes in the STR code that would result in an increase in the number of STRs in Chelan County. It is imperative that our housing pool be held for the numerous residents who are unhoused, living with family or friends out of necessity, couch-surfing and/or traveling 30-40 miles to their place of employment.

I am opposed to any change in the 6% cap on the number of STRs. Tourist lodging should be located in commercial zoning....not in quiet residential neighborhoods with residential zoning.

I am opposed to changing the rule which requires Tier 1 rentals to be owner occupied. The purpose of the Tier 1 classification was to allow homeowners to rent out an accessory dwelling unit or basement apartment for additional income to help them to afford their homes. It was not intended to allow investors to buy up more homes in Chelan County for STR's.

Why is Chelan County choosing to go backwards? Who is being lobbied by Chelan County....big investors and developers? Please put a STOP to their demands that negatively impact our neighborhoods!

Thank you,

Gina A. Quinn
5920 Kimber Rd
Cashmere, WA
509-393-5060

Cindy Wright

From: Gina Quinn <gina.a.quinn@gmail.com>
Sent: Monday, August 26, 2024 11:18 AM
To: CD Comment
Subject: Opposed to changes in STR ordinance - PH on Wednesday 08/28 (Resending)

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

Commisioner Overbay, Commissioner Smith, and Commissioner Gering,

As you are well aware, we have a housing-crisis in Chelan County AND across the State. I am disheartened that the County is proposing drastic changes in an ordinance that the community fought so hard to put in place. The negative impacts of STRs on communities have not changed. This includes the reduction in the number of houses available for residents to buy or rent, more strangers and outsiders in residential neighborhoods, and problems with disorderly parties, congested driveways/traffic/street parking and excess noise.

I am opposed to any changes in the STR code that would result in an increase in the number of STRs in Chelan County. It is imperative that our housing pool be held for the numerous residents who are unhoused, living with family or friends out of necessity, couch-surfing and/or traveling 30-40 miles to their place of employment.

I am opposed to any change in the 6% cap on the number of STRs. Tourist lodging should be located in commercial zoning....not in quiet residential neighborhoods with residential zoning.

I am opposed to changing the rule which requires Tier 1 rentals to be owner occupied. The purpose of the Tier 1 classification was to allow homeowners to rent out an accessory dwelling unit or basement apartment for additional income to help them to afford their homes. It was not intended to allow investors to buy up more homes in Chelan County for STR's.

Why is Chelan County choosing to go backwards? Who is being lobbied by Chelan County....big investors and developers? Please put a STOP to their demands that negatively impact our neighborhoods!

Thank you,

Gina A. Quinn
5920 Kimber Rd
Cashmere, WA
509-393-5060

Cindy Wright

From: clint@nwi.net
Sent: Monday, August 26, 2024 11:27 AM
To: CD Comment
Subject: STR changes

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

To: Chelan County Commissioners

I am a long-term Chelan County resident living on East Leavenworth Rd. outside Leavenworth. I am experiencing first hand the negative effects of short term rentals(STR) in Chelan County. The house across the road from our property was converted to an STR. What was once a lovely home with a pleasant neighbor is now a busy and noisy rental property. Every couple of days a new group of renters arrive with their noisy cars and trucks, music, unsupervised children and yappy dogs. I have seen as many as six vehicles in the driveway and it is obvious the maximum allowed occupancy is being exceeded. We now have a constant parade of strangers in our midst, rather than a long-term neighbor. STR's are changing our once quiet and stable neighborhoods into noisy and unpleasant party environments.

I oppose the proposed changes to the STR regulations for a number of reasons.

*Increasing STR's by removing the 6% cap will increase the negative impact of STR's noted above and will further reduce a very limited housing stock in our area.

*Eliminating the requirement for Tier 1 rentals to be owner-occupied will likely increase out of county STR ownership and with no owner on-site STR occupants will have little incentive to restrict their unruly behavior.

*Excluding children under two years of age from the occupancy count will likely increase adult occupancy and create more noise and disturbance.

Lodging for tourists should be restricted to commercial zones and should not be allowed in residential neighborhoods.

Many high tourist communities are striving to control STR's. Why is Chelan County proposing to increase STR's and reduce our quality of life?

I adamantly oppose any changes to county regulations that would increase STR's.

Clint Lougheed, Leavenworth

Cindy Wright

From: Dan and Christine Cassayre <cassayre@nwi.net>
Sent: Monday, August 26, 2024 11:58 AM
To: CD Comment
Subject: Changes in the STR code

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

Chelan Co Planning Commission,

Here we are again. Many of the residents in Chelan Co who own and live full time in their homes have been letting you know for years how we feel about too many STR's. There has been many hours spent working with you to work out these rules. In 2021 the county's short term rental code was finally adopted. It wasn't everything I had hope for, but it was progress. I live next to 2 STR homes. One is managed quite well and the other is always a problem. Where is the protection for those of us who live here full time? We fought so hard to get this code and now you want to make changes. It is aggravating and wrong.

Please leave the cap for STRs at 6% of the housing stock in all areas, and keep the caps and restrictions intact for Manson and Peshastin.

Please do not exclude children under the age of 2 years old in the head count for limits on occupancy for each of the Tiers of STR's. This will increase the amount of noise and traffic in and around the STR.

Please leave the code as is. We do not need more STR's in our neighborhoods.

Thank you,
Christine and Dan Cassayre
8700 Icicle Rd, Leavenworth, WA

Cindy Wright

From: Geoff Burg <geoff@glblaw.com>
Sent: Monday, August 26, 2024 12:01 PM
To: CD Comment
Subject: Proposed STR Rule Changes - Opposition

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

I am writing to express my opposition to the proposed rules altering the Short Term Rental code, the 6% cap, the Tier 1 owner-occupancy rule, and excluding children under two years old from occupancy limits. These rules will hurt neighborhoods and increase the problems surrounding the housing demand in Chelan County. I respectfully request that the rules not be revised.

Geoffrey Burg
16401 Noth Shore Drive, Leavenworth WA 98826

Cindy Wright

From: Julie Burg <burgjulieh@gmail.com>
Sent: Monday, August 26, 2024 12:15 PM
To: CD Comment
Subject: Proposed STR Rule Changes - Opposition

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

Dear Chelan County Board of Commissioners:

I am writing in opposition to the proposed STR code revisions being proposed by the Community Development Department. I urge you to reject the removal of the 6% cap, Tier 1 rental requirement change, and exclusion of children under two. These proposed changes will have a direct, negative impact on me personally and our County as a whole. The proposed changes will reduce available housing for county residents, negatively impact neighborhood character and community, and lead to higher occupancy in all STRs in the county.

I urge you to stick to the existing requirements and reject the proposed changes.

Thank you.

Julie Burg
16401 N Shore Dr.
Leavenworth WA

Cindy Wright

From: Ron Larson <ronlarson@comcast.net>
Sent: Monday, August 26, 2024 12:47 PM
To: CD Comment
Subject: Proposed Changes to Chelan County STR code

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

To: Chelan County Community Development Department

Subject: Proposed Changes to the Chelan County STR code

It has come to my attention that the department is proposing a number of changes to the counties' Short Term Rental Code. These changes significantly weaken the existing code, adopted in July of 2021, after 2 years of workshops and hearings.

There is nothing that has occurred in the last three years to warrant any changes. One must only assume the Commissioners are doing the bidding of wealthy development interests.

I strongly recommend the County stand by the existing code and protect the interests of the majority of permanent residents in the county.

Respectfully submitted,

Ron Larson
10412 Fox Road
Leavenworth WA

Cindy Wright

From: Mahala Murphy-Martin <mahalamartin@outlook.com>
Sent: Monday, August 26, 2024 12:52 PM
To: CD Comment
Subject: STR proposed rule changes

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

Dear Planning Commission,

I cannot believe that we are back in the process of trying to stave off another attempt at implementing changes to the STR rules.

Nothing has changed from the previous situation!

We are still sorely lacking housing for our working/living community in Chelan County. We must be able to preserve the limited housing stock that is available.

Living in unincorporated Chelan County in Leavenworth, has acutely demonstrated the problems with STR's.

The STR's are problematic for neighborhoods for many reasons.

STR habitants do not respect the need to slow their speed for small children, residents, and the wild life.

They do not respect the peaceful tranquility that residents enjoy in their neighborhoods, with their parties/activities and loud vehicles.

STR's **do nothing** to give back to the community. They are simply "cash cows" for the owners, who do not provide any service or concern for participating/giving back to the Communities.

This is the benefit of permanent Residents. These are the people who join the non-profits/service organizations who are trying to do good things for our communities such as those in need/schools, etc...

Without the restrictions in place, wealthy owners from (the West side of the State) and other areas, would be able to build structures that potentially could severely tax the water system. This is totally irresponsible on the part of the Planning Commission, when we are always under the threat of wild fires, and desperately need the maximum, water resource availability.

I am completely opposed to changing the 6% cap on the number of STR's.

I'm opposed to changing the rule that requires Tier 1 rentals to be owner-occupied.

I'm opposed to children under two being eliminated from the head count of occupancy.

I can't help but feel the Short-term Rental Association has a very strong grip on the Planning Commission, which is being swayed by the "special interests" of STR's versus what is the best and correct thing to do for the citizenry of Chelan County!

Please, do your job that the resident-citizens of Chelan County implore- and expect you to do.

DO NOT allow any changes to occur with the STR rules!!

Respectfully,

Mahala Murphy-Martin

Cindy Wright

From: Patti Bosket <patti@pattibosket.com>
Sent: Monday, August 26, 2024 1:09 PM
To: CD Comment
Subject: STR code

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

I'm a 40 year resident in Leavenworth, I oppose any changes to our currant STR code.
Why do our county commissioners agree to changing, and
want to get rid of any restrictions all together??
We have such a shortage of housing, soon local business will not be able to have employees.
Why are you not seeing the long term effects, this has had on our community? Not everything has to be about money.
We have no infrastructure as it is now. No more changes.

Patti and Vince Bosket

PATTI BOSKET
— au naturel —

Cindy Wright

From: Linda Christianson <lindachristianson77@icloud.com>
Sent: Monday, August 26, 2024 3:42 PM
To: CD Comment
Cc: Linda Christianson
Subject: STR input for unincorporated Chelan County

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

Hello

I live at Lake Wenatchee and object to your proposal to modify short term rental rules.

Removal of the 6% cap, will almost certainly increase to more Rentals in our area-reducing options for resident housing.

Tier 1 Requirement change, allowing renters to manage Tier 1 rentals will result in Tier 1 rentals without Owners living on the property, negatively affecting neighborhoods cohesion.

Exclusion of children under two, will certainly lead to higher occupancy in all STRs.

We worked so hard to eliminate the lax rules for unincorporated Chelan county earlier—and it seems we need to mobilize an address it again.

Please do NOT alter the current STR codes.

Linda Christianson
lindachristianson77@icloud.com
206 355-0821

Cindy Wright

From: Amy Cox <ac7cedarbrae@gmail.com>
Sent: Monday, August 26, 2024 3:58 PM
To: CD Comment
Cc: Amy Cox
Subject: Oppose Revisions Of Short Term Rental Code for Chelan County

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

To Whom It May Concern,

I am a property owner on the South Shore of Lake Wenatchee and strenuously oppose the proposed revision of the Short Term Rental Code for Chelan County. Specifically, I oppose the altering of the 6% occupancy cap, oppose eliminating the owner occupancy rule, and oppose excluding children under 2 years old from the occupancy limits.

Please deny the proposed changes of the Short Term Rental Code for Chelan County.

Thank you.

Amy Cox
Sent from my iPhone

Cindy Wright

From: Glenn Hoenes <ghoenes@nwi.net>
Sent: Monday, August 26, 2024 4:53 PM
To: CD Comment
Subject: Proposal to Change Short Term Rental Requirements

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

Hello - I live at Lake Wenatchee on North Shore Drive. There are more than enough short term rentals under the present system. My daughter is being married in just two weeks. Guests have not had an issue getting accommodations. Just last week, my brother was able to rent a cabin (only 3 weeks before the wedding) less than 2 miles from our house (where the wedding will occur). That says to me there is plenty of availability.

There is no reason to increase the number of short term rentals. It will only make the market less affordable. It will also impact long term rentals negatively.

Thanks for letting me comment. You may contact me at this email address or call me at (509)539-5329.

Glenn Hoenes

Cindy Wright

From: Alexa Carver <alexazcarver@gmail.com>
Sent: Tuesday, August 27, 2024 7:36 AM
To: CD Comment
Subject: Oppose change to STR Regulations

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

Hi,

As a property owner and taxpayer in the Lake Wenatchee area I want to register my opposition to the proposed changes to the Short Term Rental Regulations. Increasing the cap on these rentals above the current 6% adversely impacts the community-- having short term renters rather than neighbors is destroying our sense of neighborhood and changing our communities.

Thanks,

Alexa Carver, 16407 North Shore Drive, Leavenworth, WA 98826

Cindy Wright

From: Arthur Schile <tois111@gmail.com>
Sent: Tuesday, August 27, 2024 8:07 AM
To: CD Comment
Subject: Support of Proposal to Alter Short Term Rental Requirments

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

I am a property owner in the Lake Wenatchee area and believe that our county policies on STRs have become far too restrictive. These onerous policies suppress home values, decrease tourism, and lead to relatively poorly maintained properties. The restrictive policies are anti-business, anti-owners rights, and no longer represent the will of residents.

Sincerely,
Arthur Schile
Lake View Dr.

Sent from my iPhone

Cindy Wright

From: James Haberberger <haberberger53@hotmail.com>
Sent: Tuesday, August 27, 2024 8:39 AM
To: CD Comment
Subject: proposed changes to STR in unincorporated areas

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

To whom it may concern,

I am a resident of Leavenworth and I am opposed to any changes in the STR code that would result in an increase in the number of STRs in the County. We have a housing crisis and our housing stock must be preserved for the residents who need homes.

I am opposed to any change in the 6% cap on the number of STRs.

I am opposed to changing the rule which requires Tier 1 rentals to be owner occupied. The purpose of the Tier 1 classification was to allow homeowners to rent out an accessory dwelling unit or basement apartment so that they could realize some additional income to help them afford their homes. It was not intended to allow investors to buy up more homes in Chelan County.

I am opposed to excluding children under two from the head count for occupancy units. This change will result in more older children and adults in short term rentals.

In summary, I am discouraged and disheartened that the County is proposing such drastic changes in an ordinance that the community fought so hard to put in place. Why is Chelan County choosing to go backwards? We do not want any more commercial lodging in our neighborhoods. Tourist lodging should be located in commercial zoning!

Thank you for reading and digesting my comments.

A concerned citizen of Chelan County,
James Haberberger
242 Park Ave
Leavenworth, WA 98826

Cindy Wright

From: Janet Alley <janet_alley@ymail.com>
Sent: Tuesday, August 27, 2024 10:17 AM
To: CD Comment
Subject: STR

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

I am opposed to any changes in the STR code that would result in an increase in the number of STRs in the County. Let them know that we have a housing crisis and that our housing stock must be preserved for the residents who need homes.

I am very much opposed to any change in the 6% cap on the number of STRs.

I am very much opposed to changing the rule which requires Tier 1 rentals to be owner occupied. The purpose of the Tier 1 classification was to allow homeowners to rent out an accessory dwelling unit or basement apartment so that they could realize some additional income to help them to afford their homes. It was not intended to allow investors to buy up more homes in Chelan County.

This makes no sense and I am opposed to excluding children under two from the head count for occupancy limits. This change will result in more older children and adults in short term rentals.

Thank you,
Janet Alley

Cindy Wright

From: joe bill hill <joebillhill@gmail.com>
Sent: Tuesday, August 27, 2024 10:21 AM
To: CD Comment
Subject: STR Code Change

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

Hello, and to whom it may concern,

I have lived in Chelan County for 7 years now and have seen dramatic changes in that short time. 3 of those years I lived next to an STR that I believe is a poster child for management geared solely towards income with no regard for the neighborhood. Furthermore, as local residents wanting to live long term here, my wife and I found it incredibly difficult to find a house to buy. I know there are many factors to this, but one that I attribute it to is housing being bought up and turned into an STR business, or a second home that is helped pay for by supplemental STR profits.

The time and effort put in by Residents Change Coalition of Chelan County and residents at large to put restrictions on STR's is fair and practical. Because of this I oppose the proposed changes to the STR code, including:

- The removal or increase in the 6% cap on the number of STRs
- The change in requirement that Tier 1 rentals could be managed by renters.

I have visited tourist towns such as South Lake Tahoe and seen positive codes put in place to limit the amount of disruption that STRs have the very real possibility to create, allowing neighborhoods to stay quiet, and allowing local residents to live in the setting they signed up for.

Thank you,

Joe Hill- Leavenworth resident

Cindy Wright

From: Brunners Lodge <info@brunnerslodge.com>
Sent: Tuesday, August 27, 2024 10:58 AM
To: CD Comment
Subject: STR Comments

Expires: Thursday, July 31, 2025 12:00 AM

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

Dear Commissioner's and Planning Committee:

In regards to discussion about STR regulation changes.

I thought the Tier 1 had no cap because the owner needed to be there? This should continue to be the same.

The discussion by the county commissioners that was done in the spring about having a home and an ADU on the same property and one being used as an STR and requiring the other to be owner occupied is taking long term rental housing from the housing stock.

I am ONLY referring to Tier 2 & 3. Our state has passed law that allows owners NOT to have to live in either the main house OR the ADU, which could open up a few housing options should the owner decide to live somewhere else. This discussion got lost which Tier you were talking about. Tier 2 & 3 does not require owners to be present, but if there is an ADU on the property then you are requiring them to live in it full time. This is an override from the state could be taking housing available for Long Term Rentals. I believe the wording should be only 1 STR on one property. So, if the main house was an STR, then the ADU could be a Long Term Rental or Owner occupied.

I also agree with the change of Exclusion of Children Under Two in our permitted guest count. This is a constant struggle with what gain? Losing Families coming to the area?

Thanks,
Marianne Brunner
Property Owner
Brunners Lodge Inc
www.brunnerslodge.com

425-785-0889
A Perfect Leavenworth Getaway!

Cindy Wright

From: Kathy Schmidt <kathleenschmidt@icloud.com>
Sent: Tuesday, August 27, 2024 12:13 PM
To: CD Comment
Subject: Against changes to our Chealn Co STR Code

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

Dear Planning Commission:

It's hard to believe you are considering updating our current county STR code to allow for increased STR's in our already saturated nightly rental market at the demise of retaining some sense of community in our rural cities. I am a 30 yr resident of Leavenworth as well as a local business owner and employer.

Our Leavenworth community is tourist driven and we have sufficient overnight accommodations in place at the permitted hotels and lodging accommodations in the city and surrounding unincorporated county area, including STR's and campgrounds. Our town's physical size is constrained by the river and mountains that draws us all here... residents and tourists alike. The natural environment is at it's max and we do not heed more STR's to cram more bodies into town or the surrounding recreational areas. The area cannot accommodate the volume of bodies already coming to the area now on peak weekends and holidays. The forest service is not able to keep up with the impact to our public lands and we need to all take pause before its too late.

The current cap of 6% STR's s already generous in my opinion. There is more demand for affordable monthly rentals than we have to offer as is. Allowing more of the local housing market to switch to nightly rentals for tourism is not what the community wants or needs. There is a delicate balance here. We have the tourism already (at times exceeding our desires and capacity) and if we want to keep it, and keep our area desirable to return to, we need to keep the local community viable with affordable homes our workers supporting our business community can live in... not more STR's!

In addition to my opposition to increasing STR's in our County, I am against changing the rules in place about requiring Tier 1 rentals to be owner occupied. This tier was approved to allow owners of homes to have the ability to generate more income from their home property if desired. Allowing this caveat to be dropped and changed to allowing a renter of a home to manage the STR unit on the property may create the original problem all over again. Non-owner occupied properties within our communities filled with nightly tenants with no accountability to late night noise, trash, illegal parking, excessive occupancy limits etc. This puts the burden of "policing" our own neighborhoods again back on the permanent residents. We don't have a local city police to call for help with violators. The STR code was established to help neighborhoods return to some sense of community rather than the frustrated and angry place many had become due to abuse by non owner occupied properties.

I appreciate your time and full consideration to the impact the proposed changes could have on our county and our rural cities we call home.

Sincerely,

Kathy Schmidt
PO Box 687
8201 Mountain Home Rd
Leavenworth, WA 98826

Cindy Wright

From: storks@frontier.com
Sent: Tuesday, August 27, 2024 1:07 PM
To: CD Comment
Subject: Concerns surrounding Short Term Rental Regulation

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

Hello,

I am writing to express my concerns regarding the proposed changes to the 6% cap, the Tier 1 owner-occupancy rule and excluding children under two years old from occupancy limits.

Our family has a home in the Chiwawa river pines development and has seen what short-term rentals has done to the community. We would like to keep all current limitations in place in order to keep a small community feel as well as affordability for families wanting to buy and live in the area.

Thank you,
Laura Stork

Cindy Wright

From: Natalie Johnson <johnsonnat13@gmail.com>
Sent: Tuesday, August 27, 2024 2:46 PM
To: CD Comment
Subject: Code updates

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

Hello, I would just like to express my support for revising the short-term rental codes. Especially the provision to not include children under the age of two in capacity limits.

This is something that many other counties implement, and would be very beneficial for a short term renters and tourism in our county. We rely a lot on visitors to stimulate our economy, and bringing young families into the area is a critical part of that effort. Children under two should definitely not be included in those limits.

Thank you.

Natalie

Cindy Wright

From: Alpine Lodge Leavenworth <info.alpineview@gmail.com>
Sent: Tuesday, August 27, 2024 3:41 PM
To: CD Comment
Subject: Proposed STR Changes

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

Hello, I am privileged to have a Tier 2 grandfathered STR permit in Leavenworth and all has been running smoothly. I appreciate the structure the process and code has provided. I do wish that the matter would be settled just as much as you do.

I think the proposed changes are mostly well founded. I do take issue with:
Excludes infants under 24 months from Tier 1, 2, and 3 nighttime occupancy limits, but include on-site owners in these limits.

I am not an onsite owner right now but I am looking for a good potential Tier 1 opportunity because we are planning to move our winery business to Leavenworth/Peshastin and it would be a good opportunity and financially responsible for us to consider a Tier 1 situation in order to support our business and to be closer to our community and management of the winery and of the existing Tier 2 property. However, including onsite owners in the occupancy limits makes little sense to me. The owners are home to manage the occupants. I would venture to say that Tier 1 owners should be allowed a higher occupancy, not included in the occupants.

Likewise I would welcome the change to allow for a non-owner to be onsite to manage when necessary. I have often asked about this because I had hoped to purchase a home for my aging parents to live in and to offset other areas of the house to help pay for their home. Now that we are hoping to move there I think the change to allow non-owner would still be beneficial because at times we travel and I would like to have a manager (or mama) be onsite to keep things running smoothly.

A sign change to include reflective paint seems more of a nuisance to neighbors than a help. I have a beautiful custom painted sign but my property is rural and most don't see it until they come close to my house in the driveway. I can change it if necessary but reflective signs are just ugly.

Requiring annual inspections would be a huge nuisance for you guys. I'm not breaking any rules so I don't mind so much but it could end up a scheduling problem. Maybe require some other proof as needed? Time stamped photos?

Just a few thoughts. Thank you for your time.

Nova Chamberlain

Cindy Wright

From: Dan Wheeler <wheeler.dan@outlook.com>
Sent: Tuesday, August 27, 2024 7:06 PM
To: CD Comment
Subject: Full-Time Resident Opposition to STR Code Changes

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

Hello,

I've just received word that Chelan County is once again bending to the pressure and influence of STR owners to let them continue to exploit our community.

This needs to STOP. STR's serve nobody but the business owners exploiting our community who are usually people who don't even live here. How does this keep happening? Other cities and areas are moving towards total bans of STRs or extreme limitations because of all the problems STRs create but Chelan county is moving in the opposite direction? This reminds me of the Seattle stadium debacle or \$30 car tabs where the people spoke but the government ignored them and did what it wanted to because of the people in power who stand to benefit from the exploitation and disregard of the citizens.

Honestly, I see this as CORRUPTION. The residents have spoken but the government is not listening, and I can only assume there is dirty money and insider influence happening to explain the total disregard for residents' preferences. Nothing else makes sense why our elected officials would cave to the pressure despite so much opposition and so much data showing how bad STRs are for housing affordability, sense of community, safety and so many other basic, common-sense concepts that make a place nice to live for the residents.

This idea that STRs and tourism is needed to support the community is BS. We don't need this. Tourism will only ruin what we have.

This is about MONEY and who's making it.

I am strongly opposed to ANY relaxations of STR policy and firmly believe we should be doing the opposite and tightening restrictions to reduce the amount of STRs in our community.

Again - We don't NEED STRs. The idea that commerce and tourism are needed in our community is FALSE. The community can has and can continue to thrive in other ways that don't require taking on the negative impacts of STRs. It is NOT NECESSARY.

STRs only bring MORE business, MORE commerce, MORE people and MORE problems. We don't NEED any of those things. It's simply not necessary. There is no pre-destined agenda for Chelan county that requires growth and commerce. The only thing driving it is the desire of a few to make money.

We will be much better off and happier if we can avoid the trap of unsustainable growth and commerce.

Cindy Wright

From: Jim & Nicole Wright <thewrightteam@gmail.com>
Sent: Tuesday, August 27, 2024 8:29 PM
To: CD Comment
Subject: Opposed to STR code changes

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

To Whom It May Concern,

We are strongly opposed to any changes in the STR code that was established in 2021. It should be strongly considered that in several areas of the county we are still well over the 6% cap. Removing the cap would lock in or increase the number of STRs in our neighborhoods. As we have seen for ourselves over the last 10 years, too many STRs in an area has detrimental effects on those neighbors around them, which is why this code was put in place.

We are also against letting tier 1 rentals have tenants in them while the owner does not live there.

Additionally, children should be counted as a part of the occupancy rate. Each human, whether adult or child, takes up space in an STR. They use water, electricity, create garbage and noise. They should be counted.

We are extremely upset that the code is being reopened for reconsideration and modification. The proposed changes that are being considered are detrimental to neighborhoods, owner occupied homes, home buyers and tenants looking for looking for rental housing near where they work.

This code could and should have gone even further to regulate STR's and the current code which was long fought for was already a compromise in many ways. There is no justifiable reason for considering the proposed changes which will only benefit investors and those running STR's! We consider it the duty and responsibility of county officials to act on behalf of the majority, not on behalf of the financial gain of such a minority.

Respectfully,
Jim & Nicole Wright
2524 Kinnikinnick Dr
Leavenworth, WA 98826

*Jim & Nicole Wright
Windermere Real Estate/M2, LLC
425-478-2700 Jim
425-478-2616 Nicole*

"You Can't Go Wrong With Two Wrights"

Cindy Wright

From: Carol Odom <vistaazulmanson@gmail.com>
Sent: Tuesday, August 27, 2024 8:37 PM
To: CD Comment
Subject: Proposed STR Changes

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

We are STR owner operators and residents in Manson. We strongly support the allowance of infants under 24 months as not applied towards the occupancy limit. Those infants don't contribute to parking, noise and garbage issues that are typically complaints made.

Our guests with infants are some of best who follow the rules and regulations.

We also welcome and support the allowing parking within setbacks. This would allow us 2 additional guests in our 3100 SF STR with 5 bedrooms. We have sewer and plenty of space for 10 guests plus infants. Prior to the code we were licensed for 12 occupants and we have lost many bookings due to the new code.

One additional car is not required due to the number of bedrooms or sewer but allows for two more guests which we can easily accommodate.

These changes are reasonable and will not impact our neighbors.

Thank you for making these code changes!

David and Carol Odom
Vista Azul Manson

Cindy Wright

From: Theresa Platz <drplatz@msn.com>
Sent: Tuesday, August 27, 2024 8:54 PM
To: CD Comment
Cc: Chris Platz; drplatz1@gmail.com
Subject: Short term Rental Proposed changes

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

Dear Chelan County Planning Commissioners,

We are writing to express our strong opposition to the proposed change in the 6% cap on short-term rentals and Tier 1 rental requirement changes in our community. As long-term residents of Chiwawa River Pines, we are deeply concerned about the potential negative impacts these changes would have on the character and safety of our neighborhood.

Short-term renters often do not have the same level of investment in our community as permanent residents. This can lead to behaviors that are disruptive and reckless, such as excessive noise and disregard for local regulations. Additionally, many short-term renters may not be familiar with the specific risks associated with our area, including fire hazards and interactions with local wildlife. This lack of understanding can pose significant dangers to both the renters and the community at large.

Furthermore, increasing the number of short-term rentals can exacerbate the already challenging housing market for local workers. Many individuals who work in our community are finding it increasingly difficult to afford housing close to their place of employment. By allowing more short-term rentals, we are effectively reducing the availability of long-term housing options, making it even harder for these essential workers to live in the area they serve.

Maintaining the 6% cap on short-term rentals is crucial for preserving the safety, character, and affordability of our neighborhood. We urge you to consider the long-term implications of this proposed change and to prioritize the needs and well-being of our permanent residents.

Thank you for your attention to this important matter.

Sincerely,

Theresa and Chris Platz
2509 Kinnikinnick Dr
Leavenworth, WA 98826

Cindy Wright

From: Leavenworth Second Homes LLC <secondhomes98826@gmail.com>
Sent: Wednesday, August 28, 2024 12:02 AM
To: CD Comment
Subject: STR CODE

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

Chelan County Planning Commission

Chelan County, WA

Dear Members of the Planning Commission,

I am writing to urge the Chelan County Planning Commission to reconsider the overly restrictive regulations recently imposed on short-term rentals. These regulations are setting the county on a dangerous path, as many individuals who have been significantly impacted by the loss of revenue may pursue legal action. Several portions of the current code appear to be unconstitutional, and the county simply cannot afford the inevitable number of lawsuits that are likely to follow.'

At the same time, Chelan County is actively seeking ways to boost tourism, and short-term rentals provide an excellent opportunity to do just that. They attract visitors, generate revenue, and enhance the local economy. Restricting short-term rentals will only hinder these efforts, counteracting the county's goals for tourism growth.

I strongly encourage the Planning Commission to take these factors into consideration and re-evaluate the current restrictions to avoid costly legal challenges and to help foster a more robust tourism economy in Chelan County.

Sincerely,

Kirk Jensen

Cindy Wright

From: Anika Ryka <anikaryka@gmail.com>
Sent: Wednesday, August 28, 2024 12:26 AM
To: CD Comment
Subject: email from Anika on short term rentals

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

Planning Commission & Council,

I am writing to express my concerns regarding the current short-term rental (STR) regulations, specifically the 6% cap by zip code and other overly restrictive aspects of the code that I believe warrant reconsideration. While I understand and appreciate the county's intent to manage STR growth and ensure a balance between tourism and residential quality of life, the approach currently in place has unintended consequences that disproportionately target STR owners and, in some instances, appear unfairly discriminatory.

One of the key issues is the 6% cap per zip code on short-term rentals. This limit does not reflect the nuanced realities of different areas, the varying demand for STRs, or the economic benefits that STRs bring to Chelan County. Removing or adjusting this arbitrary cap could create a more flexible, balanced approach that encourages responsible STR management without stifling the local economy. Additionally, many areas of Chelan County rely heavily on tourism, and STRs provide an essential service to visitors while supporting local businesses.

Another concern is the inequitable enforcement of rules regarding occupancy based on septic system capacity. While it is understandable that septic limitations must be considered, STR owners are being disproportionately scrutinized compared to long-term rental owners or even non-rental homeowners. Long-term rentals and primary homeowners often exceed the septic limits without enforcement or oversight, yet they place a far greater burden on septic systems by residing year-round compared to short-term guests staying only for brief periods. This disparity is not only unjust but creates the perception that STR owners are being unfairly targeted.

The aggressive monitoring and enforcement of STR regulations, including the hiring of significant code enforcement personnel and the use of an online surveillance agency, feel like an overreach of governmental power. These measures give the appearance of surveillance targeting, akin to excessive monitoring based on religion or race. While it is clear that the county wishes to ensure compliance, such levels of oversight and the use of private agencies to monitor citizens feel overtly intrusive and unnecessary. The result has been a climate of fear and resentment among STR owners, who feel that they are being unfairly targeted by the county government.

I would urge the commission to reevaluate these aspects of the STR code and consider reforms that are more balanced, fair, and conducive to both protecting the county's infrastructure and supporting a thriving tourism economy. Removing the 6% cap by zip code and addressing the disparity in enforcement between STR and non-STR properties would be a good place to start. Furthermore, reducing the level of surveillance and enforcement to a more reasonable degree would help alleviate the sense of being unfairly targeted that many STR owners currently experience.

I appreciate the opportunity to share my concerns and hope that the Planning Commission will take them into consideration. The current code, while well-intentioned, needs adjustments to ensure that it is not unfairly penalizing a specific segment of property owners, but rather promoting a balanced approach that benefits the entire community.

Cindy Wright

From: Lorie Witmer <gowitty@gmail.com>
Sent: Wednesday, August 28, 2024 6:11 AM
To: CD Comment
Subject: Opposed to New STR Code changes

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

I am strongly opposed to any changes in the STR code that would result in an increase in the number of STRs in the County.

We have a housing crisis and that our housing stock must be preserved for the residents who need homes. I am opposed to any change in the 6% cap on the number of STRs.

I am extremely opposed to changing the rule which requires Tier 1 rentals to be owner occupied. The purpose of the Tier 1 classification was to allow homeowners to rent out an accessory dwelling unit or basement apartment so that they could realize some additional income to help them to afford their homes. It was not intended to allow investors to buy up more homes in Chelan County.

I live next to an STR where owner lives in Florida. They have no garbage plan so Bears are attracted and spread garbage over their property and my property.

They don't manage parking or snow plow in winter, they cheat and try to get as many renters as possible.

I moved over here to enjoy the beauty and serenity, not deal with 4 SUVs arriving nightly to an STR that is barely managed from afar.

Managing occupancy is a real issue, I am
Also opposed to excluding children under two from the head count for occupancy limits. This change will result in more older children and adults in short term rentals.

As a resident I want more STR code not less. Why are we moving backwards?

Lorie Witmer
206-799-6588

Cindy Wright

From: Wendy McElhaney <wkmcelhaney@comcast.net>
Sent: Wednesday, August 28, 2024 8:19 AM
To: CD Comment
Subject: Proposed STR changes - attn Planning Commission

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

Hi, I am writing to let you know that as a full-time resident of Leavenworth, I am opposed to the following changes proposed under the proposed STR code.

1. I am opposed to any changes in the STR code that would result in an increase in the number of STRs in the County. There is currently a housing crisis and people working in the area should be able to live here.
2. I am opposed to any change in the 6% cap on the number of STRs. There are already too many properties owned by people who's main interest is to make money, not preserve the community that the locals have to live in.
3. I am opposed to changing the rule which requires Tier 1 rentals to be owner occupied. Allowing people to rent out part of their property while making additional income supports the local population instead of outsiders that don't care about the community from a fulltime resident perspective.
4. I am opposed to excluding children under two from the head count for occupancy limits. All people should be counted. The town is already crowded enough. Even though children under 2 probably use less resources, then take seats in restaurants, go to the clinic/er for services and should be part of the STR rental count.

I moved here 3 years ago, but have been coming to visit my family for the last 30 years. The town has changed so much with tourists that are not invested in protecting and creating a community. Thanks for your time.

Wendy McElhaney
356 Hinthorne Ln
Leavenworth, Wa 98826
206-276-4940

Cindy Wright

From: Betsy Steele <birdrok@gmail.com>
Sent: Wednesday, August 28, 2024 9:20 AM
To: CD STRComment; CD Comment
Subject: For today's STR hearing

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

Planning Commission and Chelan County Commissioners:

Years, thoughtful debate, compromise and plenty of public funding have been devoted to establishing the STR code we have now.

It has become (for most residents) a logical, fair, acceptable, and well-managed part of "the system."

Chipping away at it - undermining the Tiers to permit more vacationers, not counting babies and toddlers as people, allowing a live-in renter to "manage" the STR property are absurd change requests.

The current STR regulations are to protect and benefit the actual citizens of our county, not to enable outside interests and locals with the real estate wherewithal to convert housing to tourist playgrounds. The clamoring greedy minority, never satisfied with legal resolution - should be firmly reminded to play by the rules, as they were presumably taught in kindergarten.

Leave our STR code in place, drop this "request" and move on to more urgent issues. You, Commissioners and Development Department, should, frankly, be ashamed of pandering to the unbridled STR contingent - which, in the words of a James Bond nemesis, "...keeps returning with the inevitable persistence of an unloved season..."

Sincerely,

Betsy Steele

9348 Eagle Creek Road

Leavenworth 98826

509 860 8059

Cindy Wright

From: Justin Gelb <jgelb88@gmail.com>
Sent: Wednesday, August 28, 2024 9:06 AM
To: CD Comment
Subject: Opposition to STR Code

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

To whom it may concern

My name is Justin Gelb. I work, live and rent in Chelan county. And changing the STR codes will greatly affect affordability and livability of this area for me and my family.

1. I am opposed to any changes in the STR code that would result in an increase in the number of STRs in the County. Let them know that we have a housing crisis and that our housing stock must be preserved for the residents who need homes.
2. I am opposed to any change in the 6% cap on the number of STRs.
3. I am opposed to changing the rule which requires Tier 1 rentals to be owner occupied. The purpose of the Tier 1 classification was to allow homeowners to rent out an accessory dwelling unit or basement apartment so that they could realize some additional income to help them to afford their homes. It was not intended to allow investors to buy up more homes in Chelan County.
4. I am opposed to excluding children under two from the head count for occupancy limits. This change will result in more older children and adults in short term rentals.

Thank you

Cindy Wright

From: Julie Douglas <julie-douglas@hotmail.com>
Sent: Wednesday, August 28, 2024 10:35 AM
To: CD Comment
Subject: ZTA 24-325 - Proposed amendments to the Short-Term Rental Provision in the Chelan County Code

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

Hi there

I hope I'm not too late to provide some feedback / comments about the proposed amendments to the STR provision.

We are **VERY supportive of any changes** to the code that lifts restrictions in the unincorporated areas of the county. I absolutely understand that people want to protect their neighborhoods but:

- We are a tourist town, that thrives BECAUSE of the tourists & the more lodging options made available the better
- We personally live on a 5-acre lot, are not a part of any neighborhood but have no viable STR options
- We pay our taxes & I believe we should be able to do what we want with our property (assuming we're withing code / safety requirements etc) -

A couple of ideas from other parts of the country I have lived in:

- In Florida they have a 'homestead' option to where you pay regular property taxes if it's your primary residence. If it's not your primary residence, you pay higher property taxes
- It would be great to have some type of exception process to where I could provide the details of our specific situation & if acceptable, have an exception granted. Most of the time one size does not fit all
- Impose an option that if you have been a primary resident in your property for at least 2 years, you have the option to apply for an STR – this would discourage big developers from buying properties & driving up prices but provide an option for people (like us) who would like to keep their house but rent it.

Anyway, best of luck with the meeting & thanks for reading.

Best,
Julie Douglas & Brian Brockwell
8836 Canal Road, Leavenworth WA 98826

Jessica K. Thompson

From: Wendy Dodds <wendydodds@gmail.com>
Sent: Wednesday, August 28, 2024 2:47 PM
To: CD Comment
Subject: STR Code for Chelan County

Follow Up Flag: Follow up
Flag Status: Flagged

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

As a full time resident and home owner in Chelan county I am in opposition of altering the 6% cap and changing the Tier 1 requirement. There are already too many nightly rentals in our community. Important word "community". We are trying to build one and it is very difficult with renters coming and going, day and night. Homes continue to be purchased as investments instead of "homes". This keeps prices elevated for people who want to live and work in the community.

WD
Mobile: 503-706-2947
www.wendydodds.com

Jessica K. Thompson

From: Chris Coz <dooitup1@gmail.com>
Sent: Wednesday, August 28, 2024 1:58 PM
To: CD Comment
Subject: STR code change

Follow Up Flag: Follow up
Flag Status: Flagged

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

Hello,

I live on n shore drive and am expressing my disapproval of the proposal to increase the 6% cap on STR's and the exclusion of children under 2 in the number of occupants. All neighborhood owners in any county should not be inundated with the festive party, loud atmosphere that STR's bring. They also always have more people than the limit allows. You are getting plenty enough tax revenue from the current property taxes. Please reconsider.

Chris Cosgriff

Jessica K. Thompson

From: kinderranch@nwi.net
Sent: Thursday, August 29, 2024 10:23 AM
To: CD Comment
Subject: STR CODE - Please Do Not Allow any Reduction of the Current 6% Cap or Loosening of Restrictions

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

Dear Chelan County Planning Commission,

I am writing to advise you that I am adamantly opposed to any removal of the current 6% cap on short term rentals in Chelan County. The county, its residents, and STR owners went through an extremely lengthy and laborious process just a few short years ago. Residents have expressed over and over the need for strong regulations on this issue due to problems experienced with STRs such as excessive noise and mountains of garbage invading residential neighborhoods. **At the current level of short-term rentals in the Leavenworth area (which is still well over the 6% currently allowed in the county), there have been significant problems such as noise, garbage, conflicts, trespassing, and invasion of privacy.**

I sincerely request that you do not fall prey to pressure from pro short term rental groups who have bottomless pockets and will spend whatever necessary to advance their mission to create as many STRs as possible for their personal enrichment. Leavenworth currently has more than plenty places for people to stay. Let's not further damage what is left of beautiful communities such as Leavenworth and Chelan. This is what the proposed change to the current code is really about – an easy way to gain oodles of money from the tourist towns. In the process, these cherished areas stand to suffer irreparable damage. My husband, Gene Kinder, concurs with my opinion on this matter.

Thank you,

Linda Kinder
Leavenworth, WA

Jessica K. Thompson

From: William Gardner <donnabillgardner@msn.com>
Sent: Thursday, August 29, 2024 5:18 PM
To: CD Comment
Subject: Short term rental regulations. Please NO changes!

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

Please!

*Our **housing shortage is critical** and we need to address that, not increase the short term rentals. Please keep the STRs limited as they are now and any increase in visitor nightly rentals should go in the Commercial zoning areas. That is what hotels are for.*

*We are opposed to any changes in the STR code that will result in an increase in the number of STRs in the County. Please do **NOT** change the cap or increase the number of short term rentals in any way!*

We do not need to try to wiggle around the occupancy limits that were set previously. We oppose changing the rules about age to exclude infants and toddlers. Everyone takes up space, uses utilities and creates noise. Please keep the regulations as they currently exist.

*Tier 1 rentals **must be owner occupied**. The purpose of the Tier 1 classification is to allow homeowners to rent out an accessory dwelling unit or basement apartment so that they could realize some additional income to help them to afford their homes. Those are the people who live here and are a part of our community.*

*Thank you,
William*

Jessica K. Thompson

From: CD Comment
Sent: Friday, August 30, 2024 11:37 AM
To: Jessica K. Thompson
Subject: FW: STR Regulations Concern

Follow Up Flag: Follow up
Flag Status: Flagged

To be sent to PC members

Deanna C. Walter, Director

Chelan County Community Development
316 Washington St Ste 301
Wenatchee, WA 98801
deannac.walter@co.chelan.wa.us
509-667-6228

From: dgann7@gmail.com <dgann7@gmail.com>
Sent: Friday, August 30, 2024 10:17 AM
To: CD Comment <CD.Comment@CO.CHELAN.WA.US>
Cc: dgann7@gmail.com
Subject: STR Regulations Concern

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

To Whom it May Concern,

I'm opposed to changing any of the rules regarding Short Term Rentals in Chelan County. It has taken time to implement the STR regulations and feel there is not enough experience to change the rules at this time. To allow non-owner occupied homes to be treated as owner occupied opens the door to abuse and increases the enforcement burden on County staff. Excluding children of certain ages from the occupancy limits is simply a way to increase occupancy limits, which I'm opposed to. I see no reason to change the regulations until we all have more experience with the existing regulations.

Thank You,
Doug Gann
12478 Shore St
Leavenworth, WA 98826
dgann7@gmail.com
(206) 419-8467

Jessica K. Thompson

From: Deanna C. Walter
Sent: Friday, August 30, 2024 10:26 AM
To: William Cagle
Cc: Jessica K. Thompson
Subject: RE: Hearing for Proposed Amendments to the Short-Term Rental Provision in the Chelan County Code

Follow Up Flag: Follow up
Flag Status: Flagged

Received – we will forward to the Planning Commission.
Thanks,
Deanna

Deanna C. Walter, Director

Chelan County Community Development
316 Washington St Ste 301
Wenatchee, WA 98801
deannac.walter@co.chelan.wa.us
509-667-6228

From: William Cagle <frogdarts@gmail.com>
Sent: Friday, August 30, 2024 10:24 AM
To: Deanna C. Walter <DeannaC.Walter@CO.CHELAN.WA.US>
Subject: Hearing for Proposed Amendments to the Short-Term Rental Provision in the Chelan County Code

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

Dear Commissioners,

I am a resident of Manson. I have two STRs in my HOA of 10 homes. My wife and I as well as neighbors two houses down have thought of moving because of the impacts STRs have had on our lives. At some point our neighbor STR owners changed their procedures to attract more family type renters and things quieted down, but our other neighbors are dealing with less responsive owner-operators and have to put up with parties. Even though we are less impacted than we were, there remains a large gap between having neighbors and having STRs.

I am strongly **opposed to the changes in Tier 1 definition** to add Manager/Operator to the requirements for Tier 1 status.

- It invalidates what is likely the *primary concept of Tier 1* and why it enjoys more freedom of application than the other tiers – it presupposes that an onsite owner has much more motivation to ensure that renters are behaving, probably primarily to manage their own sanity and comfort. And it might even help people maintain and afford housing.
- This change has *no legitimate reason* for its proposal other than to subvert existing code in an effort to bypass limits that were originally proposed in order to have some reasonable rules for the STR development.
- This *kind of change* is really suggestive of how big business takes the long view as it grabs its foothold into its environment. The original code was the product of a great deal of negotiations for a long period of time, particularly pitting moneyed interests against what really amounts to the victims of its business. It was a reasonable compromise. It was scheduled to be revisited as it should be to work out kinks that were sure to show up. But like big business everywhere the review was an opportunity to destroy or subvert basic aspects of the code, the definition of Tier 1 being one of them. I am sure I was not the only person who was anticipating unfair and grossly improper adjustments to the code, as we all see how this plays out more broadly – people are busy with their lives and it requires extra work to stay on top of such things, while moneyed interests work on long range plans to maximize their footholds with a slippery slope of pressure and recommendations. Just like with the recent death of the concept of AgriTourism this again is an opportunity to attack the most basic reasons for a particular code. Such change is an *insult to the work of so many people* over so many months that resulted in the original code.
- Our neighbors contacted their owner-neighbor over loud and obnoxious behaviors by the next door renters. The owner contacted the renters and got back to our neighbors with the basic message that the renters said they weren't making too much noise. End of story. That is the face of the Tier 1 proposed change.

I am likewise **opposed to lifting caps on STR density**. *Is this even for real?*

- What gets lost in translation is often the *reason* for the code; I really don't know the reason, the Residents Coalition suggests it had to do with a balance impacting housing affordability. Common sense tells me that having a cap on the density of STRs in a community is a way to throttle the impact STRs have on neighborhoods. You only have to go to a neighborhood on a Friday night in the summer that has a localized increase in STR density to see what the impact of STR density has.
 - Dr. Brian Patterson's May 2021 article on *How Short-Term Rentals in Residential Areas Harm Communities* does an excellent job on describing the harm STRs have in our community. I have experienced those harms (have you, if that is a fair question?). The impact on social cohesion, the angst of fractured relationships with owner-neighbors, the loss of privacy, the impact of noise, the PTSD-like anticipation of the next hassle, the overall increase in nearby activity on a much more frequent basis than it would be if it was simply your neighbors living next door all erode the quality of life for us victims of STRhood.
 - If we just had neighbors next door, I could call them and ask to keep their party down because I had to work early the next day or because my spouse has a migraine and it would be a reasonable neighborly request even if the neighbors weren't doing anything egregious. A positive response to such a request is more likely to happen with neighbors than with renters, because of the social capital that Dr. Patterson references. But the moment we have to depend on *code* rather than *social capital* changes the relationship from a neighborly one to a distanced and antagonistic one. Instead of a call to the neighbors it is a call to the police or to the STR monitors and instead of looking at a response based on neighborly relationships we are more likely to deal with a response based on legalities. And we all know how life is when we have to depend on legalities –it is an antagonistic defensive place to live.

- I am not sure how the notion of lifting caps has anything to do with the Manson Community Council's reported request to lower the caps to 6% in keeping with the rest of the county. But lifting the caps is the very definition of such sayings as *throwing the baby out with the bathwater*. If the 9% cap was agreed upon as a trade for a 3 vs 5-year time limit for transferring licenses, then just deal with the time limit separately. They don't even belong together in the same sentence.

- My paranoia tells me that lifting caps is part of business' plan to erode the original code. My common sense tells me that lifting caps destroys yet another very basic aspect of the code that was hammered out over a long period of negotiations. DON'T DO IT.

It doesn't matter to me too much whether children under 2 are considered in the limits placed on the number of rentals for an STR. It makes sense that this is an impediment to owners when they seek to book a rental. This is not a core issue of regulation and it seems to be a perfect item for code change consideration that requires coordination with broader services such as fire, septic and health. And it does not radically change core aspects of code that was comprehensively worked out in a bipartisan manner!!

Finally I would just like to add some personal comments not related to any of the specifics of the code you are fine tuning (or coarse tuning as I worry about).

- It is very difficult to depend solely on graphs and metrics. I am at a disadvantage when I speak the language of personal distress and comfort in a setting of decibels and noise cut off times. Physicians have a difficult time when they attempt to assess pain, as it pits a personal expression of distress against measurable and objective findings. In the (not really) rarified atmosphere of being a judge making a ruling about codes it can be a challenge to hear the personal heartache that informs those of us who feel hurt by STRs and particularly to balance this against the interest of STR owners.

- *Money talks* and that is certainly at the heart of the issues. Please be aware of the power that money has on all interests involved, not only the owners of STRs but the businesses and the city itself. The pressure is on you to maximize money, a very real and immediate pressure, while you (hopefully) try to balance that against the much less obvious and pressing judgments of impacts to the community and how your decisions will shape the future. Be aware of the ways you might be influenced: physicians always thought they were immune to the advertisements and inducements of the pharmacy industry because they were smart and aware, but they were no more immune to advertisement than a child watching an ad for Minecraft Legos or a new sweet treat.

- Likewise when well-meaning organizations make a decision to cull a species or get rid of a supposed pest they often don't see the impacts it will have on the future. I know this example won't go down well, but this is the one where wolves were culled, leading to more deer who ate the bark off riparian trees which then led to a deficit of trees for beavers who made less dams which destroyed wetlands that were important to the whole system. Be aware of the downstream effects of your decisions. I recently visited with a relative in a small barrier island community in Florida that was attractive to visitors for its intimate, small town appeal and glorious sand, sun and hospitality. Fast forward to the present and the town is 80% STR, 16-person golf carts roam freely like pesky seagulls, cheap shops abound, home prices are through the roof and the intangible and metric-agnostic aspects of the community are gone, there is no community and the social capital is that of a strip mall.

- I don't see this as a bit of the code that is up for change but having the ability to transfer an STR license has a real downside. In my neighborhood it increased the sale price significantly beyond reasonable comparators. As we have seen more broadly in the Chelan area, just like the process of fission, the sale of one STR or second home followed by another has fed upon itself and produced an exorable upswing in the cost of housing. How much is the local community

benefiting from such currents? What is the end result of an individual STR – will the owners move into it when they retire (and if they do will they want an STR neighbor), and will the business-focused STRs keep selling to yet another investor at yet another price above what a plain old neighborhood price would be?

Thank you for the opportunity to vent my views on this subject. I am not paid to make these pitches and I don't have a lawyer being paid to make these arguments, and it takes time and emotional capital to (have to) defend myself this way. Given the uneven playing field between moneyed interests and us locals in the neighborhood, I think you should give us a handicap and count each one of our arguments as the arguments of 50 like-minded people.

William Cagle

92 Fishermen Pl

Manson

PS: And while we are at it, let's put a roller coaster on the Butte.

Jessica K. Thompson

From: Michael Muscari <michaelmuscari@hotmail.com>
Sent: Friday, August 30, 2024 7:58 PM
To: CD Comment
Subject: STR code changes

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

I heard today that the County is considering changes to the STR regulations. Unfortunately, I heard after the meeting this week. I hope this is the proper place to submit my opinions. I am very much in favor of eliminating the 6% cap on STR. I don't feel it is fair to allow some property owners to run STR and others are not allowed to because of the cap. Regarding the other two proposed changes; -renters running STR and -no limit on under 2yr old, I don't feel strongly for or against them.

Thank you.

Michael Muscari
22909 Brown Road 98826
509-679-2685
Sent from cell

Jessica K. Thompson

From: Amy MacDonald <macdonaldamy@hotmail.com>
Sent: Tuesday, September 3, 2024 6:29 AM
To: CD Comment
Subject: Do not change short term rental rules

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

To whom it may concern-

I live at Lake Wenatchee. I am very strongly opposed to changes to short term rental rules in Chelan county. Residents of Chelan county worked together for a very long time to create the current rules. Please respect the neighbors and neighborhoods in Chelan county who already evaluated, short term rentals and implemented the regulations that are currently in place.

In the United States, as well as all over the world there is evidence that the deregulation of short term rentals leads to the eroding of local communities, pressure on housing, pressure on resources, such as water, general overuse and sadly, often disrespect of existing communities.

Do not weaken, Chelan County's short term rental requirements. They were created with intent by the community.

Amy MacDonald

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Jessica K. Thompson

From: Residents Coalition of Chelan County <info@coalitionofchelancounty.org>
Sent: Monday, September 2, 2024 2:16 PM
To: CD Comment
Cc: Deanna C. Walter; Kirsten Ryles
Subject: Information on Lodging Tax Trends
Attachments: Recent Lodging Tax Trends in Chelan Co (8_29_24).pdf

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Dear Members of the Planning Commission,

We have heard concerns about the recent declines in lodging tax revenue in parts of Chelan County. We believe that this is one of the primary motivations to make changes to the Chelan County short-term rental (STR) code to allow for more STRs in the unincorporated parts of the county.

When the STR code was being developed, it was understood that it would lead to some attrition in the number of STRs in the near term, especially for those areas around Leavenworth that were well above the cap on STR density in the code. So a commensurate decline in lodging tax revenue associated with STRs was expected. We believe that not only have these declines resulting from the new code stabilized, but that the lodging tax revenue declines are a fair trade for the benefits experienced by Chelan County residents by not having to contend with the uncontrolled growth of STRs in their neighborhoods.

The STR Task Force was set up in 2021 to find a balance between the interests of residents and those of STR owners/advocates. The adopted code reflects the tradeoffs agreed to by this Task Force including the requirement that Tier 1 STRs be owner-occupied and that a 6% cap on Tier 2 and 3 STRs be established for the unincorporated parts of the County except Manson (9%) and Peshastin (0%). We don't believe any of the fundamental drivers that resulted in Chelan County adopting a code have changed since 2021.

The attached document provides relevant data and context for lodging tax revenue trends in Chelan, Leavenworth, and unincorporated Chelan County. Please contact us with any questions or comments.

Thank you.

Kirvil Skinnarland
Residents Coalition of Chelan County (RC3)

Recent Lodging Tax Trends for Chelan and Leavenworth

There have been recent discussions about trends in lodging tax revenues for tourist areas such as Chelan, Leavenworth, and unincorporated Chelan County (which includes tourist areas surrounding Chelan and Leavenworth as well as all of Manson). This document attempts to summarize the actual trends and context for the most recent lodging tax revenues in these areas.

Data for this analysis were downloaded from the Washington Department of Revenue (DOR) website for Local Tax Distributions, Special Hotel/Motel Tax. This is the three percent lodging tax that is charged by both Chelan and Leavenworth and the two percent tax charged in unincorporated Chelan County. The tax distribution data are described by the DOR as follows:

Local tax distributions are funds sent to cities, counties, and other local governments by the Office of the State Treasurer. The Department of Revenue (Department) collects the local taxes then sends them to the correct local jurisdiction. Each distribution represents local tax amounts paid to the Department in the previous month. (Example: March 2021 distribution generally includes the January 2021 return due in February 2021). Distributions are monthly; however, if a business does not pay in full, local jurisdictions receive partial distributions until the business pays the full amount.

As stated above, the distributions are always two months behind when they are actually charged to the customer.

Table 1 (attached) provides the calendar year Special Hotel/Motel Tax distributions for Chelan, Leavenworth, and unincorporated Chelan County for 2019 through 2023. As shown, even though 2020 distributions were somewhat weakened by the COVID-19 pandemic (which started in early 2020) for both Chelan and Leavenworth, there was a very large surge in revenues in 2021 associated with the phenomenon of working remotely while lodging at a vacation destination (the so-called “workcation”).¹ This led to outsized increases in Special Hotel/Motel Tax distributions of 45.8, 60.1, and 33.3 percent in 2021 for Chelan, Leavenworth, and unincorporated Chelan County, respectively.

As the COVID-19 pandemic waned and tourist air travel began to revive, annual increases in Special Hotel/Motel Tax distributions moderated as expected. Additionally, Chelan County implemented new regulations affecting short-term rentals in September of 2021, which likely decreased tax revenue growth in unincorporated Chelan County. Even with these factors, Special Hotel/Motel Tax distributions increased from 2019 to 2023 by 56.3, 83.5, and 15.2 percent for Chelan, Leavenworth, and unincorporated Chelan County, respectively.

Table 2 (attached) provides Special Hotel/Motel Tax distributions for January through July for Chelan, Leavenworth, and unincorporated Chelan County for 2019 through 2024. The effect of the pandemic in early 2020 is even more pronounced in these data due to the initial reaction of the public to not even take driving trips to other areas. The rapid resurgence in the willingness of

¹ See for example <https://hospitality.economictimes.indiatimes.com/news/speaking-heads/rising-trend-of-workcations-the-marriage-of-travel-and-remote-work/100845479>.

tourists to drive to resort destinations is easily seen by comparing the first seven months of 2020 to the annual totals for 2020, where the comparisons to 2019 are much improved. And the surges seen in 2021 were exceptional for the seven-month period examined in Table 2, even more so than the annual increases in Table 1.

So, what is the trend for Special Hotel/Motel Tax distributions so far in 2024? Table 2 does show that through the first seven months Special Hotel/Motel Tax distributions declined 19.7 and 4.6 percent relative to the same period in 2023 for Chelan and Leavenworth, respectively, though only by 0.8 percent for unincorporated Chelan County. Keeping in mind that Special Hotel/Motel Tax distributions are roughly two months behind when they are charged to customers, this decline in Chelan cannot be blamed on the Pioneer Fire, which likely affected Chelan, but not Leavenworth, starting in early June.

The impact of the 2021 short-term rental code can likely be seen in the declines in Special Hotel/Motel Tax distributions in 2022 and 2023 as the code was implemented. Short-term rentals operating illegally were forced to shut down and others may have simply chosen to no longer operate under the new code. Based on the data in Table 2, it would appear that any declines in Special Hotel/Motel Tax distributions associated with the new code in unincorporated Chelan County have now stabilized.

Since the 2021 short-term rental code does not affect short-term rentals in Chelan or Leavenworth, it should have no impact on Special Hotel/Motel Tax distributions in those cities. And in fact, there are no such declines discernable in the 2022 and 2023 data.

To some degree, the declines seen so far in 2024 could simply be an unwinding of the pandemic trend of people taking “workcations” and a return to a normal trendline. Based solely on the data herein, it is not possible to say for sure what is causing the recent declines in Special Hotel/Motel Tax distributions, particularly in Chelan, where the decline is more pronounced.

Table 3 (attached) compares the Special Hotel/Motel Tax distributions from 2024 to those from 2019 (prior to any impacts from the COVID-19 pandemic). Over that five-year period, Special Hotel/Motel Tax distributions increased by 52.3, 83.5, and 16.6 percent for Chelan, Leavenworth, and unincorporated Chelan County, respectively. So, in fact, Special Hotel/Motel Tax distributions have increased in all areas analyzed over the five-year period ending in July 2024.

It is impossible to know exactly what impact the 2021 short-term rental code has had on Special Hotel/Motel Tax distributions in unincorporated Chelan County based only on the numbers provided here. We do know that even with the new code, Special Hotel/Motel Tax distributions increased from 2019 (before the code and the pandemic) to July of 2024. It is likely that these distributions would have grown even more without the code, but without more data we cannot say by how much.

In exchange for whatever the loss in Special Hotel/Motel Tax distributions due to the short-term rental code might be, residents of Chelan County can expect in exchange more peaceful neighborhoods, lower housing costs, higher levels of volunteerism and community, better access to local amenities, and less traffic.

Table 1. Summary of Annual Special Hotel/Motel Taxes Distributed (3% Lodging Tax)

City	Amount Distributed for Calendar Year								
	2019	2020	Change**	2021	Change**	2022	Change**	2023	Change**
Chelan	\$785,719	\$814,042	3.6%	\$1,187,262	45.8%	\$1,210,811	2.0%	\$1,228,209	1.4%
Leavenworth	\$1,440,268	\$1,266,720	-12.0%	\$2,027,550	60.1%	\$2,243,737	10.7%	\$2,587,824	15.3%
Chelan County*	\$1,031,355	\$1,198,829	16.2%	\$1,598,143	33.3%	\$1,368,671	-14.4%	\$1,188,081	-13.2%

* Unincorporated Chelan County.

** Percent change from previous year.

Table 2. Summary of Special Hotel/Motel Taxes Distributed January - July (3% Lodging Tax)

City	Amount Distributed for Jan - Jul for Each Year										
	2019	2020	Change**	2021	Change**	2022	Change**	2023	Change**	2024	Change**
Chelan	\$206,492	\$136,253	-34.0%	\$359,005	163.5%	\$347,311	-3.3%	\$391,496	12.7%	\$314,466	-19.7%
Leavenworth	\$717,230	\$576,556	-19.6%	\$1,000,214	73.5%	\$1,156,507	15.6%	\$1,380,205	19.3%	\$1,316,331	-4.6%
Chelan County*	\$423,745	\$381,767	-9.9%	\$764,612	100.3%	\$641,987	-16.0%	\$498,033	-22.4%	\$494,200	-0.8%

* Unincorporated Chelan County.

** Percent change from previous year.

Table 3. Percent Change in Special Hotel/Motel Taxes in 2024 vs. the Comparable Months in 2019

City	Amount Distributed for Jan - Jul for Each Year		
	2019	2024	Change**
Chelan	\$206,492	\$314,466	52.3%
Leavenworth	\$717,230	\$1,316,331	83.5%
Chelan County*	\$423,745	\$494,200	16.6%

* Unincorporated Chelan County.

** Percent change between 2019 and 2024.

Jessica K. Thompson

From: Max Walker <maxwell.a.walker@gmail.com>
Sent: Tuesday, September 3, 2024 6:53 PM
To: CD Comment
Subject: Support for Relaxing the 6% STR Cap to Encourage Fair Access and Economic Growth in Chelan County

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

Dear Members of the Planning Commission,

As a property owner and taxpayer in Chelan County, I am writing to express my strong support for relaxing the current regulations on Short-Term Rentals (STRs), particularly the 6% cap. I believe this cap unfairly benefits legacy property owners at the expense of new residents and the broader economic health of our community.

1. Removal of the 6% Cap: The existing 6% cap on STRs creates an artificial scarcity that benefits a select few at the expense of the many. By removing this cap, we can foster a more equitable and open market, allowing more property owners to participate in the STR economy. This would not only diversify income opportunities for residents but also attract more visitors, boosting local businesses and the overall economy of Chelan County.

2. Flexibility in Management of Tier 1 Rentals: The proposed change allowing renters to manage STRs is a necessary adaptation to the realities of modern property management. Renters, like owners, have a vested interest in maintaining property values and ensuring good relations within neighborhoods. This change would enable more people to benefit from STRs without unnecessarily restrictive barriers.

In conclusion, I urge the Planning Commission to consider these changes favorably. Relaxing the 6% STR cap and other restrictions is essential for fostering a fair, thriving, and economically vibrant community that benefits all property owners, not just a select few.

Thank you for your attention to this important matter.

Sincerely,

- Max Walker

Jessica K. Thompson

From: justin leigh <wjleigh@gmail.com>
Sent: Thursday, September 5, 2024 1:26 PM
To: CD Comment
Subject: Support for STR Code Changes

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

I think it's great that we're re-evaluating the restrictions on STRs. People enjoying our area need more places to stay, STR are a great way for families to experience the area and the homeowners in many cases invested in their properties expecting to be able to offset costs with rental income. Encouraging tourism is great for businesses and will have a positive impact on the economics of the entire region.

Justin Leigh
Leavenworth Home Owner

Jessica K. Thompson

From: Scott Mitchell <gropo.delux@yahoo.com>
Sent: Thursday, September 5, 2024 7:57 AM
To: CD Comment
Subject: Opposing STR rules change

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

To whom it may concern,
Please do not loosen the current guidelines for STRs. We have one right on top of us, it has become more tolerable since the codes rules were set, so it's supremely frustrating that here we are again....why does the community has to argue this subject over and over when the circumstances haven't changed? Imagine having a party next to your house every night with no owners present to police the situation. This is still a real community filled with working people who need to get sleep, children in school who need to get sleep, and home owners who deserve to enjoy their own yard. I know that the property managers would love to increase their profit margins, but the one next to me is owned by someone who already owns 5, they are making plenty of \$\$\$ already. Please let the local working class heart and soul of this town retain the current compromise that was already agreed upon.

Thank you for your consideration,
Scott Mitchell
7895 E Leavenworth Rd
Leavenworth WA 98826

Jessica K. Thompson

From: Jim Passage <jimpassage@msn.com>
Sent: Friday, September 6, 2024 5:18 PM
To: CD Comment
Subject: STR code change

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

I do not support the idea of changing the allowed number of STR units allowed under the current code.

Jim Passage

Jessica K. Thompson

From: heather price <huprice@gmail.com>
Sent: Friday, September 6, 2024 5:51 PM
To: CD Comment
Subject: Public comment on STR

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

Dear Commissioners,

As a homeowner and tax payer in Chelan County, I am submitting comment on the revisions to the STR code that are currently under consideration. Below, briefly summarized are my perspectives on several issues in the code. In short, I agree with the STRACC recommendations.

Excluding infants under 24 months from two-per-bedroom occupancy limit.

I am in agreement with STRACC in welcoming this proposed change, which would make Chelan County's code more consistent with that of peer jurisdictions and with the practices of leading booking platforms.

Booking platforms including Airbnb do not count infants under 24 months as guests at the time of booking. As such, STR operators in Chelan County are placed in an awkward position of cancelling reservations, issuing refunds, and forcing guests to rebook elsewhere upon learning that a guest made a reservation that includes infants under 24 months. There is no evidence that this industry-standard practice of omitting infants from guest limits has caused problems with noise, parking, or septic systems in peer jurisdictions.

Changing Tier 1 to include a manager or operator on site.

This change would increase opportunities to develop parcels with a long-term renter in one unit serving as an on-site manager for an STR, incentivizing more rental housing development and allowing for creative arrangements for on-site managers to defray their rent costs.

Language in 3(A)(ii) on page 29 of the PC's August 28 packet seems to require owner to live on site, which contradicts earlier language opening up Tier 1's to include owners, managers, and operators on site. It may be intended to apply only to parcels with multiple dwelling units, but could be interpreted to apply to any parcel. The intention of this passage should be clarified.

Replacing self-certification with mandatory annual inspections.

I agree with STRACC and oppose this change, which will impose significant time and monetary costs on owners with little benefit. There is no evidence that there is currently a problem with false reporting or safety issues. Homeowners, STR operators, and insurance companies are well aware of liabilities and are adequately incentivized to address issues in self-certification.

Requiring proof of paying sales tax and lodging tax annually at time of renewal.

This change is unlikely to achieve any real benefit, but it is going to impose compliance costs on operators. Most STR bookings are made through platforms such as VRBO and Airbnb, which collect and remit sales and lodging taxes on behalf of operators. Larger property management companies also take direct bookings, and are already required by state law to pay all applicable taxes. Requiring documentation of taxes paid will force owners to compile documentation from across multiple platforms, but is unlikely to increase tax collections. The Department of Revenue is competent to ensure collection of sales and lodging taxes, and enforcement is best left to them.

Changes to parking rules.

I agree with STRACC in welcoming the removal of the requirement that parking not be located in a setback. This change will hold STRs to the same standards as other home owners in this regard. STRACC is concerned that the language defining "vehicles" may be too broad as written. It could be interpreted to count a truck towing a trailer with two personal watercraft on it as 4 vehicles. STRACC encourages allowing property managers to establish site-specific parking limits, and to clearly communicate these to guests. A single vehicle can easily accommodate 4 or even 6 guests. The requirement of one parking space per two guests encourages additional traffic on highways and roads in our county.

Replacing discretionary hardship exemption for late permit renewal applications with progressive late fees and delayed issuance.

This is a reasonable proposal I believe would be better than the status quo for both owners and CD staff.

Changing cap percentages.

I understand that a cap on STRs was central to the Task Force agreement. However, it has become clear that STRs are not uniformly distributed around the county. I agree with STRACC in recommending applying a 6% cap at the county level, rather than separately within ZIP codes and subareas. Under such a system, only the countywide STR percentage would be used to determine whether new STR permits can be issued.

If ZIP code and subarea caps are retained, I agree with STRACC recommendation increasing the caps in the Leavenworth ZIP code to 9% in return for reducing the Manson cap from 9% to 6%. This would bring the Leavenworth area cap into line with current STR counts, which represent more than a 60% reduction from 2020 levels.

Signage Rules

I am in strong agreement with STRACC that the requirements for signs to be permanent, weatherproof, and reflective to be excessive. I, like most STR operators, have spent hundreds of dollars on my STR property on new signs since the code was adopted. Changing the requirements now will require me to spend even more to replace perfectly functional signs.

Additional Land Use Permits

4(C)(i) on p. 37 states that operating an STR requires an STR permit "and, in some cases, an additional land use permit." It is not clear what additional permits this is referring to. I would like to better understand the implications of this language for STR operators like myself.

Cleaning up language relating to existing nonconforming STRs.

I appreciate the effort to clean up the code by removing sections that are no longer relevant. However, before this is done, I would like to ensure that removal of this language cannot be later construed to remove the right to continued operation for existing nonconforming STRs that were in operations before the original code was adopted.

Thank you for your consideration.

Sincerely,
Heather Price

18751 Coulter Creek Rd
Leavenworth, WA
98826

Jessica K. Thompson

From: Joni Fisher <jonimfisher@msn.com>
Sent: Friday, September 6, 2024 5:54 PM
To: CD Comment
Subject: RE: STR Comments

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

Hello Commissioners,

I would like to add a few comments.

1. Parking and occupancy shouldn't be tied together. We should establish limits for cars and occupancy separately, we shouldn't reduce occupancy due to parking limits. We have 8 occupancy, 4 parking spaces and I have never had 4 cars onsite (I check on driveway camera for each group who comes) Most renters are families with children, they do not all come 2 to a car. We limit the number of cars as appropriate, and renters determine their travel plans based on that; we should be encouraging more people per car.
2. We continue to hear how STR's effect affordable housing, but what I see in the market doesn't suggest that. There is a nice house for sale in Manson with a transferable STR permit, it has been on the market for months, has been reduced in price a few times and it is still not sold. It seems clear that the permit hasn't raised the value or driven investors to snap/bid it up. Real Estate in Chelan County is expensive due to the beautiful recreational area, STR's haven't done that.
3. Allowing a caretaker/manager in a Tier 1, isn't making it a Tier 2 with 2 units. The owners - caretaker/manager is an employment relationship, not a LTR relationship, part of your employment benefits would be reduced or no rent, in exchange for onsite property management/oversite. There are so many locals that could really use this kind of opportunity, we should do all we can to help increase the opportunity for affordable housing. This would really be a benefit to the community.

Thanks for your consideration.

Sincerely,
Joni

From: Joni Fisher
Sent: Wednesday, August 28, 2024 11:09 AM
To: CD.Comment@CO.CHELAN.WA.US
Subject: STR Comments

Hello Commissioners,

I would like to send in a couple comments on the proposed STR Code changes.

1. Not counting kids 2 and under would be a huge improvement.
 - a. One to align with most other jurisdictions and platforms
 - b. More importantly, families are the best renters. Asleep early, no wild parties. I love to see the multi-generational renters, it's a great memory making experience, introduces kids to the wonders of Chelan County and are the best repeat customers.

2. Allowing "Renter/Care Taker" to manager Tier 1's would be a huge benefit to Chelan County tourism and affordable housing, just think if some of the current ADU's and potentially new ADU's could be renter to local residents at a discounted rate, Win Win. The current rule is just meant to make it harder to have an STR, this is a win for RUN but isn't a win for most of the residents of Chelan County.
3. Is there an issue with the current signage requirements we are trying to solve here or just add another burden? Do we really need glowing permanent signs on our homes, this is intrusive to the neighborhood appeal and neighbors. We aren't trying to make the neighborhoods look or feel like commercial zones, why does the county want or need this? This shouldn't be any more of a safety issue for fire, 911 then any other residence.
4. STR's and Resident homes should be treated equally in the rules for parking... these parking rules were just used as another way to shut down some STR's. Not due to actually issues or fairly enforcing these requirements for all.
5. Why are we revisiting the Manson UGA percentage, with the 200FT limit, Manson is unlikely to hit the 9% limit. It was negotiated and agreed to by the representative from the Mason Community counsel. We can also clearly see by the current percentages in the UGA, this 9% caps is not causing an issue or explosion in STR's.
6. Why is this needed, have there been issues? Eliminates self-certification checklist and instead requires annual inspections for "life-safety and applicable short-term rental or conditional land use permit standards." No evidence there's a problem with false reporting or safety issues, but there will be a lot of headaches, money and time for owners, CD and the fire marshal to deal with scheduling and reporting inspections. Likely an additional inspection fee to be added to already-increasing permit fees
7. This is nearly impossible for an STR to do, most of the homes are on sites that collect and pay the taxes on our behalf. We have already tried this and determined this is not feasible. There could be a few bad actor's out there but there is slim minority. Contrary to popular belief most STR owners do Love and Care about Chelan County and do the right/legal thing.
8. Replaces discretionary hardship exemption for late permit renewal applications with late fees (amount TBD), and no commitment to process them on time: This 100% should be changed, having one person get to decided what is and isn't a hard ship, and a person who is anti-STR is not a good process. Fine the late renewals with double permit fee fine and they will be on time the next year. There should be some commitment on processing the renewals, CD must have some guidelines spelled out in this, or they are let them linger indefinitely. Arbitrary decisions should not be allowed.
9. Please don't change the transfer requirements to include changes required due to divorce or death of one or both owners. Sure if the house is sold, that makes since but this is just trying to make it more difficult for the current owners.
10. Although not listed... requiring a land line in all STR's is antiquated technology and not really solving any safety issues. If a home doesn't have cell service maybe they should be required but 90+ % of the house do have cell coverage. This has just been a big when for Local Tel, other providers and tax authorities. There are pretty high taxes on a land line. My phone has cost me 1K so far in two years, has rang 5 times and appears to have had 10 out going calls.

Sincerely,
Joni Fisher

Jessica K. Thompson

From: Chris Peterson <dogdog@gmail.com>
Sent: Friday, September 6, 2024 5:42 PM
To: CD Comment
Subject: Comments on proposed STR code changes

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

Dear BOCC,

I operate an STR in Peshastin. Overall, I agree with the proposed STR code changes and am appreciative of the updates. The only proposed change I take issue with is an annual inspection rather than the self-certification. The self-certification is an annual reminder for STR operators to check fire extinguishers, smoke alarms, and other key safety items. Speaking personally, I'd never let one of these items lapse. Further, all STR operators had a fire marshal inspection during the first year of the code enforcement. It definitely seems burdensome (and potentially expensive) to have an annual inspection. My recommendation is to maintain the self-certification process. If that is deemed unacceptable for a demonstrable reason (has an issue been identified?), then perhaps inspections every 3 years would be suitable.

Thanks for your consideration.
Christine Peterson

Jessica K. Thompson

From: Delores Kinsman <deekinsman@gmail.com>
Sent: Friday, September 6, 2024 7:41 PM
To: CD Comment; Delores Kinsman; Dave Kinsman
Subject: Comments on Proposed STR Code Changes

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

Excluding infants under 24 months of age from 2 per bedroom occupancy limits:

I support this change.

Changing Tier 1 to include a manager or operator on site:

I support this change as I do think it will encourage more rental opportunities and income opportunities for county residents if STR is not owned by a county resident.

Replacing self-certification with mandatory annual inspections:

I support this change. As an STR owner, I think we owe it to the renters to ensure the highest standards of safety (working smoke, carbon monoxide alarms and unexpired fire extinguishers at a minimum) which I don't believe would take place if left to an honor [system.be](https://www.system.be) ensured in a self-certification situation.

Requiring proof of paying sales tax and lodging taxes annually at time of renewal:

I am in support of this change **IF** the STR owner/company can control whether AirBnb/VRBO/Home Away collect these taxes and pay them to the county automatically. As long as those platforms collect taxes automatically, I don't think this requirement will achieve much as it won't identify a direct booking scenario. If the STR rentals on these platforms can be set so that the owner/company collects the taxes directly and then remits to the county then yes, I do support this change. It takes just minutes to gather this information from each platform and I don't believe it would be a huge burden to compile and submit comprehensive proof. I did it when the rules changed and it literally took me less than 30 minutes to do.

Changes to parking rules:

I agree with the STRACC with regards to parking rules.

Changing CAP Percentages:

I support decreasing the Manson cap to 6% but do not agree with the STRACC in moving to a county-wide cap and/or increasing the Leavenworth cap.

Signage Rules:

I do not support and agree with the STRACC's comments on this change.

Thanks,
Delores Kinsman

Jessica K. Thompson

From: Tomas Vetrovsky <tomasv@tomasv.com>
Sent: Friday, September 6, 2024 7:55 PM
To: CD Comment
Subject: STR code proposed changes

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

Hi, we are writing you to comment on the proposed code changes for operating STR. We are a family of 4, who are operating a single STR, this way it enables us to spend time in Leavenworth, where we have been coming for 10+ years. Without our STR we would not be able to do that. We are active members of the community and never had an infraction or complain against our STR.

We are **supporting** the following proposed changes:

- Excluding the infants under 24 months from the 2 per bedroom occupancy.
- Change the language to allow owner/manager/operator to be present on site

We are **opposing** the following proposed changes:

Self certification checklist – this only brings administrative burden as the scheduling for the original fire marshal visit was a nightmare, and it does not seem there are systemic safety issues. We are OK with a requirements in the middle, that would require submitting pictures as a proof in the online platform.

Proof of sales tax annually – this should be on the county to verify via the access to their records, us compiling this in all the places like Airbnb, VRBo, Hotels, booking.com and many others is a much higher burden.

Reflective signs – that is a visual hindering as they are likely to be made from plastic (not environmentally friendly!) and for many, including us we only have wood/stone within the property to keep a character of mountain house. Ok with being weatherproof and permanent.

These are changes we would like to propose for the future:

Eliminate the VOIP/Landline requirement. We are not living in 19th century, some of the original arguments were power outages. In that case VOIP line is not going to work either, same for an old landline with a battery phone. All guests have cellphones and the public infrastructure depends on those as well. Plus they have a battery that is likely to operate for quite some time, unlike the VOIP/landline.

Enhance the limit per bedroom to 3 people. A lot of families have more than 2 kids and they like to stay together. Having multiple families in a single house is the reasons STR exist – they provide better and different experience from hotels where it is 2 per bedroom. (And even in their setups they allow for 3rd bed being added.)

Thank you,

Tomas and Lucie Vetrovsky

Jessica K. Thompson

From: Nick McLean <nick@nickmclean.com>
Sent: Friday, September 6, 2024 8:31 PM
To: CD Comment
Subject: Unintended consequence of limits

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

Chelan County's STR code has artificially increased home values. The code has made an artificial supply limit like a price limit on groceries or results an inflation.

The code was adopted during Covid where the demand was artificially high for STR in Chelan County. By restricting the STRs it made the inventory available to rent lower resulting in higher rental rates. It made owning a rental more feasible and investors willing to pay more to own a rental property.

Now with inflation demand has declined resulting in rental rates going back to a normal rental rate however still too high compared to pre COVID rates.

If STRs were not limited the supply of available units for rent would be even higher resulting in rates regressing back to pre COVID levels or lower. This would force owners to either not rent their unit or put it for sale. The free market would work. There are markets in Florida where home values are declining which is good for buyers and homeownership.

The STR restriction is against primary homeownership in Chelan County. It is against first time homeowners. It is against family formation. It is against affordable housing.

The result is that developers can't develop STR communities or affordable single family homes so they build apartments.

Do we want a community of restrictions, gated communities and apartment complexes?

I strongly recommend lifting the limits for STR permits because of these facts.

Nick McLean
RESIDE | NMREG | M PROP
C 509.670.1071 (ok to text)

Nick McLean
RESIDE | NMREG | M PROP
C 509.670.1071 (ok to text)

Jessica K. Thompson

From: gouldw@charter.net
Sent: Friday, September 6, 2024 11:04 PM
To: CD Comment
Subject: comments on STR code changes

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

September 6, 2024

William Gould STR #000174

5200 Whispering Ridge Dr.

Wenatchee, WA 98801

gouldw@charter.net

Comments for the Chelan County Planning Commission regarding the revisions to the STR code currently under consideration. Below is a summation of my comments on several issues in the proposed code revisions that directly impact my Tier 2 STR:

Excluding infants under 24 months from two-per-bedroom occupancy limit.

This proposed change is welcomed. I don't believe these infants pose a risk in any way that would lead to complaints by others or create problems with the functionality of our STR.

Replacing self-certification with mandatory annual inspections.

I am not in favor of this change. The requirements are well defined in the self-certification instructions and were explained in detail by the fire marshal during their visit at the beginning of our permit processing. Essentially, once a year inspections by the fire marshal or by others still won't make up for the constant oversight required by the operator of the STR (the real issue here). I suggest requiring an additional onsite inspection by others only if there are observable problems, when requested by the STR owner, or when a new operator is involved.

Replacing discretionary hardship exemption for late permit renewal applications with progressive late fees and delayed issuance.

This is a reasonable solution to an existing problematic issue.

Signage Rules

Out of respect to nighttime drivers being distracted, please do not require reflectivity.

Cleaning up language relating to existing nonconforming STR's

Please ensure this cleaning up does not adversely impact the operation of existing permitted nonconforming STR's

Sincerely,

William Gould

Jessica K. Thompson

From: Jeff Layton <laytonjeff@hotmail.com>
Sent: Saturday, September 7, 2024 8:33 AM
To: CD Comment
Subject: Comments on Proposed STR code changes

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

I am writing to voice my opinions to the proposed STR changes by your department. As an STR owners and a full time residents in Plain, my family has an extremely vested interest in this code.

1. **Excluding Infants from occupancy limits** - a most welcome change! Families with babies are exactly the kind of tourists we want to attract. Little kids don't stay up late partying, they don't create extra noise for neighbors and their parents go to bed super early. This also aligns with booking platforms that don't include them in a head count
2. **Changes to Tier 1 to allow on site manager** - Strongly disagree with this one. This is just a work around for vacant owners to profit from our county's tourist dollars. This will flood the unincorporated areas (where we live) with even more STR's and diminish the number of families who are able to afford to live here full time. Keep Tier 1 a true "owner occupied" property because these folks are invested in our community.
3. **Requiring annual life/safety inspections** - This is totally a solution in search of a problem. Noting but added red tape, cost and hassle for STR owners. Do you seriously think STR owners are going to remove smoke detectors and egress windows after they passed their first inspection? Is there any evidence that people are submitting false reports? After passing one inspection, an in-person inspection once every 5 years seems way more reasonable and affordable.
4. **Proof of sales tax paid**- More hassle for owners that is unlikely to achieve anything.

Thank you for your time.

Jeff Layton and Amanda Gatlin

STR owners and residents of Plain, WA

Jessica K. Thompson

From: Kathy Branch <kathy.branch@gmail.com>
Sent: Saturday, September 7, 2024 12:07 PM
To: CD Comment
Subject: STR Proposed Code Changes

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

Dear BOCC Members,

I am a resident of Manson. I live in the old neighborhood just above Manson Bay; I am a year round resident. I restored an old home and appreciated the community and small village feeling.

Soon after spending a year to restore this property the surge of vacation rentals occurred. Suddenly, my neighborhood became unlivable. The noise, overstuffed houses, cars and boats made this a party ghetto.

I was so relieved when, after writing letters to the County and getting no help, others joined in from around the county to help us all get to an agreement we could live with. Those code changes have made it possible for me to continue living in my home.

I am dismayed to think that the County would consider removing the caps on STRs... we have a housing crisis already!

It seems incredibly short sighted to me that to allow more of our housing inventory to go to outside investors only serves to further inflate housing prices out of the reach of citizens who actually live here.

Also, perhaps you should consider the small businesses here that already cannot get employees because there is nowhere for them to live.

Sincerely,
Kathy Branch
25 Ustah St
Manson

a.kathryn.branch

Jessica K. Thompson

From: Mark Stoddard <mdstoddard1@gmail.com>
Sent: Sunday, September 8, 2024 8:34 AM
To: CD Comment
Subject: STR Code Changes

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

As a STR (Tier 1) owner in Leavenworth area there are 2 proposed changes which will be another undue burden on STR owner/operators. Following are my comments:

- **Replacing self-certification with mandatory annual inspections.**

I oppose this as it will impose significant time and monetary costs on owners with little benefit. There is no evidence that there is currently a problem with false reporting or safety issues. Homeowners, STR operators, and insurance companies are well aware of liabilities and are adequately incentivized to address issues in self-certification.

- **Requiring proof of paying sales tax and lodging tax annually at time of renewal.**

I oppose this as this change is unlikely to achieve any real benefit, but it imposes compliance costs on operators. Most STR bookings are made through platforms such as VRBO and Airbnb, which collect and remit sales and lodging taxes on behalf of operators. The Department of Revenue already requires quarterly reporting, so why does the county require even more? Requiring documentation of taxes paid will force owners to compile documentation from across multiple platforms, but is unlikely to increase tax collections. The Department of Revenue is competent to ensure collection of sales and lodging taxes, and enforcement is best left to them.

Thanks,
Mark Stoddard

Jessica K. Thompson

From: Stargazer Lane <info@stargazerlane.com>
Sent: Sunday, September 8, 2024 10:10 AM
To: CD Comment
Subject: STR Changes

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

Hello,

Below are my opinions on a few upcoming points:

3(B)(i)(b) p.30 & 3(B)(ii)(b) p.30 -- I think that excluding infants under 24 months as occupants is a GREAT idea.

4 (H) P.40 -- I think this would be a scheduling nightmare for fire marshals and managers/owner. Maybe if someone had an infraction they should be required to do this for a few years?

3(O) p. 35 -- I think this would not be a good idea, as the platforms are very good at automating this task and it would be hard to skate around it if someone were trying to be dishonest.

--

Thank you,
Ron Sievers

Jessica K. Thompson

From: Scott Huson <scott.huson@gmail.com>
Sent: Sunday, September 8, 2024 1:47 PM
To: CD Comment
Subject: Comments for The Record on proposed STR code changes

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

Dear commissioners,

Thank you for the opportunity to comment on proposed changes to the STR code. As an STR owner, I am writing to express agreement with the comments made in the letter sent by the STRACC board on August 27th 2024, with one exception - the proposed change by the STRACC board for a countywide cap.

I believe that the current cap system by Zip code is a more effective way to ensure a sensible distribution of STRs in the county. It provides more fidelity in how the county can manage distribution of STRs and a sharper tool with which to manage overall tourism in the county in line with the WA Growth Management Act. A change to a county-wide approach would mean that the areas that are currently well over the caps (e.g. Leavenworth) would immediately suck up all of the available STR permits in the county, which would be unfair to those areas that are outside of the main tourist hubs. These play an effective role in lessening the burden on areas that are arguably over capacity when it comes to tourism. While I can see the logic of the proposed move to a countywide cap from the point of view of the big STR management companies and owners/would-be-owners in the big tourist towns, it makes little sense from an overall perspective for either STR owners and tourists or the people of Chelan County.

With respect to all other comments by the STRACC board, I am in full support. Especially the change to disregard infants under 2 from the occupancy numbers, a move to burdensome annual inspections and more expensive signs.

Sincerely

Scott Huson

Jessica K. Thompson

From: Kelly kraus <kellykraus21@gmail.com>
Sent: Sunday, September 8, 2024 2:48 PM
To: CD Comment; Mark Kraus; Michelle Engeseth
Subject: STR permit changes comments

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

Dear Board,

We own a second home with is an STR at 9138 Icicle Road in Leavenworth. Following are my comments on the proposed changes to the STR Permit code.

I oppose replacing self-certification with mandatory annual inspections. We are honest and abide by the code and this would cost undue additional cost and hardship.

I oppose requiring proof of paying sales tax and lodging taxes at the time of permit renewal. We work with an excellent professional property manager and our STR is rented through the major rental sites such as AirBnB and VRBO and they all handle paying the taxes as required by law. Having to collect that information from all the sites would be a burden and not increase tax revenue.

Thank you much for your consideration,
Kelly Kraus
206-909-8827

Jessica K. Thompson

From: Carol Odom <carolodom3@gmail.com>
Sent: Sunday, September 8, 2024 4:33 PM
To: CD Comment
Subject: STR proposed changes

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

Thank you for considering adjustments to the code. Some of the regulations don't make sense in relation to what they were trying to accomplish.

1. Parking

- a. 1 parking spot per bedroom (per 2 guests) doesn't make sense. Families are not bringing multiple cars. Children are obviously not driving. When singles come, they are told that they need to carpool. Before the code, we never allowed our guests to bring more than 4 cars even when we had 12 guests.
- b. Until the code, we had a side yard parking space. When the code went into effect, we suddenly were no longer able to count that parking spot because we were 5 inches in the setback. Not using the spot wasn't the biggest problem, but since that spot was 5 inches into the setback, we then lost 2 occupants.
- c. We have a large 3100 sq foot home. 80% of our guests bring 2-3 cars. They are told before we accept their reservation, that they may not bring more than 4 cars and this includes boat trailers. We should be able to put a cap on how many cars we allow our guests to bring without it being dependent on having 1 "legal" spot per bedroom.

2. Infants

- a. Families with infants are the BEST guests. They are quiet, they go to bed early, they are inside early because they have put the little one's to bed.
- b. Kids under 2 don't make noise, do not contribute to parking, do not party and do not create garbage issues.
- c. Kids under 2 are sleeping in their parent's room in a porta crib. They are not using their own bedroom.
- d. We have had to turn down several family groups this past 2 years due to them having an infant which then puts them over our limit. Our typical family groups seem to be extended families. We are seeing most groups include grandma and grandpa as well. We need to be able to host this kind of a group with allowing them to bring their little ones.
- e. Airbnb and VRBO don't recognize this rule of counting infants. This creates another problem of people renting and then by the time they are signing our contract, they realize they must count the infants. This then creates a mess in the reservation and us having to go back and cancel it and refunding money, etc.
- f. I don't think that the group against this understands that they are fighting against having the best renter groups who are in this category.

3. Signs

- a. Many of us spent money getting a professional sign to meet all the new sign stipulations. The people who followed your requirements for their sign shouldn't be penalized because some apparently chose not to do so. To now have to start over and now come up with a "reflective" sign when that wasn't a requirement seems unnecessary. If our sign is the right size, and is positioned where everyone in the area can see it, how is a "reflective" sign going to help? It is only going to be reflective if car headlights shine on it. Our sign is visible to our neighbors and anyone who drives by. I am hoping not to have to pay again for a new professional sign.

4. Cap

- a. We are in the Manson UGA. We already had a permit before the code came about. We were then penalized and only given 3 years to sell our property when everyone else has a 5-year limit. Now, not

only are we still at a 3 year limit, but having the MCC try to come in and change the cap is unreasonable. If the cap get's lowered, then the 5-year time span to sell should also be implemented.

Thank you for all your hard work in trying to make adjustments where they are needed.

Carol Odom
14 Ustah Street, Manson

Jessica K. Thompson

From: klunder@kumitskoos.com
Sent: Sunday, September 8, 2024 7:53 PM
To: CD Comment
Subject: Comments on proposed changes to STR code

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

Dear Commissioners,

Thank you for providing this opportunity to comment on proposed changes to the Short Term Rental (STR) Code.

For roughly the past ten years, I have been the owner of a cabin used as a short term rental. The cabin was built roughly thirty years ago, was designed specifically as a vacation rental, and has been operated that way for its entire history (i.e., by the previous owners as well as me). To the best of my knowledge, there have been no problems with any neighbors during that entire history--certainly not since I acquired it. All of which is a long way of saying that I and my property have a demonstrated history of being useful parts of the Chelan County community, and providing significant tax revenues to the County.

This is, of course, far from a unique situation. The vast majority of current STR owners, registered and permitted, take their responsibilities as community members seriously. We provide a valuable service to the County, paying taxes and enabling a vibrant and responsible tourist economy without harming other members of the community.

With that as background, I would like to express my support of the comments provided by the Short Term Rental Alliance of Chelan County (STRACC). In addition, I offer these further thoughts:

Owner Occupation

The proposed changes to section (3)(A)(ii) appear to require *all* STRs to be owner-occupied. I hope this is an administrative error, and is instead intended to apply solely to Tier 1 STRs—otherwise it undermines the entire tier scheme, and will instantly cause many owners, including me, to be out of compliance.

Existing Nonconforming STRs

Numerous sections of the code dealing with existing nonconforming STRs are proposed to be deleted. I understand and applaud the desire to simplify the code, and recognize that many of those sections no longer have meaning after a couple of years of permitted operation. Nonetheless, I am uneasy about the overall effect of the deletions, and how the remainder of the code will be applied to existing nonconforming STRs. It would be beneficial for all concerned if a simple statement could be added clarifying that existing nonconforming STRs remain legal, and can continue operations (including renewing permits) as long as they continue to follow the existing rules.

Transfer of STRs

Section (4)(l) entirely prohibits the transfer of permits for conforming STRs, and allows transfer only once and only until 9-27-26 for existing nonconforming STRs. I urge the Commission to reconsider this provision and eliminate it. The current restrictions are counterproductive, and undermine the responsible operation of STRs. As even many STR opponents recognize, the existing code has effectively weeded out most of the bad actors in the STR community. There are significantly fewer STRs operating today than prior to the adoption of the code, and the remaining owners are the

responsible ones that have gone through the necessary hurdles to prove that in order to obtain permits. In other words, the current owners of existing nonconforming STRs have a proven record of responsible ownership.

Unfortunately, many of us are now faced with a difficult choice. We either need to sell our properties in the next two years, or face obtaining a significantly lower sale price in the future when the property will not be able to transfer as an STR. This is particularly of concern for properties—such as mine—designed and built specifically as vacation rentals, lacking basic amenities (such as closets) that are considered standard for long term residences. But we are not the only ones affected; so are owners who for a variety of reasons (e.g., retirement) would ideally intend to sell in a medium timeframe, and now are strongly incentivized to instead sell in a very short timeframe instead. The upshot is that the County could easily be facing significant turnover in existing STR units in the next two years, replacing owners with a proven history of responsibility with new owners who may or may not be equally responsible.

Looking beyond two years, a different dynamic emerges, which is equally counterproductive. At that point, all STR owners will have a strong incentive to continue operation as an STR, and not to sell their property, since the likely value that could be obtained in a sale is less than the “true” value of the property when operated as an STR. Even if this expected value turns out not to be true, few owners will take the risk, since simply placing a property on the market has significant costs to an STR operator—if a new owner cannot continue to operate it as an STR, all existing future reservations must be cancelled, creating considerable ill will among guests. The upshot is that fewer properties being used as an STR will come onto the market, limiting the opportunities for those who in fact wish the opportunity to buy properties for personal use.

In summary, the existing restrictions on transfers of STRs have significant effects that are counterproductive to the purposes of the STR code as a whole. On the other hand, there is no need for the restrictions, since the current operation of STRs under the code is working well, and transfers of STRs would not increase the number of STRs in operation. I therefore strongly urge the Commission to delete section (4)(l) and allow transfer of STR permits to new owners, allowing smooth continuity in operation of an existing STR.

Thank you for the consideration of these comments.

Doug Klunder
Owner of Kumitskoos Cabin, 12344 Bretz Rd, Plain, WA 98826.

Jessica K. Thompson

From: Snowgrass Lodge <snowgrasslodge@gmail.com>
Sent: Monday, September 9, 2024 12:24 AM
To: CD Comment
Subject: Public Comment on STR Amendments

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

Dear BoCC and Planning Commission,

I'm writing to submit my public comments on the proposed STR amendments from my perspective as an STR owner and Leavenworth resident:

I SUPPORT

- Applying the 6% cap on STR percentages at the countywide level instead of by specific zip code and subareas, to balance the fact that much of the county is way under the cap whereas 98826 subareas are over and thus unable to add new STRs. This would help boost the tourism economy in the 98826 subareas and regain the lodging taxes and tourism-related revenues that have been lost there since the code was enacted. The risk is minimal since the code enforcement evidence shows that there have been very few STR nuisance complaints in those areas.
- Excluding infants under 24 months from nighttime occupancy limits for all Tiers. This would encourage more STR tourism from families which tend to generate fewer nuisances (less noise, partying etc). Infants also have limited impacted on septic systems, parking etc.
- Change Tier 1 to allow STR owners to have a manager/operator living onsite instead of having to themselves. This would create opportunities for affordable long-term rental which could address the affordable housing problem especially in the Leavenworth area.

I DO NOT SUPPORT:

- Eliminating the self-certification checklist and instead requiring annual inspections. This would create unnecessary logistical headaches (scheduling inspections), money (fees) and time for STR owners without evidence that there's any problem with the existing process. Just feels like a money grab by the county.
- Requiring proof of paid sales and lodging taxes provided annually at time of renewal. This would another red-tape headache for STR owners to compile this documentation from every platform they list on without any real benefit to the County.
- The requirement that signage be permanent, weatherproof and reflective. STR operators have already spent hundreds of dollars on new signage since the code was adopted. Changing the requirements now will require them to spend even more to replace functional signs.

Sincerely,
Hernan Savastano & Angela Sucich
Snowgrass Lodge

Jessica K. Thompson

From: Fran Horn <fran@resortvacationrentals.com>
Sent: Monday, September 9, 2024 6:22 AM
To: CD Comment
Subject: STR Changes

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

As a property manager and neighbor to a STR I currently feel things are working out pretty well. The listed changes all seem to minor housekeeping issues to the original code. The only change I do questions some, but understand the reason for it is the under 24 months does not count. Yes, likely to stay in the same bedroom/bed as parents and booking agencies do not count them in their booking process to actual occupancy levels. From a housekeeping side of things these tend to be some of the messier issues for us to deal with. More food on the floors and finger prints on every door/window/item that they can reach. I do have to say overall renters are returning to pre Covid care of homes, I have actually considered getting out of the business because of the nastiness of renters over the past 4 years. This year has been much more normal.

I know the rules did eliminate a few STR's but it did not stop people from coming here. I know some are saying it is but I had homes sitting vacant over this past summer for a few weeks. People are just getting out and traveling further than they could a few years back. I also think some are a little tired of the area, as they came repeatedly during covid to get out of their own homes when everything was online.

The one thing I did not see is parking spaces, if you cater to family vacations and two families come with their children, they only need 2 car spaces, one for each family but could easily be a total of 8 people in a 4-bedroom home. Think this rule could be modified to 1 space for every 1.5 bedroom or 2 bedrooms. All my properties make it very clear on the number of cars that are allowed at the property and sometimes that means they have to park off site if it is not a family and we advise them options of places to park that are not at the neighbors.

Thank you,

Fran Horn
Resort Vacation Rentals
www.resortvacationrentals.com
503/698-6839 or 509/687-9549

Jessica K. Thompson

From: Daren Penry <drpenry@gmail.com>
Sent: Monday, September 9, 2024 8:26 AM
To: CD Comment
Cc: Nadja Penry
Subject: Comment on STR potential revisions

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

September 8, 2024

Daren and Nadja Penry
158 Big Pine Drive
Leavenworth, WA 98826
DrPenry@gmail.com
Nadja.hptango@gmail.com

Dear Commissioners,

We are grateful for the opportunity to comment on potential revisions to the Chelan County STR code.

As residents and Tier 1 STR operators during the last 2 years and having a Tier 2 STR operation interest for the future, we would like to offer comments on proposed changes. We only recently became aware of the upcoming revision decisions. We will speak to the highest priorities for decisions in our opinion in the interest of time. If you would like further comment on other revisions, please do not hesitate to ask.

3Bib: exclude infants under 24 months from two per bedroom occupancy limit.

We support this.

3Biia: excludes infants from nighttime occupancy limits.

We support this.

2Ai: changes Tier 1 to include not just an owner on site, but an owner/manager/operator.

We support this. We like to travel more than 15 days per year, and we would appreciate being able to hire other residents to work to stay at the house or property and support guests while we are away. We are

open to potentially offering low-cost housing for a local resident to support for longer periods of time potentially as well.

4H: Eliminate self-certification checklist and instead require annual inspection for 'life safety and applicable short-term rental or conditional land use permit standards'

We oppose this. The first-year inspection was very thorough. Not clear what safety issue might come up year 2, we didn't have any changes. The checklist was easy. Maybe consider a reinspection after a longer time period, like 3 years if there is a concern over time.

3O: Requires "proof of paid sales tax and lodging tax must be provided annually at time of renewal"

We oppose this. This adds busy work to STR owners, but we don't see any purpose to it. Airbnb, VRBO, etc. already builds this in automatic with booking. Most STR bookings are done through these methods. It's already being taken care of.

4Biva: Replaces discretionary hardship exemption for late permit renewal applications with late fees, and no commitment to process them on time.

We support this. We lost a permit because the notice never arrived in the mail year 2 and we were under the impression we could file for the permit before December 31 like the first year. Neither did we receive a phone call or an email in regard to the renewal. We applied for hardship, but the STR department was very strict and would not allow completion of our costly application. We would need to reapply completely.

4Bi: Allows permit renewal reminder notices to be sent by means other than mail, and makes explicit that these are a courtesy, and the bonus is always on the operator to renew.

We support this. We never received the courtesy notification by mail. Email (or phone call/message) is a more predictable tool for communicating with us.

One additional suggestion: We have an interest in being able to operate a Tier 2 STR as an option. As residents who have operated an STR enthusiastically, and positively (5 star reviews only), and have hosted wonderful guests in our county, we would like the opportunity to be able to take our STR to the next level and offer a Tier 2 for guests. In our area there is a 6% cap on rentals. We would like to ask that there be a flat 9% rental cap through the whole county so we could soon be considered for this additional opportunity.

We thank you for considering our opinions as you make recommendations for improvements to county STR regulations.

Respectfully submitted,

Jessica K. Thompson

From: Jivko Dobrev <jivko@live.com>
Sent: Monday, September 9, 2024 10:18 AM
To: CD Comment
Cc: cvetelina_y@hotmail.com
Subject: Comments on Proposed changes to STR code

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

Dear Community Development Team at Chelan County

As a STR owner (STR000398) I would like to voice my opinion on the proposed changes to the STR code:

- I support the removal of the 2 people per vehicle cap
- I strongly oppose the requirement for annual life safety inspections (4(H) p. 40) This creates unnecessary expenses and work while achieving nothing better than the self-certification. Implement a couple of random spot-check inspections and it will be enough. People strictly adhere to the code to avoid losing the hard-to-get STR licenses
- I strongly oppose the requirement for proof of paid taxes annually. Chelan County is not IRS or DoR and should not insert into the relationship of citizens and the aforementioned institutions
- W strongly support the excluding of children under age of 2 from the maximum occupancy count

Please let me know if you have questions
Thank you for taking my opinion under account
Jivko & Tsvetelina Dobrev
20649 Miracle Mile Lk
Leavenworth, WA 98826
(425) 301 2358
jivko@live.com

Jessica K. Thompson

From: Sonia Dociu <soniadociu@gmail.com>
Sent: Monday, September 9, 2024 10:19 AM
To: CD Comment
Subject: Regarding STR proposed changes

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

Hello-

I am writing today in concern to the changes proposed for STR.

Specifically:

I would like to state my support for the proposed change of children under two being in line with AirBnB policy for excluding children under two as headcount. The policy should match booking sites.

I'd like to oppose the need for an annual safety inspection. No report has shown any significant safety issues prompting this change.

I oppose proof of taxes as a requirement. Most STRs collect taxes through platforms like AirBnB, VRBO, or management companies.

I support eliminating the two person per vehicle cap.

Thank you for your attention.

Sonia Jackson

Jessica K. Thompson

From: Dan Mundle <djmundle@msn.com>
Sent: Monday, September 9, 2024 10:34 AM
To: CD Comment
Subject: STR's Chelan county

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

County commissioners,

I am a short term rental owner, and have a few comments regarding STR's.

I do not support only allowing 2 people per vehicle because most cars will have 4 occupants to save money on gas and convenience. And more cars will create more traffic and pollution.

Children under 2 should not be included in occupancy numbers.

Proof of taxes paid is a dept of revenue responsibility, and not a county issue.

Life safety inspections should not be required - that is required at the time of obtaining an STR permit, and our management company is diligent in making sure our property is safe.

Thank you for your consideration.

Dan Mundle
djmundle@msn.com

Jessica K. Thompson

From: lat71@comcast.net
Sent: Monday, September 9, 2024 10:37 AM
To: CD Comment
Subject: STR Chelan County

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

Hi—this is Laurie Topness, owner of a rental cabin near Fish lake. I read through the info and the one issue that stands out for me is the annual safety check. I would propose to have that required every other year or just continue with the self-check. Thank you!

Laurie Topness
22470 Humphreys Drive
Leavenworth 98826

Jessica K. Thompson

From: Janice Wakefield <janicew35@me.com>
Sent: Monday, September 9, 2024 11:42 AM
To: CD Comment
Subject: Tier 1 Owner/Manager/Operator Short Term Rental Code Change

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

I am in favor of this change if it is meant to allow for a long-term renter (in place of an owner/corporate officer/contract purchaser) to be personally present at the dwelling during the rental period.

I currently have a Tier 2 STR. I have always wanted to have an ADU to rent to a local person who would manage my STR (and do maintenance). It would provide a local resident with lower-cost housing as well as income.

In addition, this change to the Code would allow current Tier 1 owners to leave town for months at a time (such as snowbirds) and rent their homes to seasonal workers who would benefit from the monthly housing as well as the income from managing the STR.

Thank you,
Janice Wakefield

(i) Tier 1. Owner/Manager/Operator-occupied (as defined in 14.98.1363) short-term rentals where either (a) rooms are rented and the owner/manager/operator (to include title holders, corporate officers, and contract purchasers) is personally present at the dwelling during the rental period, or (b) the short-term rental is located within the same parcel as the owner/manager/operator's principal residence and the owner/manager/operator is personally present at the dwelling during the rental period, or (c) the entire dwelling is rented no more than fifteen total days in a calendar year; provided, that an on-site qualified person is there during the owner/manager/operator's absence. Portions of calendar days shall be counted as full days.

Jessica K. Thompson

From: A Byars <aebyars@gmail.com>
Sent: Monday, September 9, 2024 11:46 AM
To: CD Comment
Subject: STR Changes

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

Hello,

I oppose the proposed changes to the STR that requires an annual life safety inspection. I would be fine with a life safety inspection at the time of the initial permit application though but not annually because that seems excessive. It would be a waste of time and expensive.

I also oppose the requirement to submit proof of payment of taxes. The state already knows that the landlord is renting their property so they will enforce the payment of those taxes. Adding in the county just adds more administration for the county and the landlord.

Thank you,
Alan Byars
15471 Cedar Brae Rd, Leavenworth

Jessica K. Thompson

From: Daniel Mellor <dm@danielmellorrealestate.com>
Sent: Monday, September 9, 2024 4:15 PM
To: CD Comment
Subject: Proposed STR Code Changes

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

To whom it may concern,

I'm very pleased to hear some proposed reforms to the STR code. I think the idea of Changing Tier 1 to include onsite managers would be especially beneficial to the community at large. The biggest complaint against STRs I typically hear is about affordable housing (not to say banning STRs makes housing more affordable). In this case there is a clear and obviously opportunity to create employment and housing opportunities within our communities while increasing oversight of local STRs. I strongly support this proposed change and believe the pros vastly outweigh any perceived cons.

Daniel Mellor

Jessica K. Thompson

From: E John Agnew <ejohnagnew@gmail.com>
Sent: Monday, September 9, 2024 4:15 PM
To: CD Comment
Subject: Comments re: proposed changes to STR code.
Attachments: STR Letter Sep 9 2024.pdf → Attachment on next page.

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

Please accept the following comments on the proposed changes to STR codes in Chelan County.

Thank you.

E John Agnew
PO Box 2007
542 Dempsey Road
Leavenworth, WA 98826
509-885-4814 (C)
ejohnagnew@gmail.com

E John Agnew
542 Dempsey Road
PO Box 2007
Leavenworth, WA 98826
509-885-4814

September 9, 2024

Chelan County Planning Commission
316 Washington Street, Suite 301
Wenatchee WA 98801

Re: August 28, 2024, Hearing for Proposed Amendments to the Short-Term Rental Provision in the Chelan County Code, specifically Section 11.88.290.

To the Planning Commissioners,

I served on the citizen's committee that resulted in the STR code currently in place. I have read and concur with the Residents Committee comments, but have a couple of things to add.

Two claims have been made about the current code: 1) That it was not meant to be the 'last word on STR regulations, and 2) That everyone wanted to have a couple of years of experience with the new code in place before making any changes.

I would agree these statements are true. There were many, many compromises made to get the code in place. The biggest of which was to allow Tier 2 and 3 STR's in residential zones AT ALL, as the previous code clearly prohibited them for many good, well documented reasons. So, certainly the assumption was NOT that the code would become more lenient, but that it very well may need to get more restrictive in order to reduce the numerous negative impacts on the overall housing stock and residential neighborhoods.

In terms the proposed changes, the two most egregious suggestions both would actually increase the percentage of single family homes converted to STR's. We know from previous research that the vast majority of Tier 2 and 3 STR's are owned by non-resident investors. Our lax enforcement of the existent code allowed several thousand homes in the county to be converted to investment vehicles for non-residents, contributing significantly to both the availability and affordability of single family homes, not to mention the ugly degradation of quality of life in residential neighborhoods.

If any code change has any chance of increasing the number of conversions to STR's it should be rejected out of hand. Changing the caps upward, or changing the requirement that Tier 1 STR's be owner-occupied, would create a loop hole which will surely result in the loss of more housing stock to these investment lodge properties.

Another proposed change, not counting children two and under in the residency cap of any STR, is very problematic. It is a way of circumventing the basic health code requirements of residences. Maximum residents was a big issue in the deliberations for the citizens committee because noise, parking, waste and fire safety are all tied to the number of residents allowed. There is no reason STR's should be occupied at a higher rate than the code allows for residential use.

Thanks for considering my views.

E John Agnew

A handwritten signature in black ink, appearing to read 'E John Agnew', with a stylized flourish at the end.

Jessica K. Thompson

From: Luc Stokes <ljestokes7@gmail.com>
Sent: Monday, September 9, 2024 5:38 PM
To: CD Comment
Subject: Proposed STR Code Changes

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

Commissioners,

You have put forth potential updates/changes to the STR code and I wanted to comment on some of those proposals. I won't be able to cite the exact entry, so I will generally speak to the specific entry and then give my thoughts.

In regards to excluding children under 24yrs as occupants— I understand and am in agreement with your reasoning for limiting occupants based on the septic capacity. This keeps the property from being a burden on neighboring properties with noise and business. However, I think this is a reasonable change. As an STR owner we are often asked if an infant must be included in the total numbers and have had to turn guests away because of capacity. But an infant doesn't put a burden on the septic or neighbors and doesn't require their own bed even. I am in favor of this change and bring a better guest experience because it just makes sense.

In regards to changes to Tier 1 "owner on-site" status— Another logical change and additional housing opportunity for locals. I completely understand why this is a regulation. Having the owner on-site ensures that there is someone there who can tend to noise and inconvenience for the neighbors, and any immediate needs of the guest. However, allowing someone other than the owner (like a long-term renter/manager) to fill that role is doubly beneficial. It provides additional development opportunities for investors and consequently provides additional housing options for the community in which they could even offset their rent by helping with the management of the property. And still ensures the success of the spirit in which that regulation was created.

In regards to adding another on-site inspection annually— I'm not immediately opposed to this unless it's going to increase costs to the owner to pay for the inspection and/or increase the burden (waiting/scheduling/etc) to execute. I see this potential impacting both of those but am open to the conversation.

In regards to proof of sales tax paid— I am in favor of this one as long as you accept a copy of the sales and use/B&O tax report as sufficient proof. This is easy to download a copy of the return/report and submit it upon renewal. I am not in favor of this if you will require an additional report or document preparation.

The rest of the proposed changes I think are reasonable as written and don't require further comment.

Thanks for your time and consideration.

--

-Luc

Jessica K. Thompson

From: Denae & Dan Poss <posselines@gmail.com>
Sent: Monday, September 9, 2024 6:14 PM
To: CD Comment
Subject: STR Code

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

Good evening,

- > I'm writing in support of looking at some key elements of the str code and considering if, now that some time has passed, some tweaks should be made.
- > The big one I want to speak to is the change to exclude kids under 2 from the headcount. Our home in Plain is aimed very specifically to groups of families, especially small children. I cannot tell you how many bookings we have declined over the last 3 years bc the group had an infant that put them over the headcount, or 2 babies, etc. We all know that children under 2 really are not a big impact to the septic, so I think that argument is not super valid. As someone who has a 5 year old and a 1 year old, I can assure you that when we rent Airbnb's we are in bed by 9, not rowdy and not the problematic type of groups we as owners and locals alike, want to avoid.
- > Most code throughout the country either excludes children of a certain age or allows for 2 per bedroom +1-3. The Chelan County code of 2 per septic bedroom is one of the most stringent in regard to headcount. I do believe these headcount restrictions have kept many tourists from being able to vacation in Chelan County. Whenever someone is looking for more than 12, I simply point them to Kittitas, as they have next to no options for home rentals if they have more than 12.
- > I don't know a single owner that wants to host a bachelor party of 18 guys in their 20's, but creating more opportunity of family groups I would think would be a positive all around.
- > Thank you!
- >
- > Dan and Denae' Poss

Jessica K. Thompson

From: jennie mellor <jmhmellor@yahoo.com>
Sent: Monday, September 9, 2024 9:02 PM
To: CD Comment
Subject: proposed Chelan County STR code changes

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

Dear Chelan County Planning Commission,

Thank you for considering changes to the current STR rules.

Particularly the proposed change to the Tier 1 rules that would allow non-owner managers/caretakers to live on the property. This presents opportunity for employment and housing in the county which seems in keeping with original code goals.

Also excluding infants under 24 months in the total guest count seems like a move that would keep STR's inline with other industry standards, and places in most cases, no additional burden on septic limits.

I am concerned about removing the self certification checklist for renewals. I would imagine the delays and backups in trying to schedule actual inspections would be costly and time consuming for owners and for the fire Dept. I do not know that the self cert has proved in adequate, but if it has shown to problematic, perhaps a compromise could be requiring an inspection every 5 or so years, staggered on a rotating basis.

We appreciate all the time and effort that has gone into making these codes and appreciate all your efforts to make them fair and equitable for all concerned parties.

Sincerely

Jennie and Joeli Mellor

Jessica K. Thompson

From: Tim Arnaud <timarnaud@gmail.com>
Sent: Monday, September 9, 2024 10:44 PM
To: CD Comment
Subject: Chelan County STR code comments

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

Hello,

My wife and I currently own and operate and also personally use a cabin in the Chiwawa pines area. We have always strove to respect our neighbors and in fact enjoy a very positive relationship with all of our neighbors, even six years into using our cabin as a STR.

My wife and I's comments are as follows for the new code proposals.

Excluding Infants under 24 months from bedroom count. We think this is a good thing to exclude. Infants under 2 years have a nominal impact on the septic system and their parents are in bed early or very quiet so as not to wake their little ones. I don't see a downside to allowing the headcount to allow infants.

Mandatory annual inspections: I think this is a tremendous expense for the county, for little gain. I know our cabin is kept up to all of the requirements listed in the codes and step through the self inspection form every year to ensure we comply.

Requiring proof of paying sales tax: Don't understand the intent of this change. Is the county not getting their money? Don't the platforms pay on time? The taxes are collected and paid by the platforms (VRBO, Aibnb etc) and they are responsible for sending money to the county. As an owner I don't want to track what the platforms are already doing. Extra work that is already being accomplished.

Signage changes: I have personally spent considerable time and energy making a very nice wooden sign with letters engraved with a router in my own shop. Took a lot of time and energy and money to comply with the original sign code and make it look nice and fit the look and feel of the area. To change it now would be a complete hassle. Incidentally as required by code, my phone number is posted on the sign. However in all the years it has been posted, my only call has been from someone wanting to rent the house!

Best Regards,

Tim Arnaud
2446 Salal Drive
Leavenworth, WA

Jessica K. Thompson

From: Vineeth H <vineeth.h91@gmail.com>
Sent: Tuesday, September 10, 2024 7:36 AM
To: CD Comment
Subject: Feedback on Proposed Short-Term Rental Code Changes

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

Hi County Dept,

As a short-term rental owner in Chelan County, I'm writing to provide feedback on the proposed changes to the STR code. After reviewing the proposals, I'd like to express my support for and concerns about specific items:

- 1. Support: Excluding children under 2 from maximum occupancy count**
This change aligns with industry standards and other jurisdictions, making our regulations more consistent and fair.
- 2. Oppose: Annual life safety inspections**
While safety is paramount, the current self-certification process has been effective. Annual inspections would create unnecessary burdens and costs for responsible operators without clear evidence of need.
- 3. Oppose: Annual proof of paid taxes**
This requirement adds an administrative burden without clear benefits, as tax compliance is already monitored through existing channels.
- 4. Support: Eliminating the 2-people-per-vehicle parking cap**
This change would provide more flexibility for families and groups traveling together, improving the guest experience without compromising neighborhood integrity.
- 5. Support: Adjusting the county-wide STR cap to 6%**
A uniform cap could help balance tourism benefits with community needs across the county.

I appreciate the county's efforts to refine our STR regulations and hope you'll consider these points in your decision-making process. These changes have significant impacts on STR owners, our local economy, and the community at large. I believe that with thoughtful regulation, we can balance the needs of residents, visitors, and property owners.

Thank you for your time and consideration.

Sincerely,
Vineeth

Jessica K. Thompson

From: Tabler Rentals LLC <tabler.rentals@gmail.com>
Sent: Tuesday, September 10, 2024 9:07 AM
To: CD Comment
Subject: Proposed Changes for STR

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

Hello,

As a short term vacation property owner and mother, I do not think infants under 24 months should be included in the guest count. We have a crib in a large walk-in closet for our infant and there is no reason why they should lower the guest count.

Additionally, I would like to discuss sales tax verification - AirBnB and VRBO submit the taxes for us, so why do we have to send that to the Coalition? It seems like something that we're not involved in so I would appreciate you not including that for renewals.

Thank you for putting the renewal process online - it's much better than missing a postcard in the mail and having to do everything over email.

Thank you for your time with this!

Heather Tabler
(206) 604-3345

Jessica K. Thompson

From: Rusty Gibbs <rusty@gibbs-graphics.com>
Sent: Tuesday, September 10, 2024 11:12 AM
To: CD Comment
Subject: STR babies

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

Hi,

I just wanted to share my thoughts. Babies and Toddlers under 2 years old should not count towards the occupancy of an STR. That has been a silly rule that I think should disappear. Babies fly free on airplanes. They don't impact a home like grown children do.

Rusty

Jessica K. Thompson

From: Shelly Mottaz <shelly@mottazsalesnw.com>
Sent: Tuesday, September 10, 2024 12:30 PM
To: CD Comment
Subject: STR studies

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

To whom it may concern,

I apologize for the late entry. My Mother passed last week and I was attending to family affairs.

My biggest beef would be the loss of control of rising home prices and how it taxes permanent residents out of their homes. We have seen this happen in so many parts of our small, quaint towns and forces longtime families to leave as they cannot afford the increase . It can be avoided if we keep the ratio down...please consider.

Thank you,

Shelly

shelly@mottazsalesnw.com
Ph or Txt @ 425-870-9900

Jessica K. Thompson

From: Dave and Arlene Lowrie <ogopogo22@gmail.com>
Sent: Thursday, September 12, 2024 3:37 PM
To: CD Comment
Subject: STR's

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

Planning Commissioners

We are opposed to any changes to allow more STR's in our community. We are already over the 6% that is allowed now.

Dave and Arlene Lowrie
Chiwawa River Pines

Jessica K. Thompson

From: Debra Patterson <dkpatters@gmail.com>
Sent: Thursday, September 12, 2024 3:16 PM
To: CD Comment
Subject: Proposed Changes to Chelan County STR Codes

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

I am very opposed to the proposed changes in the STR code because most of these changes would result in the proliferation of STRs in residential neighborhoods in our county. Another proposed change would increase the occupancy of all STRs.

I'm opposed to an increase of the 6% cap on the number of Tier 2 and Tier 3 STRS.

I'm opposed to changing the rule that requires Tier 1 rentals to be owner occupied.

I'm opposed to a code change that would exclude children under two years of age in the number of occupants in all Tiers.

You did it right the first time. Compromises were made, especially on the part of those fighting for the rights and wishes of local residents, who just want to live peacefully in their own homes, and who expect local government to support a lifestyle that all local residents deserve, including yourselves.

Please think about how these changes in the code would negatively impact local residents and choose to keep the codes as they are.

Thank you for your time.

Debra Patterson
Manson, WA

Jessica K. Thompson

From: Chris Weiss <cnweiss@gmail.com>
Sent: Thursday, September 12, 2024 11:33 AM
To: CD Comment
Subject: Public Comment on proposed amendment to STR code

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

I am a permanent resident of Chelan County, living in the Fish Lake/Lake Wenatchee/Plain area.

Short term rentals here already are well above 6% of the residential properties. The rise of STRs have markedly affected the character of the residential areas in a negative way. Long term, affordable rentals for folks seeking to live and work here have vanished, replaced by homes that are offered up for a few nights at a mouseclick by absentee owners.

These STR commercial interests are funding a campaign seeking to influence the Chelan County government to change the recent code amendments that were enacted only after an extended moratorium period of comment, negotiation and compromise. Our community deserves better.

Please listen to the citizens who live here, rather than to the small special interests who are trying to buy changes in the law for their personal financial gain. For a lot of those special-interest STR businesses, the revenues generated here are leaving Chelan County to owners living elsewhere. Let's keep it local, folks. Housing for people who want to live and work here. There already are plenty of STRs. No more.

Chris Weiss
Fish Lake

Jessica K. Thompson

From: Linda Sarratt <sarratt01@msn.com>
Sent: Thursday, September 12, 2024 10:52 AM
To: CD Comment
Subject: str changes

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

Dear committee, The proposed changes would diminish the years and hard work that established the current regulations

I live on Eagle Creek Road in Leavenworth. Before the current regulations, homes were purchased used as short term rentals with no regulations for occupancy, property standards or neighborhood disturbances.

What is the reasoning behind the proposed new regulations? More income for Chelan County treasury? Or catering to a special interest group?

I trust that these new proposals will be abandoned, and we can work towards peaceful neighborhoods and homes available for family purchases.

Sincerely, Linda Sarratt
10897 Eagle Creek Road
Leavenworth, WA.

Jessica K. Thompson

From: emily lesky <ewlesky@gmail.com>
Sent: Tuesday, September 10, 2024 1:12 PM
To: CD Comment
Subject: Short term rental proposed amendments

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

Greetings County Commissioners and Committee Members

I am writing in favor of all the proposed amendments to the short term rental regulations. I believe the rental cap should be raised especially in areas that are predominantly recreational and not residential. Perhaps short term rental caps should be different within city limits as opposed to recreational areas. Most rental properties that contain waterfront or in many of the recreational areas are not in the affordable housing price range for most local workers. Affordable housing is a whole other conversation. Million dollar homes are not affordable housing. The ability to rent a lake cabin or other recreational property has been a way many "local" families could afford such a property, not just the wealthy elite. Now that opportunity has been limited to only select wealthy property owners. Please look to restoring the opportunity for recreational property rentals back to the local property owners.

Thank you for your consideration.

Emily Lesky
Local property owner

Jessica K. Thompson

From: White River Road Cabin LLC <whiteriverroadcabin@gmail.com>
Sent: Tuesday, September 10, 2024 5:22 PM
To: CD Comment
Subject: STR Code Changes Feedback

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

Hello,

I am a property owner in Leavenworth and would like to share my thoughts about the proposed STR changes.

- I **support** the proposal to exclude kids under 2 toward the maximum occupancy count. This is a common practice across the travel industry (i.e., airlines) so I think it makes sense.
- I **oppose** requiring annual safety inspections - this is overly burdensome.
- I **oppose** requiring proof of paid taxes annually - this is also overly burdensome.
- I **support** the two person per vehicle limit being removed.

Thank you for your consideration.

Kind regards,
Keezia

Jessica K. Thompson

From: Buzz FW <buzzfw@gmail.com>
Sent: Tuesday, September 10, 2024 9:08 PM
To: CD Comment
Subject: STR Code changes comment

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

Hello,

I am writing to provide our feedback on the proposed regulations:

- **Support Excluding Children Under 2 from Maximum Occupancy Count:** Excluding young children from the count is practical and recognizes that they typically do not impact space requirements significantly.
- **Oppose Requiring Annual Life Safety Inspections:** We believe this may impose excessive administrative and financial burdens. More flexible inspection schedules could be more effective.
- **Oppose Proof of Paid Taxes Annually:** This requirement could create unnecessary administrative challenges and complexities for property owners.
- **Support Eliminating the 2 People Per Vehicle Cap:** Removing this cap would offer greater flexibility and convenience for residents and visitors.

Thank you for considering our perspectives.

Best Regards,

Kevin Weishaar

September 8, 2024

Sean Lynn
Founder and CEO
Love Leavenworth Vacation Rentals
217 Cascade Street
Leavenworth, Washington 98826

Dear Planning Commissioners,

Thank you in advance for considering my comments. Love Leavenworth Vacation Rentals employs 45 Chelan County residents and manages 115 STRs in the Upper Valley. I am also Vice Chair of STRACC, sit on the Board at BNCW, and was a member of the Short Term Rental Task Force. I was recently invited to sit on the Board of the newly organized Visit Chelan County non-profit. I have been steadily advocating for fair treatment of STRs since 2016. It is important to consider facts when considering any changes or modifications to the STR code.

To reiterate from my previous testimony:

- Documented nuisance citations of permitted STRs are infinitesimal. My estimate using the 2020 Economic Study is 1 citation in 150,000 rental nights in almost three years of data collection.
- Per Department of Revenue- 2022 & 2023, Unincorporated Chelan County Lodging Tax has **declined 27.6%**, while the City of Leavenworth Lodging Tax has **increased 26%**. Prior to 2022, Chelan County saw a relatively steady growth in Lodging Taxes.
- Clearly the adoption of the STR code in 2021 has had a negative impact on lodging in Unincorporated Chelan County and by default the entire Chelan County Tourism Economy.
- Lodging Tax is a solid barometer for the health of Chelan County's tourism economy.

As a former STR Task Force Member, I can assure you that all parties knew the STR code would need to be revisited and modified after a year of operations. I am of the opinion that most of these proposed changes will have little impact on the residential community members and will have a net positive impact on the Chelan County economy, housing sectors, and STR operator stakeholders.

Changes to the cap rates should be carefully considered, and plenty of public input should be given to this specific amendment.

Excluding Children Under Two from Occupancy Count. BOCC

- Consistency-Most STR codes have relaxed occupancy regulations, and those with stricter regulations will often not count children two and under.
- For example, the Washington Counties of King and Pacific, plus Maui County in Hawaii, do not count infants towards the maximum guest occupancy of an STR.

- Align with STR booking platforms such as Airbnb and VRBO, which do not count children two and under. This is a major pain point for STR stakeholders in Chelan County.
- Chelan County should promote and encourage families to enjoy STRs.
- Septic concerns are non-existent. On average, Chelan County STRs are annually occupied 37%. Children 2 and under have little to no impact on septic systems.

Tier 1 allows a Designated Manager (DM) to live onsite. BOCC

- This is a Win-Win scenario for Short-Term and Long-Term Rental housing advocates, as it would allow for more Tier 1 STR growth and increase LTR rental options.
- Along with creating additional LTR housing options, STR owners could reduce rents for DMs as part of the STR management requirement, making housing even more affordable.
- This exact topic was discussed during the STR draft code process and was almost included in the original STR code but pulled because it was not compliant with state law ADU code. State law ADU code now allows for one LTR and one STR.
- Tier 1 requirements and cap exemptions for owners and DMs should remain unchanged.
- National studies clearly show that a manager on site for STRs reduces or limits nuisance issues to almost zero.
- We should incentivize and promote Tier 1s in Chelan County, as they clearly minimize the impact of STRs on neighborhoods.

Requiring Annual Life Safety Inspections Instead of Self Certifications CD

- Not a state law requirement. RCW 64.37
- It is fair to say that all STR operators desire a safe and injury-free experience in their homes. The safety of guests is a critical priority for STR operators.
- All permitted STR operators are aware of the safety and liability risks of short-term renting.
- By requiring annual inspections, it is essential to ask, "What problem does this solve?" I do not believe existing permitted operators have had severe or egregious safety issues previously impacting guests.
- Annual onsite inspections will increase cost through fees, at **\$175 per inspection**, and there is real potential for scheduling issues with the Fire Marshal's office.
- Consistency—I do not believe most businesses open to the public in unincorporated Chelan County currently receive annual Life Safety inspections. STRs are not "open to the public."

Requiring Proof of Paid Taxes at Renewal CD

- It is not a state law requirement to provide proof of taxes paid annually. RCW 64.37
- DOR is the governing body that regulates tax payments. Is Chelan County now regulating and enforcing tax payments?
- 95% of all permitted STRs utilize a booking platform such as Airbnb and VRBO. These platforms collect and remit all applicable taxes.

Parking Amendments BOCC

- I generally support aligning with residential parking code language.
- SPECIAL REQUEST—Community Development has interpreted the maximum occupancy count as allowing only two guests per vehicle. This interpretation may have a major negative impact on permitted STRs with limited parking areas. Please consider discussing clarifying language in the STR parking code amendment that allows for more than two guests per car.

STR Sign Amendments CD

- I generally support these sign amendments.
- SPECIAL REQUEST—Community Development requires a new photo of every renewal of an STR permit every year. Though not required by code to provide new proof every year, this is CD's interpretation. I'm not sure what purpose a picture of the same sign in the same location from a different angle each year can serve. Maybe some discussion could clarify.

Cap Discussion BOCC

- Increasing cap rates is a sizable discussion that should consider many factors and include all stakeholders.
- Since 2017, I have advocated for an effective and simple STR code. Hence, I support a single county-wide cap of 6% for various reasons.

Thank you for your consideration. I am always available for questions and discussions from PC members or the public.

Sean Lynn

sean@loveleavenworth.com

Jessica K. Thompson

From: Sean Lynn <sean@loveleavenworth.com>
Sent: Wednesday, September 11, 2024 4:22 PM
To: CD Comment
Subject: Additional Comment for 9/12/24 Planning Workshop

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

Dear Planning Commissioners,
A recent exchange with Community Development has me commenting on a proposed change that was not included in a previous letter.

I would like to comment on changes to 11.88.290(4)(I)(iii) "Transfer of Ownership"

Often STR permitted property owners would like to change from personal ownership into an LLC this can occur for both conforming and non conforming STRs. To be clear I am discussing Title change of the property from existing owners on the recorded title to another entity (LLC or other) with the same identical owners as members, officers or other.

The current code is not clear on this particular process but it is allowed (at least in my case on 9/10/24) by Community Development after some discussion. The new proposed code language appears to make this process not possible if the proposed language changes are accepted as is.






This option is important to STR owners as often they do not realize the liability protections of an LLC until after being permitted. The STR code regulations begin with "Short-term rental use is a commercial use" certainly an option for STR operators to protect their businesses should be allowed and clearly spelled out in code. Please consider revising code language in 11.88.290(4)(I)(iii) to allow STR owners to create and assign entities such as LLCs or other without jeopardizing their STR permits.

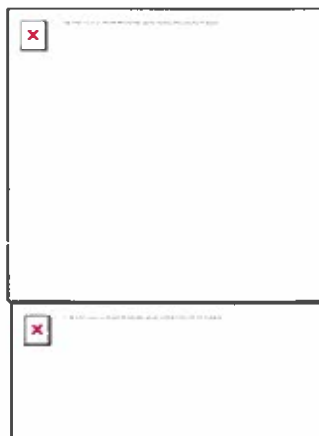
Note- I am strongly opposed to the notion that STRs are defined as a Commercial Use in Chelan County Zoning Code. This definition has been litigated across our nation with a variety of outcomes. This can be a topic for the next round of amendments 😊

Sincerely Sean Lynn

SEAN LYNN

Founder & CEO

 sean@loveleavenworth.com
 +1(509) 548-5683 Ext 103
 +1(509) 293-0814
 <https://join.loveleavenworth.com>
 10193 County Shop Rd
Leavenworth, WA 98826



September 11, 2024

Chelan County Community Development
Attn: Planning Commission Comments
316 Washington St., Suite 301
Wenatchee, WA 98801

RE: ZTA 24-328 - Proposed amendments to the Short-Term Rental provision in the Chelan County Code, specifically Section 11.88.290

Dear Planning Commissioners,

I am submitting these comments relative to the ongoing effort by the Planning Commission to evaluate potential revisions to the short-term rental (STR) code in Chelan County Code (CCC) 11.88.290. Specifically, I would like to comment on two documents provided by Mr. Sean Lynn at the previous Planning Commission meeting/hearing on August 28, 2024, which are now incorporated into the Agenda Packet for the September 12, 2024, meeting.

The first document is titled "*Economic Impact of Short Term Rental Properties in Unincorporated Chelan County (September 2020)*" prepared by Michael Lewis and Associates (MLA). During his oral testimony at the August 28, 2024, Planning Commission meeting and hearing, Mr. Lynn used this study to describe how important STRs are to the overall economy. However, as previously provided to Chelan County in 2021 and provided as Attachment 1 to this letter, I have already provided an analysis critiquing the MLA study.

Briefly, the MLA study is flawed for two reasons:

- 1) It significantly overestimates the economic impacts of STRs as confirmed by actual data reported by the Washington State Department of Revenue.
- 2) It ignores the economic benefit that would otherwise be provided if the STR housing units were instead used for long-term residential use.

Regarding the second point, studies have shown that long-term residential use provides more economic benefit than short-term tourist accommodation use.¹ As Mr. Lynn acknowledged during his oral testimony on August 28th, STRs are only occupied 37 percent of the time; this low occupancy rate is part of the reason that STRs do not generate as much annual economic activity as long-term residences. Simply converting STRs to long-term residences would therefore increase annual economic activity in a given area.

Consistent with the predictions made in my 2021 critique of the MLA study, there is clear evidence based on Washington Department of Revenue data that the County's STR code has not actually

¹ Residents United for Neighbors (and more recently Residents Coalition of Chelan County) provided this information to Chelan County previously as part of a study titled "How Short-Term Rentals In Residential Areas Harm Communities" by Kirvil Skinnarland and Brian Patterson, dated May 2021.

affected overall economic activity in unincorporated Chelan County in any discernible way. An in-depth discussion of this will be part of a separate study to be submitted later.

The second document provided by Mr. Lynn that is in the agenda packet for the September 12, 2024, Planning Commission meeting that I would like to comment on is titled “*Setting the record straight on short-term rentals, housing affordability, and misguided government market interventions*”, by Tobias Peter dated November 2023. Mr. Peter is the co-director of the AEI Housing Center, a conservative, anti-government think tank.

In his oral testimony at the August 28th Planning Commission meeting, Mr. Lynn pointed to this document as evidence that STRs do not adversely affect housing affordability. However, this article provides zero evidence of this and, in fact, acknowledges that existing studies do show an adverse impact, citing one study concluding that STRs increase housing costs by three to five percent overall. It is filled only with conjecture and the illogical assertion that because housing prices go up when STR numbers are stable, then STRs must have no impact on housing prices. It is not a scientific study.

The current Chelan County STR code states “*Short-term rental use is a commercial use. Where excess rental units exist in residential communities, it has been shown to be detrimental to the affordable residential housing inventory and adversely affect the residential character of those neighborhoods.*” (CCC 11.88.290(1)(A)). This is absolutely a well-known, true statement supported by numerous studies.

From their website, the Municipal Research and Services Center (MRSC) “*is a nonprofit organization that helps local governments across Washington State better serve their communities by providing legal and policy guidance on any topic.*” They have a page dedicated to the topic of *Affordable Housing and the Impact of Short-Term Rentals*.² The discussion of the impact of STRs on housing affordability starts off with:

While not the primary cause of affordable housing problems, many experts believe that STRs do have a negative impact on affordable housing at the local level, especially in high-tourism communities. Several organizations, such as The Pew Charitable Trusts and the Harvard Business Review (HBR), have conducted or published research showing that as the number of short-term rentals increase in a community, the quantity of affordable housing units decrease.

It goes on to cite one study that concludes:

(I)n aggregate, the growth in home-sharing through Airbnb contributes to about one-fifth [or 20%] of the average annual increase in U.S. rents and about one-seventh [or 14%] of the average annual increase in U.S. housing prices.

The webpage provides links to pertinent studies and I recommend anyone interested in this issue to review this site. Another recent study found that in areas with high levels of STR activity (which

² <https://mrsc.org/stay-informed/mrsc-insight/december-2021/affordable-housing-and-the-impact-of-short-term-re>.

would certainly describe areas like Leavenworth and Chelan), STRs increased rents by seven percent and home sales prices by 17 percent.³

Clearly, these actual studies refute Mr. Lynn's assertion that STRs do not adversely affect housing costs.

In case anyone thinks that these increases are trivial, only a five percent increase in even a very modest rental or mortgage rate of \$2,000 per month represents an additional \$1,200 per year for that household. Multiply this by hundreds or even thousands of households (many with even higher rents or mortgages) in a given area and it quickly adds up to hundreds of thousands or even millions of dollars paid by that community every year simply due to the presence of STRs.

So, while housing costs will likely continue to increase with or without STRs, reductions in STR activity in a community will clearly reduce the pace of increasing housing costs based on the results of many studies and potentially save individual households thousands of dollars a year.

Thank you for your consideration of these comments.

Sincerely,

A handwritten signature in black ink that reads "Brian Patterson". The signature is written in a cursive style with a large initial "B".

Brian Patterson, Ph.D.
150 Kestrel Lane
Manson, WA 98831

³ <https://www.sciencedirect.com/science/article/pii/S0094119020300498>.

Attachment 1

Assessment Report

Assessing the Credibility of the Report Titled “*Economic Impact of Short Term Rental Properties in Unincorporated Chelan County*” by Michael Luis & Associates, Dated September 2020

Overview and Summary of Conclusions

Michael Luis & Associates of Medina, Washington, prepared a report titled “*Economic Impact of Short Term Rental Properties in Unincorporated Chelan County*” dated September 2020 (hereafter, the MLA Report).¹ In the MLA Report, the author provides quantitative estimates of the economic contribution of short-term rentals (STRs)² to the economy of unincorporated Chelan County, Washington. The MLA Report is often cited by the Short Term Rental Association of Chelan County (STRACC) as justification for Chelan County limiting regulation of STRs, despite the well-known negative economic and societal impacts to residential communities resulting from the loss of full-time residents in neighborhoods.

However, by comparing the economic estimates in the MLA Report to sales data provided by the Washington State Department of Revenue (WSDOR) for similar areas and time periods, it’s possible to determine if the estimates in the MLA Report are even plausible. By making these comparisons, the following conclusions can be drawn:

- The estimated retail spending by STR patrons provided in the MLA Report appears to be at least twice what is plausible based on WSDOR actual sales data.
- The estimated rental revenue collected by STR owners (purportedly resulting in state sales tax revenue) appears to be at least three times what is plausible based on WSDOR actual sales data.
- One potential explanation for the discrepancy between the STR rental revenue estimated in the MLA Report and the WSDOR data is that the majority of STR rental revenue is not being reported to the WSDOR in violation of state tax law. Since proper payment of taxes is a requirement for “existing” STR units in draft versions of proposed Chelan County STR codes, this may preclude many current STRs from being allowed to operate in the future.

These conclusions imply that the MLA report grossly overstates the economic impact to Chelan County’s economy and is not a credible source of information. Additionally, the MLA Report fails to quantify the negative economic impacts incurred by the loss of full-time residents in these housing units, which are expected to exceed any positive impacts.³ It further completely avoids the negative social impacts of STRs on communities, which cannot be offset by pure economics; residential communities do not exist for the purpose of allowing a subset of homeowners to profit at the expense of the remaining homeowners.

¹ <https://drive.google.com/file/d/1iuSGm2Z9Vzbhb58OE-3FeD6EQXk1Rn8R>.

² STRs are generally defined as single-family housing used to provide transient tourist accommodations.

³ See for example: *Amending the Regulation of Short-Term Residential Rentals: Economic Impact Report, City and County of San Francisco*, May 18, 2015 (p. 8). Available at http://sfcontroller.org/sites/default/files/FileCenter/Documents/6458-150295_economic_impact_final.pdf?documentid=6457

Assessments Carried Out

The assessment of the credibility of the MLA Report was based on two specific comparisons of data between the MLA Report and data provided by the WSDOR. The data evaluated are core to the arguments made about the economic contributions of STRs in Chelan County in the MLA Report.

The first comparison was to evaluate the plausibility of the **retail spending** data in the MLA report. This comparison evaluated the estimated spending by STR patrons in the MLA Report relative to the actual total retail sales for all persons (i.e., spending by STR patrons, all other tourists and guest, and all residents) in the same area provided by WSDOR over similar time periods. In such a comparison, one would expect that the estimated spending by STR patrons alone would be much less than the actual spending by STR patrons, other tourists and guests, and all residents combined. If this were not the case, this would lead to the conclusion that the estimated spending by STR patrons in the MLA Report is biased high.

The second comparison was to evaluate the plausibility of the **rental revenue** generated by STRs provided in the MLA Report. This comparison evaluated the total rental revenue estimated for STRs in the MLA Report relative to the actual total sales of short-term “accommodations” for all persons (i.e., lodging sales for STRs, hotels, motels, bed & breakfasts, etc.) in the same area provided by WSDOR over similar time periods. In such a comparison, one would expect the estimated rental revenue generated by STR patrons alone would be much less than the actual sales associated with STRs, hotels, motels, and bed & breakfasts combined. If this were not the case, this would lead to the conclusion that the estimated rental revenue generated by STRs in the MLA Report are biased high and/or that a significant fraction of STRs is illegally failing to report revenue collected to the WSDOR.

The WSDOR does not provide data for spending by STR guests or for STR rental revenue specifically, but rather for categories that would contain the STR-related spending and rentals. But these data are still useful for determining the plausibility of estimated spending and rental revenue in the MLA Report. The WSDOR sales data in these broader categories put an upper bound on potential spending and rental revenue associated with STRs. For example, estimated spending by STR patrons in a given area during a certain period at food and beverage establishments cannot be greater than the actual sales to all customers at food and beverage establishments in the same area during the same period, and in fact should be much less. If the value estimated for STR guests only is not much lower than the value for all customers, the estimate for STR guests would clearly not be plausible. These are the types of comparisons made in this assessment.

Comparison 1 – Retail Spending

The MLA Report provides estimates for average daily spending by STR patrons for Food & Beverage, Entertainment & Recreation, and non-specific Retail for the period from September 1, 2019 through August 31, 2020. These values are some of the primary economic indicators used in attempting to demonstrate how important STRs are to the economy in Chelan County according to the MLA Report.

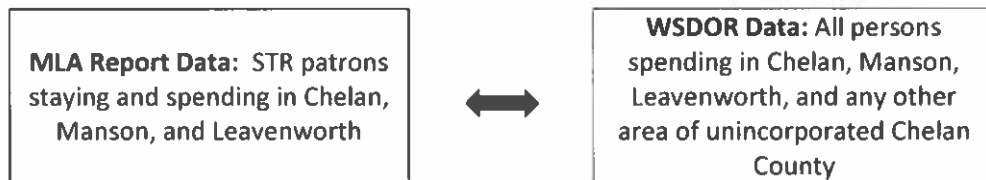
The estimated amounts for these first two categories are reproduced in Table 1 (attached) and can be compared to data from the WSDOR for a similar 12-month period. The WSDOR data are available for the period October 1, 2019 through September 31, 2020, a 12-month period shifted by one month from the 12-month period examined in the MLA Report. The third category of spending (non-specific Retail)

is difficult to directly compare to publicly-available WSDOR data and was not relied upon for this assessment.

Table 2 (attached) provides the estimated annual nights spent in STRs in unincorporated Chelan County according to the MLA Report, and Table 3 (attached) provides the product of the daily expenditures by STR guests times the number of nights spent in STRs to get total annual spending by STR guests according to the data in the MLA Report.

For purposes of examining the plausibility of the retail spending by STR patrons estimated in the MLA Report, it is reasonable to assume that STR guests in the Chelan or Manson areas will spend most of their money with Chelan and Manson businesses and STR guests in Leavenworth will spend most of their money with Leavenworth businesses (when these areas are considered without regard to whether or not they are in unincorporated portions of Chelan County).

In order to keep the assessment as clean as possible, the comparison made in this document to assess the plausibility of the estimates in the MLA Report is to compare the total retail spending by STR patrons staying in Chelan, Manson, and Leavenworth within those communities, including both incorporated and unincorporated areas; specifically:



The Chelan, Manson, and Leavenworth areas account for the vast majority of STR patron spending estimated in the MLA Report as shown in Table 3. By including all of unincorporated Chelan County sales data in the WSDOR data set (necessary in order to include Manson, which is not broken out separately), this will bias the WSDOR data on the high side, thus making it more likely that the MLA Report estimated spending data from STR patrons would be much less than the actual spending data from the WSDOR (i.e., more likely that the estimates in the MLA Report will appear to be plausible). People taking day trips into these areas would also make it more likely that the MLA Report spending data from STR patrons would be much less than the actual spending data from the WSDOR (i.e., more likely that the estimates in the MLA Report will appear to be plausible).

Table 4 (attached) provides the estimated total annual spending by STR patrons in Table 3, with the data for all areas other than Chelan, Manson, and Leavenworth removed.

Table 5 (attached) provides total retail sales for the Food & Beverage and Entertainment & Recreation categories from the WSDOR (the Accommodations data will be discussed later) for unincorporated Chelan County. Tables 6 and 7 (attached) provide the same data for the incorporated cities of Chelan and Leavenworth. These data combined allow for the comparison described in the graphic above.

Again, the WSDOR values are from all types of customers, i.e., STR patrons, all other tourists and guests, and all residents. As a result, the estimated spending by STR patrons as provided in the MLA Study should be much lower than the actual spending for all persons for these two spending categories provided by the WSDOR data. The table below shows how they compare:

Data Source and Scope	Spending on Food & Beverage	Spending on Ent. & Recreation
MLA Report - For STR patrons only	\$55,086,478	\$23,789,926
WSDOR Data - All persons	\$65,866,048	\$15,842,083

In this comparison, the estimated spending on Food & Beverage in the MLA Report is only slightly less than the actual sales to STR patrons, all other tourists and guests, and all residents provided by WSDOR. This comparison indicates that the estimated spending by STR patrons provided in the MLA Report for this category is not plausible. The estimated spending on Entertainment & Recreation in the MLA Report is significantly higher than the actual sales to STR patrons, all other tourists and guests, and all residents provided by WSDOR. This comparison indicates that the estimated spending by STR patrons provided in the MLA Report for this category is also not plausible.

This comparison can be further refined. In 2019, the average Washingtonian spent \$2,335 per year on Food & Beverage (NAICS code 722) and \$543 per year on Entertainment and Recreation (NAICS code 71).⁴ With a total population of approximately 14,000 residents in the Chelan, Manson, and Leavenworth areas, this implies that residents in these three areas spent approximately \$32.7 million on Food & Beverage and \$7.6 million on Entertainment & Recreation. Although some of this spending might occur outside of these areas, it is reasonable to assume that at least half of such spending would occur locally (\$16.4 million and \$3.8 million, respectively). These values can be subtracted from the WSDOR data for “all persons”, leaving rough estimates for all STR, hotel, motel, bed & breakfast guests, plus day trip tourists, or “transient guests”, as follows:

Data Source and Scope	Spending on Food & Beverage	Spending on Ent. & Recreation
MLA Report - For STR patrons only	\$55,086,478	\$23,789,926
WSDOR Data - All transient guests	\$49,466,048	\$12,042,083

At this point it is abundantly clear that the retail spending values from the MLA Report are completely detached from reality. Even though they only represent a subset of the values based on the WSDOR data in the table above, they exceed those values. In 2010, well before the growth in STRs exploded, Chelan, Manson, and Leavenworth had nearly 3,700 tourist accommodation units⁵ (compared to less than 1,900 STRs in these areas currently⁶), suggesting that spending by non-STR tourists would likely exceed spending by STR tourists. Taken together, it is likely that the retail spending values from the MLA Report evaluated here should be reduced by a factor of two or more.

⁴⁴ Taken from an assumed statewide population of approximately 7.7 million and data obtained at: <https://apps.dor.wa.gov/ResearchStats/Content/GrossBusinessIncome/Report.aspx>.

⁵ https://www.co.chelan.wa.us/files/natural-resources/documents/Planning/Natural_Resources/SMP/Documents/Public%20Access%20Plans/County/AppB.pdf.

⁶ Data from BERK Consulting.

Comparison 2 – Rental Revenue

The MLA Report provides estimates for total annual revenue generated by STRs for the period from September 1, 2019 through August 31, 2020. These values are additional economic indicators used in attempting to demonstrate how important STRs are to the economy in Chelan County according to the MLA Report. A major subset of these data is specifically for unincorporated Chelan County, and this data set makes for the most direct comparison to the available WSDOR data.

Table 8 (attached) provides the estimated annual revenue received for all STRs located in the unincorporated portions of Chelan County as provided in the MLA Report. Rent from STRs located within the city limits of incorporated cities are not included.

Table 5 (attached) provides the WSDOR data for actual annual sales for all short-term accommodations (STRs, hotels, motels, and bed & breakfasts) in unincorporated Chelan County for the comparable period.

This allows for the following comparison of rents received from short-term accommodations located in the unincorporated portions of Chelan County:

Data Source and Scope	Spending on Short-Term Accommodations
MLA Report - For STR patrons only	\$58,478,125
WSDOR Data - All persons	\$20,332,856

In this case the estimated rental revenue for STRs only in the MLA Report exceeds the actual sales for all STRs, hotels, motels, and bed & breakfasts from WSDOR data by nearly a factor of three, implying that the estimated rents generated from STRs appear to be overestimated in the MLA Report by more than a factor of three. In this case, there are two possible explanations (or some combination of the two):

- 1) The estimate of STR rental revenue received provided in the MLA Report is grossly elevated, and/or
- 2) A large portion of the STR rental revenue generated is not being reported to the WSDOR in violation of Washington State law.

The MLA Report indicates that the data for STR rental revenue generated comes from AirDNA, which should be a fairly reliable source of information. This makes it very likely that a significant portion of the discrepancy in this comparison is due to the fact that a large percentage of the STR rental revenue generated is not being reported to the WSDOR in violation of Washington State law. This doesn't preclude the possibility that the estimated STR rental revenue provided in the MLA Report isn't also somewhat inflated.

Discussion

The MLA Report attempts to quantify the economic impacts to the local economy from STRs located in Chelan County. It provides estimates of local spending by STR guests (Figure 2 in the MLA Report) and the rental revenue received by STR owners (Figure 1 in the MLA Report). STR patron spending benefits local business owners and sales tax collections, and STR rents collected provides some local revenue

(although the report notes that 90 percent of STR owners live outside the county) and sales tax collections. The vast majority of the positive economic impacts from STRs touted in the MLA report derives from the estimates of guest spending and rental revenue generated.

Of course, these purported positive economic gains in reality are offset by economic losses from the displacement of full-time residents, increases in cost of housing, loss of social capital, and negative impacts to communities, traffic, and public resources for full-time residents, which are ignored in the MLA Report. But this is a separate discussion.

The comparisons provided above in this assessment look at the plausibility of the estimated spending of STR patrons and estimated STR rental revenue generated in Chelan County as provided in the MLA Report in order to assess the credibility of the conclusions provided therein.

As detailed above, the comparisons made in this assessment demonstrate that the estimates of STR patron spending in the MLA Report are not plausible and are likely inflated by a factor of two or more. Therefore, all of the associated economic benefits to local businesses and sales tax collected are also likely inflated by a factor of two or more.

The comparisons made in this assessment also demonstrate that the estimates of STR rental revenue in the MLA Report are 1) significantly inflated, and/or 2) prove that STR owners are significantly underreporting rents received, in violation of Washington State law. In either case, the purported economic benefit derived from the sales tax collected from STR rents provided in the MLA Report is overstated by at least a factor of three.

Taken together, these comparisons demonstrate that the MLA Report is not credible and significantly overstates the economic benefits from STRs in Chelan County.

Table 1
Chelan County
Spending Per Party Per Day*

Area	Food & Beverage	Entertainment & Recreation
Cashmere	\$87	\$37
Chelan	\$319	\$137
Entiat	\$119	\$51
Leavenworth	\$224	\$97
Malaga	\$115	\$49
Manson	\$317	\$137
Peshastin	\$193	\$83
Wenatchee	\$139	\$60

*Taken from *Economic Impact of Short Term Rental Properties in Unincorporated Chelan County*, Michael Luis & Associates, September, 2020; Figure 2.

Table 2
Chelan County (Incorp. And Unincorp.)
Annual Number of STR Visitor Nights*

Area	Annual Occupied STR Nights
Cashmere	4,938
Chelan	50,776
Entiat	560
Leavenworth	138,880
Malaga	569
Manson	24,542
Peshastin	6,584
Wenatchee	13,337

*Taken from *Economic Impact of Short Term Rental Properties in Unincorporated Chelan County*, Michael Luis & Associates, September, 2020; Figure 1.

Table 3
Chelan County (Incorp. & Unincorp.)
Total Annual STR Visitor Spending by Category*

Area	Food & Beverage	Entertainment & Recreation
Cashmere	\$429,606	\$182,706
Chelan	\$16,197,544	\$6,956,312
Entiat	\$66,640	\$28,560
Leavenworth	\$31,109,120	\$13,471,360
Malaga	\$65,435	\$27,881
Manson	\$7,779,814	\$3,362,254
Peshastin	\$1,270,712	\$546,472
Wenatchee	\$1,853,843	\$800,220
Total	\$58,772,714	\$25,375,765

* Based on data in Tables 1 and 2; multiply daily spending times number of visitor nights.

Table 4
Chelan, Manson, and Leavenworth Areas (Incorp. & Unincorp.)
Total Annual STR Visitor Spending by Category*

Area	Food & Beverage	Entertainment & Recreation
Cashmere	-	-
Chelan	\$16,197,544	\$6,956,312
Entiat	-	-
Leavenworth	\$31,109,120	\$13,471,360
Malaga	-	-
Manson	\$7,779,814	\$3,362,254
Peshastin	-	-
Wenatchee	-	-
Total	\$55,086,478	\$23,789,926

* Based on data in Table 3.

**Table 5
Unincorporated Chelan County
Quarterly and Total Taxable Retail Sales***

Calendar Quarter	Food & Beverage	Entertainment & Recreation	Accommodations
2019 Q4	\$3,025,927	\$2,785,259	\$5,230,379
2020 Q1	\$2,119,201	\$4,444,154	\$3,281,553
2020 Q2	\$2,066,868	\$1,287,272	\$2,177,514
2020 Q3	\$4,614,678	\$3,133,926	\$9,643,410
Total	\$11,826,674	\$11,650,611	\$20,332,856

* From the Washington State Department of Revenue,
<https://apps.dor.wa.gov/ResearchStats/Content/QuarterlyBusinessReview/Report.aspx>

**Table 6
City of Chelan
Quarterly and Total Taxable Retail Sales***

Calendar Quarter	Food & Beverage	Entertainment & Recreation
2019 Q4	\$3,037,048	\$318,007
2020 Q1	\$2,438,826	\$284,729
2020 Q2	\$3,259,227	\$417,398
2020 Q3	\$6,964,384	\$1,651,866
Total	\$15,699,485	\$2,672,000

* From the Washington State Department of Revenue,
<https://apps.dor.wa.gov/ResearchStats/Content/QuarterlyBusinessReview/Report.aspx>

Table 7
City of Leavenworth
Quarterly and Total Taxable Retail Sales*

Calendar Quarter	Food & Beverage	Entertainment & Recreation
2019 Q4	\$15,187,613	\$366,067
2020 Q1	\$7,535,798	\$144,389
2020 Q2	\$3,625,576	\$305,605
2020 Q3	\$11,990,902	\$703,411
Total	\$38,339,889	\$1,519,472

* From the Washington State Department of Revenue,
<https://apps.dor.wa.gov/ResearchStats/Content/QuarterlyBusinessReview/Report.aspx>

Table 8
Unincorporated Chelan County
Annual STR Rent Received*

Area	Total Revenue
Cashmere	\$586,626
Chelan	\$4,180,247
Entiat	\$84,178
Leavenworth	\$38,484,226
Malaga	\$100,535
Manson	\$11,970,090
Peshastin	\$1,951,380
Wenatchee	\$1,120,843
Total	\$58,478,125

*Taken from *Economic Impact of Short Term Rental Properties in Unincorporated Chelan County*, Michael Luis & Associates, September, 2020; Figure 1.

September 11, 2024

Aubrey Davis
Property Owner at Lake Wenatchee
aubreydesign@gmail.com

Comments for the Chelan County Planning Commission Meeting Sept 12, 2024

Dear Commissioners,

I have recently reviewed the Meeting Agenda for September 12 and the letters attached. I believe there are some important considerations unrepresented in the letters submitted thus far.

If there is a housing crisis, why has my cabin been on the market for five months?

My family dreamed of owning a cabin at Lake Wenatchee for many years. When we finally earned the opportunity to buy a shabby little log cabin in 2022, we used our skills as an architect and interior designer to pour 9 months and many thousands of dollars into honoring the cabin, its history, and its surroundings.

We were thrilled to enjoy the cabin and also craft a vacation experience that would wow visitors. We prepared the cabin for the top-notch management that we intended to provide. We installed remote-controlled systems that allow us to monitor from afar, we built responsible systems for weather and wildlife, we used QR code signage to give guests video instructions. We also lived in the cabin for a whole winter. We built relationships with local business owners to provide services like hot tub maintenance, cleaning, pest control, snow removal, and garbage removal. In addition, we furnished the cabin with as many local items as possible.

If allowed to, we would have been one of Leavenworth's top rental properties. We would have been featured in magazines. We would have created raving fans whose social media posts would have drawn travelers nationwide.

If allowed, our project, on which we spent our life savings, could have acted as a source of income and free marketing for the Leavenworth/Lake Wenatchee economy, a valuable resource for which the residents of Chelan County paid \$0.

Because we cannot get an STR permit, we are now forced to sell our dream cabin, but ironically, every family who comes to look at the property has passed on it because they would need an STR permit to afford the mortgage. We have now reduced the price of the cabin to the level at which we purchased it, and we face losing a staggering amount of money IF we can find a buyer.

We poured our love into this cabin to provide tourists with an excellent experience and an opportunity to see what we love about Chelan County. Yes, it was something we hoped to turn a profit on, but not because we are real estate moguls. We hoped to make some income from the service we built because we hoped I could work from home and raise our son. In contrast, because we can't rent our cabin, we are currently losing \$10,000 a month and draining the equity from our primary home.

We are trapped by STR regulations. We can't rent, we can't sell, and we haven't had a restful night's sleep in a year as we face potentially losing our primary home and pulling our 4-year-old from the home, school, and community that we have worked all our lives to achieve. We are terrified that STR regulations could cause us to lose everything.

So, forgive me if I don't have sympathy for those who heard some loud music once during the summer of 2020, and forgive me if I don't believe the feigned concern of people who pretend to care about a housing crisis but don't care that STR regulations are causing working families to lose income, lose jobs, and even lose their homes.

I care a lot about affordable housing for working families. Housing is what I have spent my career doing, but I know that not every neighborhood in Chelan County is a realistic location for a working family. The average real estate listing around Lake Wenatchee has been sitting on the market for months, and the price has been reduced multiple times. This tells me that working families are not clamoring to buy houses in this area.

When making decisions about STR caps, please factor in statistics showing which neighborhoods have predominantly full-time residents and which have a large percentage of vacation homes.

Not allowing STRs will exclude working families and result in more wealthy absentee owners.

The economy that young families live in today differs significantly from that of the 1950s or 1980s. Not allowing STRs will mean that average working families can no longer buy cabins at Lake Wenatchee. Over time, the small, humble cabins will be torn down and replaced with large, expensive homes that sit empty most of the year.

Homes that are sitting empty are not good for security, the economy, or people who wish to visit or live in a vibrant community.

STR caps remove the motivation for an owner to provide excellent management or to maintain their property.

Currently, there is no opportunity for any new STR to enter the market in Leavenworth or Lake Wenatchee. This situation has eliminated the competition that typically keeps a market healthy and thriving. The STR owners who have a permit don't need to worry about any ambitious new owners who aim to provide top-notch management or spend money on a meticulously maintained home... because these owners are locked out of the opportunity to compete!

If these caps are allowed to continue, the STRs in Leavenworth and Lake Wenatchee will become increasingly shabby and poorly managed, and tourists will opt to rent in Suncadia or Seabrook, where owners are incentivized to spend on renovation, maintenance, and excellent management (which all employ local people by the way).

If allowed, a free market will naturally limit the amount of STRs by weeding out the less desirable properties. Less successful STRs will become monthly rentals, and more successful STRs (which are expensive to maintain) will bring more money to working families, and working families will fund the construction of more new homes. If allowed to continue, government control will become a cancer on the free market and will make the economy unhealthy.

I advocate for regulations based on laws, data, history, and equal representation rather than emotional gossip from a few.

Many statements from people wishing to regulate STRs mention noise, traffic, or parking issues. In response to these concerns, the county has provided a hotline, an expensive 3rd party monitoring

service, and increased staff. However, it is also my understanding that the hotline has not received a significant number of complaints over the last year.

I suggest the county make decisions about STR caps based on data from the service it is paying for. I fear that the emotional hearsay in these emails may carry more weight than it should.

Recent reports show that Chelan County tourism income has taken a hit for the first time in many years and that (non-agricultural) unemployment in Chelan County is up even though unemployment in WA State is down.

Please remember that working families, small business owners, and lower-income individuals often don't have the time to write letters or form committees. However, these citizens are most impacted when STR regulations hurt Chelan County's income or unemployment.

Personally, we have employed a Wenatchee couple with a small child to clean and maintain our property. This family is exceptionally hardworking and has toiled for years to build a business that allows them to balance child care while paying their bills. However, in the last year, they have seen a dramatic reduction in their business. **When I spoke to them about the STR regulations, they were unaware that regulations existed!** Many hardworking families do not have time to pay close attention to the activities of their local government.

I encourage the county to seek input from people who work in grocery stores, restaurants, recreational services, wineries, coffee shops, farm tours, retail shops, real estate, pest control, snow removal, house cleaning, hot tub maintenance, roof repairs, and landscaping. I am confident that these individuals will have a different perspective than the mostly retired people who have time to write letters to the county and are much less affected by the economy.

A small group of people should not get to use our county government to turn our vibrant vacation town into a retirement home.

Lastly, when we purchased a cabin at Lake Wenatchee, we hoped to find a vibrant community of young families. We chose property in a small lot zone because we prefer to see and speak to our neighbors. We looked forward to living alongside other families with wet dogs and rowdy kids who like socializing, playing outside, and celebrating life. Instead, we found a group of angry retired people looking for someone to pick a fight with.

Unfortunately, I cannot force the county to regulate my neighbors into living by my preferences, and they also should not be able to use the county government to force my family or the people who vacation in Leavenworth to live by their preferences.

Thank you for your consideration,

Aubrey Davis
aubreydesign@gmail.com

Jessica K. Thompson

From: Ulla Olsson <ullaolsson@comcast.net>
Sent: Thursday, September 12, 2024 8:47 AM
To: CD Comment
Subject: Short Term (STR)Rental Code

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

To Chelan County Planning Commision,

We oppose all proposed changes to the current short term rental code. Any changes to the code would negatively affect our neighborhood.

Respectfully submitted,
Ulla & Harold Olsson
15310 Cedar Brae Rd.
Lake Wenatchee (Leavenworth)

Sent from my iPad

Jessica K. Thompson

From: Jack Mynatt <jmynatt@nwi.net>
Sent: Thursday, September 12, 2024 9:24 AM
To: CD Comment
Cc: Barbee Teasley; Chris Clark
Subject: Proposed Changes in STR Code

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

Dear Commissioners:

I am writing to express my concerns about the proposed changes in the STR Code.

First, the current code has only been force for a short time. Let's see how it really works before changing it.

Second, the proposed changes put us back into the previous "anything goes for STR owners" situation we were in for years. That wasn't working for anyone other than the owners, many of whom do not even live in the communities where their STRs are located. I have never understood why someone who essentially wants to run a hotel, i.e., a Tier 2 or 3 rental, doesn't have to meet all the same zoning and business requirements as, for example, the owners of the Red Lion in Wenatchee. Nor do I understand why the number of all types of STRs should not be capped. All of them negatively impact the quality of life in our communities. That's why they've been banned in some places. e.g, inside the city limits of Leavenworth. If we're going to have them at all, they need to be heavily regulated.

I strongly oppose the proposed changes.

Clifford R. Mynatt
8785 Icicle Rd.
Leavenworth WA 98826

Jessica K. Thompson

From: Debra Patterson <dkpatters@gmail.com>
Sent: Thursday, September 12, 2024 3:16 PM
To: CD Comment
Subject: Proposed Changes to Chelan County STR Codes

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

I am very opposed to the proposed changes in the STR code because most of these changes would result in the proliferation of STRs in residential neighborhoods in our county. Another proposed change would increase the occupancy of all STRs.

I'm opposed to an increase of the 6% cap on the number of Tier 2 and Tier 3 STRS.

I'm opposed to changing the rule that requires Tier 1 rentals to be owner occupied.

I'm opposed to a code change that would exclude children under two years of age in the number of occupants in all Tiers.

You did it right the first time. Compromises were made, especially on the part of those fighting for the rights and wishes of local residents, who just want to live peacefully in their own homes, and who expect local government to support a lifestyle that all local residents deserve, including yourselves.

Please think about how these changes in the code would negatively impact local residents and choose to keep the codes as they are.

Thank you for your time.

Debra Patterson
Manson, WA

Jessica K. Thompson

From: Dave and Arlene Lowrie <ogopogo22@gmail.com>
Sent: Thursday, September 12, 2024 3:37 PM
To: CD Comment
Subject: STR's

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

Planning Commissioners

We are opposed to any changes to allow more STR's in our community. We are already over the 6% that is allowed now.

Dave and Arlene Lowrie
Chiwawa River Pines

Jessica K. Thompson

From: Ed Martinez <edmar1960@gmail.com>
Sent: Friday, September 13, 2024 11:42 AM
To: CD Comment; Shon Smith; Kevin Overbay; Tiffany Gering
Subject: STR Task Force History, makeup, and proceedings

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

(Open Letter)

Dear Chelan County Planning Commissioners and Chelan County Commissioners,

My name is Ed Martinez, and I was appointed to represent the Chelan County Planning Commission during the Short-Term Rental (STR) Task Force group meetings. I write to you today to provide an objective account of the task force's proceedings and outcomes.

Background

As a neutral participant with no personal stake in the STR issue, I approached this task with impartiality. I am not affiliated with either RUN (Residents United for Neighbors) or STRACC (Short Term Rental Alliance of Chelan County), though I am currently involved with RC3 (Residents Coalition of Chelan County) where I am focusing my efforts on the effects of wildfire and wildfire smoke to Chelan County residents. I also chair the Chelan County Hazard Mitigation Plan update task force this year.

Task Force Composition and Process

The STR Task Force met weekly from April to May 2022, comprising representatives from various interest groups:

STR Interests:

-
-
- Sean Lynn
-
-
-
- Don MacKenzie
-
-
-
- David Donovick
-
-

-
- Zelda Holgate (alternate)
-

Community Interests:

-
-
- Kirvil Skinnarland
-
-
- John Agnew
-
-
- Ken Longley
-
-
- Kari Sorensen (alternate)
-

Planning Commission:

-
-
- Ed Martinez
-
-
- Carl Blume
-
-
- Randy Baldwin
-

Moderators:

-
-
- Mike Nash, Coordinator
-

-
-
- Jim Brown, Director, Chelan County Community Development
-

Each week, teams presented proposals, followed by group discussions and inter-meeting email exchanges. The moderators synthesized these inputs into a plan that aimed to balance all perspectives.

Final Proposals and Voting

Ultimately, three plans were put to a vote:

- 1.
- 2.
3. STR interests plan
- 4.
- 5.
- 6.
7. Community interests plan
- 8.
- 9.
- 10.
11. Moderators' compromise plan
- 12.

Using 3-2-1 ranked-choice voting, participants ranked their preferences. The moderators' proposal emerged as the preferred option, everyone in the Task Force selected the moderators proposal as either their first or second choice.

Consensus and Moving Forward

Following the vote, the group overwhelmingly agreed to "accept and support that decision going forward," demonstrating a commitment to unity despite differing viewpoints.

I want to emphasize the **extraordinary effort** and **dedication** invested by all parties in reaching this compromise. Countless hours were spent in thoughtful discussion, careful consideration of all perspectives, and meticulous crafting of proposals. The final agreement represents a delicate balance that addresses the concerns of all stakeholders.

Given the extensive work and good faith negotiations that led to this consensus, **any proposal to alter this agreement should be approached with extreme caution**. Changes should only be considered if supported by equally substantial evidence and reasoning that demonstrates a clear and pressing need for revision. The compromise reached by the task force should not be discarded lightly, as it represents the collective wisdom and mutual understanding of a diverse group of community members who worked tirelessly to find common ground.

I hope this summary provides valuable insight into the STR Task Force's deliberations and outcomes. Thank you for your attention to this important matter.

Sincerely,

Ed Martinez
Chelan County Planning Commission Representative, STR Task Force
Leavenworth, WA

Jessica K. Thompson

From: med@nwi.net
Sent: Friday, September 13, 2024 12:21 PM
To: CD Comment
Subject: STR

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

Please, do not make any changes to the existing STR rules!
Many compromises were already made and the proposed changes will not benefit the general public.

Sincerely,
Marc and Margareta Dilley
12735 Shore Street

Jessica K. Thompson

From: stan Morgan <wenach3@msn.com>
Sent: Friday, September 13, 2024 12:23 PM
To: CD Comment
Subject: STR

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

I am so dissappointed we even have to spend time and money on this again.

I am opposed to the new changes in STR

Do your job listen to the people

We suffer with too many STR

Thank you,

Mary Morgan

16301 River Road

leavenworth, wa 98826

Sent from [Outlook](#)

Please be advised that I am opposed to the three changes proposed changes to the STR code. These changes will destroy the carefully crafted compromise that is reflected in the existing code. Representatives of the STR industry on the Task Force agreed to these compromises. If the County wants to amend the code, it owes the public a fair, thoughtful, and transparent process that provides ample opportunities for residents to participate. In addition, the public must be provided with any new research or data that documents the reasons why the code needs to be changed in favor of STR owners and advocates.

Stan Morgan
16301 River Road
Leavenworth, Wa 98826

Jessica K. Thompson

From: khalupka@frontier.com
Sent: Saturday, September 14, 2024 3:26 PM
To: CD Comment
Subject: Comments on proposed changes to STR code 14 Sep 2024

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

We, as Chelan County home owners, are opposed to the STR code changes because they will destroy the compromise that is reflected in the existing code. A high level of public resources (consultant fees and staff time) went into the adoption of the code. In addition, the public testified at the numerous public hearings that occurred during 2019, 2020 and 2021 prior to the adoption of the code. Finally, there was a Task Force appointed by the Board of County Commissioners which was charged with coming up with a compromise. The Task Force was successful in this regard and the code we have today reflects the compromise between STR owners/advocates and residents who live and work here. If the County wants to amend the code, it owes the public a fair, thoughtful, and transparent process that provides ample opportunities for residents to participate. In addition, the public must be provided with any new research or data that documents the reasons why the code needs to be changed in favor of STR owners and advocates.

Proposed Changes to the Code

1. Potential increase of the 6% cap on the number of Tier 2 and Tier 3 STRs (no owner living on the property) would mean many more STRs in residential neighborhoods and the removal of homes from our residential housing stock; homes which are desperately needed by residents.
2. Currently, Tier 1 rentals must have the owner living on site. The new draft code would allow both the main house and the STR to be rented—one for more than 30 days and one for less. It would allow a renter to be the designated manager for the STR. Renters would have less interest in ensuring good relations with neighbors by enforcing occupancy limits, minimizing noise, and ensuring that the transients occupying the short term rental comply with the County's rules. In addition, Tier 1 STRs are not subject to the 6% cap and the proposed change would enable many more STRs to be established if the requirement for owner occupancy is removed.
3. The draft code proposes excluding children under 2 years of age in the head count for the limits on occupancy for each of the three Tiers of STRs. Because STR renters generally want to maximize occupancy in order to reduce the per person cost, this will mean higher occupancy in all STRs.

We appreciate your consideration of our comments.

Sincerely,
Residents and Home Owners in Chelan County: Jacqueline Dawson and Karl Halupka

Jessica K. Thompson

From: Linda Grinde <starliter715@gmail.com>
Sent: Sunday, September 15, 2024 11:40 AM
To: CD Comment
Subject: STR

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

Linda Grinde
2510 kinnikinick
Leavenworth

I support excluding children Under 2 from maximum occupancy count

I oppose annual Life and safety check

I oppose Required proof of Taxes paid annually

I support parking request that the 2 people per vehicle Cap be eliminated Sent from my iPad

Jessica K. Thompson

From: Jarrod <Jarrod@forsla.com>
Sent: Sunday, September 15, 2024 4:14 PM
To: CD Comment
Subject: Regarding STR proposed changes

Importance: High

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

Hello,

I am writing today in concern to the changes proposed for STR.

Specifically:

I would like to state my support for the proposed change of children under two being in line with AirBnB policy for not including children under two as headcount. The policy should match booking sites.




I'd like to oppose the need for an annual safety inspection. No report has shown any substantial safety issues prompting this change.

I oppose proof of taxes as a requirement. Most STRs collect taxes through platforms like AirBnB, VRBO, or management companies.

I support removing the two person per vehicle cap.

Thank you for your consideration.

Jarrod Jackson
Chief Executive Steward
FORSLA, LLC

 858.405.6806
 jarrod@forsla.com
 forsla.com

FORSLA



Jessica K. Thompson

From: Thomas Martin <wwlvacs@gmail.com>
Sent: Sunday, September 15, 2024 11:31 PM
To: CD Comment
Subject: Comments on STR proposed changes

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

Dear members of the Planning Committee and Council,

I am a new owner of a STR in Leavenworth. I pay a large property tax and our guests mostly eat out at the restaurants in Leavenworth. Our home is a single family residence that was built in 2010 as a STR. It has 5 bedrooms, 6 baths and three floors comprising 5300 SF. The sewage plan was approved for 8 persons yet the STR occupancy is limited to 4 persons. The property has parking spaces for 6 cars but only the 2 parking spaces in the garage are counted by the STR Committee for occupancy. The other 4 parking spaces are within the setback and therefore have not counted in determining our allowed number of occupants.

I strongly support the proposal to strike the "not located within a setback" portion of the STR parking regulations. Furthermore, the number of occupants should not be limited to two persons per approved parking space. Many groups arrive with 3-4 persons per car and some vans could easily carry 6-8 persons.

Pertinent sections of STR code:

(B) Occupancy.

(i) The number of rented or occupied bedrooms shall not exceed the number approved in relation to the on-site sewage system approved by the Chelan-Douglas health district, or strictly follow the requirements of any sewer district or other waste management provider that is being utilized by the rental.

(C) Parking.

(i) Provide residential parking, not located within a setback and not within any recorded access easement, consistent with the provisions of Chapter 11.90.(this section and 11.90 should mirror one another)

Sincerely,

Thomas Martin

8920 Icicle Road

Leavenworth, WA 98826

Jessica K. Thompson

From: Thomas Martin <wwlvacs@gmail.com>
Sent: Monday, September 16, 2024 3:39 AM
To: CD Comment
Subject: Re: Comments on STR proposed changes

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

I would also like to point out that no spoke out against allowing parking in the setback or increasing the number of allowable occupants per car either in written or spoken comments at the last meeting.

I realize that there are some people who are completely against tourists and STRs. Many of those people spoke out against tourists after the Lahina wildfire disaster. Subsequently, tourism is down in Hawaii and Maui in particular. Ironically, now many native Hawaiians have had to leave Hawaii and move to the mainland to find employment. To those who hate tourists, I say, be careful what you wish for!

Sincerely,
Tom Martin

On Sun, Sep 15, 2024, 8:31 PM Thomas Martin <wwlvacs@gmail.com> wrote:

Dear members of the Planning Committee and Council,

I am a new owner of a STR in Leavenworth. I pay a large property tax and our guests mostly eat out at the restaurants in Leavenworth. Our home is a single family residence that was built in 2010 as a STR. It has 5 bedrooms, 6 baths and three floors comprising 5300 SF. The sewage plan was approved for 8 persons yet the STR occupancy is limited to 4 persons. The property has parking spaces for 6 cars but only the 2 parking spaces in the garage are counted by the STR Committee for occupancy. The other 4 parking spaces are within the setback and therefore have not counted in determining our allowed number of occupants.

I strongly support the proposal to strike the "not located within a setback" portion of the STR parking regulations. Furthermore, the number of occupants should not be limited to two persons per approved parking space. Many groups arrive with 3-4 persons per car and some vans could easily carry 6-8 persons.

Pertinent sections of STR code:

(B) Occupancy.

(i) The number of rented or occupied bedrooms shall not exceed the number approved in relation to the on-site sewage system approved by the Chelan-Douglas health district, or strictly follow the requirements of any sewer district or other waste management provider that is being utilized by the rental.

(C) Parking.

(i) Provide residential parking, not located within a setback and not within any recorded access easement, consistent with the provisions of Chapter 11.90.(this section and 11.90 should mirror one another)

Sincerely,
Thomas Martin
8920 Icicle Road
Leavenworth, WA 98826

Jessica K. Thompson

From: Residents Coalition of Chelan County <info@coalitionofchelancounty.org>
Sent: Tuesday, September 17, 2024 10:00 AM
To: CD Comment
Cc: Deanna C. Walter; Kirsten Ryles; Brian Patterson; Kirvil Skinnarland
Subject: Revised and Expanded Information on STRs and Lodging Taxes
Attachments: Analysis of Lodging Tax Revenue Trends in CC (9_16_24).pdf

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

Dear Planning Commissioners,

The Residents Coalition of Chelan County (RC3) previously submitted a short report analyzing lodging tax trends in the county as well as the cities of Leavenworth and Chelan. This was in response to information being provided by STR advocacy groups asserting that the County's STR regulations have led to a decline in lodging tax revenues. It is important to remember that lodging taxes do not support general county government operations but are generally restricted to funding of activities which promote tourism.

We have prepared an expanded report (attached) that provides data and analysis of lodging tax trends. In addition, it looks at trends in taxable sales, an indicator of the health of the general economy in Chelan County.

By looking at a broader set of data, we find that:

- Lodging tax revenues in unincorporated Chelan County were affected positively in the early stages of the COVID-19 pandemic and, like many other areas of the country (and even the world), this boost is wearing off as the effects of the pandemic have waned.
- Declines in lodging tax revenue in unincorporated Chelan County appear to have leveled off, whereas lodging tax declines in the cities of Chelan and Leavenworth are just now being seen. These two cities have their own STR codes and are unaffected by the County's STR code.
- Declines in lodging tax revenue in unincorporated Chelan County do not appear to be adversely affecting the broader economy in that same area (as measured by total taxable sales).
- Revenues from hotel/motel stays in unincorporated Chelan County appear to also have been adversely affected in 2022 and 2023 similar to total lodging revenues, indicating that the declines in overall lodging tax revenues in unincorporated Chelan County are not exclusive to STRs and, therefore, not exclusively due to the STR code.

The data presented in this report come from the Washington State Department of Revenue (DOR) or are directly derived from such data.

This analysis demonstrates that the current radical proposal for changes to the Chelan County STR code is not justified by the trends in lodging tax revenues. As a result, the County is at risk of making policy decisions based on incorrect assumptions. 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. Any short-term decline in the growth rate of lodging tax revenue, with no discernible impact to the overall economy, is certainly not a reason to abandon these goals.

Respectfully submitted,

Residents Coalition of Chelan County (RC3)

Analysis of Lodging Tax Revenue Trends in Chelan County

Prepared by Residents Coalition of Chelan County

September 16, 2024

The graph reproduced in Attachment 1 has been presented and/or discussed recently in numerous forums showing the decline in lodging tax revenue collected in unincorporated Chelan County in 2022 and 2023. (It was submitted by Sean Lynn, a member of the Executive Board of STRACC,¹ at the August 28th Planning Commission meeting.) There has been significant concern expressed relative to this graph and it has been used as an urgent justification for making radical changes to the Chelan County short-term rental (STR) code (CCC 11.88.290) that went into effect in September of 2021.

Residents Coalition of Chelan County (RC₃) believes that making a direct connection between the recent declines in lodging tax revenue in unincorporated Chelan County and the County's STR code is not so easy, and it certainly does not justify making any radical changes to the STR code for a number of reasons.

By looking at a broader set of data, we find that:

- Lodging tax revenues in unincorporated Chelan County were affected positively in the early stages of the COVID-19 pandemic and, like many other areas of the country (and even the world), this boost is wearing off as the effects of the pandemic have waned.
- Declines in lodging tax revenue in unincorporated Chelan County appear to have leveled off, whereas lodging tax declines in other areas of the County are just now being seen.
- Declines in lodging tax revenue in unincorporated Chelan County do not appear to be adversely affecting the broader economy in that same area (as measured by total taxable sales).
- Revenues from hotel/motel stays in unincorporated Chelan County appear to also have been adversely affected in 2022 and 2023 similar to total lodging revenues, indicating that the declines in overall lodging tax revenues in unincorporated Chelan County are not exclusive to STRs and, therefore, not exclusively due to the STR code.

The data presented herein come from the Washington State Department of Revenue (DOR) or are directly derived from such data. There are five tables attached to this document and the following narrative will discuss each one in turn.

¹ Short Term Rental Alliance of Chelan County.

Table 1 - Summary of Annual Total Lodging Taxes Distributed (5% Chelan/Leavenworth, 4% Unincorp. Chelan Co.)

Total lodging taxes are collected by lodging providers, sent to the DOR, and redistributed to the City of Chelan, the City of Leavenworth, and unincorporated Chelan County at rates of five percent, five percent, and four percent, respectively. The total lodging taxes distributed to these three entities for the years 2019 through 2023 are provided in Table 1.

The total dollar amounts for Leavenworth and unincorporated Chelan County correspond to the values provided in part of the graph in Attachment 1. The dollar amounts for Chelan were not included in that graph.

There is a general pattern for all three entities that includes a significant jump in lodging tax revenues in 2021 as the initial negative reaction to the COVID-19 pandemic subsided and many people worked remotely, often at short-term rental lodgings in areas like Leavenworth, Chelan, and Manson (in unincorporated Chelan County). As shown in Table 1, lodging tax revenues in 2021 were significantly higher than not only 2020 (when the pandemic started), but also significantly higher than in 2019 (before the pandemic started). This was a phenomenon that occurred in many tourist-friendly areas.

As shown in the graph in Attachment 1, it is clear that total lodging tax revenues continued to increase steadily after 2021 in Leavenworth (10.7% in 2022 and 15.3% in 2023), while they declined after 2021 in unincorporated Chelan County (-14.4% in 2022 and -13.2% in 2023). Also shown in Table 1, total lodging tax revenues increased only very slightly after 2021 in the City of Chelan (2.0% in 2022 and 1.4% in 2023).

These trends appear to be the source of the recent panic surrounding lodging tax revenues and at least part of the reason for the currently-proposed radical changes to the Chelan County STR code.

Table 2 - Summary of Total Lodging Taxes Distributed January - July (5% Chelan/Leavenworth, 4% Unincorp. Chelan Co.)

The DOR also provides monthly lodging tax distribution data, which can be used to look at early trends in 2024. Table 2 provides comparable total lodging tax distributions for January through July for the years 2019 through 2024.

While the patterns for the January through July totals are somewhat similar to the full year totals for 2019 through 2023, new patterns emerge for 2024. In particular, although Leavenworth total lodging tax revenues increased in 2022 and 2023, they actually decreased by 4.6 percent in 2024. Note that Leavenworth does not allow STRs except in commercial zoning and is unaffected by the Chelan County STR code.

Even more so, the City of Chelan lodging tax revenue for the first seven months of the year decreased by 19.7 percent in 2024. The City of Chelan allows STRs in certain zones and is also unaffected by the Chelan County STR code.

In unincorporated Chelan County, total lodging tax revenues were nearly flat (-0.8%) in 2024.

So, simply looking at the 2024 numbers, one could argue that there is more at work influencing the lodging tax revenue than just the Chelan County STR code. It's just as plausible that a general downturn in the lodging market in the tourist areas of Chelan County after the massive increase in 2021 simply hit unincorporated Chelan County first and is now moving into the cities of Chelan and Leavenworth. This is not to say that the STR code couldn't have had some effect on the lodging tax revenues in unincorporated Chelan County, but clearly there are other factors at play and lodging tax revenues in unincorporated Chelan County appear to have stabilized in the first part of 2024.

Some downward pressure in lodging (and thus lodging tax revenues) is expected as fewer people work remotely after the pandemic and many have returned to the office.² Additionally, tourists are now able to travel by air more safely and easily since the pandemic has waned, creating less demand for local vacations.³

Table 3 - Percent Change in Special Hotel/Motel Taxes in 2024 vs. the Comparable Months in 2019

Table 3 provides total lodging tax revenues for January through July for 2019 (pre-pandemic) and 2024. The point of the data in this table is to show that, even though total lodging tax revenues between 2019 and 2024 are not up as much in unincorporated Chelan County, they are still up (16.6%). The same is true when comparing full year lodging tax revenues between 2019 and 2023 (up 15.2%).

So, while all of the significant increase in lodging tax revenues in 2021 has not be preserved, unincorporated Chelan County has still seen lodging tax revenue growth from the levels seen right before the pandemic.

Table 4 - Change in Total Lodging Taxes vs. Change in Total Taxable Sales

Some people who are arguing for radical changes to the Chelan County STR code have argued that the implementation of the code since 2021 has negatively impacted the economy. This conflates lodging tax revenues with the entire economy. They are two entirely different things.

Table 4 again shows the pattern of total lodging tax revenues for Chelan, Leavenworth, and unincorporated Chelan County. It then compares these trends to the total taxable sales in these same three areas. Total taxable sales are a reasonable proxy for the overall level of economic activity in each area.

What is notable is that in all three areas, total taxable sales increased by about 10 percent for 2022 and 2023 combined. The increases were nearly identical. But, of course, the Chelan County STR code does not apply in Leavenworth or Chelan, only in unincorporated Chelan County. While

² See for example *American work-from-home rates drop to lowest since the pandemic*.
<https://www.afr.com/property/commercial/american-work-from-home-rates-drop-to-lowest-since-the-pandemic-20231023-p5eebg>.

³ See for example *After the pandemic, Americans are flying again in force. Here's why that's a problem*.
<https://www.washingtonpost.com/climate-environment/2023/11/23/pandemic-flying-normal-emissions/>.

lodging tax revenues may have declined in unincorporated Chelan County during this time period, the overall economy continued to grow at a rate consistent with other nearby tourist areas.

To the extent that someone might argue that declines in tourist accommodations outside of the cities of Chelan and Leavenworth could also negatively impact taxable sales within these cities, it can be shown that the 10 percent growth in taxable sales within all three of these areas is, in fact, robust. The comparable increase in total taxable sales in Winthrop, Washington (a nearby tourist town in Okanogan County) was only 4.2 percent and the comparable increase in total taxable sales in Twisp, Washington (also in nearby Okanogan County) was 9.5 percent. The state-wide comparable increase in total taxable sales was 10.5 percent (driven by strong growth in large westside counties such as King, Snohomish, and Pierce counties).

So, although lodging tax revenues might have recently declined in unincorporated Chelan County, it appears to have had no discernible impact on the overall economy in that area, which is still quite strong.

Given this, it is erroneous to argue that the Chelan County STR code has had a negative impact on the overall economy in unincorporated Chelan County, since it is growing at a rate nearly identical to the economies of the cities of Chelan and Leavenworth, which are not directly affected by the STR code, and at a rate higher than some other nearby tourist areas.

Table 5 - Comparison of Hotel/Motel Taxable Sales Trends to Total Lodging Taxable Sales Trends

Hotels and motels were not directly affected by the Chelan County STR code, regardless of location. If anything, one could argue that if the STR code reduced the number of STRs available in unincorporated Chelan County, perhaps this would benefit hotels and motels in that area by reducing competition.

Table 5 compares total revenues from hotels and motels in the cities of Chelan and Leavenworth and unincorporated Chelan County to total revenues from all forms of lodging (including STRs). Table 5 also calculates the percentage of total lodging revenues that come from hotels and motels for each year and location.

As expected, total revenues from all forms of lodging show the identical patterns that are shown for total lodging tax revenues discussed elsewhere in this document (since they are directly related). Of interest, about half of the total lodging revenue in the City of Chelan comes from hotels/motels, compared to about three-quarters of the total lodging revenue in Leavenworth, and about 15 percent of the total lodging revenue in unincorporated Chelan County.

Although only a relatively small percentage of total lodging revenue in unincorporated Chelan County comes from hotels and motels, it is still useful to look at the revenue trend of this lodging group. Note that unlike in the cities of Chelan and Leavenworth, total revenue from hotels and motels showed an overall average decline in 2022 through 2023.

If the decline in total lodging revenue (and thus lodging tax revenue) in 2022 and 2023 in unincorporated Chelan County was due to the Chelan County STR code, why did hotel and motel

revenues also decline? Especially if a decrease in the number of STRs due to the code would only help hotels and motels?

It is clear that factors other than only the STR code were affecting the total lodging revenues, and thus the total lodging tax revenues, in unincorporated Chelan County.

Conclusions

The simplistic graph in Attachment 1 does not provide any direct evidence that the Chelan County STR code is solely, or even significantly, responsible for the decreases in lodging tax revenue in unincorporated Chelan County. There are likely other downward pressures on lodging revenue in that area due to the waning of the pandemic effect on lodging in the cities of Chelan and Leavenworth and unincorporated Chelan County. These pressures may just now be catching up with the cities of Chelan and Leavenworth, whereas they may already be stabilizing in unincorporated Chelan County.

Further, the decreases in lodging tax revenue in unincorporated Chelan County do not appear to be having any discernible effect on the overall economy in this area. Lodging taxes are not a surrogate for overall tax revenues and have only very specialized uses.

This analysis demonstrates that the current radical proposal for changes to the Chelan County STR code is not justified by the trends in lodging tax revenues and the County is at risk of making policy decisions based on incorrect assumptions. 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. Any short-term decline in the growth rate of lodging tax revenue, with no discernible impact to the overall economy, is certainly not a reason to abandon these goals.

Table 1. Summary of Annual Total Lodging Taxes Distributed (5% Chelan/Leavenworth, 4% Unincorp. Chelan Co.)

Area	Amount Distributed for Calendar Year								
	2019	2020	Change**	2021	Change**	2022	Change**	2023	Change**
Chelan	\$1,309,532	\$1,356,737	3.6%	\$1,978,770	45.8%	\$2,018,018	2.0%	\$2,047,016	1.4%
Leavenworth	\$2,400,447	\$2,111,200	-12.0%	\$3,379,250	60.1%	\$3,739,562	10.7%	\$4,313,040	15.3%
Chelan County*	\$2,062,710	\$2,397,658	16.2%	\$3,196,286	33.3%	\$2,737,342	-14.4%	\$2,376,163	-13.2%

* Unincorporated Chelan County.

** Percent change from previous year.

Table 2. Summary of Total Lodging Taxes Distributed January - July (5% Chelan/Leavenworth, 4% Unincorp. Chelan Co.)

Area	Amount Distributed for Jan - Jul for Each Year										
	2019	2020	Change**	2021	Change**	2022	Change**	2023	Change**	2024	Change**
Chelan	\$344,154	\$227,089	-34.0%	\$598,342	163.5%	\$578,851	-3.3%	\$652,494	12.7%	\$524,110	-19.7%
Leavenworth	\$1,195,383	\$960,926	-19.6%	\$1,667,024	73.5%	\$1,927,511	15.6%	\$2,300,342	19.3%	\$2,193,884	-4.6%
Chelan County*	\$847,490	\$763,533	-9.9%	\$1,529,225	100.3%	\$1,283,973	-16.0%	\$996,067	-22.4%	\$988,399	-0.8%

* Unincorporated Chelan County.

** Percent change from previous year.

Table 3. Percent Change in Special Hotel/Motel Taxes in 2024 vs. the Comparable Months in 2019

City	Amount Distributed for Jan - Jul for Each Year		
	2019	2024	Change**
Chelan	\$344,154	\$524,110	52.3%
Leavenworth	\$1,195,383	\$2,193,884	83.5%
Chelan County*	\$847,490	\$988,399	16.6%

* Unincorporated Chelan County.

** Percent change between 2019 and 2024.

Table 4. Change in Total Lodging Taxes vs. Change in Total Taxable Sales

Year	Area	Lodging Tax Distributions		Total Taxable Sales	
		Annual Total	% Change from Previous Yr	Annual Total	% Change from Previous Yr
2019	City of Chelan	\$1,309,532		\$217,674,074	
2020	City of Chelan	\$1,356,737	3.6%	\$217,321,371	-0.2%
2021	City of Chelan	\$1,978,770	45.8%	\$294,416,333	35.5%
2022	City of Chelan	\$2,018,018	2.0%	\$337,072,153	14.5%
2023	City of Chelan	\$2,047,016	1.4%	\$321,624,313	-4.6%
2019	City of Leavenworth	\$2,400,447		\$219,283,099	
2020	City of Leavenworth	\$2,111,200	-12.0%	\$209,859,494	-4.3%
2021	City of Leavenworth	\$3,379,250	60.1%	\$302,929,388	44.3%
2022	City of Leavenworth	\$3,739,562	10.7%	\$301,903,002	-0.3%
2023	City of Leavenworth	\$4,313,040	15.3%	\$329,060,710	9.0%
2019	Unincorp. Chelan Co.	\$2,062,710		\$526,256,007	
2020	Unincorp. Chelan Co.	\$2,397,658	16.2%	\$570,702,688	8.4%
2021	Unincorp. Chelan Co.	\$3,196,286	33.3%	\$704,092,634	23.4%
2022	Unincorp. Chelan Co.	\$2,737,342	-14.4%	\$764,013,382	8.5%
2023	Unincorp. Chelan Co.	\$2,376,163	-13.2%	\$775,122,732	1.5%

Table 5. Comparison of Hotel/Motel Taxable Sales Trends to Total Lodging Taxable Sales Trends

Year	Area	Hotel/Motel Taxable Sales*		Total Lodging Taxable Sales**		Hotel/Motel % of Total Lodging***
		Dollar Amount	% Change from Previous Yr	Dollar Amount	% Change from Previous Yr	
2019	City of Chelan	\$17,205,016		\$26,190,640		65.7%
2020	City of Chelan	\$13,728,960	-20.2%	\$27,134,744	3.6%	50.6%
2021	City of Chelan	\$18,755,355	36.6%	\$39,575,393	45.8%	47.4%
2022	City of Chelan	\$20,611,724	9.9%	\$40,360,366	2.0%	51.1%
2023	City of Chelan	\$21,050,645	2.1%	\$40,940,312	1.4%	51.4%
2019	City of Leavenworth	\$40,110,180		\$48,008,939		83.5%
2020	City of Leavenworth	\$30,078,880	-25.0%	\$42,224,003	-12.0%	71.2%
2021	City of Leavenworth	\$52,477,417	74.5%	\$67,585,001	60.1%	77.6%
2022	City of Leavenworth	\$57,005,930	8.6%	\$74,791,240	10.7%	76.2%
2023	City of Leavenworth	\$63,207,191	10.9%	\$86,260,808	15.3%	73.3%
2019	Unincorp. Chelan Co.	\$8,868,555		\$51,567,750		17.2%
2020	Unincorp. Chelan Co.	\$6,461,727	-27.1%	\$59,941,455	16.2%	10.8%
2021	Unincorp. Chelan Co.	\$11,382,836	76.2%	\$79,907,150	33.3%	14.2%
2022	Unincorp. Chelan Co.	\$11,389,047	0.1%	\$68,433,556	-14.4%	16.6%
2023	Unincorp. Chelan Co.	\$10,032,135	-11.9%	\$59,404,070	-13.2%	16.9%

* Only hotel/motel sales; NAICS Code 721110.

** Back-calculated from the total lodging tax distributed divided by the total lodging tax rate (5% for Chelan/Leavenworth, 4% for Unincorp. Chelan Co.).

*** Hotel/Motel Taxable Sales divided by Total Lodging Taxable Sales.

Attachment 1

**Lodging Tax Graph Submitted by Sean Lynn (Short
Term Rental Alliance of Chelan County) at August
28, 2024, Planning Commission Meeting**

Lodging Tax Collections '01 to '23



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.

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."

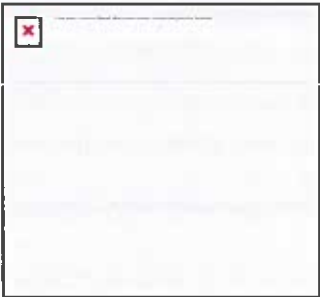
The Leavenworth Chamber of Commerce presented the previously submitted lodging tax graphic (attached) to their entire membership at a recent chamber dinner "Due to short term rental legislation passed in early 2021, the amount of rentals in the county has decreased as evidenced by the declining tax revenue." 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.

September 18, 2024

Jessica K. Thompson

From: Thomas Martin <wwlvacs@gmail.com>
Sent: Sunday, September 29, 2024 6:25 PM
To: CD Comment
Subject: Further Comments on Proposed STR Amendments

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

Dear members of the Planning Committee and Council,

At the Community Development meeting on 9/26/24, one participant said that she was concerned that the owners of STRs were profiting on the backs of the full time residents. I want to point out that the same could be said of many business owners in Leavenworth. Some of the large business owners (Safeway, Howard Johnsons, etc.) are also not residents of Chelan County yet no one is trying to undermine their property rights because of the inconvenience that they cause to other residents.

In addition, I have been a part time resident in Leavenworth since 2006 and from my perspective, the biggest problem caused by tourism is traffic congestion and downtown parking violations.

Sincerely,
Tom Martin

Jessica K. Thompson

From: P Murph <pmurph53@hotmail.com>
Sent: Thursday, September 26, 2024 5:32 PM
To: CD Comment
Subject: Short Term Rental Comments

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

Dear Commissioners,

I am opposed to the proposed changes to the regulations for short-term rentals. If anything, the regulations should be stricter, not looser. We have had to deal with nightly rentals in our Dempsey Road neighborhood in Leavenworth for over 10 years. Instead of improving the situation, the County instead has permitted more rentals. One of these is advertising that it has 16 beds. That is not a cute little extra room over a garage, that is a hotel! These have no place in a residential neighborhood. Keep them in commercial zoning where they belong.

Chelan County is not unique in facing an overwhelming demand for converting housing to short term rentals. I understand that there is a LOT of money to be made. Using a guesstimate for my neighbors by checking their rates by days used, they could easily gross \$200,000 per year. Towns like Sedona, Arizona have said enough is enough! We should too!

In addition, I am very concerned that Commissioner Gering has a personal financial interest in short term rentals, either directly or through close family relatives. She should be recused from voting due to a direct conflict of interest.

Thank you!

Patrick Murphy
91 Murphy Highlands
Leavenworth, WA 98826
509-548-7757
pmurph53@hotmail.com

Jessica K. Thompson

From: Suzi Lane <suzilane@seanet.com>
Sent: Wednesday, September 25, 2024 1:58 PM
To: CD Comment
Subject: no to increase on Tier 2 and Tier 3 Short term rentals

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

Hello Chelan County Planning Commission.

For the Sept 25 6:30 PM Planning Commission Meeting, I'm providing comment — that you do **NOT** increase the current 6% cap on Tier 2 and Tier 3 Short term rentals. The effect of increasing the current cap would be extremely detrimental to many communities as it would remove already limited housing stock for citizens and workers.

Many workers (including teachers and medical works not only farm and hospitality workers) are already struggling to find and afford housing in Leavenworth. Again, please vote **NO** to an increase in the current 6% cap

Best regards,
Suzi Lane
321 Tumwater Dr
Leavenworth, WA 98826
206-200-0569

Jessica K. Thompson

From: gwwilson@nwi.net
Sent: Wednesday, September 25, 2024 11:10 AM
To: CD Comment
Subject: Proposed revision of STR code.....

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

Members of the Planning Commission:

I really cannot believe that this STR issue is again taking up your time. We plowed through a couple years of debate, uncertainty and conflict over this a short time ago and reached a solution that was bearable, if not ideal, to both sides. Now that is again being re-scrutinized.

The operation of short-term rentals in areas zoned residential is completely foreign to the concept of use-based zoning- STR's are basically commercially operated lodging facilities that we are now forced to accept as "neighbors". That is just not the real world. We value our neighbors- we live in a rural area where our real neighbors are, like us, aging and dependent on one another for support and aid in times of medical or other needs. We have been both in need of and the provider of that assistance at different times and in none of those cases have the occupants of those rentals provided any aid at all to residents in need of it. Most of the visitors to these rentals are respectful of the area but too frequently they are not- creating excessive noise during the night, creating fire hazards with prohibited fires, tossing burning cigars onto the road right-of-way and several times trespassing on our property at midnight to access or dive off our private dock.

At the time the STR code was adopted, much was made of the hiring of code-enforcement officers to insure compliance to the code.. In fact, these officers work only week days and do not respond to nighttime disturbances. The STR rentals are weekend-intense and that is when enforcement presence is required and in just does not exist.

The owners of the STR's have not shown themselves to be interested or active member of our community. One of them told me straight out that there is "No such thing as neighborhood- that it's just a bunch of houses and that It's all about the money, Man, all about the money".

Please reject the current effort to re-write the current STR codes- to do so can only have the effect of further deteriorating our neighborhoods.

Respectfully submitted-

George Wilson
15440 Cedar Brae Rd, Lake Wenatchee



Virus-free www.avg.com

Jessica K. Thompson

From: Amy Maher <amy.maher@live.com>
Sent: Tuesday, September 24, 2024 4:06 PM
To: CD Comment
Cc: Amy Maher
Subject: STR discussion

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

Dear Planning Commission,

Please do not to increase the current 6% cap on Tier 2 and Tier 3 Short Term Rentals. I serve on the board at Upper Valley MEND where we face challenges daily related to the lack of affordable housing which can be tied back closely to rental or owned properties being converted into STR properties, forcing our great workforce to live elsewhere. Please uphold the current restrictions.

Thanks,

Amy Maher

1484 Dempsey Rd

Leavenworth, WA 98826

(425)503-0559

Jessica K. Thompson

From: Colin Forsyth <colinforsyth@gmail.com>
Sent: Tuesday, September 24, 2024 11:50 AM
To: CD Comment
Subject: Short Term Rentals

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

Hi there,

I am a resident of Chelan County and I wanted to comment on the proposed changes to the STR code. I am absolutely opposed to any increase in the Tier 2 and Tier 3 caps. We have a housing crisis and need to keep available housing stock for people to live in, not to invest in.

Thank you for your time and consideration,
Colin Forsyth
10422 Ski Hill Dr
Leavenworth, WA 98826

Jessica K. Thompson

From: Deanna C. Walter
Sent: Thursday, October 3, 2024 9:21 AM
To: Jessica K. Thompson
Subject: FW: Fact Sheet on STRs in Chelan County
Attachments: Facts About Short Term Rentals in Chelan County 10.3.2024.docx

Please include this in the public comments for the STR proposed changes

Deanna C. Walter, Director

Chelan County Community Development
316 Washington St Ste 301
Wenatchee, WA 98801
deannac.walter@co.chelan.wa.us
509-667-6228

From: Residents Coalition of Chelan County <info@coalitionofchelancounty.org>
Sent: Thursday, October 3, 2024 8:59 AM
To: Kevin Overbay <Kevin.Overbay@CO.CHELAN.WA.US>; Shon Smith <Shon.Smith@CO.CHELAN.WA.US>; Tiffany Gering <Tiffany.Gering@CO.CHELAN.WA.US>
Cc: Deanna C. Walter <DeannaC.Walter@CO.CHELAN.WA.US>; Kirsten Ryles <Kirsten.Ryles@CO.CHELAN.WA.US>
Subject: Fact Sheet on STRs in Chelan County

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

Dear Commissioners,

We are concerned that the proposed changes to the short-term rental code are not sufficiently grounded in fact-based knowledge about the impacts (positive and negative) of the 2021 STR code on residents and businesses. In 2020 to 2021, the Planning Commission and your Board had the benefit of Berk Consulting which provided research and data so your decisions were well-informed.

One exaggerated statement that we have heard is that the STR code caused a decline in lodging tax. This is only partially true. There are other factors that influenced the change in lodging tax revenue as we explained in the research paper which we previously submitted to you. It is also important to look at sales tax revenue and numbers of tourists to provide the bigger picture. Sales tax has increased every year since 2019 which indicates the Chelan County economy is healthy. The number of tourists appears to be robust. A short-term decline in the growth rate of lodging tax revenue, with no discernible impact to the overall economy or to tourism, does not seem to be a sound basis for proposing significant changes to the STR code.

We have prepared the attached Fact Sheet that provides some basic information about STRs in Chelan County. We have cited the references for all the information.

We hope you find this helpful as you continue your discussions of the STR code.

Sincerely,

Board of Directors
Residents Coalition of Chelan County (RC3)

Facts About Short Term Rentals in Chelan County

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 short-term rentals (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.

Source of data: Kirsten Ryles, Chelan County excel spreadsheet on STR permits

Where Are STRs Located ?

There is no cap on STRs in commercial zoning. Per section (2)(B)(ii)(d) of the STR code: Tier 2 and Tier 3 short-term rentals in the following zones are not subject to the maximum cap in subsection (2)(B)(ii)(a) of this section: rural commercial zoned districts, Manson and Peshastin urban growth areas' commercially zoned districts, planned unit developments existing on the date of adoption of this chapter with recorded plat notes expressly permitting short-term rentals, or master planned resorts.

However, despite the lack of a cap, Kirsten Ryles estimates that only 25 to 30 of the permitted STRs are located in non-residential zoning. This includes RC, AC, CD, CH, and FC.

Source: Chelan County Code and Kirsten Ryles

The Impact of STRs on Housing Availability and Affordability

In the heavily touristed areas of the county, e.g., zip codes 98826 and 98831, the availability of housing is already significantly impacted by second home ownership as well as the presence of short term rentals. Census data shows that about 50% of the homes in the 98826 and 98831 zip codes are used seasonally and not part of the inventory of housing available for full-time residents.

“Economic growth and in-migration — along with wages not keeping pace with costs, lack of developable land in Chelan County, rising cost of construction materials, land-use regulations, advent of short-term rentals, and other factors — have led to a persistent shortage of affordable housing in the region. This has been particularly true for many middle- and low-income people, including those who fill essential jobs. The lack of affordable housing has hurt employers attempting to fill jobs and left those who are cost-burdened with little or no disposable income. In some cases, people have become unhoused.

Indeed, it's unlikely there is a bigger issue in the minds of residents than housing today. About

90 percent of the more than 1,500 residents who completed the 2022 Our Valley Our Future (OVOF) Regional Housing Survey cited housing availability and affordability as either an “extremely important” or an “important” issue for the community today.

About one-third of the OVOF survey respondents indicate their households are currently spending more than 30 percent on housing. (A housing unit is considered unaffordable if a household has to spend more than 30 percent of its income on it.)”

Source: Our Valley Our Future 2022 Regional Housing Survey

“The authors of a 2019 Harvard Business Review (HBR) article focusing on the effects of Airbnb observed that, “because of Airbnb, absentee landlords are moving their properties out of the long-term rental and for-sale markets and into the short-term rental market.” The authors noted that as absentee landlords reduce the housing supply, it increases the housing cost for local renters:

In aggregate, the growth in home-sharing through Airbnb contributes to about one-fifth [or 20%] of the average annual increase in U.S. rents and about one-seventh [or 14%] of the average annual increase in U.S. housing prices.

But what about non-absentee property owners using online platforms like Airbnb to rent out their properties, you might ask? The HBR researchers found that “owner-occupiers” who rent out their spare rooms or even an entire house (when they are away for a set period of time) to short-term visitors using a virtual house-sharing platform do not impact the long-term rental market.”

Source: Municipal Research and Services Center, Affordable Housing and the Impact of Short-Term Rentals, December 30, 2021 by Steve Butler

Impact of STRs on Local Businesses

The lack of affordable housing, especially in the touristed areas of the county, is also impacting local businesses including hospitals and schools. Local businesses in the 98826 zip code circulated and signed a letter to the Chelan County Board of County Commissioners in 2020.

“We write to you today as a group of local business leaders who share a common threat – our businesses are being affected by the lack of available housing for our employees in the Leavenworth, Plain, Lake Wenatchee and Peshastin communities. We bring this to your attention simply with the intent to inform you so you may make decisions on behalf of our residents and businesses with the full knowledge of the problem we face.

Our experience is that there is not enough housing in the Leavenworth area (98826 zip code) to house the employees who work in our businesses. This problem has worsened in recent years.”

Source: Letter signed by 21 local businesses in the Leavenworth area sent to Chelan County December 17, 2020.

While the presence of short term rentals is not the only factor impacting the supply and cost of housing, it is still an important factor and this argues for maintaining strict caps on the number of STRs in a community.

How Tier 1 STRs Helps Local Residents to Afford Their Homes

The Tier 1 category was specifically intended to benefit residents by allowing them a source of income to help offset the cost of a mortgage and property taxes. Tier 1 rentals are not subject to the 6% cap, have no requirements for minimum lot size, and can be located in almost all zoning districts.

According to testimony by Sean Lynn of STRACC at the August 28th Planning Commission meeting, STRs in Chelan County were rented out 37% of time. This is 135 nights. Using data from the economic report he handed out, the average nightly rent in 2020 was \$362 per day (Source: Economic Impact of Short Term Rental Properties in Unincorporated Chelan County, September 2020.)

This means the average annual revenue a resident could receive if he or she had a STR on their property would be \$48,870. This would go a long way toward helping a homeowner pay the mortgage and taxes given the high price of real estate especially in the 98826 and 98831 zip codes.

A Tier 1 property by definition has two living units. So, in regard to the recent proposal to allow someone other than an owner to be the onsite manager of a Tier 1 property, there would be two income streams for a purchaser who was not planning to live on the site. If such properties can be purchased by people who do not intend to occupy them, they will sell for a higher price than property which only has one income stream from the STR. This will again put residents in competition with investors and people desiring second homes.

In addition, there will be a proliferation of Tier 1 rentals because they are not subject to a cap. It is even possible that out of town people desiring a second home will purchase properties and add a second unit so they can create a Tier 1 rental.

Impact of STR Code Adoption on Lodging and Sales Tax Revenue in Chelan County

Assertions have been made by STR advocates such as local chambers of commerce that lodging tax revenues have declined significantly as a result of the County's adoption of the STR code. Some have gone even further to suggest that tourism is also declining.

The Residents Coalition of Chelan County (RC3) prepared a short report analyzing lodging tax trends in the county as well as the cities of Leavenworth and Chelan. It is important to remember that lodging taxes do not support general county government operations but are generally restricted to funding activities which promote tourism.

Using data taken or derived directly from the State Department of Revenue, the report found that:

- Lodging tax revenues in unincorporated Chelan County were affected positively in the early stages of the COVID-19 pandemic and, like many other areas of the country (and even the world), this boost is wearing off as the effects of the pandemic have waned.
- Declines in lodging tax revenue in unincorporated Chelan County appear to have leveled off, whereas lodging tax declines in the cities of Chelan and Leavenworth are just now being seen. These two cities have their own STR codes and are unaffected by the County's STR code.

- Declines in lodging tax revenue in unincorporated Chelan County do not appear to be adversely affecting the broader economy in that same area (as measured by total taxable sales).
- Revenues from hotel/motel stays in unincorporated Chelan County appear to also have been adversely affected in 2022 and 2023 similar to total lodging revenues, indicating that the declines in overall lodging tax revenues in unincorporated Chelan County are not exclusive to STRs and, therefore, not exclusively due to the STR code.

This analysis demonstrates that the current radical proposal for changes to the Chelan County STR code is not justified by the trends in lodging tax revenues.

Source: Brian Patterson, PhD, and Washington State Department of Revenue

Data on tourism trends were more difficult to obtain. The Leavenworth Chamber shared the following information: *" Until 2022 we shared the only estimate on hand for Leavenworth, a decades old estimate by the department of Transportation that put annual visitation at 2.5 million. After collecting footfall data we have increased that estimate to 3.2 [million] in 2022, and 3.6 [million] in 2023."* Source: Email from Troy Campbell to Kirvil Skinnarland, 9.26.2023

Mike Steele, Executive Director of the Lake Chelan Chamber of Commerce said that the number of visits by tourists was 3.8 million in Chelan and 1 million in Manson for the period September 1, 2023 through August 31, 2024. We have asked for data for the preceding years.

Jerri Barkley at Visit Chelan County, a nonprofit that provides destination marketing management services to Chelan County, provided data for the calendar year 2023 but she did not have any historical data for years prior to 2023.

2023 visitors in millions of people

Leavenworth 3.6
Wenatchee 6.5
Chelan 4.1
Manson 1.2

This totals 15.4 million visitors in 2023 (The data doesn't include Cashmere.)

These data suggest a healthy tourist economy in Chelan County.

Updated October 3, 2024

Jessica K. Thompson

From: Deanna C. Walter
Sent: Monday, October 7, 2024 10:25 AM
To: Jessica K. Thompson
Subject: FW: If you are going to revise the STR laws, please do so in a thoughtful, unhurried manner that allows the many stakeholders to provide input and allows you to carefully consider the facts

To be included with the public comments

Deanna C. Walter, Director

Chelan County Community Development
316 Washington St Ste 301
Wenatchee, WA 98801
deannac.walter@co.chelan.wa.us
509-667-6228

From: Shon Smith <Shon.Smith@CO.CHELAN.WA.US>
Sent: Monday, October 7, 2024 9:20 AM
To: Deanna C. Walter <DeannaC.Walter@CO.CHELAN.WA.US>
Subject: FW: If you are going to revise the STR laws, please do so in a thoughtful, unhurried manner that allows the many stakeholders to provide input and allows you to carefully consider the facts

SHON SMITH

Commissioner - District 2

-  509-630-4480
-  509-667-6219
-  www.co.chelan.wa.us
-  shon.smith@co.chelan.wa.us



400 DOUGLAS ST, SUITE#201 WENATCHEE, WA 98801

From: Bruce Williams <bwseattle@gmail.com>
Sent: Sunday, October 6, 2024 5:16 PM
To: Shon Smith <Shon.Smith@CO.CHELAN.WA.US>
Subject: If you are going to revise the STR laws, please do so in a thoughtful, unhurried manner that allows the many stakeholders to provide input and allows you to carefully consider the facts

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

Dear Commissioner Smith

Short version: I understand that there are proposals to drastically change the STR laws that were adopted just a few years ago. This would essentially destroy the compromise reached at that time. The current laws were adopted after years of study and input, including the County hiring a consultant to provide commissioners with a neutral version of the facts. To destroy that compromise in a hasty process would show great disrespect to the citizens who participated in the prior process and would disregard the concerns of many of your constituents. If you believe it is important to revise the STR laws at this time, please do so with the same amount of care and thought that was put into enacting the current laws;

Long version:

- My perspective:
 - I live at 8050 E Leavenworth Road
 - I have been an elected hospital commissioner for Cascade Medical (Chelan County Public Hospital District No. 1) for 11 years. **I am writing this letter in my individual capacity, not speaking on behalf of Cascade Medical. However, my individual opinions have been shaped by my work at the hospital.**
 - As an elected official, I represent approximately 10,000 residents in the “Upper Valley.” These people make up about 35% of the voters in your district. As I am sure you do, I take seriously representing our shared constituents. I attend meetings and ask citizens for opinions regarding community issues, whether those issues involve Cascade Medical or not.
 - In my experience, a large share of our shared constituents support the continuation of the current STR laws. They are very concerned about the impact of Short-Term Rentals on our housing supply. It is a much smaller number of citizens that want to see an increase in the number of STR’s.
 - In my 11 years as a hospital commissioner, I have seen how the shortage of affordable housing presents an increasingly significant challenge for Cascade Medical to continue to provide quality, easily accessible health care in our community. The high cost of housing is a barrier to recruiting doctors, let alone lesser-paid employees. While there are many factors that contribute to our housing shortage, the rapid rise in the number of Short Term Rentals over the past 10-15 years has dramatically reduced the supply of housing available to residents.
 - Because of my concern about the impact of Short-Term Rentals on our housing supply, I participated in the county’s process several years ago to enact a balanced approach to regulating Short Term Rentals. I attended hearings; I read public comments; I read reports from Berk Consulting, the consulting retained by the County to provide commissioners with a neutral set of facts and analysis. I learned several things in this process:
 - STR’s present a complicated set of issues. The complications stem from:

- Radically different conditions in different parts of the County: (compare, for example, Leavenworth vs. Malaga)
- Stakeholders with widely varying interests: (Compare, for example, residents who want to raise their children in a safe comfortable neighborhood vs. people who live outside Chelan County who see our residential neighborhoods as just an investment opportunity)
- The varying stakeholders present widely disparate sets of “facts.”
- Because the issues are so complicated,
 - The county retained a consultant to provide both a neutral set of facts and an unbiased analysis of those facts. **If you decide to review the STR laws now, retaining a consultant like that is an essential step towards reaching a good outcome.**
 - Some of the facts that I recall from the consultant;
 - 15% of the housing stock in our zip code (98826) was taken up by STR’s. That is 15% of our housing stock that is not available for employees of Cascade Medical or other employers in the Leavenworth area.
 - The great majority of STR’s in Chelan County are not owned by residents of Chelan County but absentee-investors. These absentee-investors are not our constituents.
 - The process took much longer than any of us anticipated. **Please do not rush this process to meet someone’s pre-conceived “deadline.”**
 - Citizens, including our shared constituents, are very concerned about this issue.
- The current laws were a compromise. The current proposals would destroy that compromise.
 - The most important aspects of the compromise were 1) the existing STRs that were paying taxes but not explicitly permitted would be grandfathered in and allowed to continue to exist and 2) there would be a cap on the number of STRs in heavily affected zip codes (like 98826) to bring the number of STRs down to a level where they wouldn’t have such a great effect on the housing market.
 - No one liked both sides of this. The residents concerned about the explosion of STR’s didn’t like the grandfathering. Those who owned STR’s didn’t like having a cap. But the compromise was something that they could at least live with.
 - Just a few short years later, the current proposal would, essentially, protect one-half of that compromise (grandfathering the existing STR’s) but destroy the other half of the compromise (the cap on the number of STR’s in certain zip codes). Doing that now would undermine the confidence that citizens will have in the County to honor compromises.
 - There were two other important parts of the compromise:
 - Owner-occupied STR’s (Tier 1) are not subject to the caps. There are two important policy reasons for that.
 - First, owner-occupied STRs are an important tool to promote affordable housing. People who can rent out an ADU or a portion of their house can use that income to help buy their home.

- Second, owner-occupied have fewer problems and their owners, as residents, make for a stronger neighborhood.
- I understand that one of the current proposals is to remove the requirement that Tier 1's be owner-occupied. That would completely negate the reason why they were exempt from the cap.
 - There are no caps on STRs in commercial and other zoning. If we actually need more STR's, the County should decide where they are appropriate and allow them in those areas, rather than allowing an unlimited number in every residential neighborhood.

Please note that I am not opposed to making any changes in the STR laws. Nor am I saying that, knowing what I know today, I know what the future STR laws should provide. I think it would be presumptuous for me, or anyone, to say that they understand the situation well enough, and know how all stakeholders are affected, to know what future laws should provide. None of us have that knowledge today.

STRs are a very important set of laws. Changing them should not be undertaken without a commitment to put in the time and resources to do it right. If you proceed with changing these laws, I hope you will make that commitment to do it right.

Thank you.

Bruce Williams
bwseattle@gmail.com
landline: 509.888.1935

Jessica K. Thompson

From: Luc Stokes <ljestokes7@gmail.com>
Sent: Friday, October 4, 2024 5:26 PM
To: CD Comment
Subject: Public Comment - ZTA 24-328

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

Hi there Planning Commission members,

I want to start by saying that I have watched all the planning commission meetings on this topic and appreciate the perspectives of all the commission members. I'd like to offer my thoughts as both a resident of Chelan County (in Leavenworth outside the city jurisdiction) and an STR owner. There are a couple of proposals I feel I can contribute creative ideas towards.

1. STR Caps— I don't think any of you are seriously considering it, but there was mention that the commissioners wanted you to discuss raising the cap percentages (except for Manson). As an STR investor, I would love to have more opportunities to invest in the area but as a resident who lives right next door to 2 of them, raising the cap at this point I don't think would be prudent. I don't think we have enough data on the economics of it all from a macro level yet. I know the talk has been that tourism has declined in Leavenworth but in talking with the hotel owners in town (I know a couple of them) most of the decline has been a correction from the covid highs and isn't a reflection of the STR numbers.

2. Fire & Life Safety Inspections— I am not in favor of increasing the cost and burden of application that an annual inspection would require. I listened to Fire Marshal Chris' thoughts on why she felt annual inspections should be required, and I did not hear anything that solved a problem that has been identified. She stated that the self-certifications are not working but had no examples of STRs where that is the case, only businesses in which things like fire doors were getting blocked. While I appreciate the anecdotal example, it has nothing to do with STRs because the rhythm and routine of an STR don't change that much. Using my house as an example, since we got our permit in 2021, nothing at all has changed about the safety of things. It is exactly as originally inspected.

However, in an effort to meet the fire marshal at the concern, I think an appropriate compromise might be to do another full inspection just this coming year. IF during the course of inspections, there are significant "violations" of safety that didn't exist during the first round of original inspections (meaning that things are in fact changing more than anticipated) then institute an every-other-year inspection process into the code going forward.

3. Tier 1 Manager Occupied— The commission discussed that a big contributor to the justification of the original code was the detrimental impact on affordable housing. That directly contradicts the position of not allowing a Tier 1 to be occupied by a manager-occupant. If you allowed a manager to be the full-time occupant, this would increase the number of affordable housing units and create additional jobs in the valley. I would disagree that a manager-occupant isn't as committed to ensuring the STR runs in a "neighborhood-friendly" manner as an owner is. It's no different than an STR being managed now by a property manager instead of the owner and is potentially better because they are on-site and have to deal directly with any neighbor issues or inconveniences that disruptions have. This is different from the anecdotal indifference mentioned that renters have toward things like lawns and other maintenance items. This has a community impact, AND if they are being hired to be present and manage the property, there would be an extra layer of accountability built in. From an owner's perspective, hiring a manager-occupant who is "for" the neighborhood is in our best interest. Having happy neighbors improves the guest experience. Having happy neighbors ensures the viability of the STR long-term. This isn't just compliance of being a friendly neighbor, it also ensures a good standing within the OTA's which also wields power if an STR is causing neighborhood disruption. For example, an OTA can, and has on many

occasions, removed an active STR from their index due to hosting parties— effectively cutting off the STRs source of renters and income.

However, I do feel there is validity that non-resident owners aren't as invested in the neighborhoods as residents. While I wish they were, it's not realistic that they would be. Therefore, the quality of the person they may hire to "manage-occupy" a Tier 1 is likely to be less as well by default. But, I do want to present a path forward for increasing affordable housing, providing a way for residents to invest more in the community, and expanding the opportunity for more residents to offset the high cost of living that exists in the tourist areas of our county. What if there was an allowance for documented residents of Chelan County to have additional Tier 1 STRs that could be manager-occupied? Since we are local and have a vested interest in the community and residents, we would likely have a higher standard that we hold our rentals and guests to— I know I would. While I recognize this suggestion may seem a bit self-serving, I do feel that county residents care more and that there could be opportunities for us to invest more in our community without negative impact if you would allow us to.

I appreciate you hearing my thoughts. I hope you find my ideas as creative solutions. I value the work you all do in helping navigate these big issues of the county and I appreciate that your focus is on the residents and not just those making money off tourism.

Sincerely,

--

-Luc Stokes
68 Prusik Peak Lane
Leavenworth, WA 98826

October 13, 2024

Chelan County Planning Commission
316 Washington St., Suite 301
Wenatchee, WA 98801

RE: Comments on Proposed Code Text Amendments – ZTA 24-328 - Proposed amendments to the Short-Term Rental provision in the Chelan County Code, specifically Section 11.88.290

Dear Planning Commissioners:

These comments are specific to the proposal to “Revisit/Reassess All Cap Numbers – Or Remove” pertaining to Chelan County Code 11.88.290(2)(B)(ii) as included in the agenda packet for your October 16, 2024, meeting. These are the caps on the maximum percent share of short-term rentals (STRs) in residential zones as part of total housing stock.

It was unclear to me why the Board of County Commissioners (BOCC) had proposed that the STR caps potentially be revised or even removed after the years of effort that went into developing the STR code, including these caps. When I recently met with Commissioner Gering,¹ she stated that it was not related to recent declines in lodging tax revenues, even though others have blamed this decline on the STR code coming into effect in 2021 (Residents Coalition of Chelan County has clearly demonstrated that the STR code is not the primary driver of these declines in a detailed presentation of lodging tax and total taxable sales data dated September 16, 2024).

Instead, Commissioner Gering said that, from her perspective, there were two reasons for the BOCC’s desire to revisit or remove the STR caps:

- 1) The burden of litigation that the County has endured defending the code, especially from STR owners who have been denied permits, is costing the County a lot of money. If the caps were increased or removed, many of these STR owners would be able to obtain permits and would be less likely to sue the County.
- 2) Since the Manson Community Council (MCC) had requested that the cap for the Manson Urban Growth Area (UGA) be reduced from nine percent to six percent, it was fair to reexamine all of the caps.

I would like to look at these two reasons in more depth.

The first reason was the proliferation of legal claims against the County by those who have been denied STR permits and the associated costs to the County of having to defend against those claims. I asked Commissioner Gering if it wasn’t true that the vast majority of those claims have already been

¹ As a representative of Residents Coalition of Chelan County.

adjudicated – she said she didn't know. I believe that the majority of these claims have already been addressed, so going forward, very few such claims would be expected as potential grandfathering issues get resolved. In other words, whatever associated expenses the County may have endured, they have already been spent and cannot be recovered at this point.

I would also note that making such a drastic change to the STR code would carry its own legal risk for the County. This risk was articulated by Marcus Foster, a prosecuting attorney with Chelan County, when he reviewed the proposed changes to the STR code in early August of this year. On the proposal to change the STR caps, he wrote *"This could create an issue in litigation. These numbers were negotiated at length. So far the only testimony to change caps I know of is Manson wanting to DECREASE their cap. Raising caps eliminates a large part of the purpose of the code."* I think Mr. Foster makes a very good point, which should be heavily weighed when considering whether or not to change the STR caps.

The second reason Commissioner Gering gave was that the BOCC felt that since the MCC was requesting a decrease in the nine (9) percent cap in the Manson UGA to six (6) percent, it was reasonable to review all of the cap numbers. At that point I noted how this requested change actually came about.

At the December 11, 2023, BOCC meeting, Community Development Director Deanna Walter brought up the issue of the nine (9) percent cap in the Manson UGA versus the six (6) percent cap for the 98831 (Manson) zip code. She noted that it made the math complicated having two different caps for two overlapping areas.

At this point in the BOCC meeting, one of the Commissioners suggested that maybe the cap for the entire zip code should just be changed to nine (9) percent for simplicity.

I then contacted Kari Sorenson with the MCC to review what had been discussed on this issue in the December 11 BOCC meeting. The general consensus between Ms. Sorenson and me at this point was that if the caps for the Manson UGA and the entire 98831 zip code needed to be the same, then it should be set at six (6) percent, not nine (9) percent. Since both the Manson UGA and the entire 98831 zip code have STRs well below six (6) percent currently, this made sense. The MCC subsequently indicated to the County that they would prefer a six (6) percent cap for the Manson UGA.

So, in fact, the potential change to the STR cap for the Manson UGA was really initiated by the BOCC, not the MCC. My recommendation is to simply leave the Manson UGA cap at nine (9) percent, and I suspect that the MCC would be supportive of this as long as the cap for the entire 98831 zip code is also left at six (6) percent.

I would like to point out that having a nine (9) percent cap on the Manson UGA and a six (6) percent cap on the 98831 zip code is really not that complicated. It just means that two separate requirements get applied to new STR permit requests in the Manson UGA. A new STR permit in that area can only be granted if both cap requirements continue to be met. In the regulatory world there are thousands, if not millions, of situations where two or more requirements apply simultaneously. This is neither complicated nor difficult to monitor and demonstrate.

I believe that the discussion above completely negates the stated reasons provided by Commissioner Gering for revisiting or removing the STR caps in the STR code.

Thank you for considering these comments.

Sincerely,

A handwritten signature in black ink that reads "Brian Patterson". The signature is written in a cursive style with a large initial "B" and a long, sweeping underline.

Brian Patterson, Ph.D.
150 Kestrel Ln
Manson, WA 98831

Jessica K. Thompson

From: Residents Coalition of Chelan County <info@coalitionofchelancounty.org>
Sent: Sunday, October 13, 2024 10:36 AM
To: CD Comment
Cc: Deanna C. Walter; Kirsten Ryles
Subject: Comments on Proposed Changes to STR Code

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

Dear Commissioners,

We urge you to proceed with care and caution in making changes to the existing short-term rental (STR) code. The code was developed over a 2-year period with multiple workshops, public hearings, and research support provided by Berk Consulting. Furthermore, key aspects of the code have been litigated and the STR code has been upheld. It is essential that the advice of the County's Prosecuting Attorney, Marcus Foster, be followed or the county could be subject to more litigation costing hundreds of thousands if not millions of dollars in taxpayer's money.

The reasons provided by some members of the BOCC for the proposed changes are flimsy and one-sided. The changes clearly benefit STR owners, STR related businesses, and investors who wish to convert residences to STRs. There has been no analysis done by the County to assess the impact of the proposed changes on residents, neighborhoods, or housing availability and cost.

The majority (72%) of the Tier 2 and 3 STR owners do not live in Chelan County. It seems only fair that the concerns of residents and local employers (whose employees need housing) be given higher priority than those of investors and people desiring second homes.

Overall Percentage Caps

It is still unclear why the Board of County Commissioners (BOCC) has proposed that the STR caps potentially be revised or even removed. While there has been some testimony asserting that the code caused a decline in lodging tax, RC3 has analyzed data from the Washington State Department of Revenue which shows that the STR code is not the primary driver of this decline. During the same period, sales taxes have continued to increase and tourism is stable or increasing.

Making such a drastic change to the STR code would also carry its own legal risks for the County. This risk was articulated by Marcus Foster when he reviewed the proposed changes to the STR code in early August of this year. On the proposal to change the STR caps, he wrote *"This could create an issue in litigation. These numbers were negotiated at length. So far the only testimony to change caps I know of is Manson wanting to DECREASE their cap. Raising caps eliminates a large part of the purpose of the code."* RC3 wholeheartedly agrees with Mr. Foster's statement.

Protection of Housing for Residents

One of the primary goals for enacting the STR regulations was protection of residential neighborhoods and the housing stock for the benefit of people who live and work in Chelan County. The situation is no different today

than it was three years ago. Housing cost and availability remain a crisis and it is unfair to residents and to local businesses to allow more conversions of homes to commercial lodging. The need for housing is especially acute in zip codes 98826 and 98831 where about 50% of the housing units are already vacation homes which may or may not be STRS. As it is, there is nothing the county can do to prevent people wanting second homes from purchasing a condo or house in Chelan County. But the county does not need to provide further financial incentive by allowing those homes to be rented out as STRs beyond the 6% cap.

According to the 2023 Washington State Housing Needs Assessment, Chelan County needs an additional 10,032 housing units by 2044, an average of 418 units per year. This would be a 59 percent increase from the current (at the time) trend of new residential housing production. Raising the 6% cap or allowing Tier 1 units to be purchased by investors will further reduce the availability of housing for residents.

The STR code has no constraints on construction of STRs in commercial zoning and this is where the growth should occur.

Proposed Changes to the Tier 1 Category

The Tier 1 category was intended to benefit residents not investors. It was determined that this category of STR was likely to be compatible in residential neighborhoods because the owner lived on the property. As we have shown in our second fact sheet, owners can realize an average annual income of \$49,000 a year by renting out an ADU or small apartment. This income goes a long way toward helping residents afford their homes.

The proposal to open up the Tier 1 category to investors is fraught with problems. First, there is no evidence that a longer term renter will provide the same level of due diligence in overseeing the STR as an owner would provide. Furthermore, the county cannot dictate the rental terms or conditions to owners so there is no way of managing this kind of set up. County code defines a short-term rental as a stay shorter than 30 days. Any stay longer than 30 days is not subject to the STR regulations. Owners would be within their rights to rent out the “long term” units by the month thus making a farce out of idea that renters in one unit can provide oversight of the guests in the unit designated as the STR.

Not Counting Children Under 24 months of age

You have received testimony from the Chelan Douglas Health District and the Fire Marshall that existing regulations count all persons, including children under 24 months. It is a myth that children under 24 months do not contribute to wastewater flows—water is still used for food preparation and cleanup, washing clothes, and children need baths. It is also a myth that all the rental platforms do not count children under 24 months. For example, VRBO does count small children. And the listing information for a STR on any of the platforms can provide clear information that the occupancy maximum includes children under 24 months. Not counting these children will result in higher occupancies in all three Tiers of STRs.

Parking

Relaxing the parking regulations will cause the same problems that existed before the enactment of the current code. It is impossible for an STR owner to mandate carpooling or to ensure that it is occurring. There is not a surplus of street parking in the areas where STRs are concentrated especially during winter months. The suggestion made by one member of the BOCC that excess cars could be parked at local businesses such as Safeway is ridiculous. Virtually all businesses reserve their available parking for their clientele.

In summary, we do not support the proposed changes to Tier 1, to the parking requirements, or to excluding children under 24 months. We believe the BOCC has asked your Commission to do a thorough review and analysis of the proposed changes. The BOCC said more than once during their workshops that they consider you to be the experts. Where you feel you don't have sufficient data supporting the proposed change, you should take the time to consult with experts. Alternatively, the County could hire Berk Consulting, a firm with expertise on STRs, to be made available to you.

Thanks for your serious consideration of our comments. Please contact us with any questions at info@coalitionofchelancounty.org.

Respectfully submitted,

Board of Directors

Residents Coalition of Chelan County (RC3)

Cc: Deanna Walter

Kirsten Ryles

Jessica K. Thompson

From: Troy Campbell <troy@leavenworth.org>
Sent: Friday, October 11, 2024 3:50 PM
To: CD Comment
Cc: Tiffany Gering; Jerri Barkley; Kevin Rieke
Subject: Short Term Rental Regulation Comment Visit Chelan County

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

October 11, 2024

Chelan County Community Development
Chelan County Planning Commission Members
District 1: James Wiggs, Vicki Malloy, Ryan Kelso
District 2: Mike Sines, Cherie' Warren, Christopher Dye
District 3: Jesse Redell, David Donovick, Doug England
316 Washington Street, Suite 301
Wenatchee, WA 98801

Commissioners,

The Leavenworth Chamber of Commerce would like to provide our support of the revisions to the STR code that are currently under consideration.

Since 2021 the Chamber has lost 1/3 of our lodging members due to STR regulations. For many, the reasons they were denied were rules that seem punitive or unnecessarily harsh when put in the context of their specific properties.

Therefore, we support the following changes:

- Excluding infants under 24 months from two-per-bedroom occupancy limit.
- Changing Tier 1 to include a manager or operator on site.
- Changes to parking rules.
- Replacing discretionary hardship exemption for late permit renewal applications with progressive late fees and delayed issuance.

On other matters, we respectfully decline to offer our support at this time. Chelan County's Community Development Department's reputation of being opposed to the short-term rentals proceeds them and their penchant to inflict additional costs and requirements to applicants has been shared several times with our board. The current attitudes and operations designed to dissuade and penalize homeowners would preclude us from supporting any new measures that require additional financial burdens on permit applicants and/or permit holders, those include

- Replacing self-certification with mandatory annual inspections.
- Requiring proof of paying sales tax and lodging tax annually at time of renewal.
- New Signage Rules

Finally, we would like to keep the door open for further discussion on cap percentages, as we believe this issue requires more scrutiny and review. As mentioned, the Chamber has been affected by the loss of lodging members and reduced

income due to the decline in the lodging tax fund. Lodging tax revenue has declined since 2021 and continued through Q2 of 2024, resulting in a loss of over \$1 million in collections—a significant hit for a region in need of revenue sources.

From a purely economic standpoint, more STRs would mean greater inventory and a bigger financial impact on the immediate area. However, we acknowledge that the situation is more nuanced.

Leavenworth, for instance, has arguably benefitted from the loss of regional STRs, as our ADR (average daily rate) has increased, along with our lodging tax collection, even without significant new inventory. Combined with inflation and sustained visitation, our retail tax collections have also risen. However, we cannot speak for all areas in our county, which contains various micro-economies. Our data does not cover the unincorporated parts of the county we represent, such as Plain and Lake Wenatchee, which have been more directly impacted by the loss of STRs.

For these reasons, we advocate for continued discussions on caps relative to zip codes. This would help prevent unintended STR expansions and focus growth in areas where tourism support is needed, rather than wherever an aspiring entrepreneur happens to obtain a permit.

Thanks for your consideration,
Troy Campbell

Troy Campbell, Executive Director
Leavenworth Chamber of Commerce
PO Box 327
940 US Hwy 2, Suite B
Leavenworth, WA 98826
Telephone: 509-548-5807
troy@leavenworth.org

Jessica K. Thompson

From: Jerri Barkley <jerri@visitchelancounty.com>
Sent: Friday, October 11, 2024 11:31 AM
To: CD Comment
Cc: Tiffany Gering; troy@leavenworth.org
Subject: Short Term Rental Regulation Comment Visit Chelan County

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

October 11, 2024

Chelan County Community Development
Chelan County Planning Commission Members
District 1: James Wiggs, Vicki Malloy, Ryan Kelso
District 2: Mike Sines, Cherie' Warren, Christopher Dye
District 3: Jesse Redell, David Donovick, Doug England
316 Washington Street, Suite 301
Wenatchee, WA 98801

Commissioners,

As the Executive Director of Visit Chelan County, a 501c6 non-profit organization that provides destination management and marketing services to Chelan County, I am reaching out to you. The organization's priority is to promote, protect, and enhance the county's tourism and recreation industry.

The Chelan County Commissioners, the Community Development Department, and the Chelan County Planning Commission is reviewing changes to the current Short-Term Rental codes. The Short-Term Rental Code establishes best practices. It creates a relationship between property owners and managers serving to host visitors and the neighbors potentially impacted. The code that regulates short-term rentals should be clear, objective, and easy to understand. Standards should not conflict. For example, if Airbnb does not count children under 2 in occupancy, why deviate from that?

Short-term Rentals currently provide an attractive and often sought-after lodging alternative. The goal is to provide an exceptional guest experience—a clean, well-maintained property with clear expectations regarding parking, cleanliness, noise, and emergency contact information.

Tourism is vital to the economies of our cities and counties. In 2023, food, hospitality, entertainment, and recreation services they represented 12% of total employment in the county (up from 10% in 2003), meaningfully higher than the state equivalent of 9%.

The information below outlines the effect these regulations have already had on tax revenues. It explains why it is essential to consider the impact of short-term rentals in the unincorporated areas of our county. In 2020, prior to Chelan County instituting short term rental regulations it is estimated that there were between 1500 and 2000 short term rentals. Today there are just over 700. It is clearly reflected in the tax collection numbers stated below that this has had a financial impact in revenue available to do the programs and grants that the Chelan County Lodging Tax Advisory Group has been able to fund and will in the near future.

AREA Annual Lodging Taxes Distributed 2019-2023

- Chelan 52.8%
- Leavenworth 74.1%

- Wenatchee 65.0%
- Chelan County 21.0%

During the first half of the last five years is averaged here showing similar results.

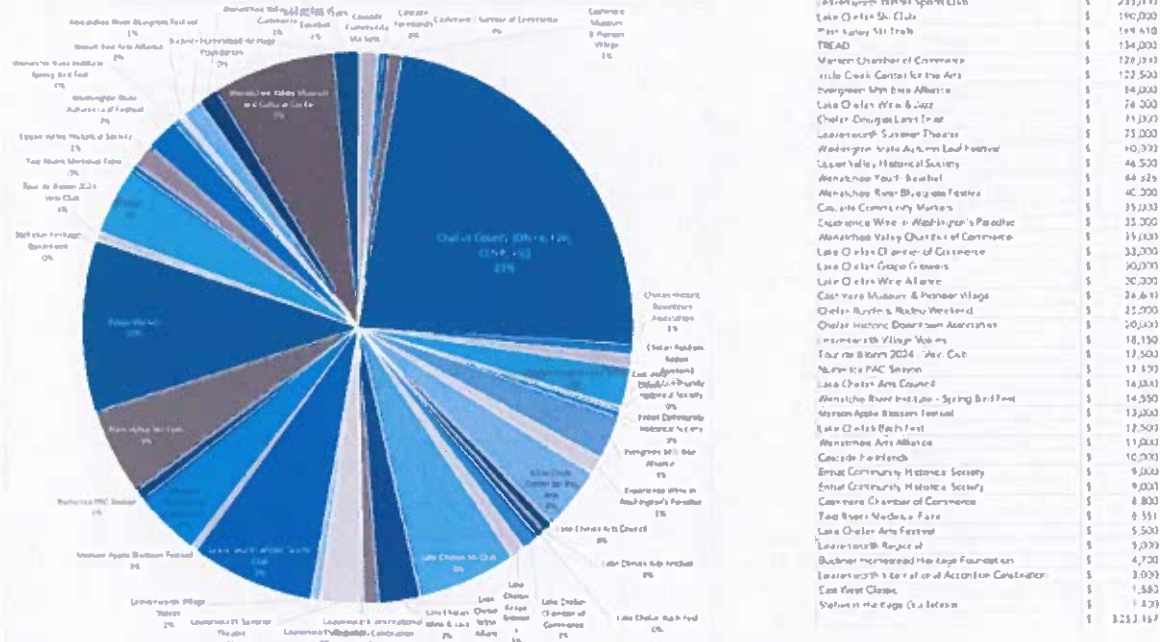
AREA Amount Distributed January-July 2019-2024

- Chelan 118.7%
- Leavenworth 103.5%
- Wenatchee 101.2%
- Chelan County 51.2%

Where tourism is being touted as “healthy”, it is important to note that permitted STR’s cause very little nuisance issues when looking at the County data. We should be promoting more permitted STR’s in an effort to bolster our tourism economy and related workforce.

The chart below shows the benefit Chelan County residents receive when lodging tax collection is healthy.

21-24 By Organization – All Grants



Total tourism visits reported in Chelan County include not only overnight visitors but also our day trip numbers and local visits, taking advantage of every square inch of the beautiful area we live in.

Specifically speaking to the argument of short-term rentals and their effects on affordable housing, I would like to refer to a recent study done by San Luis Obispo, California:

Press release: <https://www.slocal.com/articles/post/visit-slo-cal-and-beacon-economics-release-short-term-vacation-rentals-and-workforce-housing-nexus/> STUDY: <https://www.slocal.com/about-us/research-resources/>

Respectfully submitted
 Jerri Barkley - Executive Director
 Visit Chelan County

Jerri Barkley – Executive Director

Visit Chelan County | visitchelancounty.com
jerri@visitchelancounty.com
Direct 509.699.8555

TO: Chelan County Planning Commission
RE: Short Term Vacation Rental Regulation

To Whom It May Concern:

Please take a moment to review the comments on behalf of the Board of Directors from the Lake Chelan Chamber of Commerce. The Chamber is a non-profit organization dedicated to improving the quality of life in the Lake Chelan Valley while ensuring economic stability and success for our business community.

The Benefits of Short-Term Vacation Rentals in Chelan County

Short-term vacation rentals (STRs) play a crucial role in Chelan County's economy and community, contributing to employment, local revenue, and improving quality of life for residents. Here are the key benefits of STRs in our region, supported by data and statistics.

1. Employment Opportunities

STRs generate a wide range of employment opportunities in Chelan County, supporting the local labor market in industries such as:

- **Hospitality and Tourism:** Cleaning services, property management, and concierge staff are frequently employed to maintain vacation rentals. A 2021 study by the National Association of Realtors found that vacation rentals can create up to 17 jobs for every 100 STR units in rural communities like ours.
- **Real Estate and Construction:** STRs drive demand for housing, leading to job creation in property maintenance, renovation, and real estate transactions. The Chelan County real estate market has seen significant growth, with the number of rental property transactions increasing by **15% from 2019 to 2023**.
- **Local Services:** STR guests often use local services, from restaurant staff to tour guides, creating indirect employment. In 2023 alone, visitor spending supported over **2,000 local jobs** in Chelan County's service sectors.

2. Boosting the Local Economy

STRs contribute directly to Chelan County's local economy by increasing visitor spending. Tourists who stay in STRs are likely to:

- Spend more money on local goods and services, contributing to small businesses. In 2023, visitors spent **\$221 million** in Chelan County, with a significant portion attributed to STR guests.



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- Promote year-round tourism. While Chelan County is famous for its summer lake activities, STRs have helped extend the tourist season by accommodating visitors for fall festivals, winter sports, and spring wine tours.

3. Keeping Property Taxes Low for Year-Round Residents

Revenue from STRs allows local governments to maintain essential services and public infrastructure without relying solely on property taxes. This keeps tax rates more stable for full-time residents:

- In 2022, Chelan County collected **\$4.5 million** in lodging tax from STRs, a significant portion of the county's total revenue. These funds help reduce the need for increased property taxes and contribute to general budget items such as law enforcement, road maintenance, and public health.
- By keeping taxes manageable, STRs also help homeowners avoid tax hikes that could otherwise displace long-time residents due to rising costs of living.

4. Funding Public Projects

Short-term vacation rentals provide significant contributions to public projects that benefit both tourists and locals alike. Some recent projects funded in part by STR-generated taxes include:

- **Riverwalk Park Moorage Improvements:** These upgrades enhance public spaces and attract more visitors, increasing local tourism revenue.
- **Chelan Butte Trail Expansion:** Lodging tax revenue has helped fund hiking trails, which provide recreational opportunities for both visitors and residents.
- **Downtown Revitalization Projects:** Through local tax revenue, Chelan County has been able to invest in projects that boost the aesthetic appeal and usability of key downtown areas, improving the experience for residents and tourists alike.

5. Supporting Local Events

Chelan County has become known for its diverse range of events—from wine festivals to sporting competitions—and STRs are critical in supporting them by providing accommodation options for event attendees. Key impacts include:

- STRs ensure there is ample lodging for major events like the **Lake Chelan Winterfest**, **Chelan Wine and Jazz Festival**, and **Manson Apple Blossom**.
- These events generate substantial economic activity, with Winterfest alone estimated to inject **\$2 million** annually into the local economy.

6. Improving Quality of Life for Residents



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By supporting tourism and economic activity, STRs indirectly improve the overall quality of life for Chelan County residents:

- Increased revenue from STRs enables local governments to provide better public services such as park maintenance, recreational facilities, and community events.
- The variety of cultural and seasonal activities funded by STR-related revenue ensures a vibrant community that residents can enjoy year-round.
- By attracting visitors, STRs also contribute to the development of new restaurants, shops, and recreational activities, providing more amenities for full-time residents.

Benefits

Short-term vacation rentals are a vital component of Chelan County's economic and social fabric. They generate employment, contribute significantly to the local economy, and help keep property taxes low for year-round residents. Additionally, the revenue from STRs enables public projects and supports local events, making Chelan County a thriving, well-rounded community with a high quality of life for both residents and visitors.

By continuing to foster the growth of short-term vacation rentals, Chelan County can ensure a sustainable and prosperous future for its economy and its people.

What does STR Regulation Do?

The regulation of short-term vacation rentals (STRs) in Chelan County have brought about several negative effects, impacting local economy, property owners, and the broader community. Here are some specific downsides:

1. Economic Impact on Tourism and Local Businesses

- **Reduced Tourism Revenue:** Chelan County's economy is heavily reliant on tourism. Strict regulations limit the number of available short-term rentals, reducing the number of tourists who visit the area. With fewer tourists, local businesses like restaurants, shops, and recreational services have experienced a drop in revenue.
- **Impact on Hospitality Employment:** A decrease in tourism has led to job losses in hospitality-related industries such as housekeeping, maintenance, and customer service, where many workers depend on income from high tourism demand.

2. Property Value Reduction

- **Decreased Property Demand:** Properties with potential for short-term rentals tend to have higher value because of their income-generating potential. If regulations remain stringent, property owners may find it harder to rent their homes, leading to



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reduced demand for investment properties. This could drive down property values in the county, impacting homeowners' wealth.

- **Reduced Flexibility for Homeowners:** Many owners of STRs rely on this rental income to cover mortgage payments, property taxes, and maintenance. By limiting their ability to rent, regulations could financially strain these owners, especially those who purchased properties specifically for vacation rental purposes.

3. Impact on Non-Profit and Charitable Support

- **Reduced Donations and Support:** STRs often attract affluent travelers, who are more likely to spend money in the community and support local non-profit events and fundraisers. Reducing STRs have led to less discretionary income flowing into the community, thereby affecting local charities and non-profits that benefit from donations from tourists or property owners.

4. Loss of Flexibility for Event and Seasonal Support

- **Fewer Accommodations for Large Events:** Chelan County hosts a number of events, including wine festivals, sporting events, and weddings, all of which bring in large numbers of visitors. The availability of short-term rentals plays a key role in providing accommodation for these events. Regulating the number of STRs make it harder for the county to host large events or attract seasonal visitors, impacting the economy surrounding these activities.

5. Reduced Tax Revenue for Local Government

- **Decrease in lodging tax:** STRs generate significant tax revenue through lodging tax and sales tax. These taxes are a major source of income for funding local infrastructure, services, and community improvements. Limiting STRs would lead to lower tax collections, reducing the county's ability to invest in public services and improvements.

6. Displacement of Jobs in the Short-Term Rental Sector

- **Fewer Job Opportunities:** Many local jobs depend directly on the STR industry, such as property managers, cleaning services, and maintenance personnel. Restricting STRs reduces the demand for these services, leading to job losses and negatively impacting the livelihoods of those employed in this sector.

7. Strained Relationships Between Locals and Government

- **Property Rights Concerns:** Some property owners feel that strict regulations infringe on their rights to use their property as they see fit, especially those who rely on STRs as part of their financial strategy. This has led to tension between residents and local government authorities.



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8. Unintended Consequences on Long-Term Rentals

- **Conversion to Long-Term Rentals Not Guaranteed:** One of the aims of STR regulations is to increase the availability of long-term housing. However, owners of previously profitable STRs may not automatically convert their properties into long-term rentals. Instead, they might leave properties vacant or sell them, meaning the regulation could fail to meet its housing goals and reduce overall housing inventory that is affordable.

Overall, while regulating short-term vacation rentals may address certain community concerns, it could also have far-reaching economic, social, and financial consequences for Chelan County.

All the best,



Mike Steele
Executive Director



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October 11, 2024
Sean Lynn
Founder and CEO
Love Leavenworth Vacation Rentals
217 Cascade Street
Leavenworth, Washington 98826

Dear Planning Commissioners,

I want to apologize in advance for this lengthy document. As a significant stakeholder and hopefully a widely respected advocate for STRs in Chelan County, I do not have a voice in the upcoming discussion in real time, so I must lay out my comments, arguments, and suggestions in writing for you all to consider. The issues are complicated, and the volume of public comments is impressive. The STR Community has been relatively quiet on their comments as we have already voiced our main pain points to the County Commissioners before beginning the code amendment process. Most of our requests are included in the current amendments and were requested to resolve operational day-to-day challenges that the new code posed to STR operators. We asked to consider raising or changing CAPs, knowing this would be a contentious topic of discussion. Considering your time, I have tried to consolidate and condense my comments as much as possible and clearly articulate my viewpoints and arguments.

Differentiate between Permitted and Unpermitted STRs

When discussing STRs, it is critical to differentiate between permitted and unpermitted STRs. I have been watching the recent discussions closely and want to point out that permitted and unpermitted STRs are often combined into one group during discussion with staff, public comments and even amongst yourselves. Legally permitted and illegal unpermitted STRs are vastly different, and so are the challenges they present to be discussed. The operator of a permitted STR is well aware of the rules and consequences, whereas unpermitted operators have no rules or consequences. Permitted operators care deeply about protecting their investment and are highly motivated to ensure their guests behave properly, whereas unpermitted operators do not have the same motivations.

An effort must be made to differentiate between permitted and unpermitted STRs when discussing the future of STRs in Chelan County. To prove my point, in the September 28th PC session, Commissioner Donovic went on at length about a problem STR across from his home. In a follow-up conversation with Commissioner Donovic and myself, he indicated that the STR he was describing was not permitted.

In three years of STR code, one nuisance citation has been issued to a permitted STR. The Planning Commissioners have recently received many public comments complaining about the problems STRs cause. I'm sure these comments are genuine and concerning, but to be fair to permitted STRs, not one public comment to the best of my knowledge specifically noted that a complaint was against a permitted STR. Suppose a permitted STR was causing valid nuisance

issues. In that case, there are multiple avenues to resolve nuisance issues quickly, and if unresolved, there are consequences to the permit holder, including potential permit revocation.

Enforcement

Unpermitted STRs in unincorporated Chelan County are a problem. That is a fact. There is abundant language in the STR code to cite, fine and shut down unpermitted STRs, and there appear to be adequate resources to accomplish proper enforcement.

Bullet Points gathered from Wenatchee World articles and Community Development Presentations to the Planning Commission on 7/28/24:

- Community Development in July of 2021 stated that “it was estimated 1,300 illegal STRs were being operated”.
- From 2021 to July 2024, there were less than 90 Code Enforcement cases involving unpermitted STRs. (Doc titled CE cases for STR by Type)
- In March 2024, Community Development implemented a \$60,000 annual regulation compliance software.
- The 2024 Chelan County Budget lists 3 code enforcement officers, and 3 Community Development dedicated STR staff, with a combined payroll of over \$425,000 a year.

Looking at these timelines and data, it is likely that Unincorporated Chelan County currently has many illegal STRs operating even though a significant amount of County funds are dedicated to STR management and enforcement. The STR code is now in its fourth year, and many Chelan County residents and I find the inability to shut down illegal STR operators frustrating. I respect the work and challenging tasks that county staff are being asked to resolve, and I am actively working with online listing sites to provide tools to help Chelan County resolve this issue.

Looking to the Future

I have highlighted the differences between permitted and unpermitted STRs and the challenge to remove illegal STRs out of neighborhoods, not to point fingers at Community Development or code enforcement. I hope that you, the Planning Commissioners, can look at the future of STRs in our County clearly and ensure that the past behavior of unregulated STR guests and the continued behavior of illegal STR guests are not conflated with the behavior of permitted STR guests. I am not saying that permitted STR guests do not or will not cause any problems for neighbors, but they do not cause nearly the issues that unpermitted STRs do, and there are mechanisms in place to resolve problems quickly.

A few questions to ponder:

- If there are large amounts of illegal STRs currently operating, what would the additional economic impact on Chelan County tourism be if they were all shut down?
- What is the current number of illegal unpermitted STRs operating in Chelan County? Community Development should be able to answer this question.

- Is there value differentiating between permitted and unpermitted STRs during STR discussions?

Public Comment

I respect the Members of the Residents Coalition of Chelan County (RC3) and the executive board. I also appreciate their right to support a vision of Chelan County without short-term rentals in the residential communities. They work hard to promote their vision effectively and are very good at exciting their base to testify passionately when needed. Conversely, getting the public to comment on their neutrality or acceptance of STRs in their neighborhoods is impossible. I believe most Chelan County residents fall into the neutral & general acceptance categories. It is very important to consider that the RC3 vision of STRs is narrowly focused. RC3 and its members do not represent the views of all or even a significant portion of Chelan County residents. A perfect example of the varied views about vacation rentals can be seen at the table with your fellow Planning Commissioners, all of whom live in Chelan County and have differing opinions about STRs.

Negative Economic Impact of the STR Code

Public input has now been received from the tourism professional stakeholders in our County. The Residents Coalition group has submitted ample comments on the topic. Of course, all of these comments need to be considered. I will offer a much more simplistic view of the economic impact created by the STR code. Reducing the number of tourist lodging options reduces the number of tourists visiting. Once enacted, the STR code reduced overnight visitors in these ways:

- In 2020 Community Development Estimated 1500 STRs were operating in Unincorporated Chelan County prior to the code enactment. (Community Development posting Sep. 2020)
- Currently there are just over 700 permitted STRs in operation.
- The STR code reduced maximum occupancies in almost all homes creating less guests staying in each home.
- Many of the largest homes operating in 2020 were unable to become permitted.
- CAPs were created that stopped new STRs from entering the very popular Leavenworth area.

It is clear that these changes reduced lodging options and the amount of guests able to stay in currently permitted STRs. Clearly it is not a huge leap to say that these changes reduced overnight stays of visitors to our area which has had a negative impact on the tourism economy, the industries and workforces relying on overnight Chelan County visitors.

Line Item Comments on 11.88.290 Draft Code Revisions.

I have broken down my comments on each line item to be concise and clear. My line item comments will need to be reviewed with a copy of the proposed changes submitted by Community Development for the 10/16/24 amendment hearing. My original comments were on the September 12th staff version and the October 16 staff version is different. I have consolidated all my comments in this document. I will be in the room for your deliberations and invite Chairman Redell to ask any clarifying questions of me in real time that might need to be asked to assist in the process.

(1)(A) and (C) Purpose Statement Modification

- I support the strikeout changes to the purpose statement. There are numerous studies that exist about the impact that STRs have on housing inventory with wide ranging conclusions.

Comment- (1)(A) Includes the statement “Short-term rental use is a commercial use.” The STR community has always disagreed with this statement and would like to see a discussion about removing the commercial use designation of STRs or at least removing STRs from the Commercial Use section of the district use chart for the following reasons:

1. Chelan County code defines Commercial Use as: any activity involving the sale of goods or services carried out for profit.
2. Commercial uses such as Bed and Breakfasts, Guest Inns, Home-Based Businesses, and In home daycare, are all in the Residential Use category within the District Use Chart.
3. STRs are located in the Commercial Use section of the District Use Chart though STR activity occurs in single family residences and condos.
4. RCW 64.37 State Law regulating STRs does not define STRs as a Commercial use in fact the law specifically defines STRs as not being an inn, motel, hotel or timeshare.
5. Within the Chelan County District Use Chart almost all Commercial Uses are not allowed in residential zoning and ironically STRs are not allowed in most commercial zoning.
6. Community Development has highlighted the “Commercial Use” designation to define STRs as similar to motels/hotels therefore requiring special commercial use requirements for single family homes. Example- In 2024 a permitted STR owner applied for a pool permit. They were told the pool had to be ADA

compliant to meet commercial lodging standards of pools even though the dwelling itself was not ADA compliant.

7. Concerns of future regulatory requirements utilizing the “Commercial Use” definitions are real and justified.

(2)(i) Allowing Tier 1 STRs to have a Manager Onsite

- This is a Win-Win scenario for Short-Term and Long-Term Rental housing advocates, as it would allow for more Tier 1 STR growth and increase LTR rental options.
- Along with creating additional LTR housing options, STR owners could reduce rents for Designated Managers as part of the STR management requirement, making housing even more affordable.
- This exact topic was discussed during the STR draft code process in 2020/21 and was almost included in the original STR code but pulled because it was not compliant with state law ADU code. State law ADU code has changed and now allows for one LTR and one STR.
- National studies clearly show that a manager/owner on site for STRs reduces or limits nuisance issues to almost zero.
- We should incentivize and promote Tier 1s in Chelan County, as they clearly minimize the impact of STRs on neighborhoods.

Comment- It has been discussed by the Planning Commissioners that allowing a manager to be onsite completely changes the Tier 1 standards required. The intent would be not to change the tier 1 standards at all. The manager would be held to all of the same requirements that an onsite owner would. Furthermore I have to argue that an onsite manager or homeowner would be equally incentivized to ensure that guests were not creating nuisance issues of any kind. As a property manager that manages many Tier 1 homes guests are aware when booking that another person resides on the property. In general this will automatically weed out any guests that may potentially cause nuisance issues.

(2)(B)(ii)(a) Cap Discussion

- Recently provided data by Community Development shows Permitted STRs cause very little nuisance issues for neighbors in the last 3 years.
- Increasing lodging options will increase spending in many businesses and create jobs by allowing more visitors to stay overnight in Chelan County.
- Consideration of the quality of life in neighborhoods should be robustly discussed.

My solution/recommendation is to leave the 6% cap in place. Remove zip code and sub area designations and make the cap County wide.

- This greatly simplifies the code and allows STRs to be created where they are needed.
- This keeps STRs from moving into neighborhoods where they historically have not operated.
- This treats all Chelan County property owners fairly.
- Finally it allows growth of STRs in areas where they can have the greatest economic impact.

(2)(C)(iv)(a) Removal of Existing Non Conforming Language

- Simplify the code wherever possible.
- For non land use professionals this code is incredibly difficult or even impossible to navigate.
- I support removing all non-critical existing non-conforming language.

(3)(B)(1)(b) Children Under Two Exemption

- I support the proposed changes
- Consistency-Most STR codes have relaxed occupancy regulations, and those with stricter regulations will often not count children two and under.
- For example, the Washington Counties of King and Pacific, plus Maui County in Hawaii, do not count infants towards the maximum guest occupancy of an STR.
- Align with STR booking platforms such as Airbnb, which do not count children two and under. This is a major pain point for STR stakeholders in Chelan County.
- Septic concerns are non-existent. On average, Chelan County STRs are annually occupied 37%. Children 2 and under have little to no impact on septic systems.

Comment-Rebuttal of Fire Marshal concerns of allowing children under two to be exempt from property maximum occupancy. The current maximum occupancy count in the Chelan County STR code is actually quite restrictive when compared to many other codes. Many STR codes allow for two per bedroom plus two, other codes require three per bedroom and many Counties and Cities do not even have maximum occupancy requirements on homes operating as STRs, such as in the city of Leavenworth. I have listened carefully to the Fire Marshal’s arguments as to why these children under two exemptions should not be implemented and with all due respect the arguments appear to be based more on opinion than supported by code or based on historical evidence of safety concerns.

(3)(C)(i) and (ii) Parking Amendments

- I generally support aligning with residential parking code language.
- The issue is that the STR parking code does not align with the current residential parking code in which all SFRs were built to residential parking standards of 2 off-street spaces per dwelling.
- Some SFRs were built before offsite parking was addressed in code. For Owners and long term renters this is not currently an issue but can be for STRs.

SPECIAL REQUEST—Community Development has interpreted the maximum occupancy count as allowing only two guests per vehicle. This interpretation may have a major negative impact on permitted STRs with limited parking areas. Please consider discussing clarifying language in the STR parking code amendment that allows for more than two guests per car.

My solution/recommendation is to amend Table 11.90-3 in section 11.90.060 seen below.

Bed and breakfasts, guest inns, and Tier 1 and Tier 2, and Tier 3-overnight-lodging use-only, short-term rentals	1 space per bedroom and 1 space for any on-site manager
--	---

Amend highlighted area to allow for more flexible solutions such as:

1 space per two or three bedrooms

Or

Remove STRs from the chart and use the SFR required off-street parking requirements.

(3)(G)(i) Sign Amendments

- Proposed language about local contact not aligned with other language in code. See recommendation.
- I support all-weather, reflective and permanently set/posted for all newly permitted STRs but for STRs with existing signs I believe the reflective requirement should be waived as many homeowners have spent considerable \$\$\$s on custom signs that do not meet the reflective requirement. For example many homes in the Leavenworth area have custom made wood signs that look great but are not reflective.

Recommendation: The proposed sign amendment language reads “of local contact/qualified person to be called if an issue needs someone onsite within 60 minutes as”

The current language describing a local contact in (3)(J) reads “a qualified person or their designee (which can be a person or company) who can be contacted concerning use of the property and/or complaints and can respond, personally or through a designee, to the property within sixty minutes”

These are important distinctions and it is important to be consistent.

(3)(O) Proof of Paid Taxes Requirement

- I do not support this amendment.

- It is not a state law requirement to provide proof of STR taxes paid annually. RCW 64.37.
- DOR is the governing body that regulates tax payments.
- I am concerned that this information would be passed on to the assessors office and somehow revenue of an STR would increase property taxes.
- I did not feel Community Development made a strong or any real argument as to why proof of tax payments would be required. What problems exist and what problems are they solving?
- I encourage the Commissioners to ask questions and I will comment further when given more information.

(4)(B)(i) Annual Renewal Grace Periods

- I support the grace periods as written.
- On November 1, of 2021 many wonderful people trying to do the right thing lost their ability to renew their STR permits due to this proposed language not being in place upon the code's inception. Eighty-Two (82) newly permitted for the first time STR operators missed postcard notices from Community Development and then missed their Oct 31 Deadline to renew for 2022. All of these permitted owners had only received their first administrative permits months prior and they still were not given relief from the Director. Note- the BOCC did support the Directors decision at the time in a 2 to 3 vote.

Recommendations:

-Add language into proposed grace period changes to requiring Community Development to notify permitted STR holders of a missed renewal deadline to renew.

-Consider adding a Grace period and Community Development notification requirements to section (4)(I)(ii) or(iii) Property Sale or Transfer of Ownership. This transfer of ownership notice has a 30 day requirement to notify Community Development. Or....

Remove the 30 day requirement to notify and keep the language consistent with the other transfer and/or change of information language.

(4)(D)(v)(d) Applications Deemed Complete

- Adding additional language into this section is concerning for a variety of reasons. Language already exists within this section that requires properties to be in compliance with all Chelan County Code.
- This particular section has historically been utilized by Community Development to put properties under a microscope to find any item not complete or not correct and deem these items "Violations".
- If a State law has passed that now makes a previously permitted legal dwelling or use on a parcel not in compliance does this mean the property is not eligible for an STR permit?

Recommendation: I recommend the Planning Commissioners ask clarifying questions as to exactly why this particular language needs to be added and what issues does it resolve. Specifically the addition of State and City Codes being added.

(4)(H)(i) and (ii) and (iii) Requiring Annual Life Safety Onsite Inspections

- I support strong Life Safety requirements in code but I do not support annual life safety inspections for the following reasons:

-What problem are we solving?

-Prior to operating as an STR each property owner or representative walks through the home with the Fire Marshal's office and thoroughly understands what is required.

-Property owners are required to self certify their Life Safety checklists under penalty of perjury of State Law. This is done annually.

-Logistics are going to be difficult for the Fire Marshal's office to inspect annually and prior testimony has not shown that there is not a plan for inspecting in an organized and efficient manner.

-Costs??? Please check these numbers that annual inspections could range from \$59 to \$880 annually. I am going off memory from the Fire Marshal's testimony in September.

Recommendations:

-Keep current code in place (i),(ii) and (iii) and do not require annual inspections. Add language that change of ownership requires an inspection.

If there is a strong desire to have the Fire Marshal onsite please consider other timelines such as every three or five years. This could be a good compromise and allow for easier logistics should the annual inspections be broken down into smaller groups. Please consider the costs to do so or include the costs within the Permit renewal of \$500.

(4)(I)(ii) and (iii) Transfer of Ownership

- (4)(I)(ii) I don't have an issue with what I think is intended but the language seems redundant. Why would an owner requesting a transfer of STR permit not provide requested materials to CD staff to complete transfer?
- I support the County in ensuring that this section is not a loophole to add or remove names from a title or change principles of an entity in an attempt to bypass a change of ownership.
- (4)(I)(iii) I interpret the proposed language to not allow for a property owner/person to change to an entity (trust, llc, etc...) or from an entity to a person. It is critical to protect a property owner's right to record ownership of their Title into or out of an entity without jeopardizing their STR permit so long as the principles named in the entity do not

change from the Title holder or the Title Holder names are not changed in the entity.
See example.

Example- A couple owns a home that has an STR permit. The permit and the title are in the couple's name. They receive legal advice that for liability protection it is advised to create an LLC and place the property into the LLC still with both homeowners as the managing members 50/50.

If I am interpreting the proposed code language correctly the home owners would not be allowed to transfer the Title name into an LLC without jeopardizing their STR permit by creating an unauthorized transfer of person to entity.

Recommendation: Modify language in (4)(l)(iii) to allow for a transfer of the STR permit to occur between any combination of entities or persons so long as the principles remain the same.

Final Thoughts

It is a documented fact that permitted STRs cause minimal nuisance issues and that tourism is a major driver of Chelan County's economy. Short term rentals are now interwoven into the fabric of tourism and are a preferred lodging option for many travelers. On behalf of the workforces, service providers, retail sellers and all other sectors of industries benefiting from STRs I ask that you carefully consider the facts when looking at the future and the amendments within the STR code revision document.

Thank you Planning Commissioners and Community Development for the difficult work you do. I have done my best to submit factual and respectful comments. If any of you wish for me to clarify any comments anytime not during the hearing please feel free to do so. My email sean@loveleavenworth.com

Sincerely,

Sean Lynn

Founder and CEO of Love Leavenworth Vacation Rentals

RECEIVED

October 11, 2024

Chelan County Community Development
Chelan County Planning Commission Members
District 1: James Wiggs, Vicki Malloy, Ryan Kelso
District 2: Mike Sines, Cherie' Warren, Christopher Dye
District 3: Jesse Redell, David Donovick, Doug England
316 Washington Street, Suite 301
Wenatchee, WA 98801

AUG 14 2024

**CHELAN COUNTY
COMMUNITY DEVELOPMENT**

Commissioners,

As the Executive Director of Visit Chelan County, a 501c6 non-profit organization that provides destination management and marketing services to Chelan County, I am reaching out to you. The organization's priority is to promote, protect, and enhance the county's tourism and recreation industry.

The Chelan County Commissioners, the Community Development Department, and the Chelan County Planning Commission is reviewing changes to the current Short-Term Rental codes. The Short-Term Rental Code establishes best practices. It creates a relationship between property owners and managers serving to host visitors and the neighbors potentially impacted. The code that regulates short-term rentals should be clear, objective, and easy to understand. Standards should not conflict. For example, if Airbnb does not count children under 2 in occupancy, why deviate from that?

Short-term Rentals currently provide an attractive and often sought-after lodging alternative. The goal is to provide an exceptional guest experience—a clean, well-maintained property with clear expectations regarding parking, cleanliness, noise, and emergency contact information.

Tourism is vital to the economies of our cities and counties. In 2023, food, hospitality, entertainment, and recreation services they represented 12% of total employment in the county (up from 10% in 2003), meaningfully higher than the state equivalent of 9%.

The information below outlines the effect these regulations have already had on tax revenues. It explains why it is essential to consider the impact of short-term rentals in the unincorporated areas of our county. In 2020, prior to Chelan County instituting short term rental regulations it is estimated that there were between 1500 and 2000 short term rentals. Today there are just over 700. It is clearly reflected in the tax collection numbers stated below that this has had a financial impact in revenue available to do the programs and grants that the Chelan County Lodging Tax Advisory Group has been able to fund and will in the near future.

AREA Annual Lodging Taxes Distributed 2019-2023

- Chelan 52.8%
- Leavenworth 74.1%
- Wenatchee 65.0%
- Chelan County 21.0%

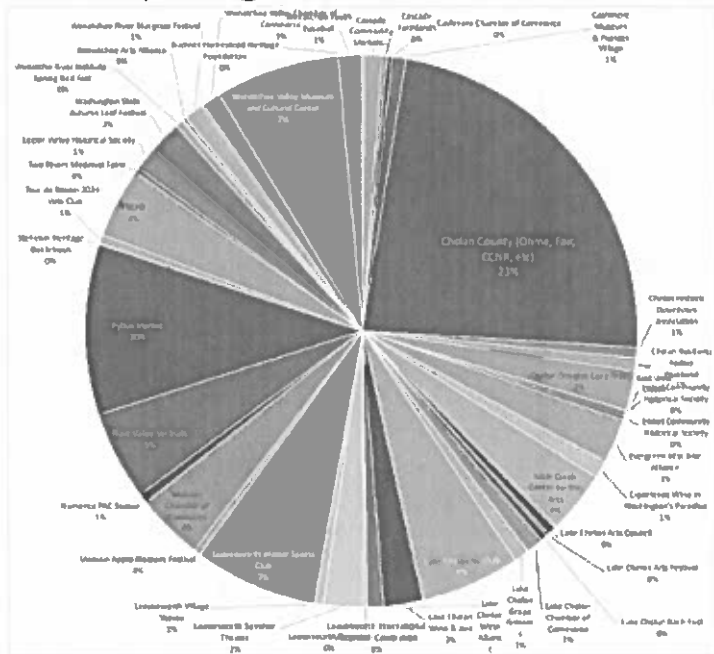
During the first half of the last five years is averaged here showing similar results.

AREA Amount Distributed January-July 2019-2024

- Chelan 118.7%
- Leavenworth 103.5%
- Wenatchee 101.2%
- Chelan County 51.2%

Where tourism is being touted as “healthy”, it is important to note that permitted STR’s cause very little nuisance issues when looking at the County data. We should be promoting more permitted STR’s in an effort to bolster our tourism economy and related workforce. The chart below shows the benefit Chelan County residents receive when lodging tax collection is healthy.

21-24 By Organization – All Grants



Chelan County (OHWA, Fair, CCNR, etc)	\$ 219,000
Plycus Market	\$ 222,000
Wenatchee Valley Museum and Cultural Center	\$ 235,000
Leavenworth River Sports Club	\$ 253,000
Lake O-ches Ski Club	\$ 190,000
Wen Valley Ski Trails	\$ 149,610
TREAD	\$ 134,000
Wenatchee Chamber of Commerce	\$ 128,000
Issle Creek Center for the Arts	\$ 122,500
Evergreen Wenatchee Alliance	\$ 84,000
Lake O-ches Wine & Jazz	\$ 76,000
Chelan-Douglas Land Trust	\$ 75,000
Leavenworth Summer Theater	\$ 75,000
Washington State Autumn Leaf Festival	\$ 60,000
Leavenworth Historical Society	\$ 46,500
Wenatchee Youth Society	\$ 44,326
Wenatchee River Bluesgrass Festival	\$ 40,000
Cascade Community Markets	\$ 35,000
Experience Wenatchee in Washington's Paradise	\$ 35,000
Wenatchee Valley Chamber of Commerce	\$ 35,000
Lake O-ches Chamber of Commerce	\$ 33,000
Lake O-ches Grape Harvest	\$ 30,000
Lake O-ches Wine Alliance	\$ 30,000
Cashmere Museum & Pioneer Village	\$ 26,600
Chelan Runners, Running Workshops	\$ 25,000
Chelan Historic Downtown Association	\$ 25,000
Leavenworth Village Venues	\$ 18,190
Four de Bloem 2024 - Wine Club	\$ 17,500
Numerica PAC Season	\$ 17,420
Lake O-ches Arts Council	\$ 14,000
Wenatchee River Festival - Spring Bird Fest	\$ 14,500
Midweek Apple Blossom Festival	\$ 13,000
Lake O-ches Fall Fest	\$ 12,500
Wenatchee Arts Alliance	\$ 11,000
Cascade Fairlands	\$ 10,000
Ember Community Historical Society	\$ 9,000
Ember Community Historical Society	\$ 9,000
Cashmere Chamber of Commerce	\$ 8,800
Four Rivers Medicine Fest	\$ 8,391
Lake O-ches Arts Festival	\$ 9,500
Leavenworth Ranger rd	\$ 9,000
Business Historical Heritage Foundation	\$ 4,700
Leavenworth International Accordion Celebration	\$ 3,000
East West Classic	\$ 1,580
Stetson & Rapp Guidebook	\$ 1,420
	\$ 3,251,167

Total tourism visits reported in Chelan County include not only overnight visitors but also our day trip numbers and local visits, taking advantage of every square inch of the beautiful area we live in.

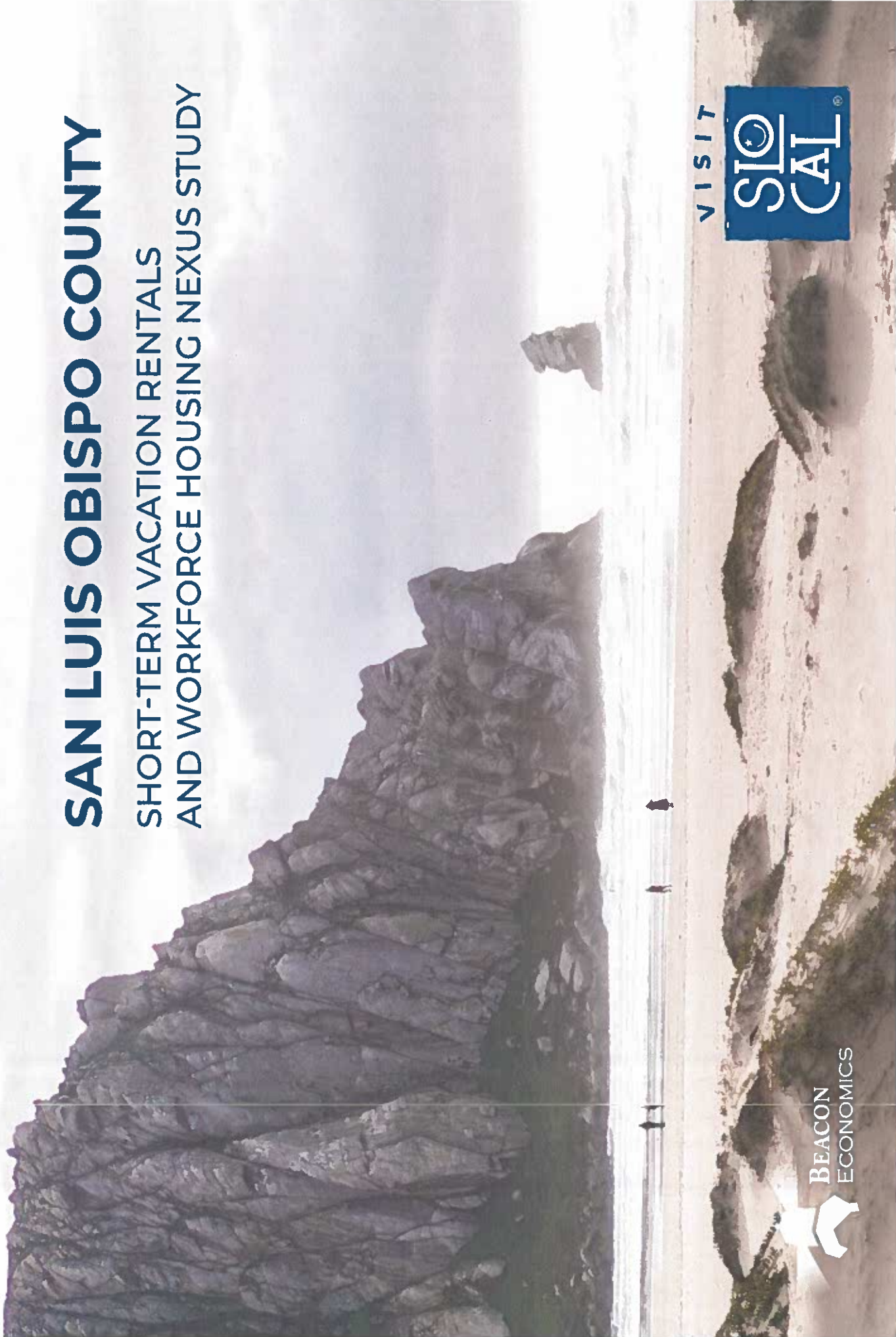
Specifically speaking to the argument of short-term rentals and their effects on affordable housing, I would like to refer to a recent study done by San Luis Obispo, California:

Press release: <https://www.slocal.com/articles/post/visit-slo-cal-and-beacon-economics-release-short-term-vacation-rentals-and-workforce-housing-nexus/> (hard copy included)

Respectfully submitted
 Jerri Barkley - Executive Director
 Visit Chelan County

SAN LUIS OBISPO COUNTY

SHORT-TERM VACATION RENTALS AND WORKFORCE HOUSING NEXUS STUDY



BEACON
ECONOMICS



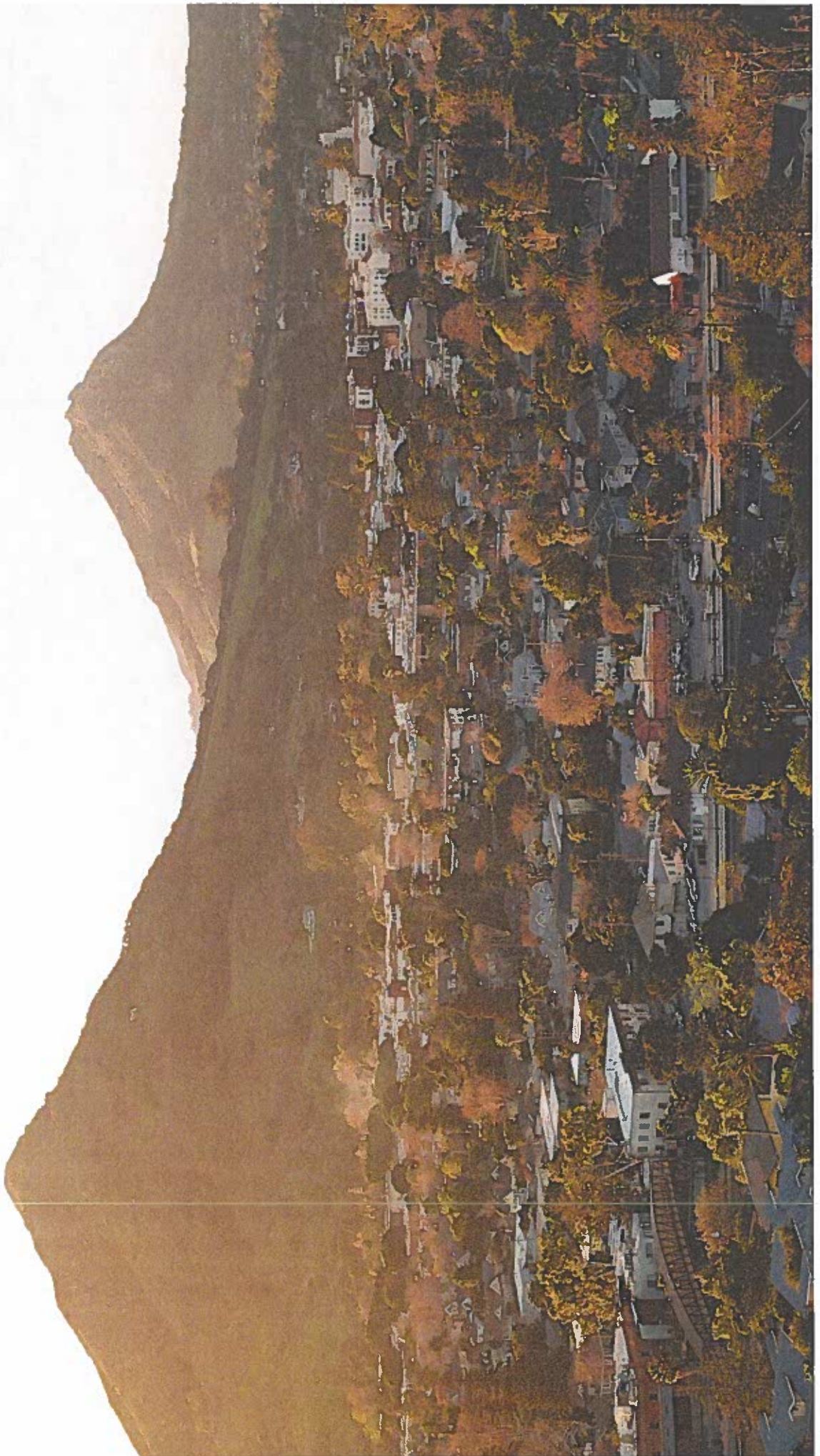


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EXECUTIVE SUMMARY

- Communities throughout the United States are grappling with the rise of short-term rentals (STRs).
- These communities are weighing the benefits that short-term rentals bring against the perceived costs they generate.
- Opponents assert that STRs have a negative impact on local housing markets, that they create housing shortages and are driving up rents and housing prices.
- This study explores the relationship between short-term vacation rentals and housing affordability in San Luis Obispo County (SLO CAL) and its communities. The findings of the report are as follows:



TOURISM IN SAN LUIS OBISPO COUNTY

- Visitors bring a significant amount of economic activity to San Luis Obispo County. Tourism accounts for nearly 10% of countywide GDP, generating \$2.15 billion per year in economic benefits.
- Following steep drops during the pandemic, hotel occupancy rates are on par with pre-pandemic figures, despite a 3.8% increase in supply, while nightly rates and revenue per available room (RevPAR) exceed pre-pandemic levels.
- Overall, the tourism industry in SLO CAL is crucial to the local economy. The enduring health of the hotel sector reveals that, rather than reducing activity at existing businesses, short-term rentals are providing additional lodging capacity, enabling more visitors to come to the region.

SHORT-TERM RENTALS IN SAN LUIS OBISPO COUNTY

- Short-term rentals long pre-date the rise of online platforms like Airbnb and Vrbo, although the emergence of these services has added great demand to the STR market.
- There are almost 4,500 properties in the county that engage in STR activity in some way, although roughly one-third of these are not available for booking in any given month.
- Over the past ten years, the number of STR days reserved on these platforms has more than quadrupled, totaling over 40,000 by late 2022.
- The number of SLO CAL properties listed on STR platforms has increased eight-fold over the past 10 years, primarily in Paso Robles, Pismo Beach, and Arroyo Grande.

- Paso Robles accounts for a quarter of all short-term rentals in the community, followed by San Luis Obispo (10%).¹ Combined, the unincorporated areas of the county account for one third of STR rentals.
- Short-term rentals encompass a wide range of property types, from single-family homes to boats, providing visitors with a wide range of accommodation options.
- As of February 2023, roughly 86% of active listings (properties that are listed for short-term rentals) on STR platforms sought to rent an entire housing unit. In other words, few multi-family properties are listed as short-term rentals.

HOUSING IN SAN LUIS OBISPO COUNTY

- Like much of California, SLO CAL has seen limited growth in its housing stock over the last decade, adding just 7,796 units from 2013 to 2023, a 6.6% increase, slightly below the state average.
- Most housing units in San Luis Obispo County are single-family, with a higher share of single-family housing compared to other parts of California.
- In a community where the median single-family home costs more than \$800,000, the relative lack of multi-family housing limits the ability of low-income workers to live in the community.
- Like many parts of California, SLO CAL is in the midst of a housing accessibility and affordability crisis.
- Short-term rentals comprise an increasing share of Transit Occupancy Tax (TOT) revenues in the county, up from around 15% prior to the pandemic to 19% of the total since the beginning of the pandemic.
- One of the issues raised in the regional community of San Luis Obispo is compliance regarding short-term rentals. In general, most short-term rentals are compliant with local regulations.
- In the first quarter of 2023, just 12% of households could afford a single-family home in SLO CAL, at current market prices.
- High housing costs mean that lower-income households have to devote a significant portion of their incomes to housing, move further away from job centers, or move to lower-cost areas of the state or country.
- In San Luis Obispo County, 92% of households earning less than \$20,000 are rent burdened, meaning they spend over 30% of their household income on housing.
- It is widely agreed that limited housing supply in the face of strong demand is the primary driver of high housing costs, and that to solve the housing affordability crisis, more housing is required.

¹ These figures are based on a city identifier provided by AirDNA. The data provided by AirDNA includes approximate (not exact) coordinates for the property. It is possible that these fields consider properties outside of the city limit. Matching the property based on its coordinates suggests Paso Robles comprises 12.4% of active properties, while City of San Luis Obispo amounts to roughly 6.5%. Please see the table in the appendix.

THE RELATIONSHIP BETWEEN SHORT-TERM RENTAL ACTIVITY AND HOUSING MARKETS

- For STRs to affect housing affordability in a community, two things should hold true. First, STR activity should reduce the supply of housing in a community. And second, STR activity should specifically remove lower-income housing from the market.
- Across the county, around 2.7% of the housing stock is devoted to STR activity. Active listings account for around 2% of the total housing stock in SLO CAL.
- Across Grover Beach, Paso Robles, the City of San Luis Obispo, and the unincorporated areas of the county², more than one in five listings (22.3%) are non-compliant.
- It is unlikely that all housing currently devoted to STR activity would be converted to long-term rentals, and therefore increase local housing supply, in the absence of STR activity.
- Many STR properties in SLO CAL are second homes. Removing all STR activity, therefore, would not necessarily lead to a 2-3% increase in housing supply since it is likely that many of these units would remain vacation homes for property owners.
- Based on the best available research, converting all short-term rental properties in the community to long-term rentals would effectively reduce rents by less than 1%. This changes very little if non-compliant properties are included.
- STR properties across SLO CAL are typically larger than those in which lower-income households reside. On average, STR properties have 3.4 bedrooms, while lower-income households typically live in much smaller properties.
- STR properties in SLO CAL have an average value of more than \$1.2 million, far beyond the reach of lower-income households.
- Overall, STR activity is occurring in the wealthiest, least affordable parts of the community, home to few low-income households.
- If STR properties were converted to long-term rentals, based on prevailing market prices, households earning \$100,000 would only be able to afford 5% of the properties listed as STRs.
- If local leaders are seeking to increase housing supply in their communities, there are more direct ways to achieve this by zoning for more housing.

² Compliance status is not available for Pismo Beach, Arroyo Grande, Atascadero, and Morro Bay.

INTRODUCTION

San Luis Obispo County (SLO CAL) is located on California's Central Coast. In a state that offers an abundance of tourist destinations, SLO CAL more than holds its own. Visitors are drawn to the region for its beautiful coastline, charming communities, bountiful vineyards and first-class restaurants. On average, around two million tourists visit the San Luis Obispo County each quarter, generating an annual economic impact of \$2.15 billion. The county's Leisure and Hospitality industry³ directly employs around one in six workers (17%), which is around 50% higher than the statewide figure.

Short-term rentals are an increasingly popular choice of accommodation for travelers throughout the United States. With the growth of online platforms such as Airbnb and Vrbo, visitors have an enormous range of accommodations to choose from. However, communities are grappling with the growth of these platforms and are increasingly focused on how best to appropriately incorporate STR properties into their existing regulatory and fiscal framework, and to better understand the role they play in local economies and housing markets.

³ Leisure and Hospitality consists of two sectors: Arts, Entertainment, and Recreation (NAICS 71) and Accommodation and Food Services (NAICS 72).



The rapid growth of the STR market has generated both supporters and opponents in the seven incorporated cities and unincorporated communities in SLO CAL. Supporters point to the popularity of STRs with visitors, and the ability of homeowners and tenants to generate additional sources of income. STRs provide a range of lodgings, sometimes in places where there are few alternative options. Opponents worry that STRs are changing the character of neighborhoods and leading to housing shortages, which in turn drive up rents and house prices in local communities. Of particular concern is how low-income households might be affected by the rise in STR activity.

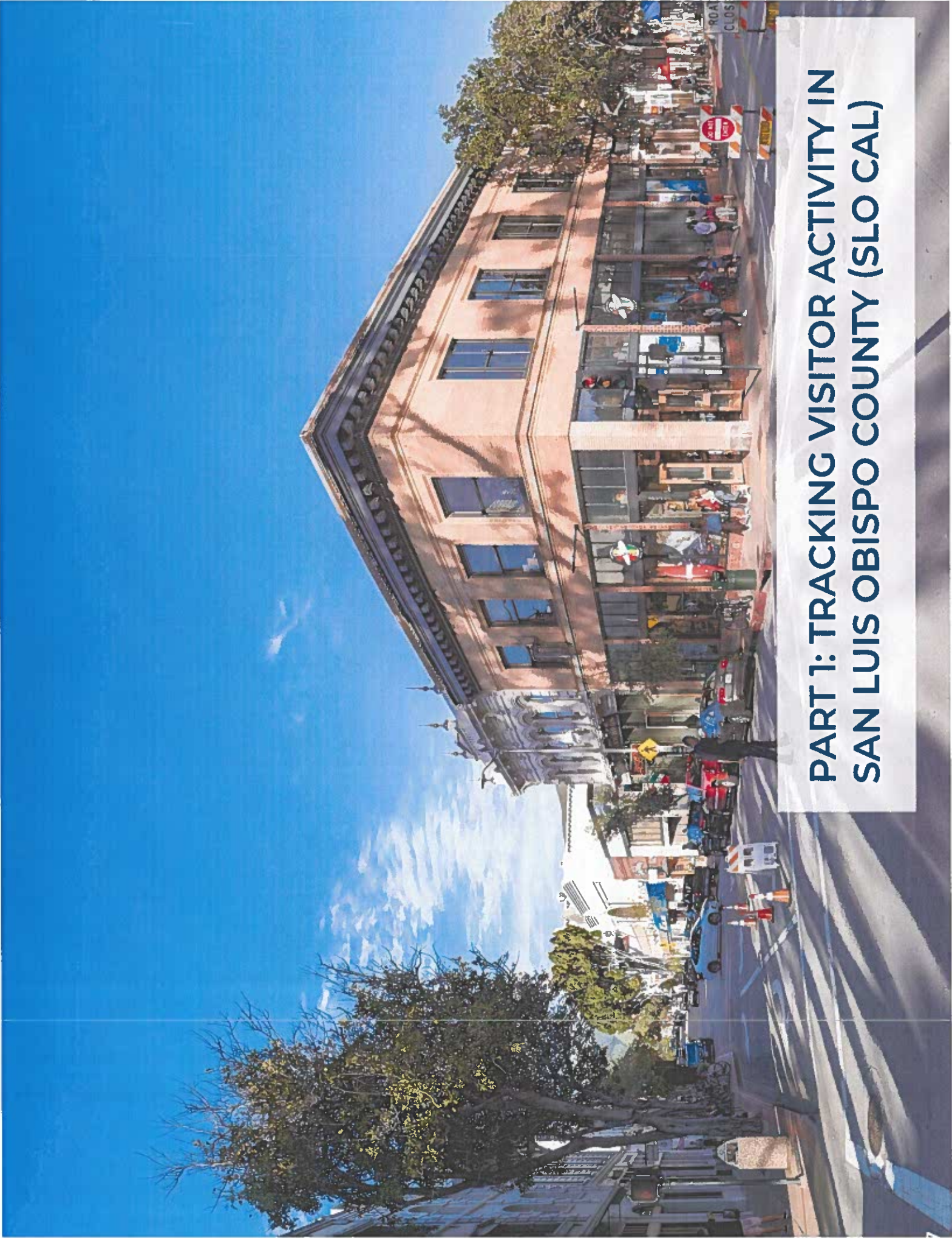
This research study tackles one aspect of the debate surrounding short-term rentals: whether there is a relationship between short-term rental activity in San Luis Obispo County and housing affordability for low-income residents. The report relies on short-term rental data obtained from AirDNA, a leading provider of comprehensive short-term rental market data. AirDNA aggregates data from various sources, including major vacation rental platforms like Airbnb and Vrbo. AirDNA data measures key short-term rental metrics such as occupancy rates, average daily rates, revenue trends, and property characteristics dating back to October 2014. The analysis also uses Host Compliance data provided by Granicus, which tracks short-term rental compliance at the listings level. The research team also held a focus group with STR property management owners in the region to better understand the short-term rental environment across SLO CAL communities.

The data provided by AirDNA and Granicus differ in terms of their unit of measurement. AirDNA's data is reported at the property level, whereas Granicus presents data by listing. This distinction is important since it impacts the interpretation of the figures. In the case of AirDNA, their data captures information specific to unique properties. If a property is listed on multiple platforms, it would still be counted as a single property in AirDNA's dataset.⁴ Granicus' data is measured by listing, which means that a property can be listed on multiple platforms. For example, a property may be listed on both Airbnb and Vrbo simultaneously, resulting in multiple listings for a single property.

This study has two primary goals. First, to provide data and empirical analysis to help inform stakeholders and policymakers in San Luis Obispo County and its communities about the nature of the local STR market. Second, to understand the relationship between STRs and the broader housing market in the county and its communities, and to assess the impact of STR activity on the supply of housing for low-income members of the community.

The study is divided into four primary parts. Part One establishes the importance of the tourism industry to the county's economy. Part Two traces STR activity in the county and its communities over the past decade. Part Three assesses the local housing market and housing affordability in the community. Finally Part Four analyzes the relationship between STR activity and housing affordability throughout San Luis Obispo County.

⁴ For more information see <https://enterprise-help.airdna.co/hc/en-us/articles/14527029817869-How-AirDNA-Identifies-Duplicate-Listings#how-airdna-identifies-duplicate-listings-0-0>

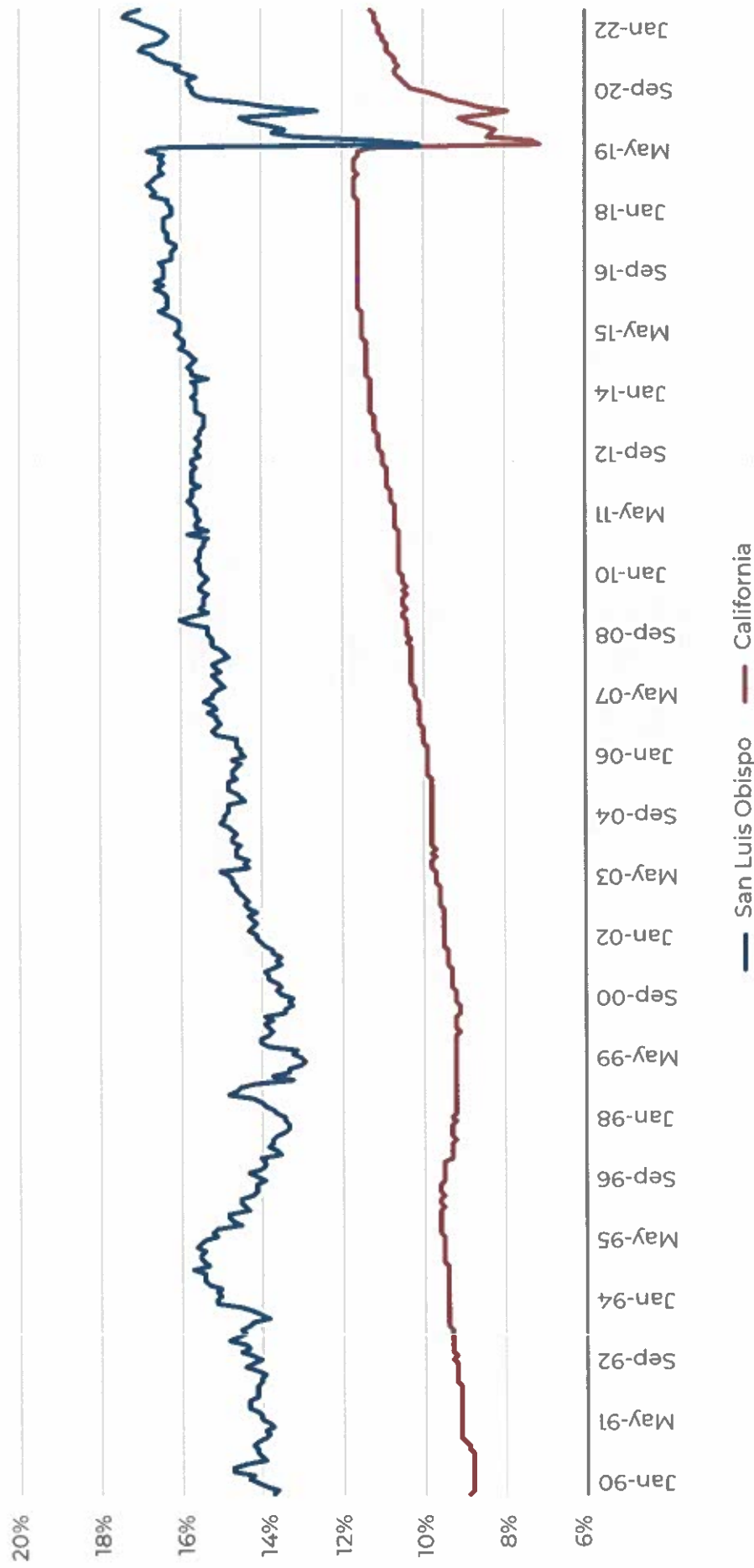


PART 1: TRACKING VISITOR ACTIVITY IN SAN LUIS OBISPO COUNTY (SLO CAL)

Tourism is an important industry to SLO CAL's economy. This is borne out by a number of different metrics. The county's Leisure and Hospitality industry⁵ directly employs around one in six workers (17%). In the State of California, the industry employs around 11% of the total workforce. With respect to real GDP, the industry is similarly around 50% more important to the county's

economic output than it is to the state's economy. When the impact of leisure and hospitality is extended to include tourism's total impact, tourism accounts for nearly 10% of countywide GDP. The following analysis reveals the health of the tourism industry in SLO CAL.

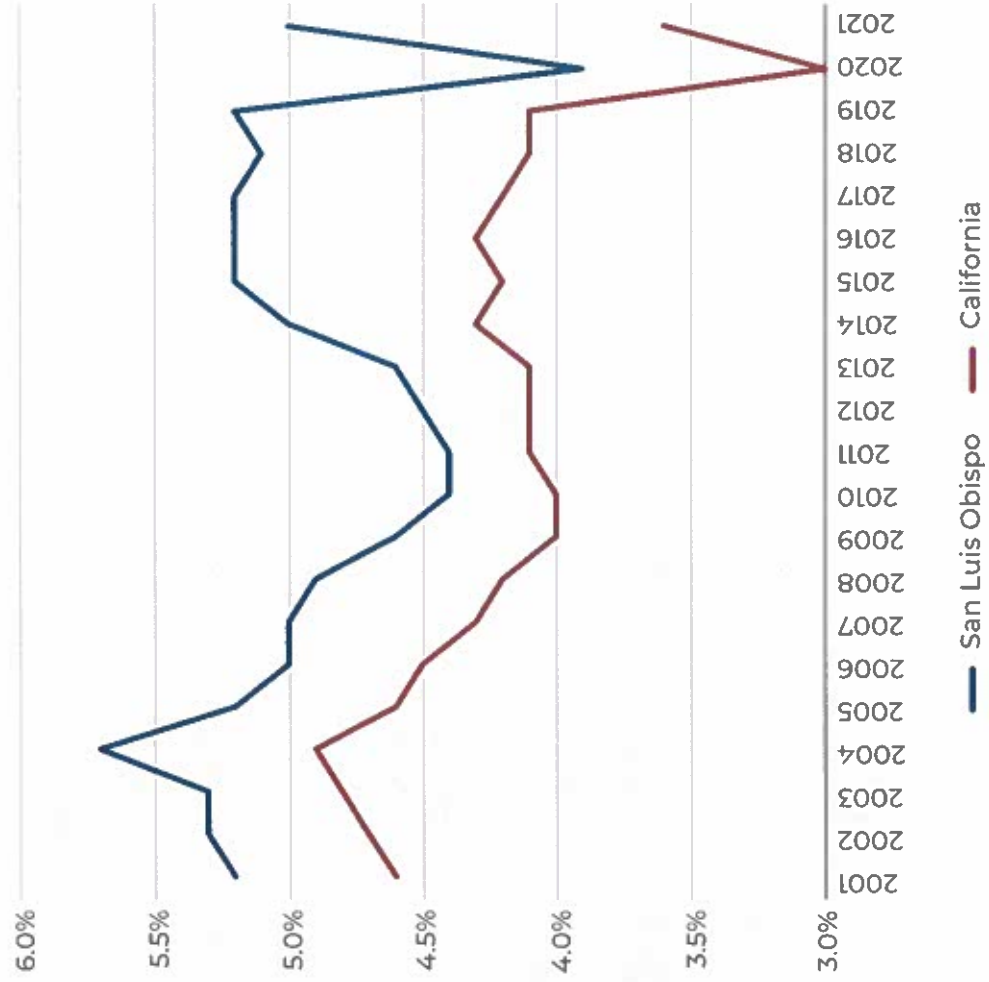
Leisure and Hospitality as a Percent of Non-farm Employment



Source: California Employment Development Department, US Bureau of Labor Statistics; Analysis by Beacon Economics

⁵ Leisure and Hospitality consists of two sectors: Arts, Entertainment, and Recreation (NAICS 71) and Accommodation and Food Services (NAICS 72).

Leisure and Hospitality as a Percent of Real GDP



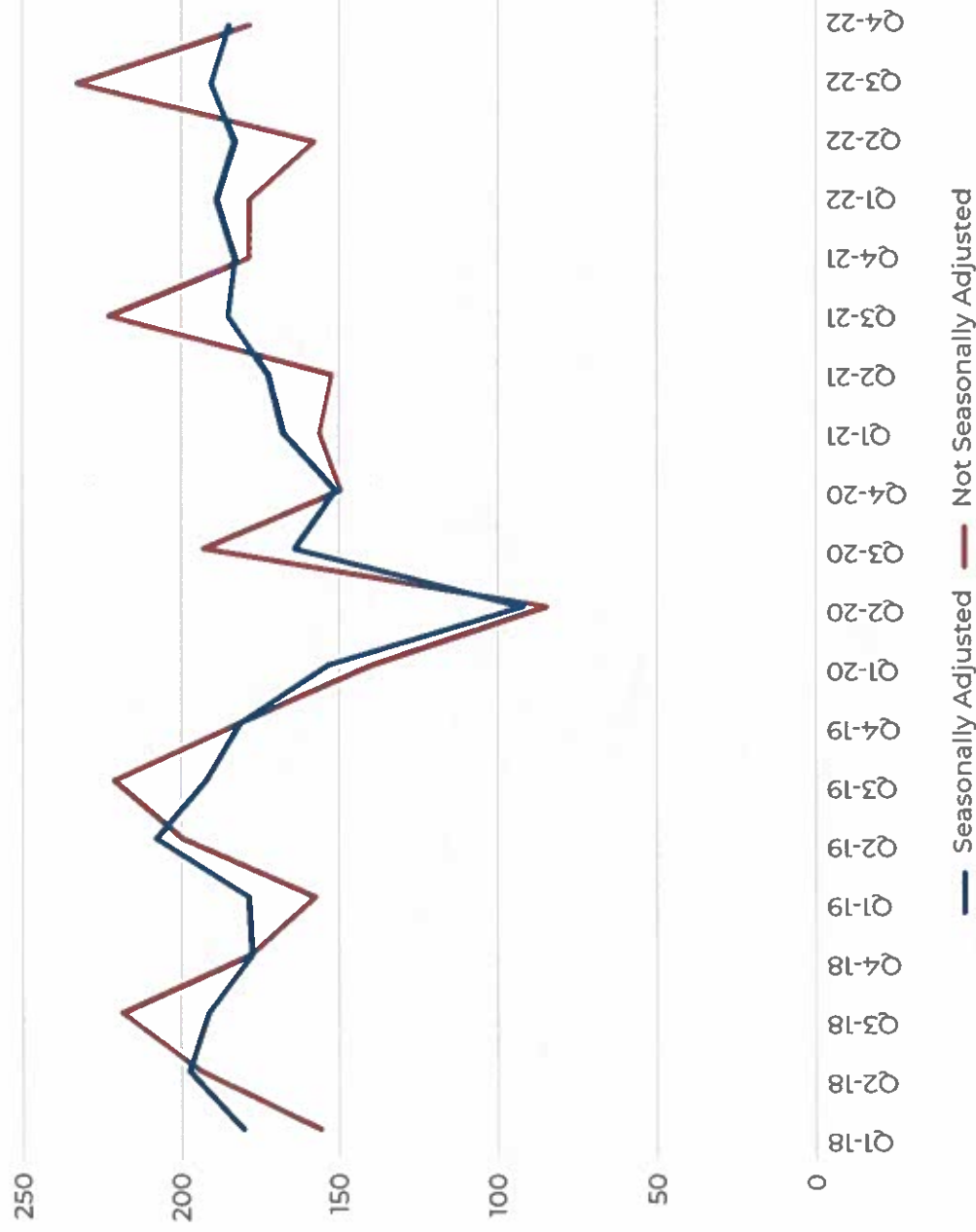
Source: US Bureau of Labor Statistics; Analysis by Beacon Economics



VISITORS TO THE REGION

The tourism industry was hit especially hard by the pandemic, as regulations constraining in-person activity and travel restricted the number of visitors to the region by nearly two-thirds. The number of visitors to the SLO CAL region is now roughly equal to pre-pandemic figures. The continued influx of visitors has helped support the recovery of Leisure and Hospitality employment in the county. Employment in Leisure and Hospitality in the County of San Luis Obispo is now 4.4% higher than it was before the pandemic. Statewide, employment in this industry was still 0.5% below pre-pandemic levels in May 2023. In fact, Leisure and Hospitality payrolls have expanded at a faster rate than total employment, which now stands 1.2% above February 2020 figures.

Total Visitors to San Luis Obispo County in Millions

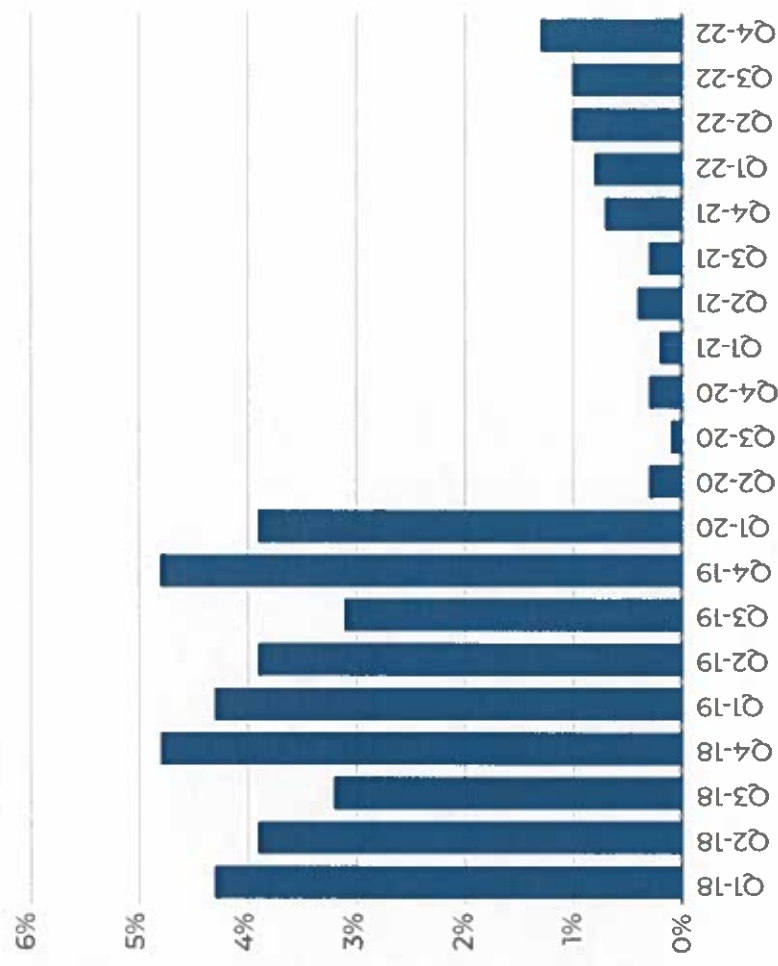


Source: Tourism Economics; Analysis by Beacon Economics



The primary driver of this recovery is domestic travel, with foreign travel yet to fully rebound. While the proportion of international visitors has risen slightly since the height of the pandemic, growing to just over 1% of total visitors, it is still significantly lower than it was before the pandemic, when it hovered around 4%. The lion's share of visitors to SLO CAL travel from within the state and tend to come from the Central Valley and Southern California.

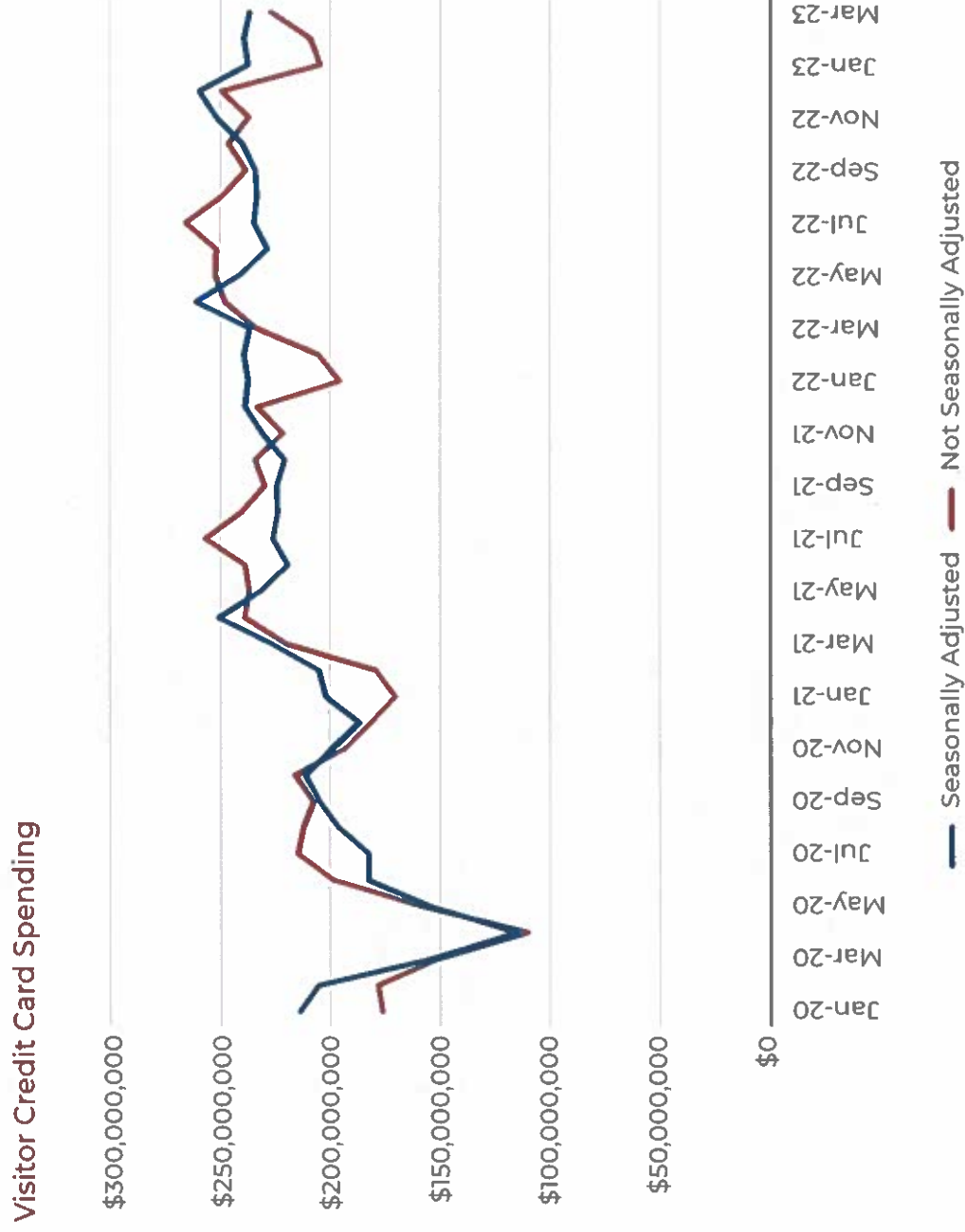
International Visitors as a Percent of Total Visitors



Source: Tourism Economics; Analysis by Beacon Economics

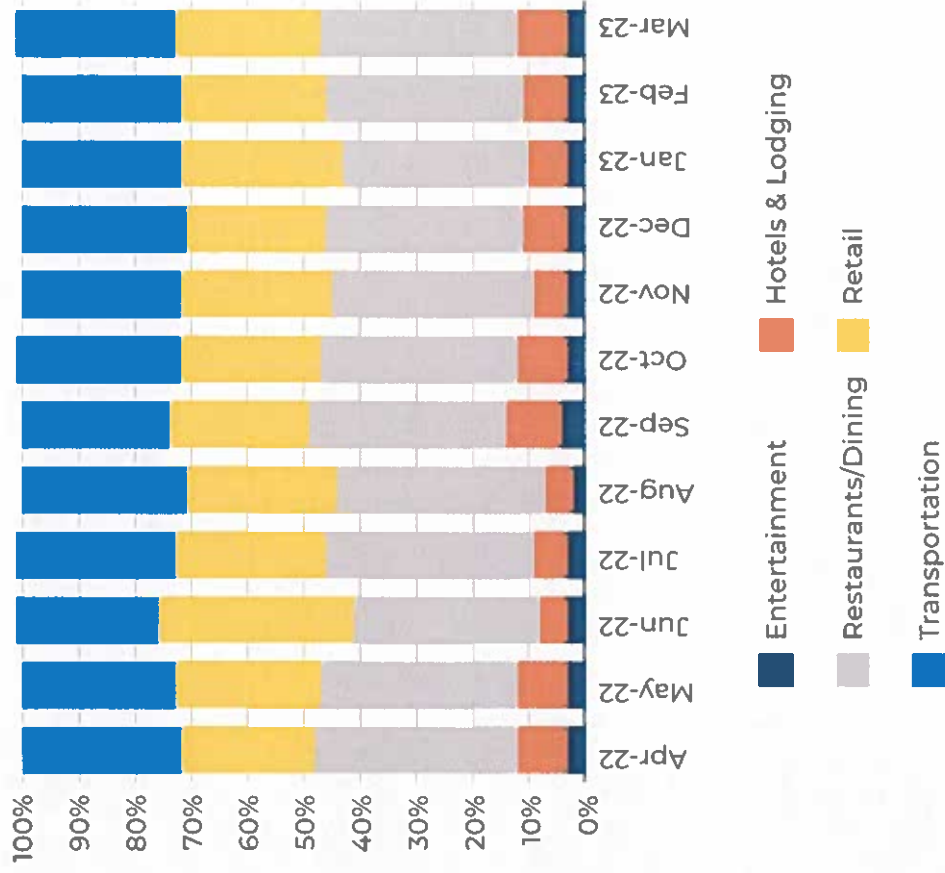
VISITOR BEHAVIOR

Visitors bring significant economic activity to the county, generating \$5.9 million per day in 2022 (\$2.15 billion annually), an increase of 13.8% year-over-year. Every dollar spent by tourists reverberates through various other sectors, from accommodations and dining to transportation and retail. This spending, whether on hotel stays, meals at local restaurants, souvenirs, or recreational activities, directly supports local jobs. According to spending data from Visa Destination Insights, roughly \$12 million of monthly credit card spending is on hotels and other accommodation, meaning the vast majority is spent in other sectors of San Luis Obispo County's economy, contributing significant support to the country's small businesses, such as retail outlets and restaurants.



Source: Visa Destination Insights; Analysis by Beacon Economics

Visitors Share of Total Spending

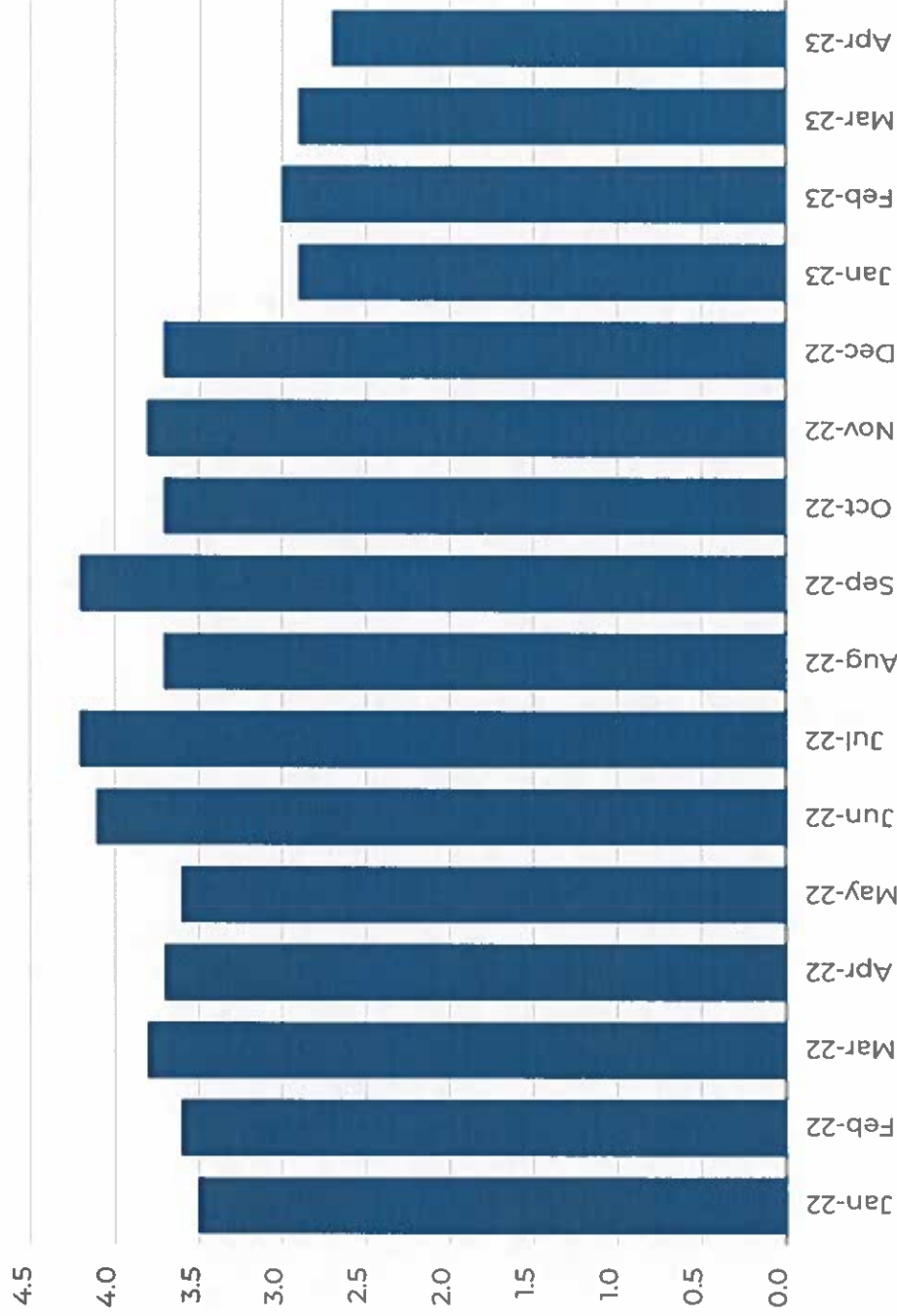


Source: Visa Destination Insights; Analysis by Beacon Economics



Visitors to SLO CAL typically stay for a relatively short time – approximately three days, with visitors from further afield typically staying longer. For example, visitors from California spend, on average, less than three nights in the region (2.7), while out-of-state visitors spend an average of 3.5 nights. Topping the list of primary destinations for visitors is the City of San Luis Obispo. Pismo Beach and Shell Beach, located in the City of Pismo Beach, are also very popular. Combined, these three locations account for 15.7% of total visitors and offer a diverse range of attractions, from the vibrant downtown area of San Luis Obispo to the scenic coastline and sandy shorelines of Pismo Beach and Shell Beach.

Average Trip Duration for Visitors to San Luis Obispo County

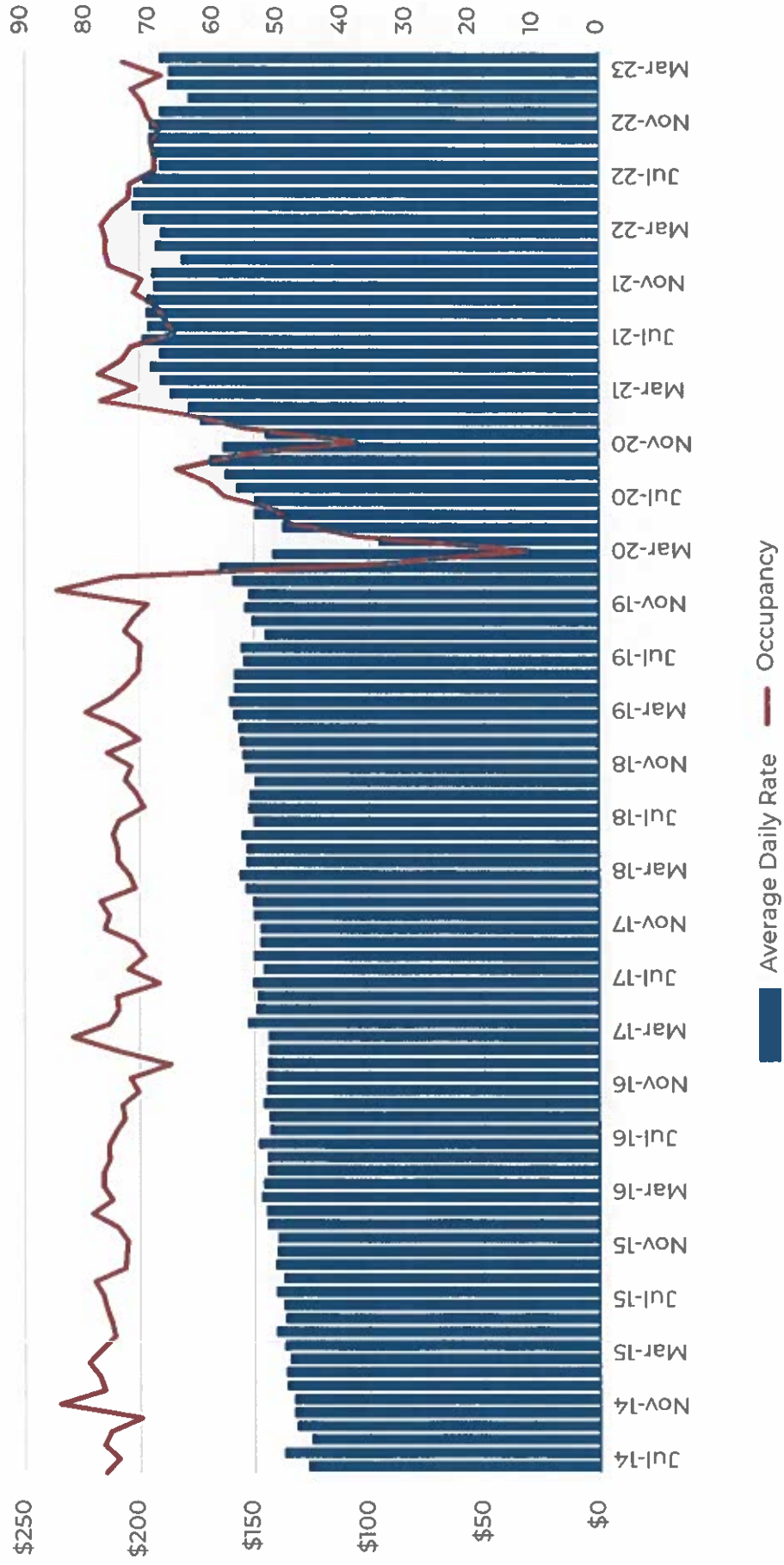


Source: Tourism Economics/Arrivalist; Analysis by Beacon Economics

VISITOR LODGING

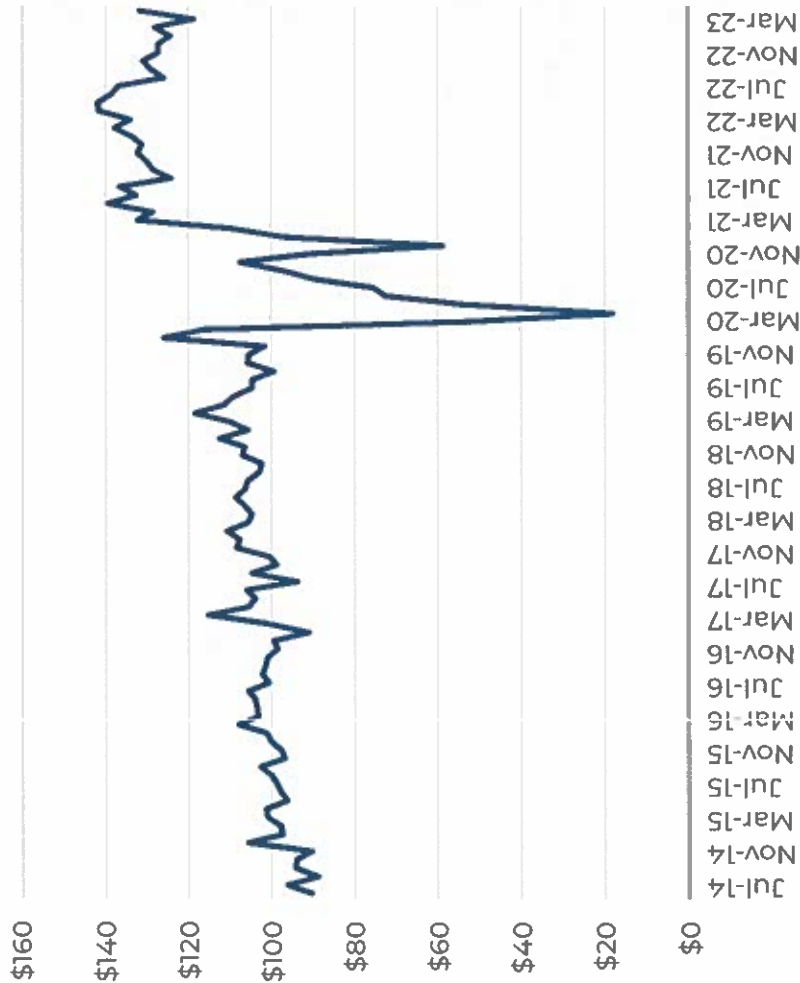
In line with trends in visitor spending, there has been a noticeable resurgence in demand for leisure and travel. Hotel statistics in San Luis Obispo County reflect this, showing significant improvements in occupancy rates, revenue per available room (RevPAR), and overall bookings. The continued health of the hotel industry has occurred against the backdrop of a growing proliferation of short-term rentals.

San Luis Obispo County Hotel Occupancy and Average Daily Rates



Source: Tourism Economics/Visit SLO CAL; Analysis by Beacon Economics

San Luis Obispo County Revenue Per Available Unit



Source: Tourism Economics/Visit SLO CAL; Analysis by Beacon Economics



While destinations within the county differ in revenue and occupancy rates, the three largest hotel markets – the City of San Luis Obispo, Pismo Beach, and Paso Robles – are all performing strongly, with high occupancy rates and revenues per available room. These three destinations account for more than 60% of the hotel rooms in the county and continue to be the engine of SLO CAL's tourism industry.

Community Hotel Statistics (as of April 2023, Seasonally Adjusted)

	Occupancy Rate	RevPAR	Avg Daily Rate	Supply	Percent of County
Atascadero	69.6	\$106.27	\$150.88	18,510	6%
Cambria	63.2	\$139.78	\$219.36	22,620	7%
Morro Bay	61.0	\$96.70	\$156.34	26,400	9%
Paso Robles	74.5	\$134.86	\$180.17	44,220	15%
Pismo Beach	69.2	\$165.76	\$232.50	63,090	21%
San Luis Obispo	70.5	\$137.59	\$192.91	75,600	25%
San Simeon	59.2	\$86.61	\$145.13	18,030	6%
County	68.6	\$131.75	\$190.72	304,500	-

Source: Tourism Economics/Visit SLO CAL; Analysis by Beacon Economics

Hotels play a crucial role in generating revenue for the general fund through the collection of Transient Occupancy Tax (TOT). This tax, commonly known as a hotel tax or bed tax, is levied on guests staying in hotels, motels, and other lodging establishments. TOT revenue is an increasingly significant source of income in SLO CAL, accounting for 6.7% of general fund revenues in fiscal year 2021-2022, up 1.6 percentage points from the prior fiscal year.

The table below gives an interesting insight into the contribution of different areas within San Luis Obispo County. Overall, Pismo Beach and the City of San Luis Obispo accounted for 41% of TOT revenues in the twelve-month period ending in April 2023. Notably, nearly 60% of TOT from short-term rentals is collected from the unincorporated portion of the county, which also comprises a sizable share of overall TOT (27%).

Transient Occupancy Tax Share (12-month sum ending April 2023)

	Percent STR	Total
Arroyo Grande	2.0%	2.1%
Atascadero	2.6%	3.5%
Grover Beach	3.6%	1.3%
Morro Bay	6.6%	7.3%
Paso Robles	9.9%	15.5%
Pismo Beach	9.7%	25.9%
San Luis Obispo	5.7%	17.5%
Unincorporated	59.9%	27.0%

Source: Tourism Economics/Visit SLO CAL; Analysis by Beacon Economics

The tourism industry in SLO CAL is crucial to the local economy, through both direct employment and by generating spending in other sectors. The continued health of the hotel sector reveals that, rather than reducing activity at existing businesses in the community, short-term rentals are providing additional lodging capacity, enabling more people to visit the region.





**PART 2: TRACKING SHORT-TERM
RENTAL ACTIVITY IN SAN LUIS OBISPO
COUNTY (SLO CAL)**

TRACKING SHORT-TERM RENTAL ACTIVITY IN SAN LUIS OBISPO COUNTY

Although short-term rentals have existed for some time, the rise of platforms like Airbnb and Vrbo have seen their popularity soar over the past decade. After exploring the travel and tourism trends in San Luis Obispo County, focus now shifts to short-term rental activity. The county's appeal as a vacation destination has resulted in a substantial number of housing units being used for seasonal and recreational purposes. Many homeowners have recognized the potential benefits of listing their second homes on popular short-term rental platforms. By capitalizing on the growing demand for vacation rentals, property owners can generate additional income and maximize the occupancy of their second home. In this section, we examine the rise in STR activity in SLO CAL using data provided by AirDNA, which includes comprehensive coverage of vacation rentals from both Airbnb and Vrbo. We also supplement the analysis using data from Granicus, which monitors STR compliance.

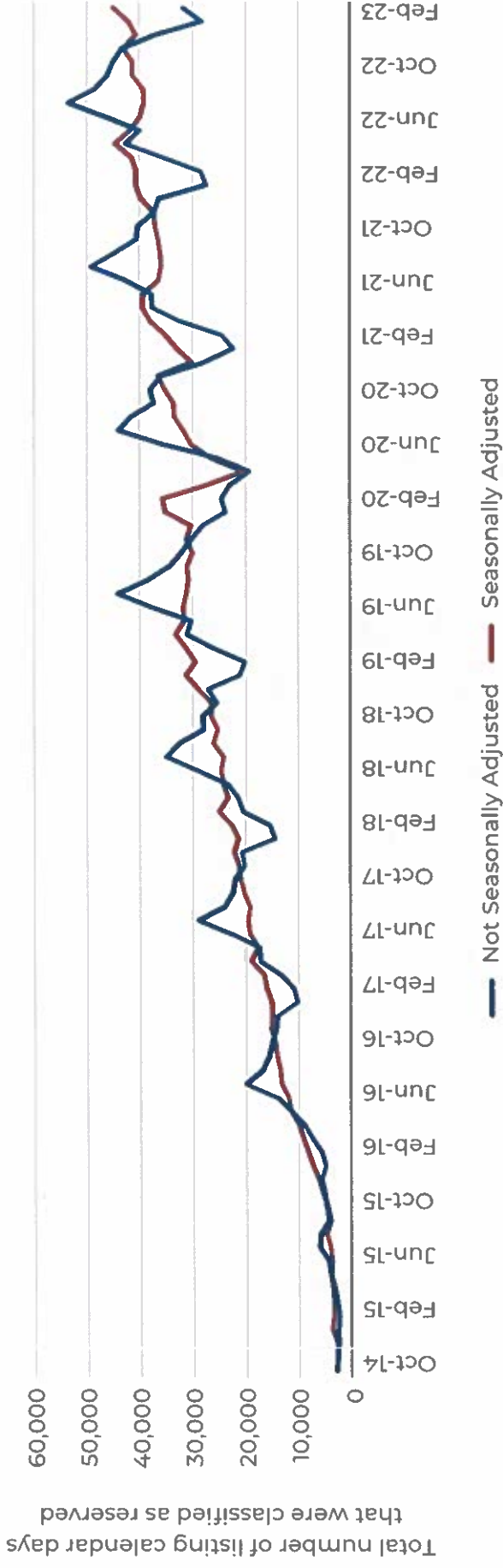
THE COUNTY LANDSCAPE

The County of San Luis Obispo has experienced a steady rise in short-term rental activity over the past decade. There is a strong seasonal pattern across most indicators related to short-term rental activity, with July marking the most active period and February the low point. As a result, data has been adjusted here and throughout the report for seasonal fluctuations to make longer-term trends more discernable.

Across the county, the total number of reservation days has grown markedly. The number of reservation days (i.e., the number of calendar days when reservations occurred) reached more than 40,000 by late 2022, on a seasonally adjusted basis. Although the market took a sizable hit during the pandemic, the total number of reserved nights in SLO CAL has doubled since the trough of the pandemic-induced recession. We can also understand the sense of the scale by dividing the total number of reservation days by the active⁶ count of properties in each month. The average STR property in the County of San Luis Obispo is reserved for nearly 15 days per month. As was shown earlier, hotel occupancy rates have remained stable over the last decade, which suggests that STRs are not reducing activity in the hotel industry but are instead affording the tourism industry in SLO CAL more capacity to grow.

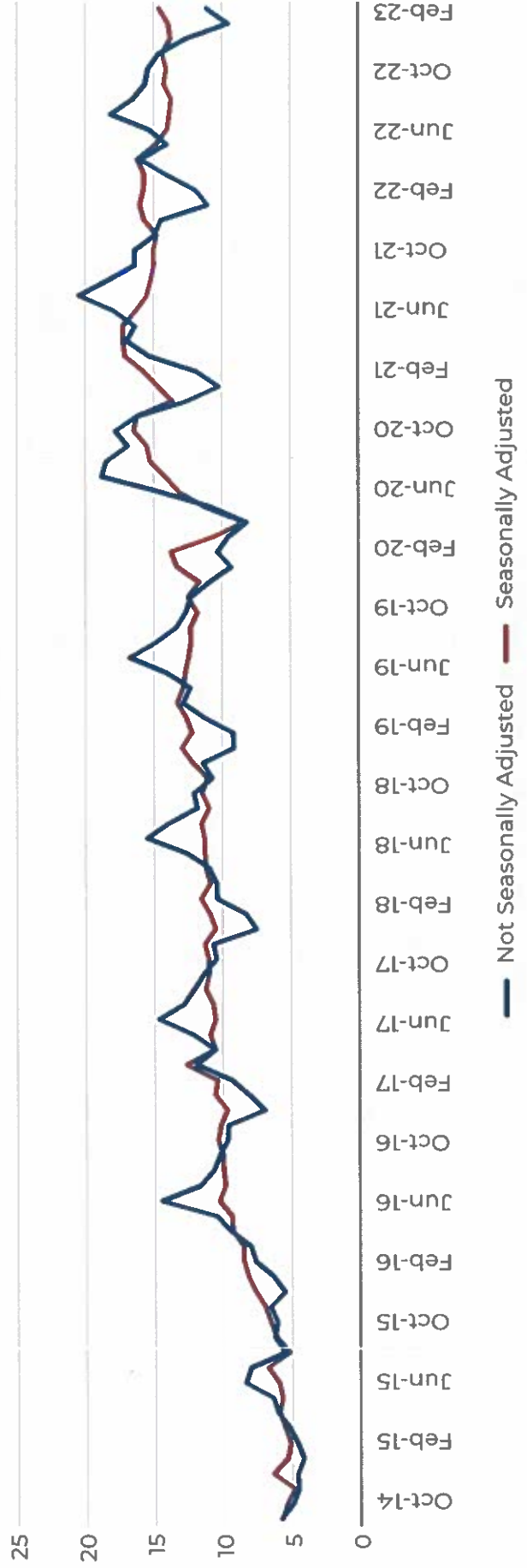
⁶ Throughout this report, 'active' properties are those that had at least one calendar day classified as reserved or available during a given month. Unless otherwise noted, all figures refer to active properties. Proportions of housing stock reflect listings for the entire unit.

Total STR Reservation Days in San Luis Obispo County



Source: AirDNA; Analysis by Beacon Economics

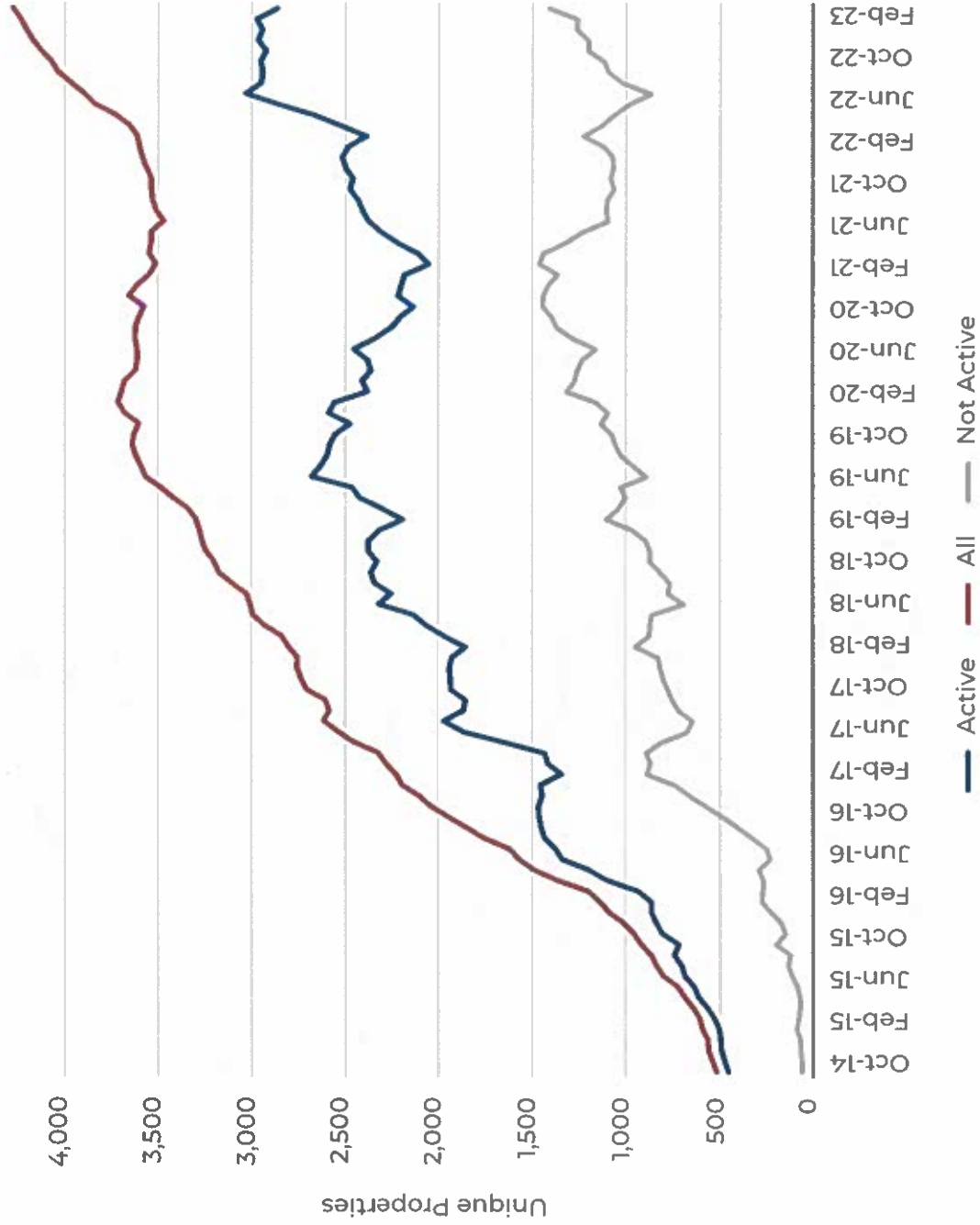
STR Reservation Days per Active Property in San Luis Obispo County



Source: AirDNA; Analysis by Beacon Economics

There has been a sizable uptick in the number of listed properties on STR platforms. This has given visitors to SLO CAL a wider range of options, catering to different preferences and budgets. Since late 2014, the total number of properties listed as STRs has increased eightfold to more than 4,000.⁷ However, many of the properties listed are not active. As noted in footnote six, active properties are those that had at least one calendar day classified as reserved or available during a given month. In other words, while there are a lot of properties listed, roughly one-third of those listings are not available for booking in any given month. As of February 2023 (the latest available data point at the time of writing) there were 2,859 unique properties on the market for booking.⁸

Total STR Properties in San Luis Obispo County



Source: AirDNA; Analysis by Beacon Economics

⁷ City and community level estimates are provided later in the report.

⁸ The property listing data are not seasonally adjusted.



Unlike traditional hotels, which have a finite number of rooms, short-term rentals offer a wide range of property types, providing visitors with a broad array of options. Perhaps unsurprisingly, single-family homes are the most common property type in SLO CAL, accounting for roughly 51% of active properties. The next most common is guesthouses, which account for roughly one in every thirteen properties listed in the county. The majority of properties listed on the short-term rental market are for the entire property. As of February 2023, roughly 86% of active properties listed were for the entire unit, while the remainder were for single rooms. In other words, few multi-family properties are listed as short-term rentals.

San Luis Obispo County STRs by Property Type

	Active Properties	Percent Total
Home	1,454	50.9
Guesthouse	219	7.7
Guest suite	170	5.9
Condo	159	5.6
Other ⁹	145	5.1
Rental unit	139	4.9
Cottage	99	3.5
Farm stay	91	3.2
Camper/RV	61	2.1
Room in hotel	61	2.1
Bungalow	52	1.8
Room in boutique hotel	49	1.7
Townhouse	45	1.6
Villa	42	1.5
Bed and breakfast	40	1.4
Tiny home	33	1.2

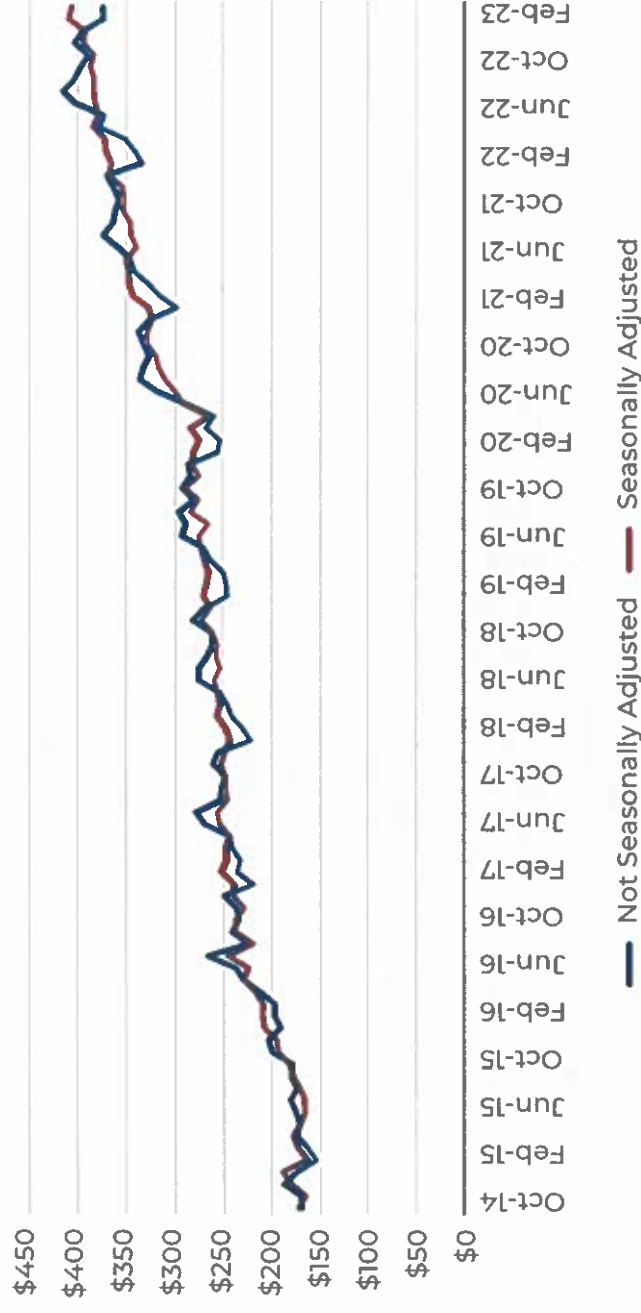
Source: AirDNA (Feb.2023); Analysis by Beacon Economics

⁹ 'Other' is an aggregation of less common home types in SLO CAL such as campsites, tents, yurts, boats, domes, and religious buildings.

As reported earlier, strong demand for tourism to the region has led to a significant upturn in STR activity. The average daily rate (ADR) for short-term rentals in considerably higher than the ADR for hotels in San Luis Obispo County. In the post-pandemic period, the average rate for hotels in the county was under \$200 per night, while the average daily rate for STRs has steadily increased to over \$400 per night. However, there are key differences between the two types of accommodations. Typically, more people can stay in a short-term rental than a hotel room. This would imply that STRs potentially cater to a separate market compared to hotels but are also important for the generation of TOT. The size of STRs has also increased markedly over time. On average, short-term rentals in SLO CAL have 2.2 bedrooms and have averaged above two rooms since late 2018.

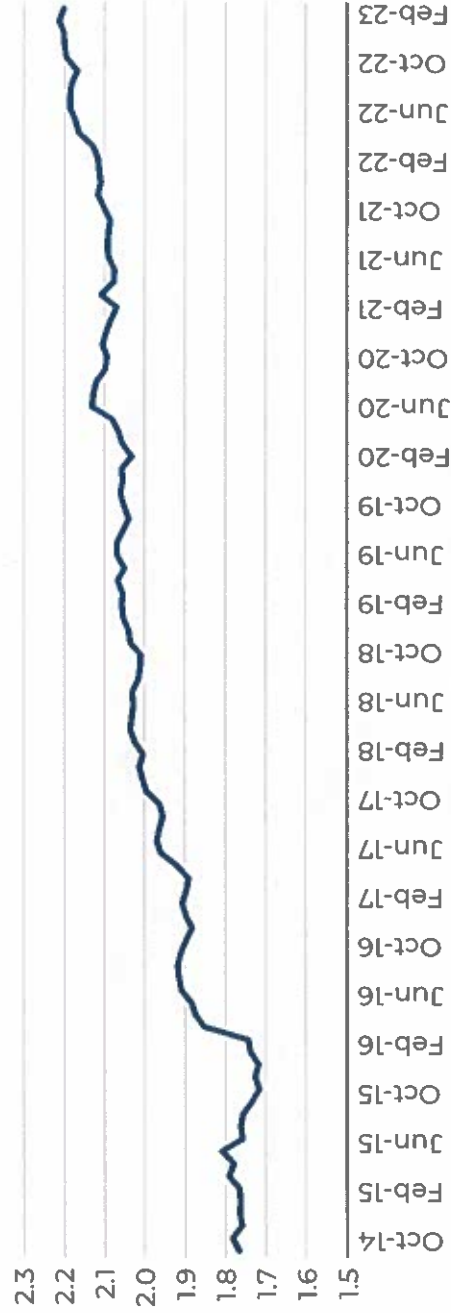
Although STRs have higher average daily rates, they also tend to have lower occupancy rates overall. Prior to the pandemic, the occupancy rate for short-term rentals stood below 50%. Since then, the rate has rebounded and has now settled around 55%. This compares to hotels, where occupancy rates were closer to 70% prior to the pandemic and have reverted to this figure since the depths of the pandemic. In short, STRs have not caused any harm to the SLO CAL hotel industry, but rather have expanded the options available to visitors.

San Luis Obispo County Average Daily Rate for STRs



Source: AirDNA; Analysis by Beacon Economics

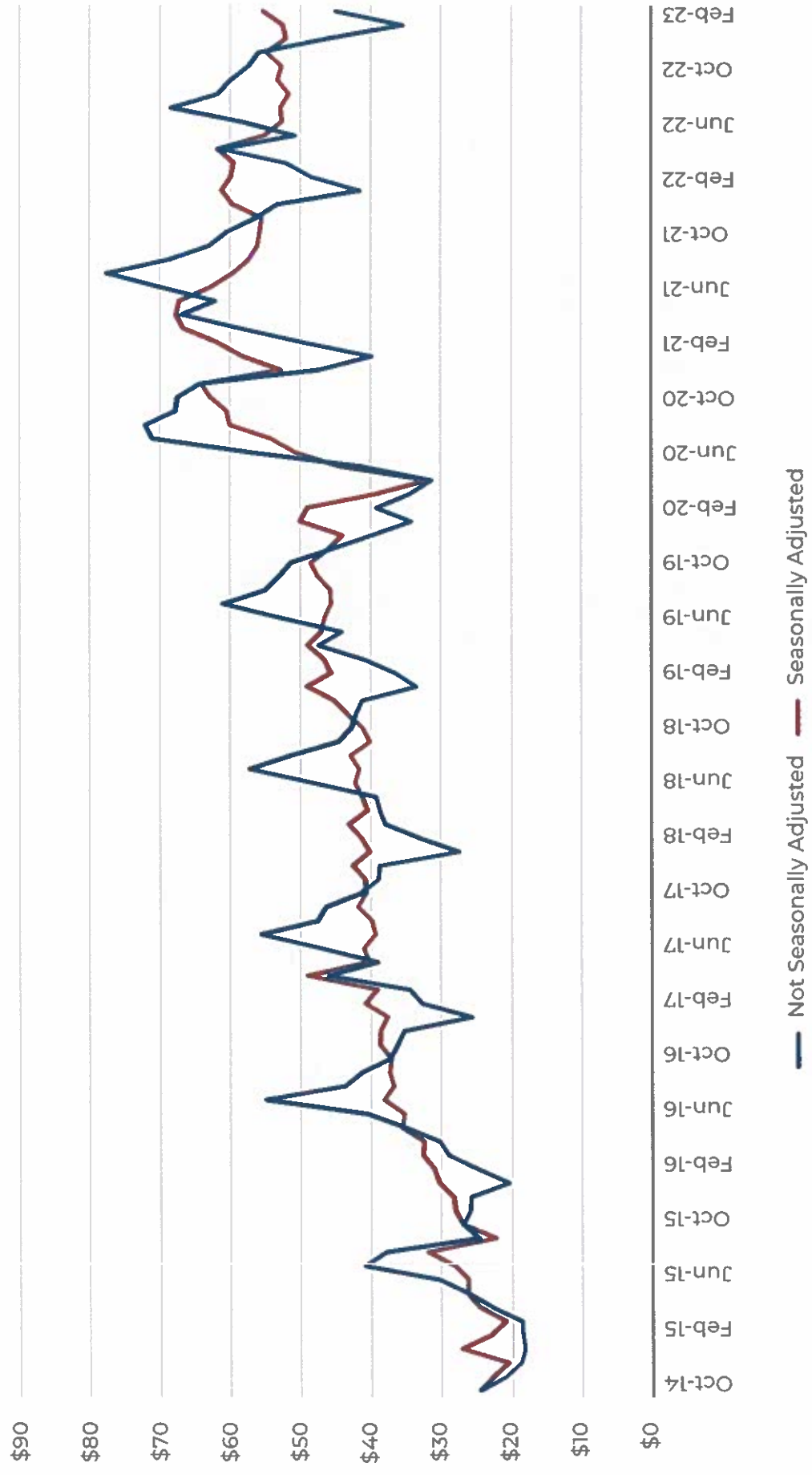
San Luis Obispo County Average Number of Bedrooms for STRs



Source: AirDNA; Analysis by Beacon Economics

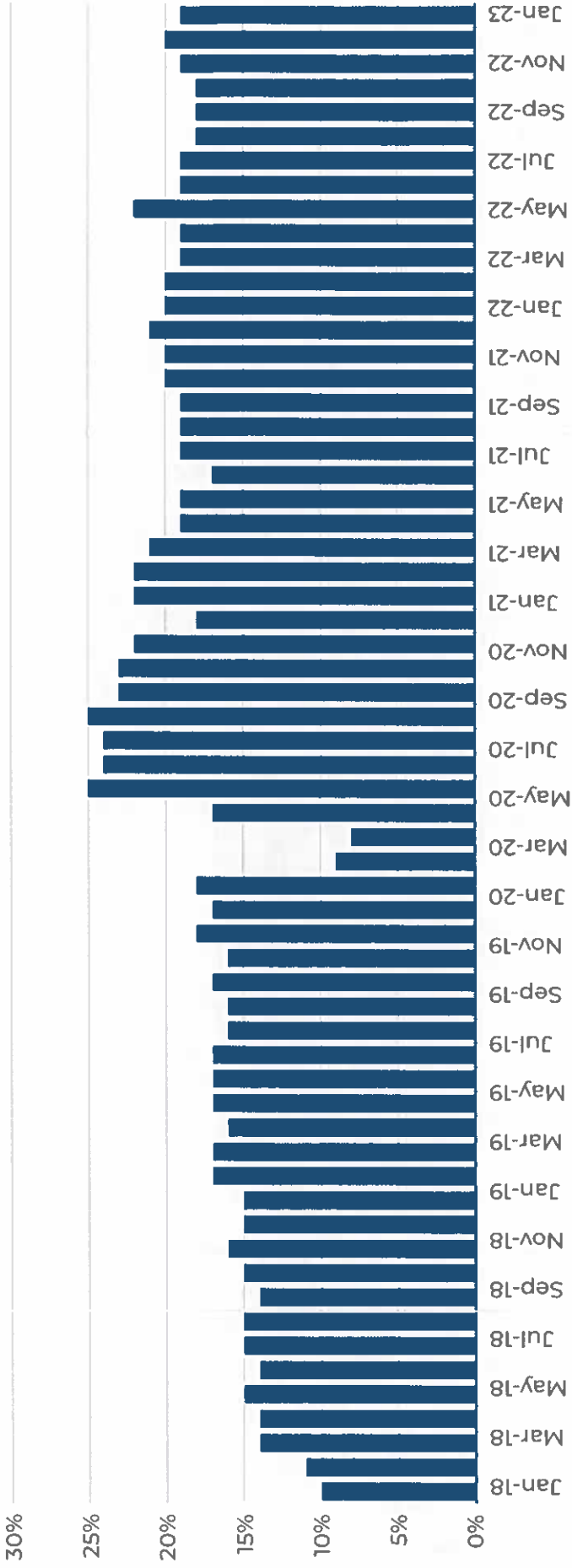
Short-term rentals continue to contribute an increasing share of TOT revenue in SLO CAL. In fact, short-term rentals comprised 19.5% (\$12.2 million) of the total TOT (\$62.7 million) collected in 2022. Prior to the pandemic, short-term rentals accounted for around 15% of the county's total TOT but have comprised on average around 19% in the post-pandemic period.

San Luis Obispo County Average Daily Rate for STRs



Source: AirDNA; Analysis by Beacon Economics

San Luis Obispo County STRs Share of TOT



Source: Tourism Economics, Visit SLO CAL ; Analysis by Beacon Economics

SHORT-TERM RENTAL ACTIVITY ACROSS COMMUNITIES

The County of San Luis Obispo is home to seven incorporated cities and several unincorporated communities. San Luis Obispo and Paso Robles are the two largest cities (by population), and roughly one in four residents reside in these cities. The unincorporated portion of the county is also large, accounting for more than half of the county's population. According to data from AirDNA, Paso Robles accounts for the most STR activity, comprising one-quarter of all short-term rentals, even though it accounts for less than 10% of the county's housing stock. This count is based on a city identifier provided by AirDNA. Many unincorporated areas have a mailing address indicating the name of an incorporated city, even though they are physically beyond the city limits. This can inflate counts in incorporated cities and suppress unincorporated short-term rental figures, as shown in the table below. Matching the properties based on their approximate coordinates suggests Paso Robles comprises 12.4% of active properties, while the City of San Luis Obispo amounts to roughly 6.5%. Interestingly, the City of San Luis Obispo, the largest incorporated city in terms of population, has an insignificant share of overall short-term rentals. The primary reason for this is likely the type of housing that is available in the City of San Luis Obispo.

In most communities, single-family housing is the most prominent housing unit type. For example, in Paso Robles, three in four housing units are single-family, while the remainder is split between group quarters and multifamily housing. In the City of San Luis Obispo, single-family homes account for less than 54% of total housing units.

Active STR Properties in San Luis Obispo County (2,859 Units)

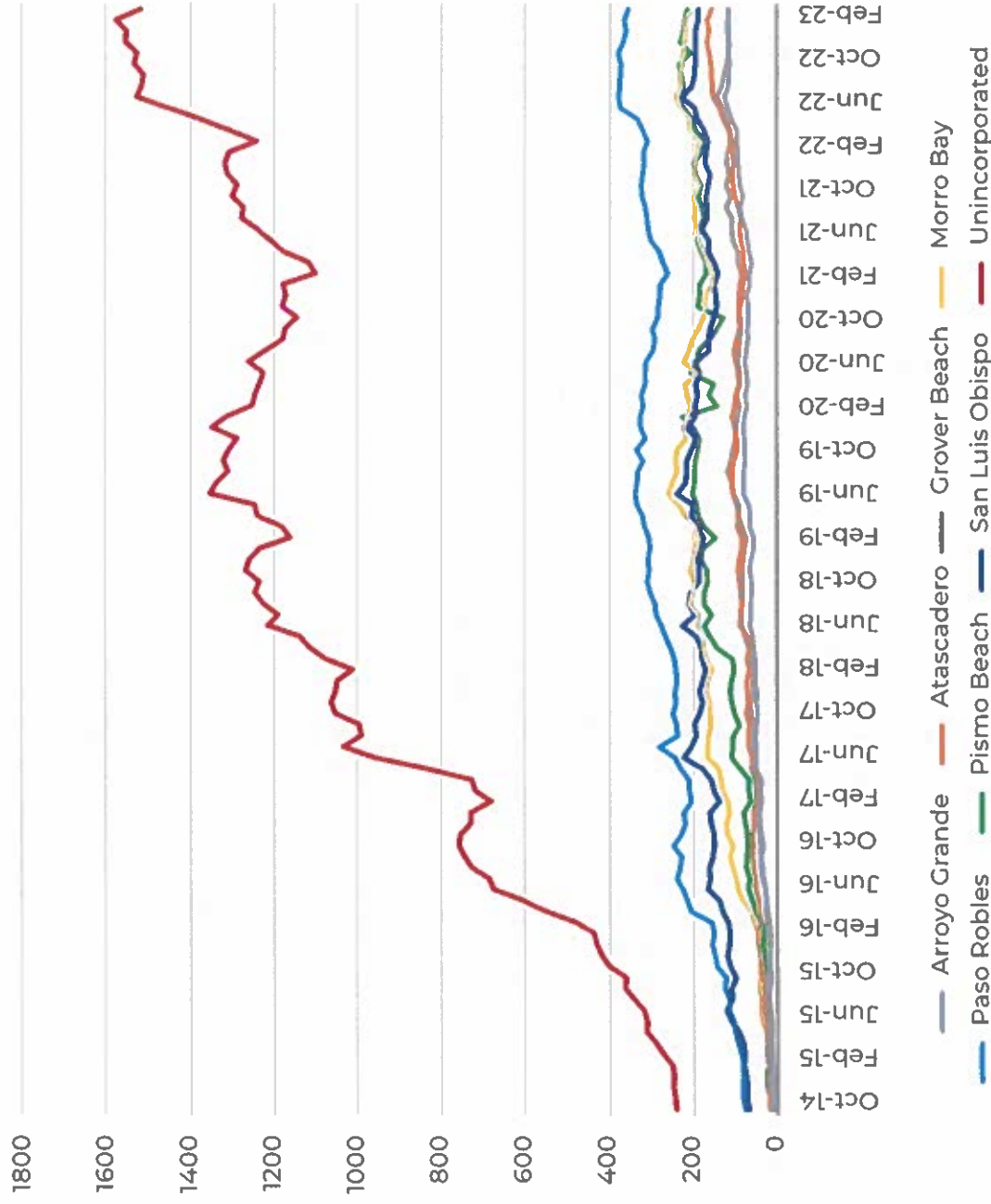
City/Community	Spatial Match	AirDNA field	City/Community	Spatial Match	AirDNA field
Arroyo Grande	116	242	Morro Bay	201	205
Atascadero	156	187	Nipomo	35	49
Avila Beach	4	N/A	Oceano	121	133
Blacklake	5	N/A	Paso Robles	354	715
California Polytechnic State University	1	N/A	Pismo Beach	214	220
Callender	10	N/A	San Luis Obispo	187	289
Cambria	179	201	San Miguel	7	58
Cayucos	151	154	San Simeon	9	10
Creston	1	10	Santa Margarita	6	27
Edna	5	N/A	Shandon	1	2
Grover Beach	115	114	Templeton	89	152
Lake Nacimiento	4	N/A	Unincorporated	777	N/A
Los Berros	8	N/A	Whitley Gardens	2	N/A
Los Osos	90	91	Woodlands	2	N/A
Los Ranchos	9	N/A	Harmony	N/A	N/A

Source: AirDNA (Data as of Feb 2023); Analysis by Beacon Economics

The unincorporated portion of San Luis Obispo County accounts for nearly one-third of all STR activity in the county. Using spatially matched properties, the unincorporated portion of San Luis Obispo County accounts for nearly 60% of all STR activity in the county. Eight out of ten housing units in unincorporated areas are single-family. Unincorporated communities also account for 45% of total single-family units in San Luis Obispo County. Cities and communities with a larger number of single-family homes also tend to have a larger number of short-term rentals.¹⁰

The following chart displays the growth of short-term rentals by community. The biggest growth in recent years has occurred in Paso Robles and the unincorporated parts of the county. In the unincorporated areas, the sharpest rise has occurred in coastal communities such as Cambria, Cayucos and Oceano.

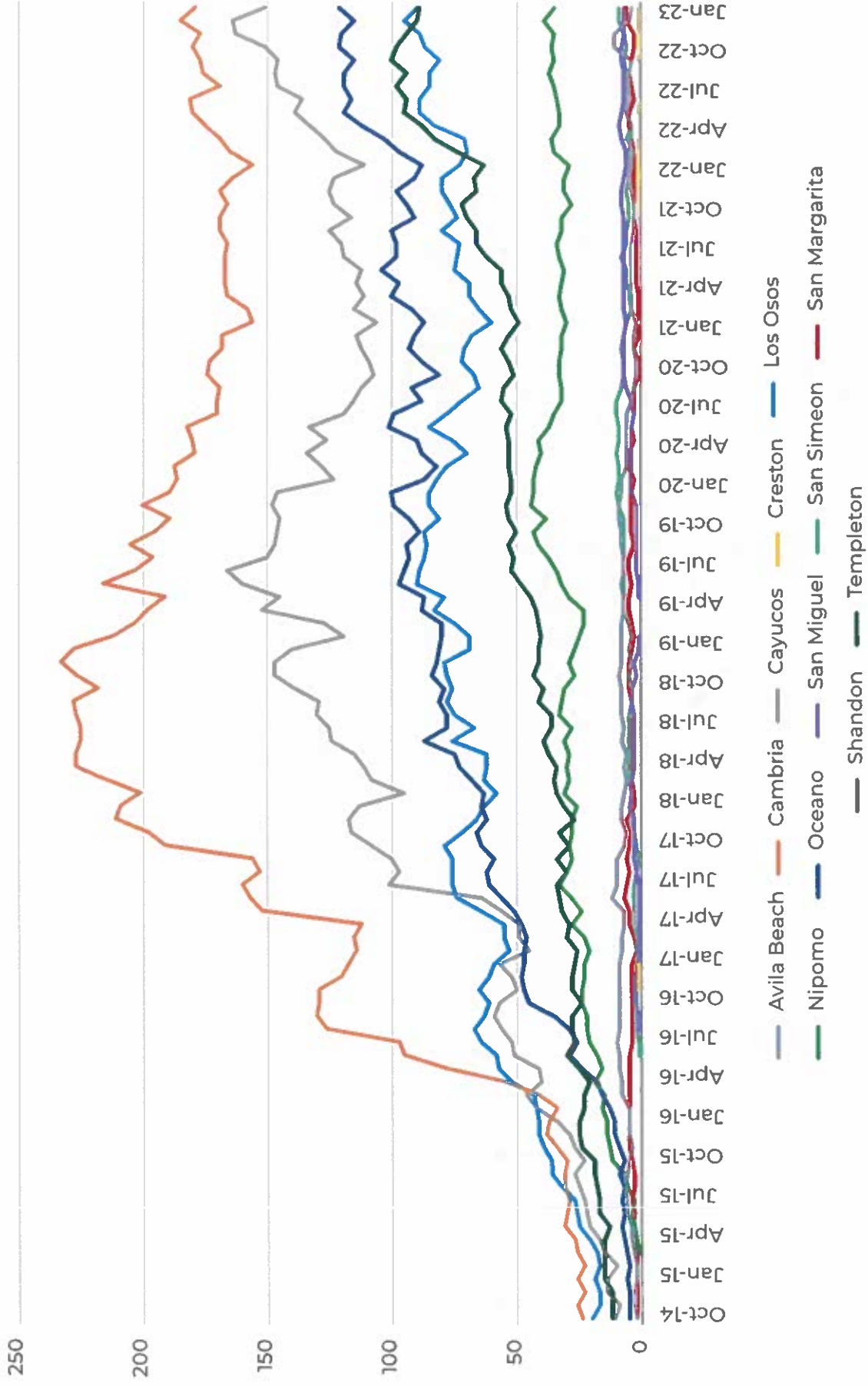
Active STRs by Incorporated City (Spatial Match)



Source: AirDNA; Analysis by Beacon Economics

¹⁰ Active properties are not necessarily licensed. Licensed, compliant STR properties in each community are addressed later in this report.

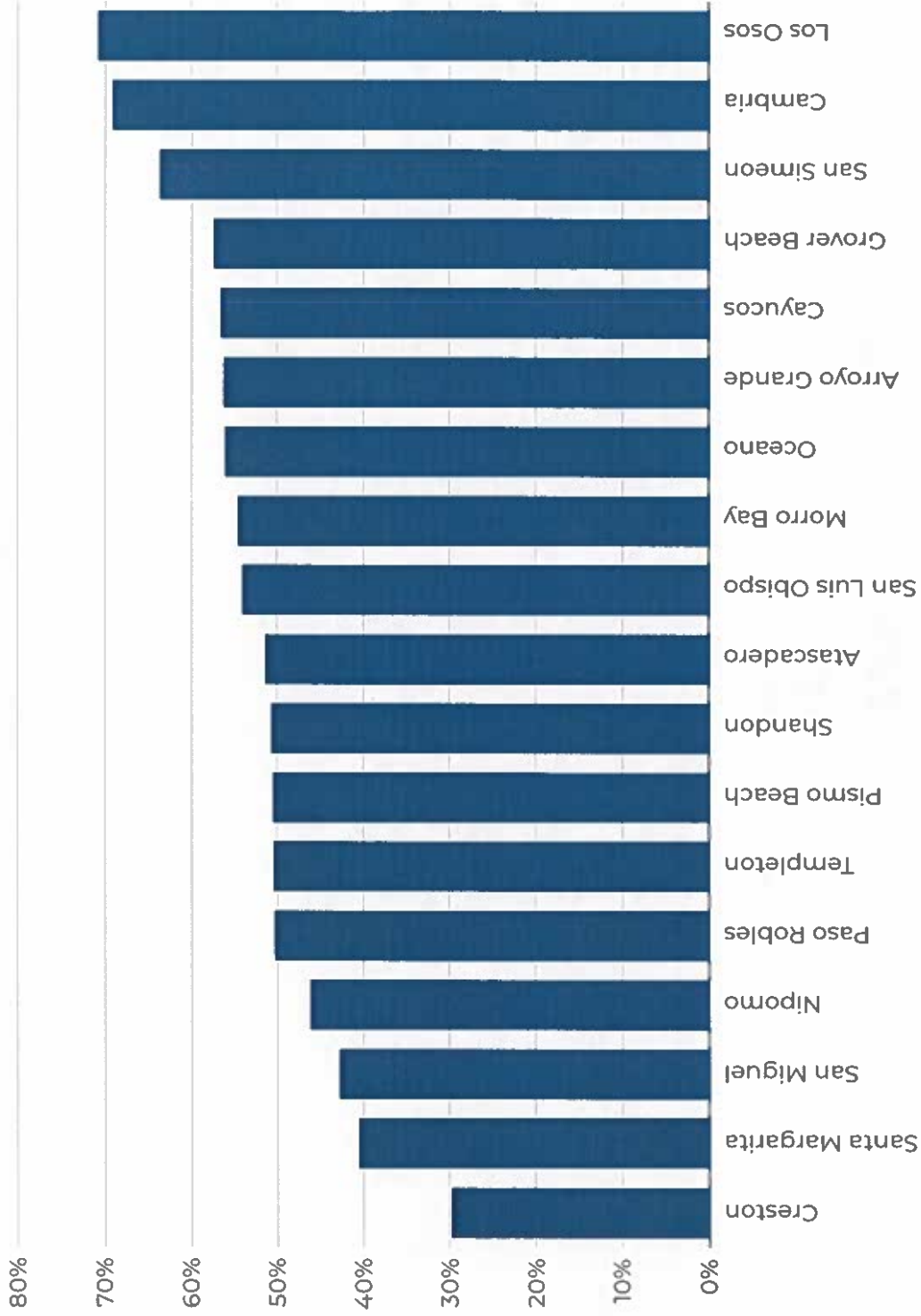
Active STRs by select Community (Spatial Match)



Source: AirDNA; Analysis by Beacon Economics

Measured by occupancy rate, Cambria and Los Osos are among the most sought-after communities, with occupancy rates for short-term rentals of 70.6% and 69% respectively. Paso Robles has more short-term rentals than any other community, but short-term rentals there have close to a 50% occupancy rate. Even the most actively booked communities tend to have lower vacancy rates than the average hotel in the county.

STR Occupancy Rates by City/Community for the Last 12 Months (Ending February 2023)



Source: AirDNA ; Analysis by Beacon Economics

COMPLIANCE STATUS WITH SHORT-TERM RENTALS

One of the issues raised in the regional community of San Luis Obispo is compliance regarding short-term rentals. Throughout the county, regulations for short-term rentals vary depending on the specific jurisdiction. Cities and unincorporated areas in the county have established their own rules and guidelines to govern STRs. In unincorporated areas of San Luis Obispo County, for example, all lodging businesses (including private home vacation rentals) must register for an annual county business license and must collect TOT. In Pismo Beach, short-term rentals are only permitted in detached single-family homes in select zones.

Illegal STR Listings in San Luis Obispo County

City/Community	Illegal Listings*
Arroyo Grande	N/A
Atascadero	N/A
Avila	29
Greater Lake Nacimiento	22
Cambria	48
Cayucos	34
Creston	5
Grover Beach	0
Harmony	N/A
Los Osos	31
Morro Bay	N/A
Nipomo	16
Oceano	68
Other Unincorporated	276
Paso Robles	23
Pismo Beach	N/A
San Luis Obispo	99
San Miguel	22
San Simeon	5
Santa Margarita	11
Santa Maria	2
Templeton	80

Source: Host Compliance; Analysis by Beacon Economics
 * Meets STR definition and is advertised

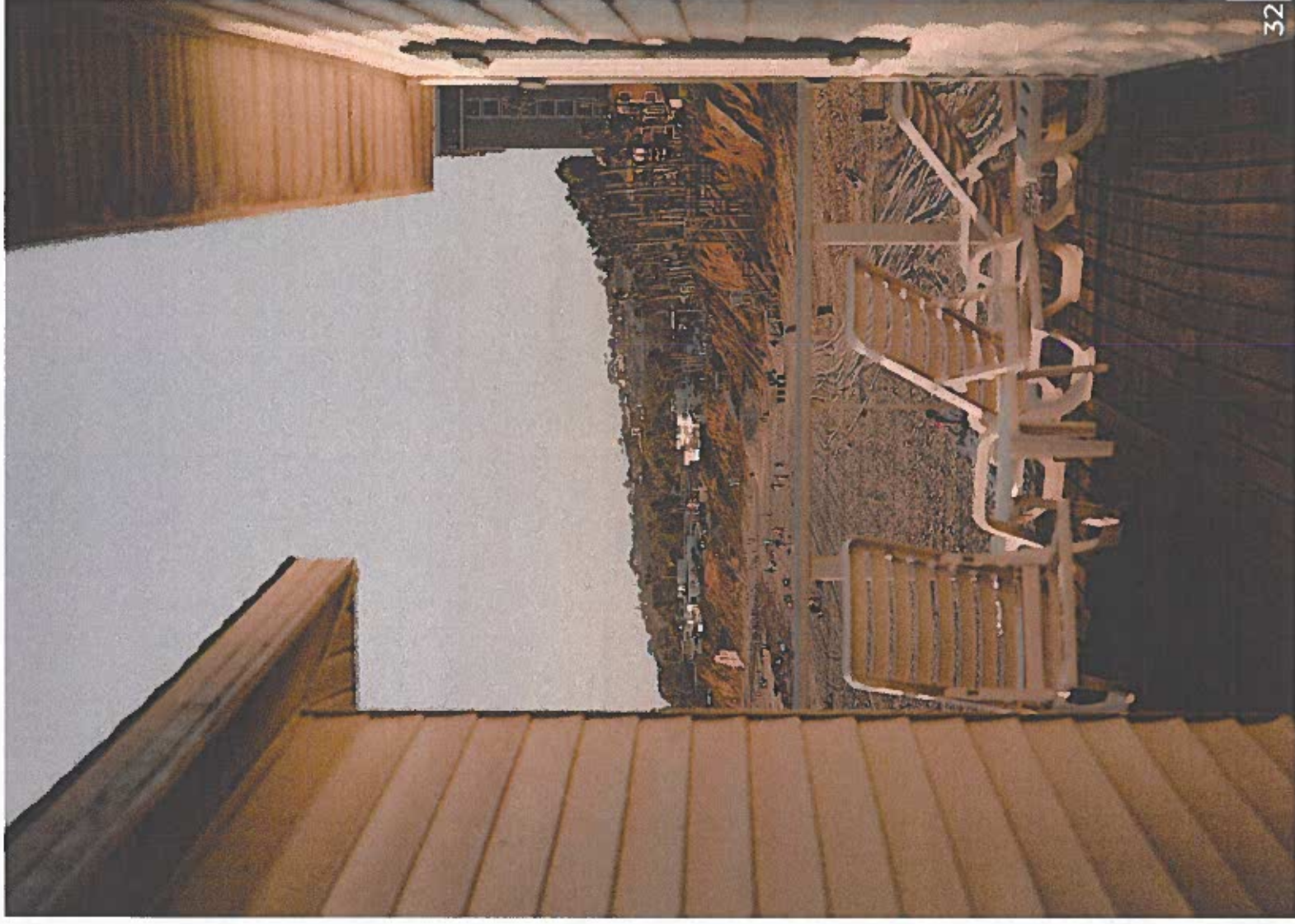
Host Compliance data from Granicus provides an overview of compliant and non-compliant short-term listings. Illegal Airbnb listings have been a recurring issue not just in SLO CAL, but throughout the state.

In the City of Grover Beach, 17 short-term rentals had a compliance status that was not yet determined, but none were found to be non-compliant. Arroyo Grande passed a short-term rental ordinance last year, establishing a cap on the number of vacation rentals that can be permitted and increasing the distance between any two rentals from 300 feet to 500 feet. On June 6, 2023, The Pismo Beach City Council adopted an ordinance (O-2023-003) extending a moratorium on the issuance of short-term rental licenses. The city is currently not accepting applications and no new permits will be issued until further notice.

Compliance is also a major issue in both the unincorporated areas of San Luis Obispo County and the City of San Luis Obispo. Data from Host Compliance suggests that 649 listings¹¹ in unincorporated parts of the county were found to be non-compliant, while in the City of San Luis Obispo, 99 listings were found to be non-compliant. Cambria, Cayucos, and Oceano have all imposed ordinances to reduce vacation rentals over the past few years but still have illegal listings. Clearly, enforcement is a concern in these communities. In the City of Paso Robles, 23 (nearly 7%) of listings were found to be non-compliant.

Non-compliance shapes residents' views on how STRs affect their communities. Airbnb and other platforms have taken steps to address concerns by implementing stricter host verification processes and collaborating with communities that have a contract with Airbnb to ensure compliance with regulations. To combat non-compliance, local governments must crack down on illegal listings, implement stricter enforcement measures, and impose fines on violators.

¹¹ Those advertised and short-term rentals.





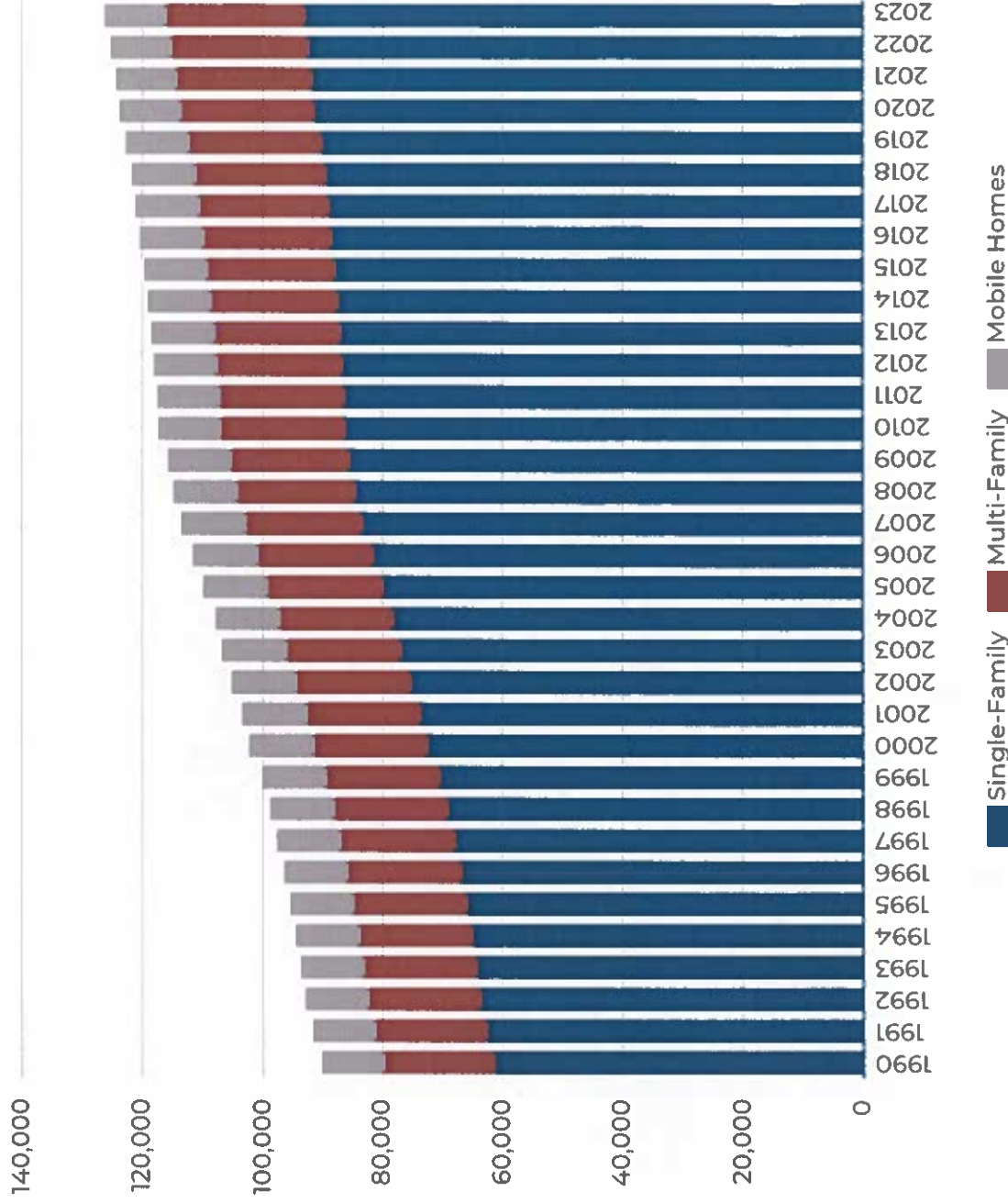
**PART 3: HOUSING MARKET ANALYSIS IN
SAN LUIS OBISPO COUNTY (SLO CAL)**

Situated halfway between the Bay Area and Los Angeles, San Luis Obispo has long been a prime destination for tourists and permanent residents looking for a more relaxed lifestyle. This has affected the local housing market in several ways. First, the region's housing stock has a higher percentage of second homes than many other parts of California. Second, with a year-round Mediterranean-like climate, a world-class university, and access to local amenities there is strong demand for housing in the region, which has pushed housing costs up. And third, lower-income workers have put pressure on the region's already limited multi-family real estate market. These topics are discussed in more detail below.

HOUSING STOCK

San Luis Obispo, like much of California, has seen limited growth in its housing stock over the last decade, adding just 7,796 units from 2013 to 2023, a 6.6% increase. This growth is on par with California, which saw a 6.7% increase over the same period.

San Luis Obispo County Housing Stock



Source: California Department of Finance; Analysis by Beacon Economics

At the local level, unincorporated parts of the county led growth with 2,968 units added between 2013 and 2023, accounting for 38% of units permitted in the county during this period. These figures confirm that coastal areas of the county have increased housing stocks at a slower pace than inland areas.

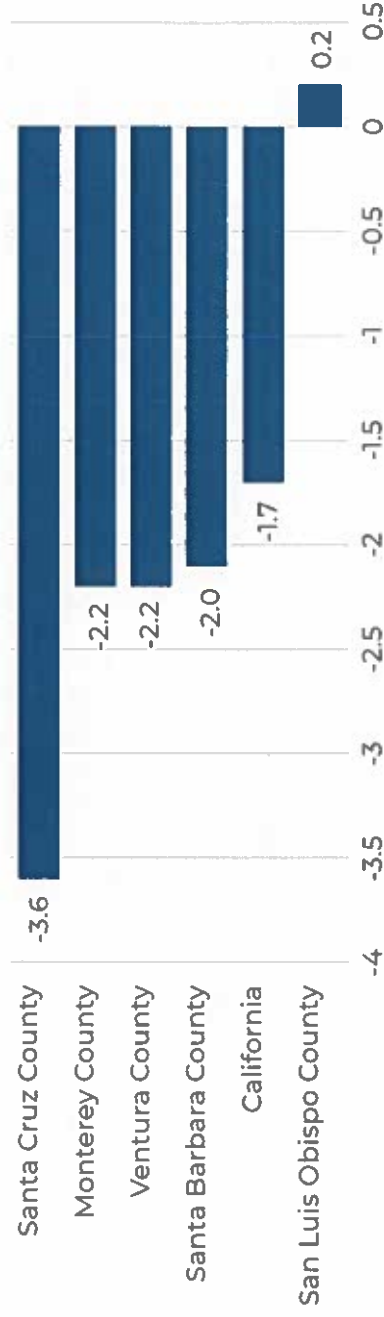
While other parts of California have seen population declines since the start of the pandemic, San Luis Obispo County's population has expanded. From 2019 to 2023, the county's population expanded by just 0.2%. While this is modest growth, California saw its population contract by 1.7% over the same period. San Luis Obispo County has also been a standout on the Central Coast, with the counties of Santa Barbara (-1.7%), Ventura (-2.2%), Monterey (-2.2%), and Santa Cruz (-3.6%) all posting significant population declines over this period.

Housing Unit Growth: 2013 to 2023

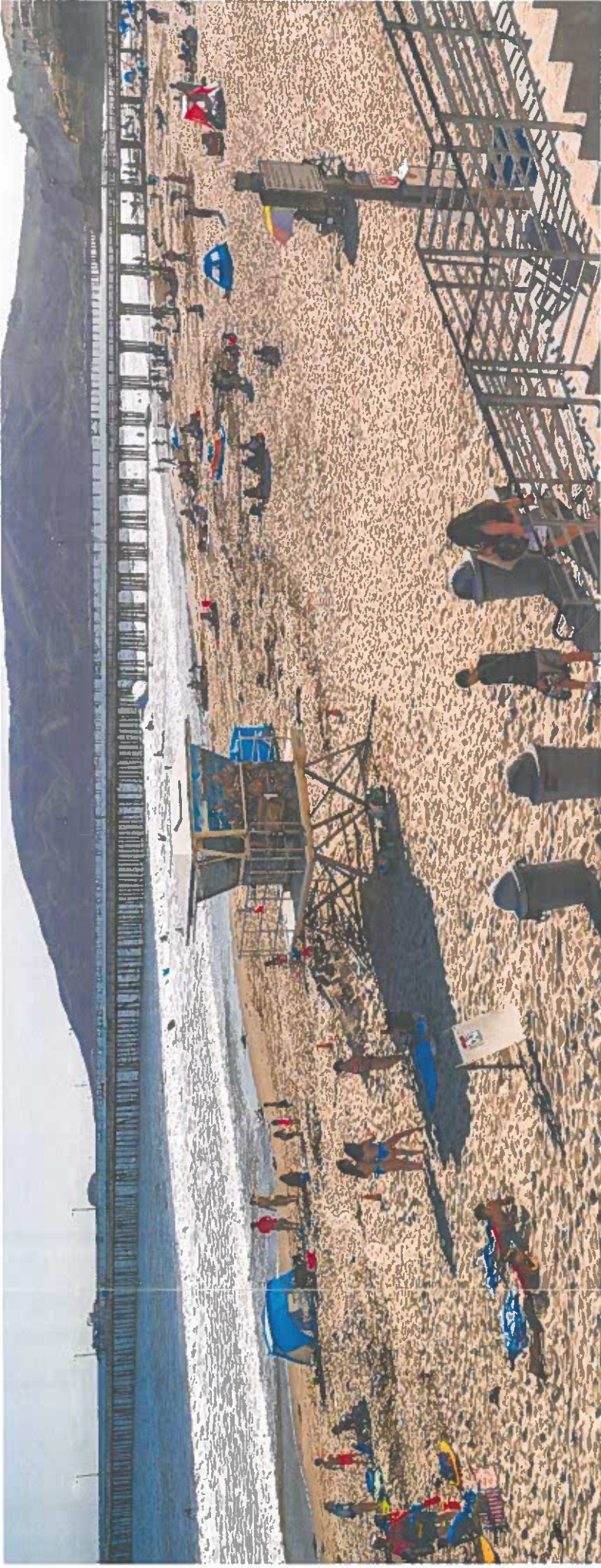
City	Housing Units	Change (#)	Change (%)
San Luis Obispo	22,845	2,148	10.4
Atascadero	12,434	844	7.3
Paso Robles	12,431	799	6.9
Unincorporated	52,087	2,968	6.0
Arroyo Grande	8,086	414	5.4
Pismo Beach	5,861	246	4.4
Morro Bay	6,567	211	3.3
Grover Beach	5,923	166	2.9
County Total	126,234	7,796	6.6

Source: California Department of Finance; Analysis by Beacon Economics

Percent Change in Population (2019-2023)



Source: California Department of Finance; Analysis by Beacon Economics



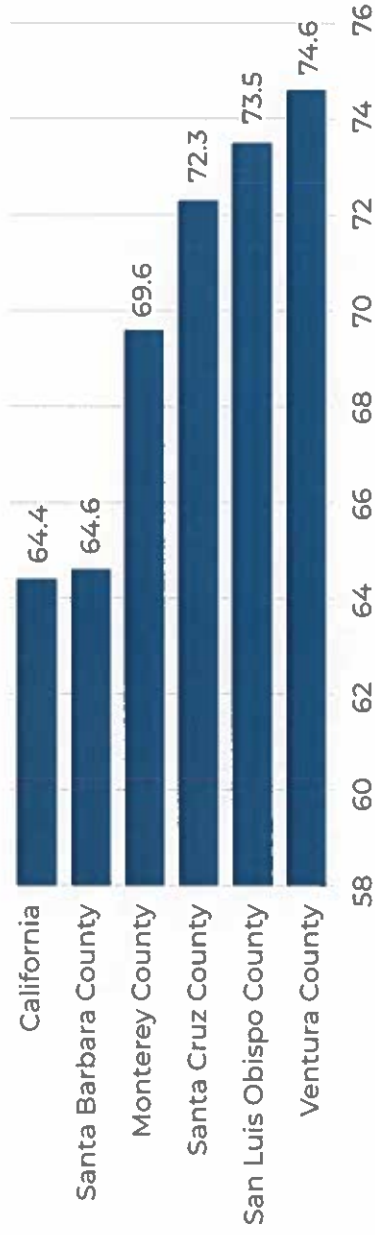
San Luis Obispo County Population Growth by City: 2019 to 2023

City	Population (2023)	Change from 2019 (#)	Change from 2019 (%)
San Luis Obispo City	47,788	1,816	4.0
Unincorporated	121,133	272	0.2
Arroyo Grande	17,922	165	0.9
Morro Bay	10,275	40	0.4
Atascadero	30,206	-94	-0.3
Pismo Beach	7,865	-407	-4.9
Paso Robles	30,692	-457	-1.5
Grover Beach	12,467	-837	-6.3
County Total	278,348	498	0.2

Source: California Department of Finance; Analysis by Beacon Economics

In 2023, 73.6% of San Luis Obispo County's housing units were single-family, a lower share than Ventura County (74.6%), but higher than California (64.4%) and the counties of Santa Cruz (72.3%), Monterey (69.6%), and Santa Barbara (64.6%). The limited inventory of multi-family housing in the region has created high demand and pushed up costs in the rental market.

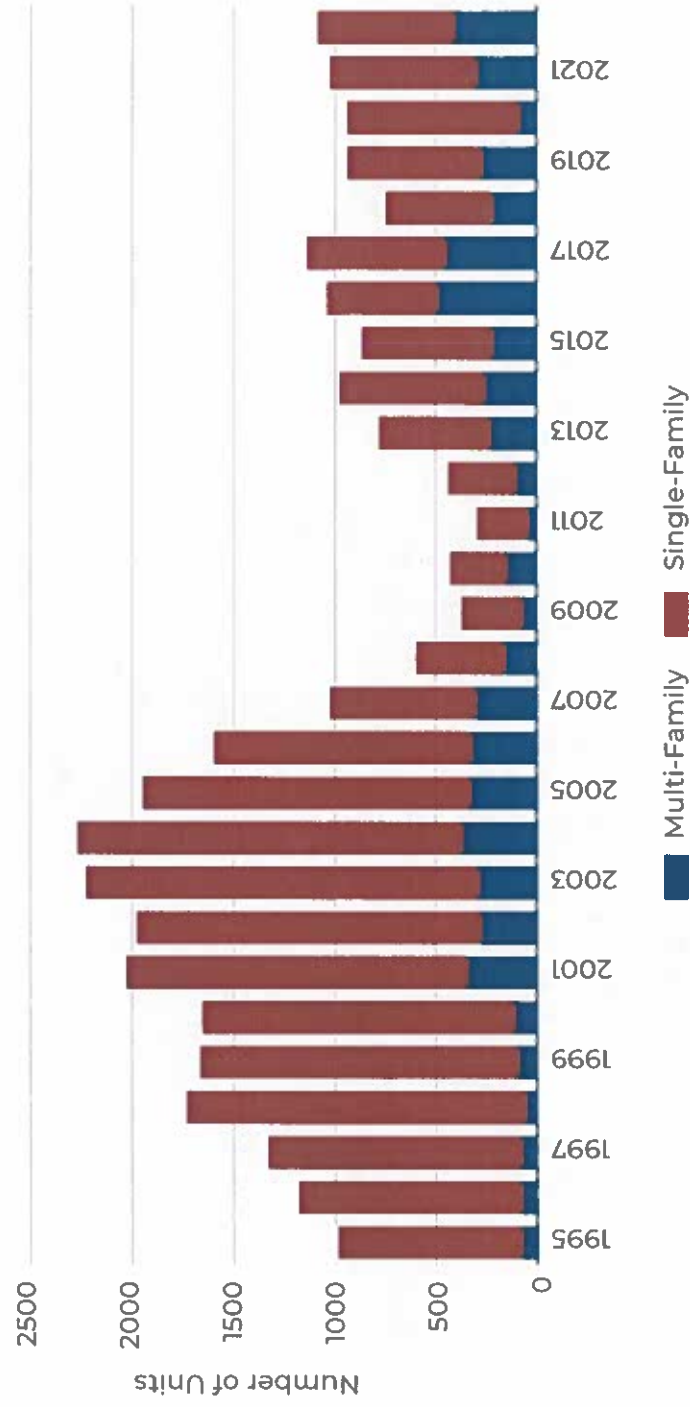
Single-Family Share of Housing Stock (%)



Developers have begun to take notice of the demand for multi-family units in San Luis Obispo County. In 2022, multi-family units accounted for 37.1% of housing units permitted. Over the last ten years, multi-family permits have accounted for 29.9% of housing units permitted. This is a significant increase from 2001 to 2010, when multi-family permits accounted for just 17.5% of housing units permitted. While SLO CAL has increased its multi-family housing stock in recent years, additional permitting is essential for continued growth and for maintaining and expanding the region's workforce.

Source: California Department of Finance; Analysis by Beacon Economics

San Luis Obispo County Building Permits



Source: Construction Industry Research Board; Analysis by Beacon Economics

In 2023, 40.4% of the City of San Luis Obispo's housing stock was multi-family, the largest share in the county. This was followed by Grover Beach (24.7%), Paso Robles (21.3%), Atascadero (21.3%), Pismo Beach (17.6%), Arroyo Grande (15.8%), Morro Bay (15.4%), and the unincorporated parts of the county (7.1%). For comparison, multi-family units account for 31.9% of California's housing stock.

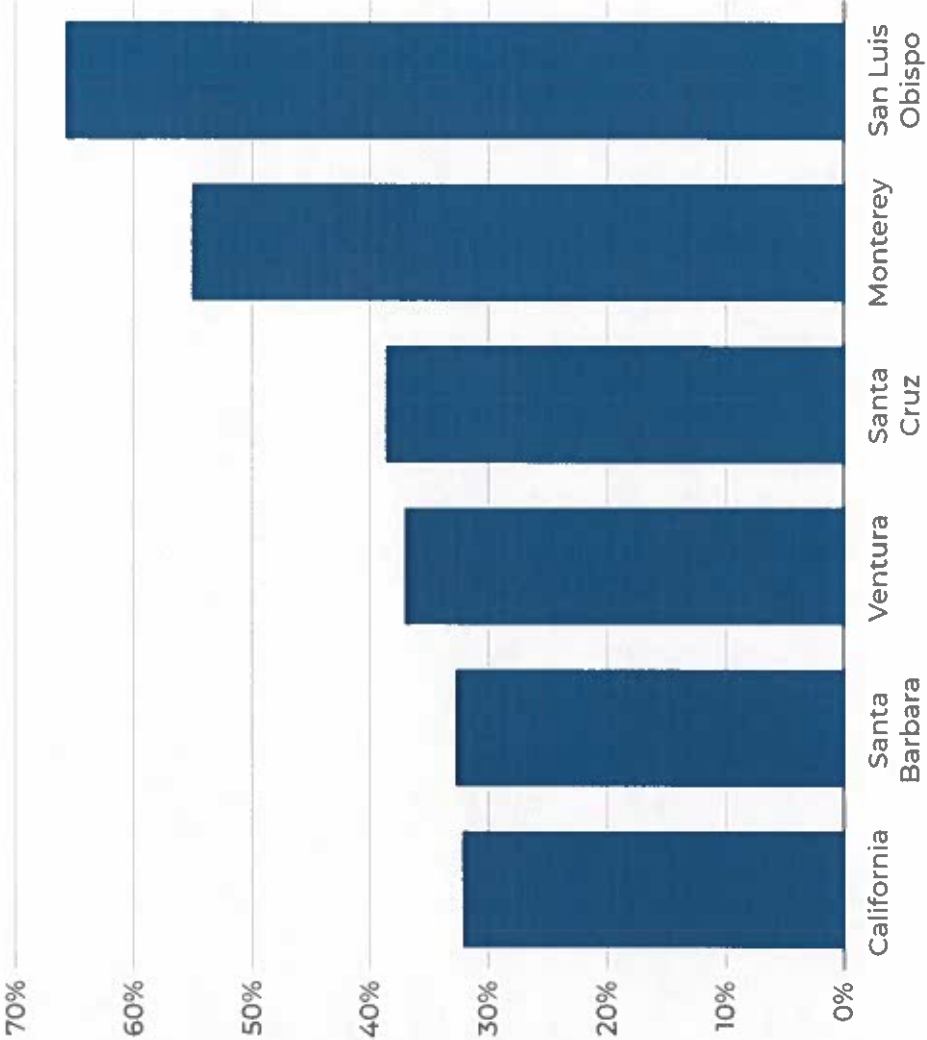
San Luis Obispo County Housing Units by Type and by City (2023)

City	Housing Units	Single Family	Multi Family	Mobile Homes	Multi Family Share of Total
San Luis Obispo	22,845	12,210	9,226	1,409	40.4
Grover Beach	5,923	4,264	1,461	198	24.7
Atascadero	12,434	9,272	2,653	509	21.3
Paso Robles	12,431	9,496	2,652	283	21.3
Pismo Beach	5,861	4,105	1,031	725	17.6
Arroyo Grande	8,086	6,233	1,279	574	15.8
Morro Bay	6,567	5,091	1,009	467	15.4
Unincorporated	52,087	42,153	3,695	6,239	7.1
County Total	126,234	92,824	23,006	10,404	18.2

Source: California Department of Finance; Analysis by Beacon Economics

Home vacancy rates are higher in San Luis Obispo County than in California overall. These rates are mostly driven up by the number of second homes in the region.

Second Homes Share of Vacant Units



Source: U.S. Census Bureau American Community Survey; Analysis by Beacon Economics

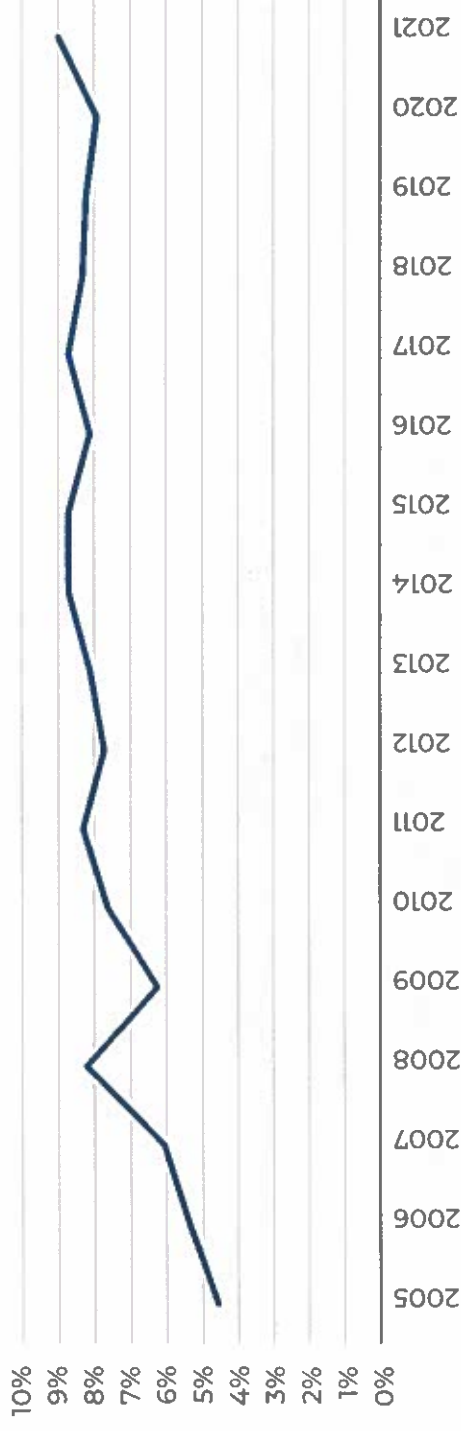


In 2023, 12.9% of homes were vacant in San Luis Obispo County, significantly higher than the 6.6% vacancy rate in California. However, most vacant properties in the county are second homes. In 2021, second homes accounted for 65.7% of vacant units in San Luis Obispo County, as compared to just 32.1% in California. Removing second homes from the vacancy rate tally brings San Luis Obispo County in line with California.

Second homes account for 9.0% of SLO CAL's total housing stock, compared to just 2.4% in California.

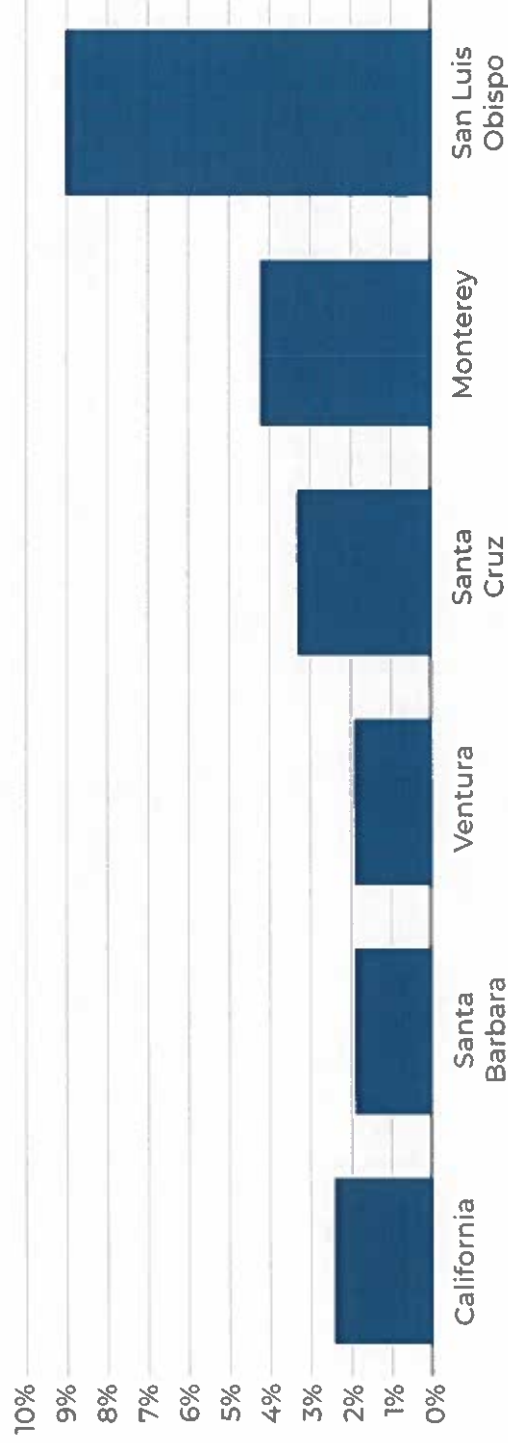
San Luis Obispo County also has a larger share of housing stock devoted to second homes than its Central Coast neighbors: Monterey (4.2%), Santa Cruz (3.3%), Ventura (1.9%) and Santa Barbara (1.9%). While the pandemic increased demand for second homes in 2021, the high proportion of second homes in San Luis Obispo County is not a recent development.

San Luis Obispo County Second Homes as a Percent of Housing Stock



Source: U.S. Census Bureau American Community Survey; Analysis by Beacon Economics

Second Homes Share of Total Units

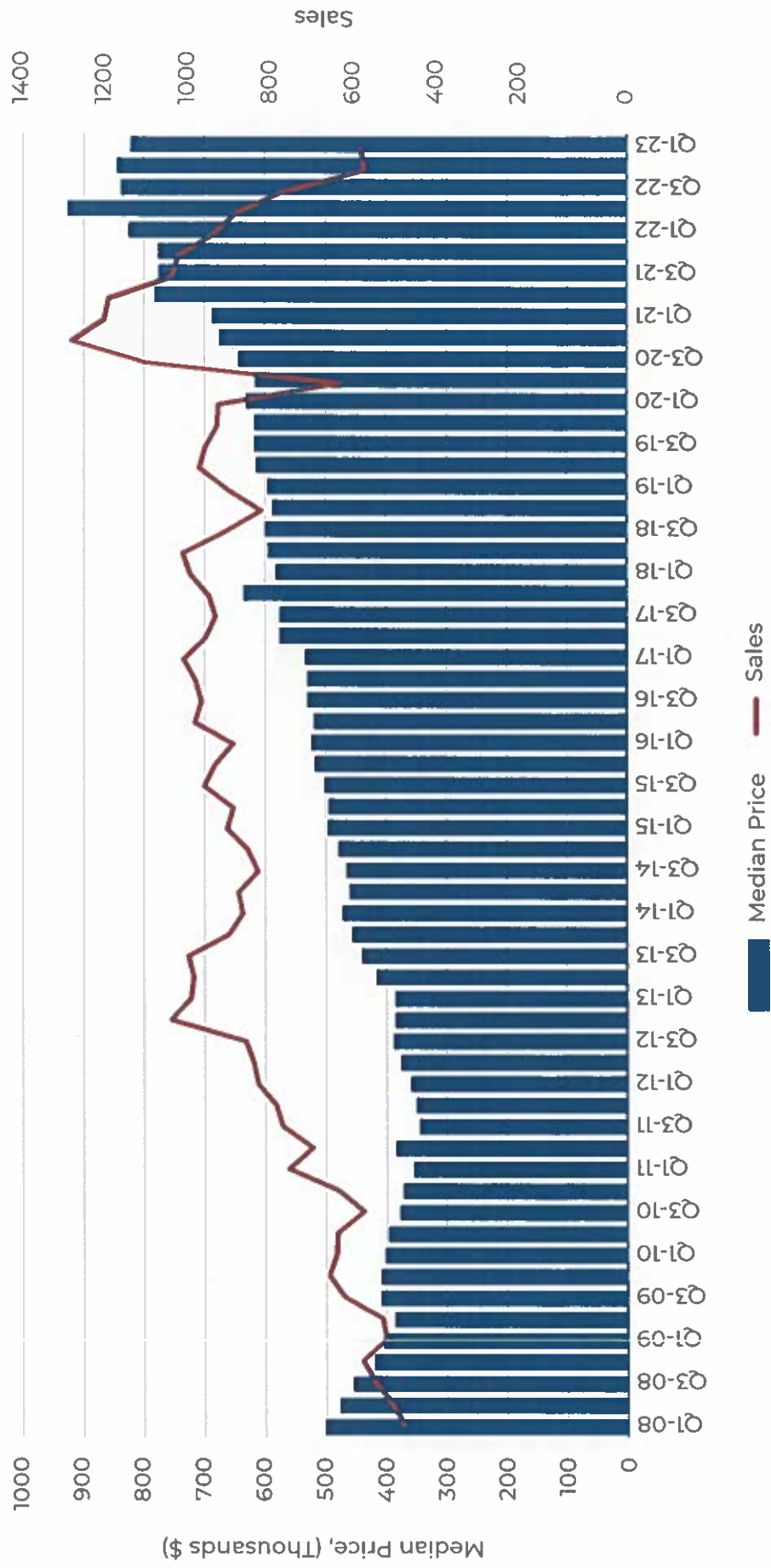


Source: U.S. Census Bureau American Community Survey; Analysis by Beacon Economics

AFFORDABILITY

With strong demand and limited inventory, house prices have risen significantly in San Luis Obispo County in recent years. From the first quarter of 2018 to the first quarter of 2023, the median price for an existing single-family home grew 41.4% to \$821,400. Home prices in SLO CAL were just 1.8% below California overall in the first quarter of 2023. At the city level, in the first quarter of 2023, the median price for an existing single-family home reached \$953,000 in Arroyo Grande, \$646,100 in Paso Robles, and \$908,500 in the City of San Luis Obispo.

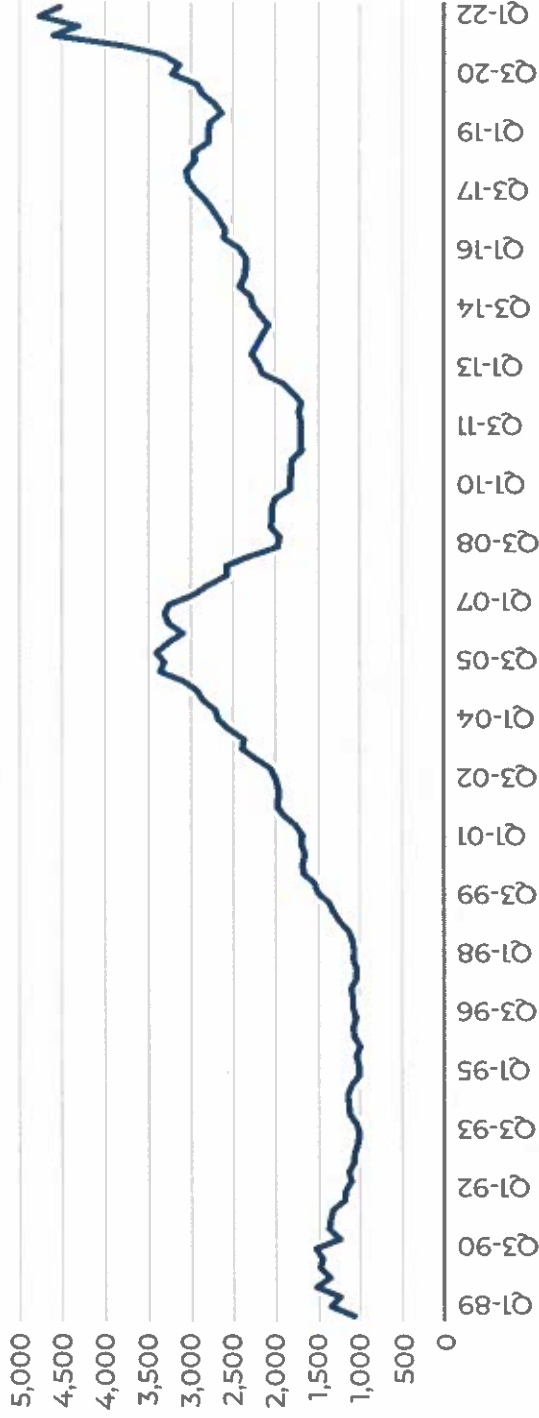
San Luis Obispo County Existing Home Prices and Sales



Source: CoreLogic; Analysis by Beacon Economics

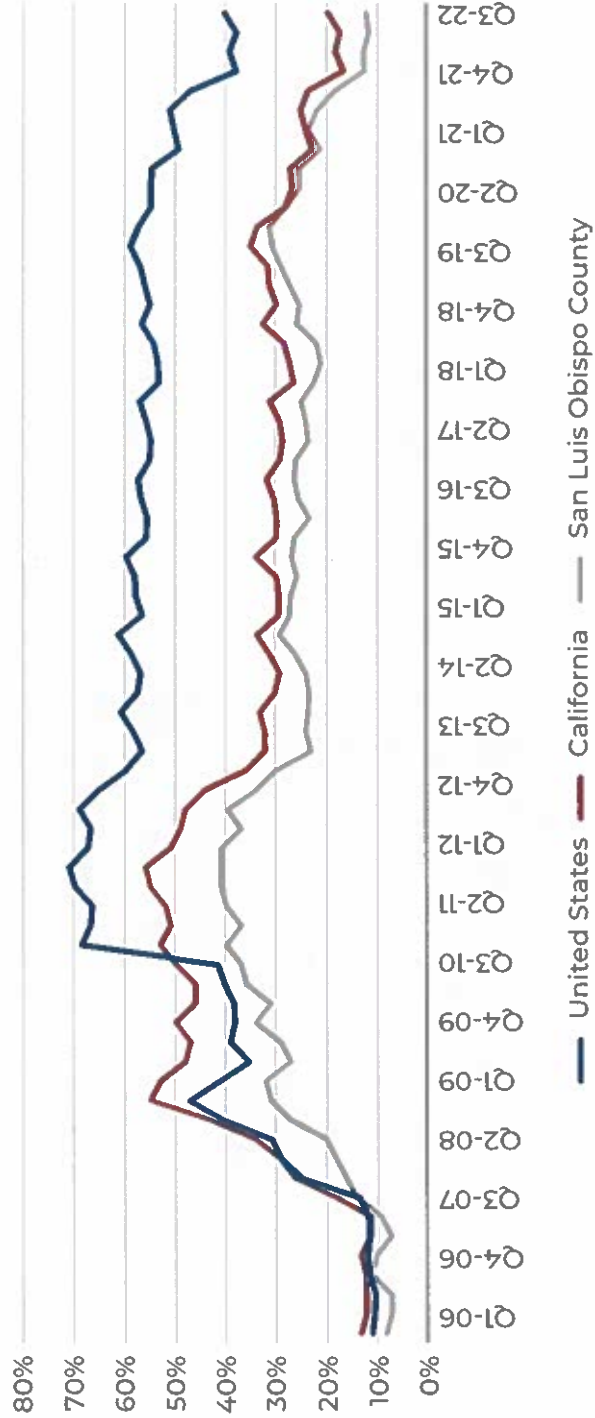
Rising prices are not the only factor in increasing housing costs for San Luis Obispo County households; higher interest rates are also hiking monthly mortgage payments. The typical mortgage cost for an existing single-family home rose 60.5% from the first quarter of 2018 to the first quarter of 2023, reaching \$4,527 per month, outpacing the 41.4% increase in home prices over this period by a wide margin.

San Luis Obispo County Monthly Mortgage Cost for Existing Single-Family Homes



Source: CoreLogic; Analysis by Beacon Economics

Traditional Housing Affordability Index



Source: California Association of Realtors; Analysis by Beacon Economics

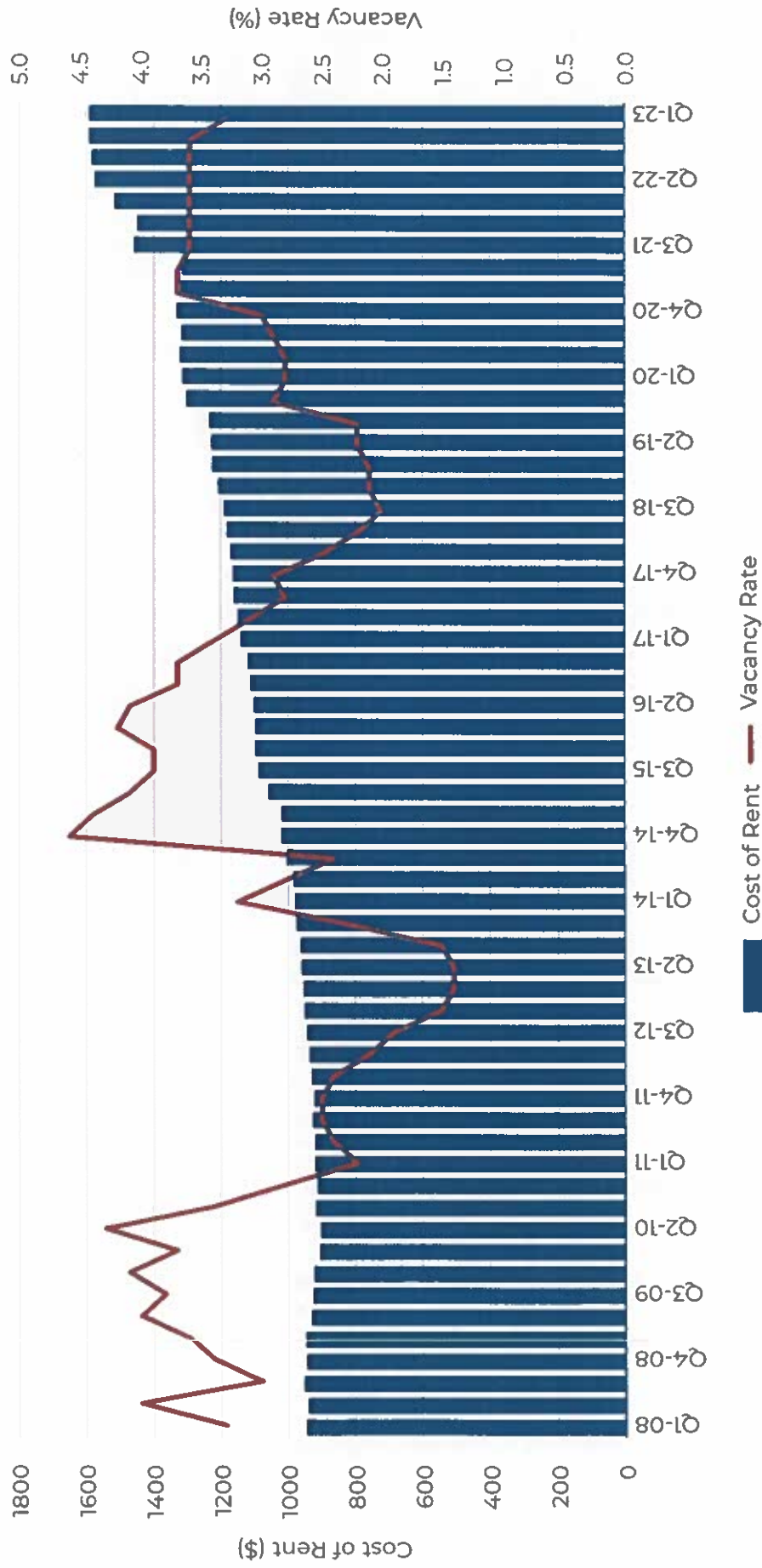
Increased prices and higher interest rates have significantly reduced the number of buyers who can afford a home in San Luis Obispo County. In the first quarter of 2023, just 12% of households could afford a single-family home in the county. San Luis Obispo County is among the least affordable areas in the state, where 19.5% of households can afford a single-family home. In terms of housing affordability, SLO CAL and California both fall well behind the U.S., where 40% of households can afford a single-family home.

Affordability is not a recent trend in either the county or California, however. In the first quarter of 2013, 34% of households could afford a single-family home in SLO CAL compared to 44% in California and 65% in the U.S. overall.

Rents have also risen significantly across the county over the last decade, but not as rapidly as home prices or mortgage costs. From the first quarter of 2018 to the first quarter of 2023, the rent for an average apartment grew 35.8%, reaching \$1,589. While home prices are significantly above the U.S. average, apartment rents in SLO CAL are 10.7% below the United States average. Additionally, vacancy rates in San Luis Obispo County were just 3.3% in the first quarter of 2023, well below the U.S. average of 4.9%.

With more people being priced out of the local housing market, demand should remain strong for the multi-family market in the coming years.

Apartment Market in San Luis Obispo County



Source: REIS (Moody's Analytics); Analysis by Beacon Economics

WORKFORCE HOUSING

High housing costs in San Luis Obispo County have disproportionately hit lower-income households who must now either devote a significant portion of their income to housing, move to areas further away from job centers, or move to lower-cost areas of the state or country.

Unsurprisingly, lower-income households are more likely to live in rented accommodation than higher-income households. San Luis Obispo County sees a higher share of households in owner-occupied housing compared to other parts of California. In 2021, 86% of households earning \$150,000 or more lived in owner-occupied housing, a higher share compared to the 76.5% in California. For households earning less than \$25,000, 44.3% live in owner-occupied housing in San Luis Obispo, compared to 34.2% in California.

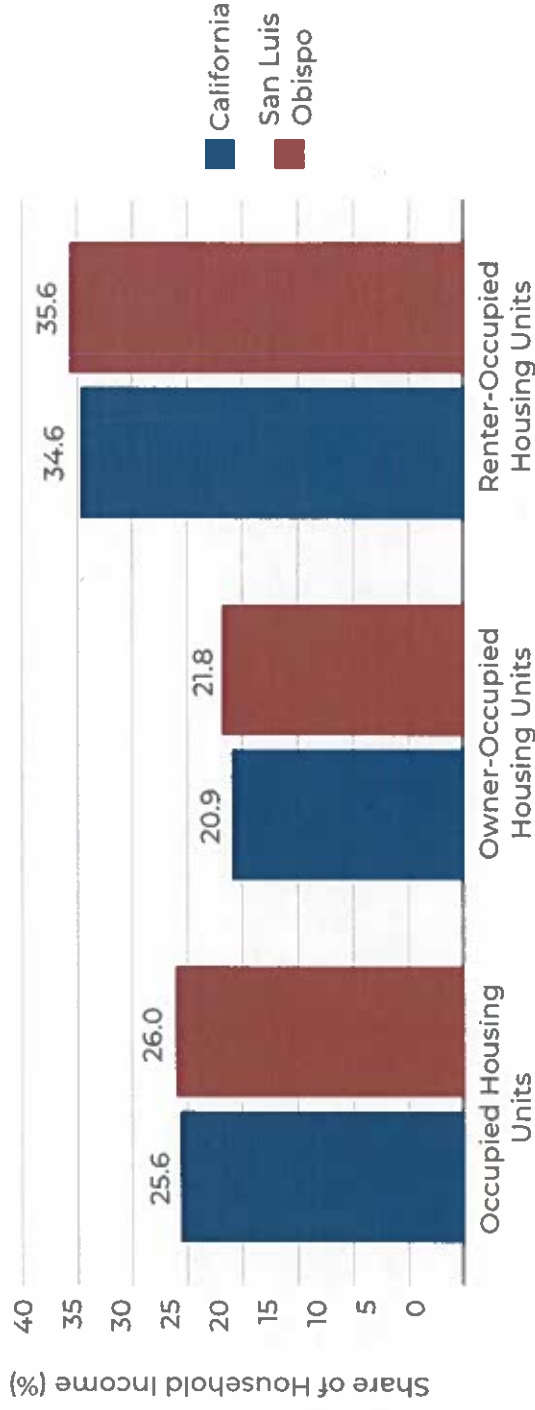
Housing Tenure by Income

Income	San Luis Obispo County		California	
	Owner-Occupied Housing Units	Renter-Occupied Housing Units	Owner-Occupied Housing Units	Renter-Occupied Housing Units
Less than \$25,000	44.3	55.7	34.2	65.8
\$25,000 to \$49,999	54.0	46.0	42.0	58.0
\$50,000 to \$74,999	54.9	45.1	48.1	51.9
\$75,000 to \$99,999	57.4	42.6	54.9	45.1
\$100,000 to \$149,999	69.8	30.2	63.5	36.5
\$150,000 or more	86.0	14.0	76.5	23.5

Source: U.S. Census Bureau American Community Survey, Analysis by Beacon Economics

San Luis Obispo County households spend a higher share of their incomes on housing compared to other parts of California. In 2021, the average household in San Luis Obispo County paid 26.0% of their income on housing, just above the 25.6% average for California. Households in owner-occupied housing in San Luis Obispo County spent 21.8% of their incomes on housing, compared to 20.9% in California. Households in renter-occupied housing in San Luis Obispo County spent 35.6% of their incomes on housing, compared to 34.6% in California.

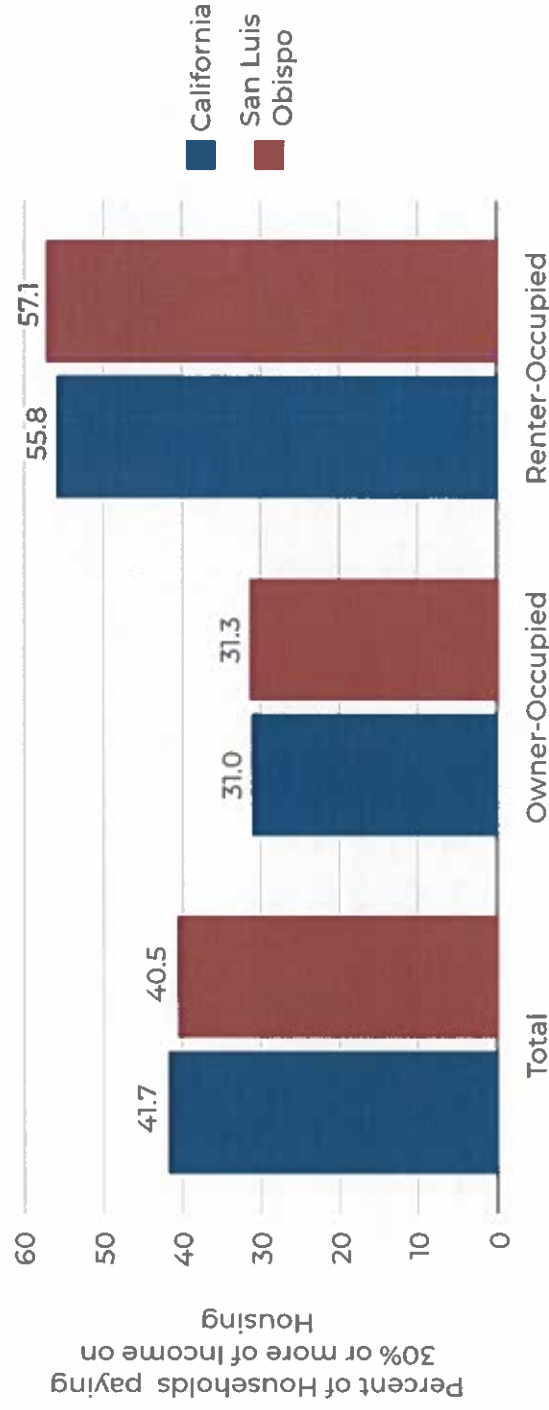
Housing Costs



Source: U.S. Census Bureau American Community Survey; Analysis by Beacon Economics

While San Luis Obispo County households spend a higher share of their income on housing than those other parts of California, there are fewer households burdened by high housing costs than in much of the state overall because of a greater rate of homeownership. In 2021, 40.5% of households in San Luis Obispo County spent over 30% of their income on housing, as opposed to 41.7% in California. Renter households were more likely to be housing-cost burdened, with 57.1% of renter households in San Luis Obispo County spending over 30% of their income on housing, as opposed to just 31.3% for owner-occupied housing units.

Housing Costs Burden by Tenure

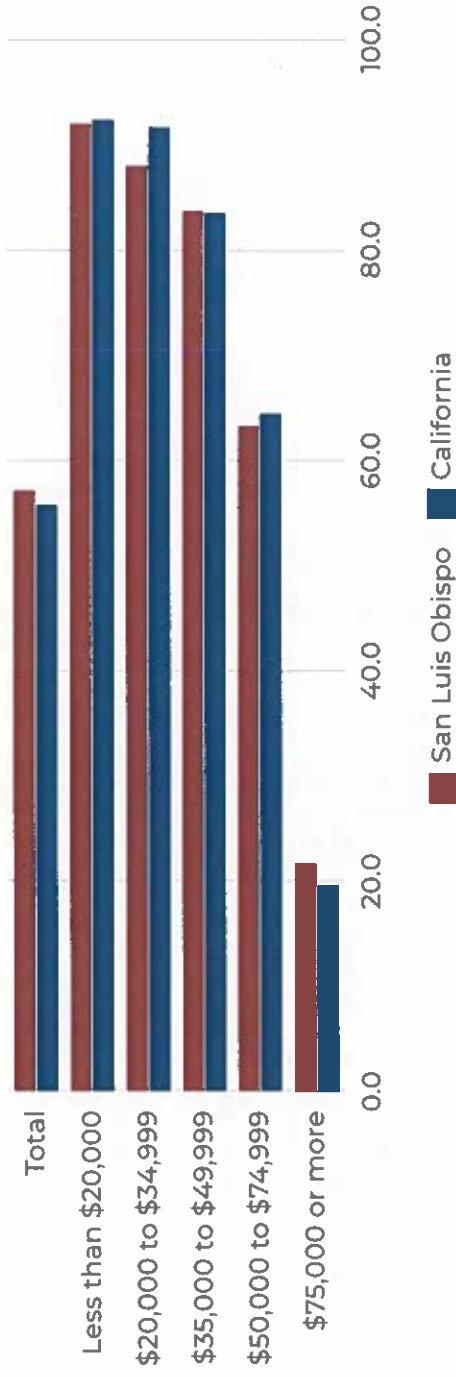


Source: U.S. Census Bureau American Community Survey; Analysis by Beacon Economics

In San Luis Obispo County, 92% of households earning less than \$20,000 are rent burdened, meaning they spend over 30% of their household income on housing. Similarly, 92.4% of households in California earning less than \$20,000 are rent burdened. In contrast, just 21.6% of households earning over \$75,000 faced housing costs that exceeded 30% of their income. This compares to 19.6% in California.

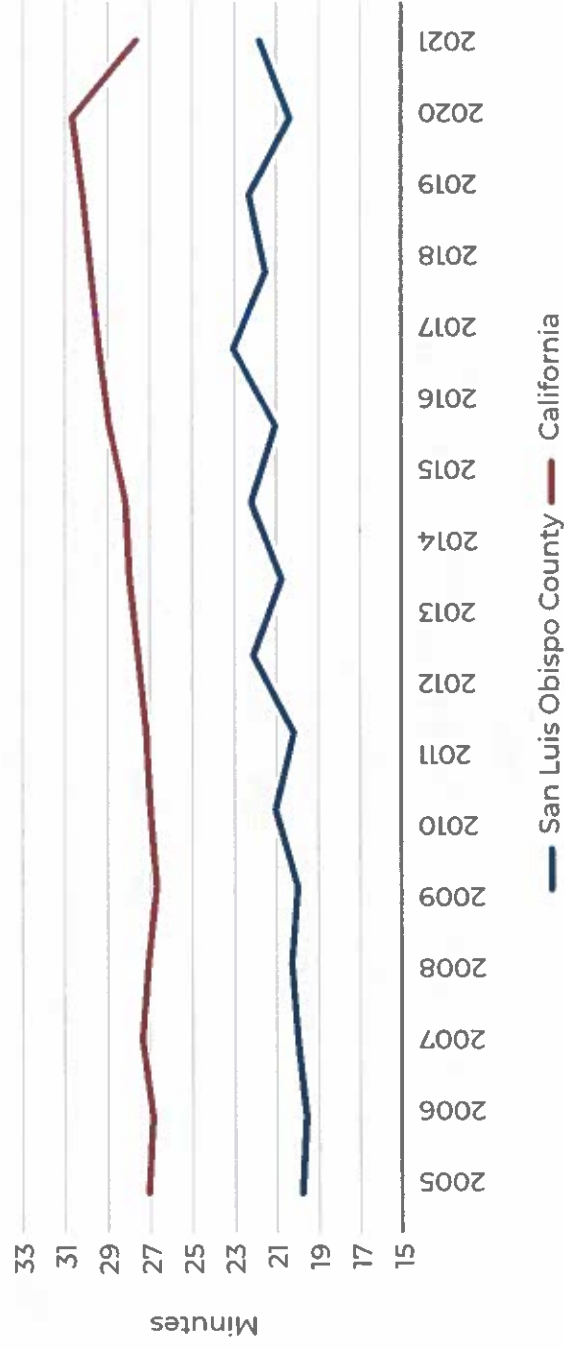
In 2021, despite high housing costs, 89.3% of San Luis Obispo County workers lived and worked in the county. This is slightly higher than the 86.1% figure for the state as a whole. With more people working in the county, commute times are shorter. In 2021, the average commute to work for San Luis Obispo County residents was just 21.8 minutes, well below the statewide average of 27.6 minutes. Assuming a five-day work week, this amounts to a time saving of nearly one hour per week for SLO CAL residents compared to California overall.

Rent Burdened Households by Income



Source: U.S. Census Bureau American Community Survey; Analysis by Beacon Economics

Average Commute Time to Work



Source: U.S. Census Bureau American Community Survey; Analysis by Beacon Economics

A photograph of a white wooden signpost with a red sign that says "FOR SALE" in white, bold, sans-serif capital letters. The sign is positioned in front of a two-story house with a light-colored exterior and a brown roof. The house has several windows, some with white shutters. The background is a clear blue sky. The signpost is made of two white wooden posts. The sign is attached to the top post with two metal fasteners.

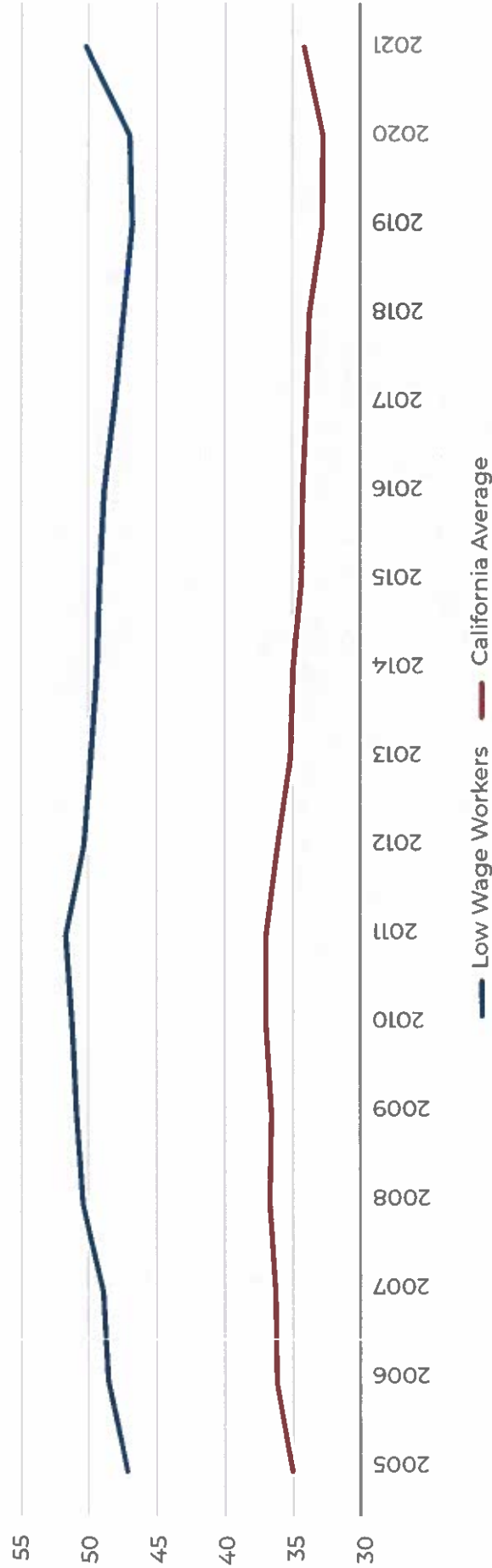
**FOR
SALE**

**PART 4: SHORT-TERM RENTAL ACTIVITY
AND THE HOUSING MARKET IN SAN
LUIS OBISPO COUNTY**

Following the rapid rise of short-term rentals, local governments throughout the U.S. have wrestled with how to best to regulate them. This report is primarily concerned with the notion that short-term rentals accentuate concerns over housing affordability and that STRs particularly burden and remove housing for low-income households. The final part of this analysis considers the extent to which short-term rentals affect the local housing market and low-income households in particular.

As the housing market analysis demonstrates, communities throughout San Luis Obispo County are in the midst of a long-term housing affordability crisis, which considerably pre-dates the emergence of STR platforms like Airbnb and Vrbo. California's affordability crisis has implications for most households except the very wealthiest. Low-income households are especially burdened. The chart below shows housing costs as a percentage of household income. For the lowest 20% of earners in the state, housing costs make up more than 50% of their income. Households are widely considered to be cost-burdened if they spend more than 30% of their income on housing.

Housing Cost as a Percentage of Household Income in San Luis Obispo County



Source: U.S. Census Bureau American Community Survey; Analysis by Beacon Economics

For STRs to affect housing affordability in a community, two things should be true:

- 1) STR activity should reduce the supply of housing in that community.
- 2) STR activity should specifically remove from the market the type of housing in which lower-income households reside.

The following analysis considers each of these aspects of STR activity.

SHORT-TERM RENTAL HOUSING AND HOUSING SUPPLY

Only 2.7% of San Luis Obispo County's existing housing stock is devoted to STR activity (this includes both legal and illegal listings). These figures vary by community, as shown in the table on the right. STR listings as a share of the housing stock is highest in Creston (29.3%), although this is a community with only 41 housing units. However, using spatial matching, short-term rentals account for only 2.4% of housing stock. In most other communities, less than 5% of housing units contain STR activity. Theoretically then, converting all STR housing to long-term rentals could increase the county's housing supply by around 2%-3% on average.

Share of Housing by City/Community

Community	Housing Units (2021)	STR % of Housing ¹²	STR % of Housing (Spatial Match)
Arroyo Grande	8,035	2.7	1.2
Atascadero	12,170	1.2	0.9
Avila Beach	1,031	N/A	0.4
Cambria	4,139	4.6	3.9
Cayucos	2,467	7.4	7.3
Creston	41	29.3	2.4
Grover Beach Harmony	5,913	2.1	2.2
Los Osos	6,605	1.2	1.2
Morro Bay	6,304	3.1	2.9
Nipomo	6,057	0.6	0.4
Oceano	3,451	3.9	3.3
Paso Robles	12,556	4.9	2.6
Pismo Beach	6,040	4.1	3.9
San Luis Obispo	21,032	1.3	0.9
San Miguel	853	4.5	0.8
San Simeon	307	3.3	2.0
Santa Margarita	543	3.7	0.6
Shandon	372	0.3	N/A
Templeton	3,303	4.2	2.0

Source: US Census Bureau, AirDNA; Analysis by Beacon Economics

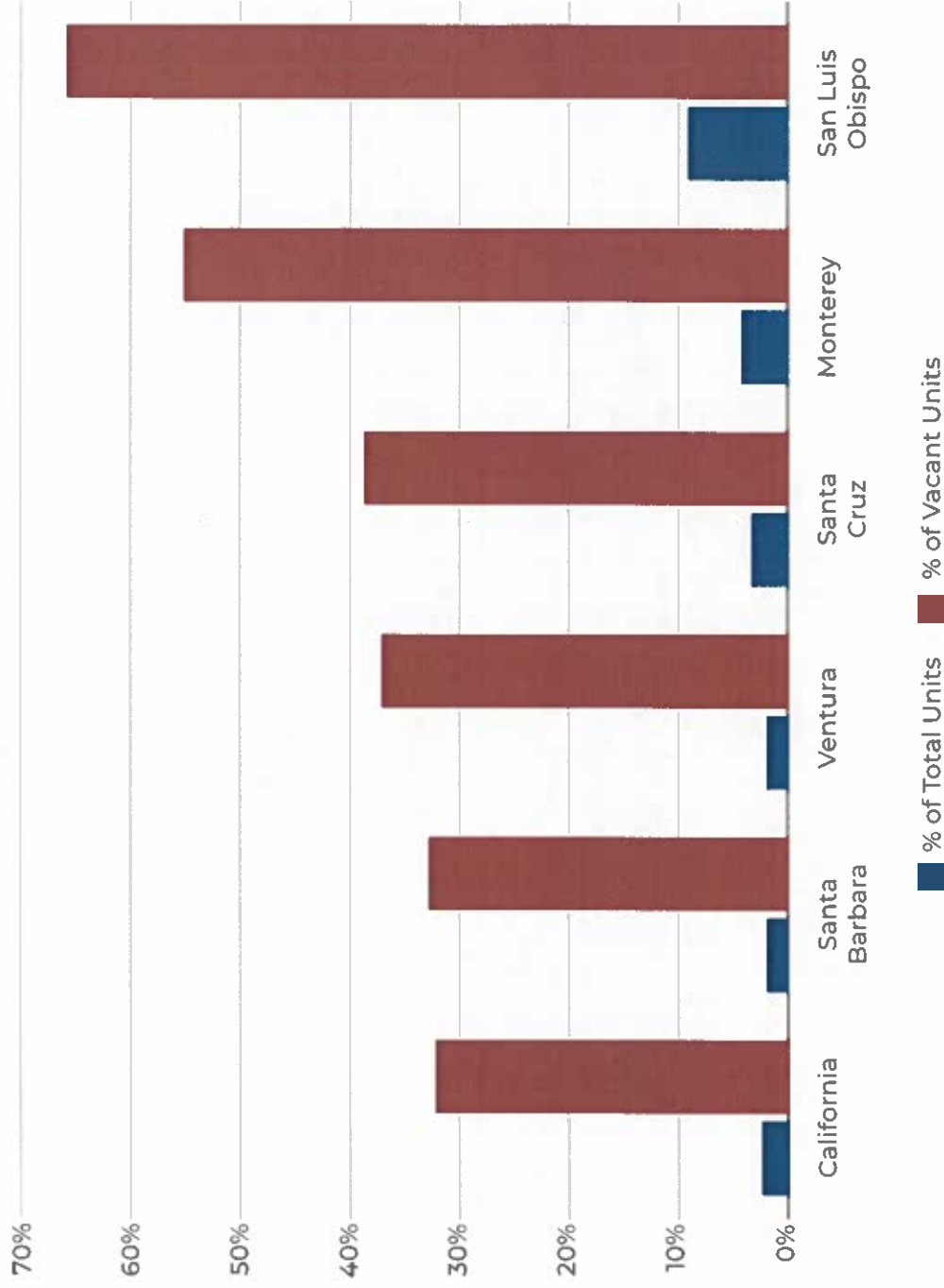
¹²Applies to properties listed as entire unit. Excludes non-housing and non-active properties. Also excludes listings such as buses, campsites, boats, barns, tents, yurts, and religious buildings.

¹¹ The percentage of STRs in the total housing mix does not address licensed or unlicensed STRs, but total active units. The percentage of STRs could be lower if licensed and illegal STRs were removed.

It is unlikely that all housing currently devoted to STR activity would be converted to long-term rentals, and therefore increase local housing supply, since a relatively large share of housing units in communities across the county (9%) are second homes (i.e., not the homeowner's primary residence). This compares to 2.4% in California as a whole and is more than double the rate in similar neighboring communities such as Santa Cruz, Monterey, and Santa Barbara. The rate of second homes in SLO CAL has doubled over the past 15 years.

A proportion of the STR properties in the community are second homes, although it is not possible to measure exactly how many. Therefore, removing all STR activity would not necessarily lead to a 2-3% increase in housing supply since it is likely that many of these units would remain vacation homes for property owners. Furthermore, if local leaders seek to increase the supply of housing in their communities, there are more direct ways to achieve this by zoning for more housing.

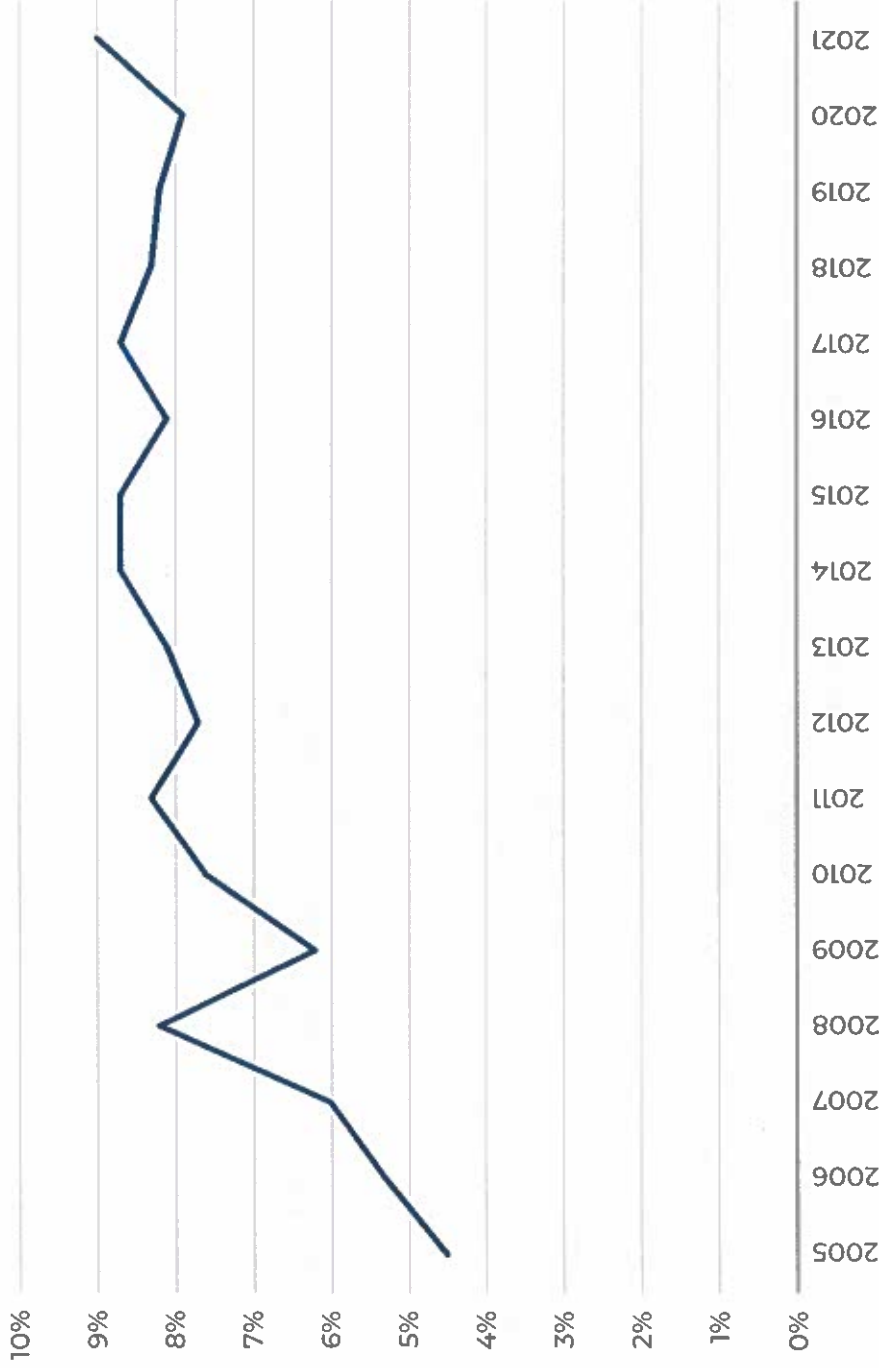
Second Homes by County as a Percent of Stock



Source: U.S. Census Bureau American Community Survey; Analysis by Beacon Economics

Assuming the removal of STR activity would increase the long-term housing supply in the community by 2-3%, what impact would that have on housing costs?¹³ A recent report by the Federal Reserve finds that increasing the housing supply by 1% reduces rents in a neighborhood by 0.07%, on average. The table below shows by how much housing costs might fall in communities if all STRs were converted to long-term rentals.¹⁴ The table displays the average, maximum, and minimum price change that could occur for each community. The maximum and minimum values represent the largest and smallest changes that could occur, based on the estimates in the Federal Reserve's study (apart from Creston where the numbers are skewed due to the community's small size). In all other communities, converting STRs to long-term rentals would lead housing costs to drop by less than 0.5%. These estimates are inflated, however, because not all properties would be converted to long-term rentals.

San Luis Obispo County Second Homes as a Percent of Housing Stock



Source: U.S. Census Bureau American Community Survey; Analysis by Beacon Economics

¹³ Anenberg, Elliot, and Edward J. Kung. "Can more housing supply solve the affordability crisis? Evidence from a neighborhood choice model." *Regional Science and Urban Economics* 80 (2020): 103363.

¹⁴ Please see the appendix for spatially matched versions of the short-term rental tables in this section."

Short-Term Rental Characteristics and Elasticity Effects from Conversion to Housing

City/Community	Poverty Rate (%)	PP Change from 2012	Housing Units	Active STRs*	STR % of Housing	Elasticity Effect*		
						Average	Max	Min
Arroyo Grande	5.6	-1.6	8,035	213	2.65	-0.27	-0.18	-0.13
Atascadero	8.8	-2.0	12,170	147	1.21	-0.12	-0.08	-0.06
Avila Beach	8.6	N/A	1,031	N/A	N/A	N/A	N/A	N/A
Cambria	N/A	3.3	4,139	190	4.59	-0.46	-0.31	-0.23
Cayucos	18.7	2.9	2,467	183	7.42	-0.74	-0.50	-0.37
Creston**	N/A	N/A	41	12	29.27	-2.93	-1.99	-1.46
Grover Beach	9.4	-4.3	5,913	127	2.15	-0.21	-0.15	-0.11
Harmony	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Los Osos	10.0	1.9	6,605	79	1.20	-0.12	-0.08	-0.06
Morro Bay	7.9	-4.5	6,304	197	3.13	-0.31	-0.21	-0.16
Nipomo	9.6	-0.1	6,057	38	0.63	-0.06	-0.04	-0.03
Oceano	11.3	-5.0	3,451	133	3.85	-0.39	-0.26	-0.19
Paso Robles	9.2	-3.1	12,556	611	4.87	-0.49	-0.33	-0.24
Pismo Beach	6.8	2.0	6,040	246	4.07	-0.41	-0.28	-0.20
San Luis Obispo	29.6	-0.9	21,032	274	1.30	-0.13	-0.09	-0.07
San Miguel	30.0	9.7	853	38	4.45	-0.45	-0.30	-0.22
San Simeon	6.4	6.4	307	10	3.26	-0.33	-0.22	-0.16
Santa Margarita	8.5	-11.5	543	20	3.68	-0.37	-0.25	-0.18
Shandon	6.4	-10.7	372	1	0.27	-0.03	-0.02	-0.01
Templeton	4.4	-2.4	3,303	138	4.18	-0.42	-0.28	-0.21

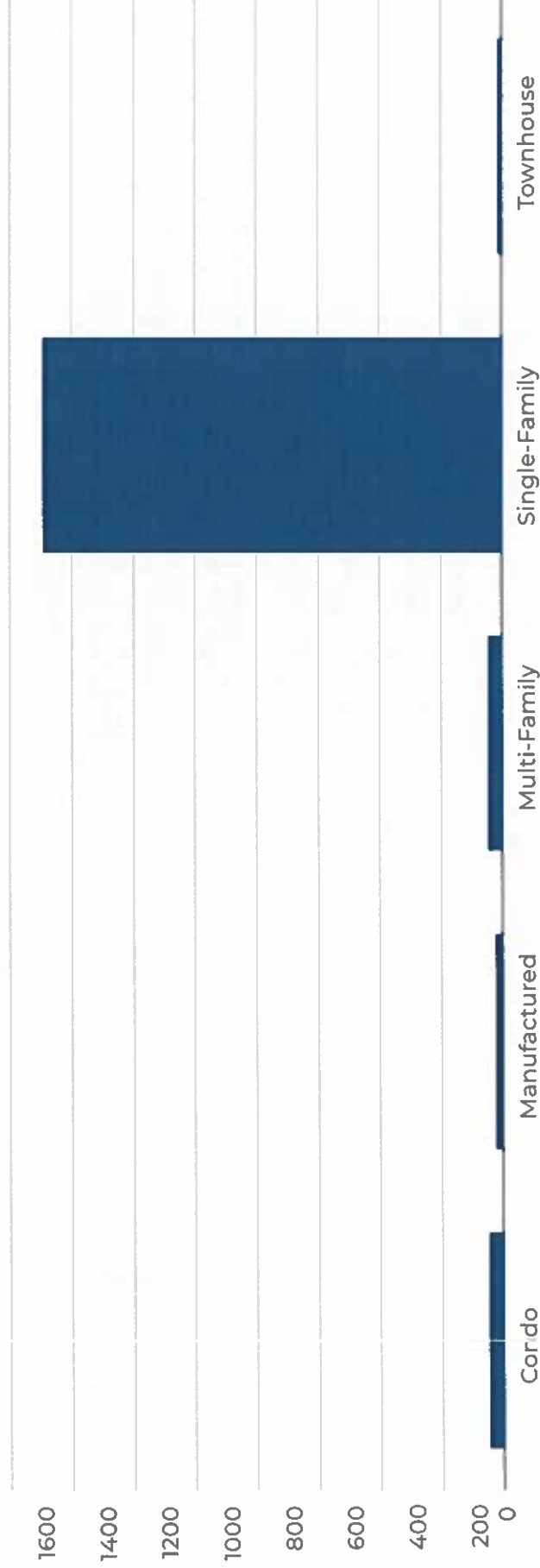
Source: AirDNA, US Census Bureau, Kung et. al 2021. Data as of 2021.; Analysis by Beacon Economics
 *Entire Unit. Excludes non-housing. ** 2020 Decennial Census

THE NATURE OF SHORT-TERM RENTAL HOUSING IN SAN LUIS OBISPO COUNTY

As Part 2, Tracking STF Activity, reveals, short-term vacation rental activity in SLO CAL is concentrated in certain types of housing. It is also concentrated in certain communities within the county. Part 2 displayed the types of housing devoted to STR activity using Airbnb's definition of housing units. These data revealed that the majority of STR housing is comprised of non-multi-family housing.

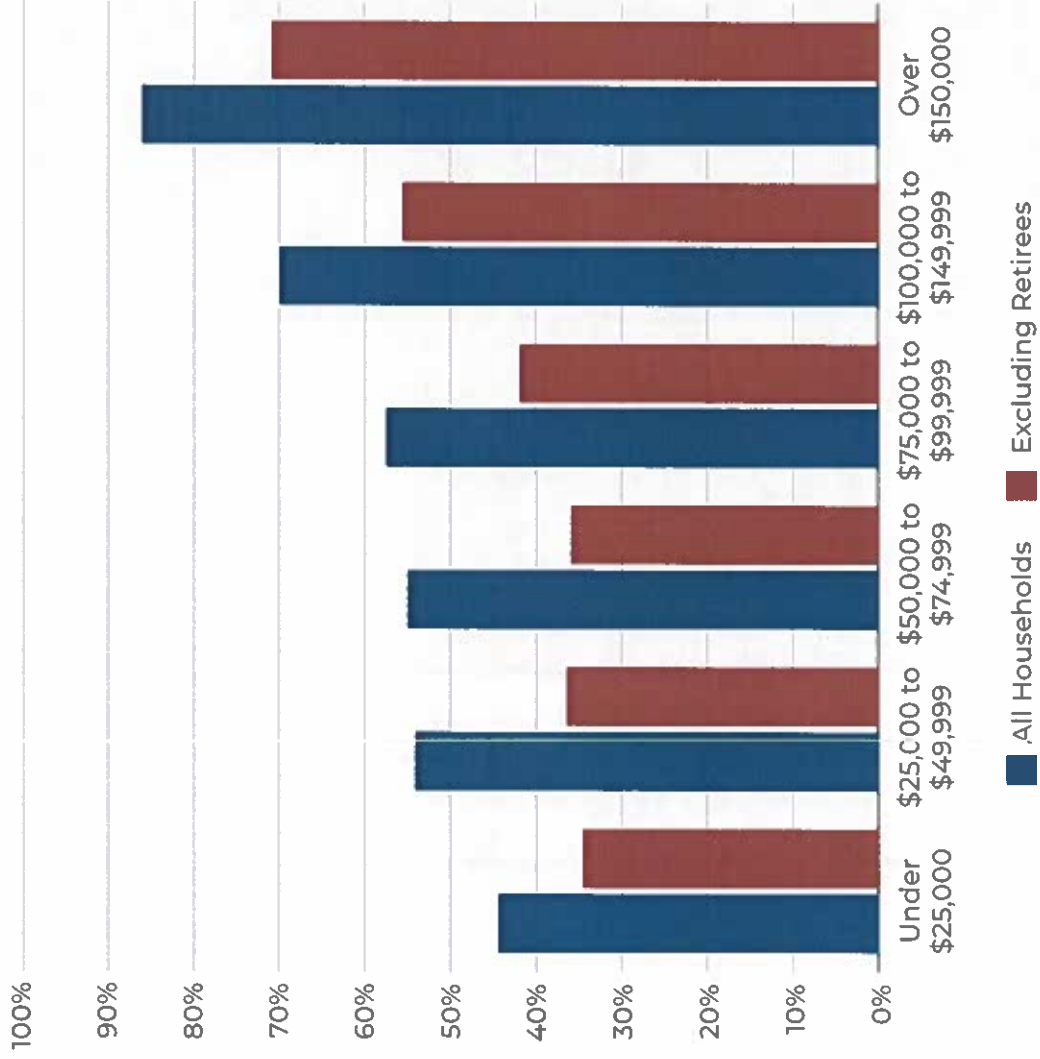
Data provided by Granicus can be matched to property-level data provided by Zillow. Granicus monitors short-term rental activity and provides physical addresses for all short-term rentals in a jurisdiction. This data can then be matched to Zillow's property database, which contains information on 104 million homes across the country, where property-level estimates are available. In some cases, STRs such as yurts, buses, religious buildings, and so on are not properties that have a rent or home value estimate. The Granicus data reveal that 92% of STRs across San Luis Obispo County are single-family homes. This fact immediately suggests that STR activity is not removing housing from low-income residents in the community. As the chart on the next page shows, homeownership rates are low for lower-income households.

Count of Property Types for STRs in San Luis Obispo County

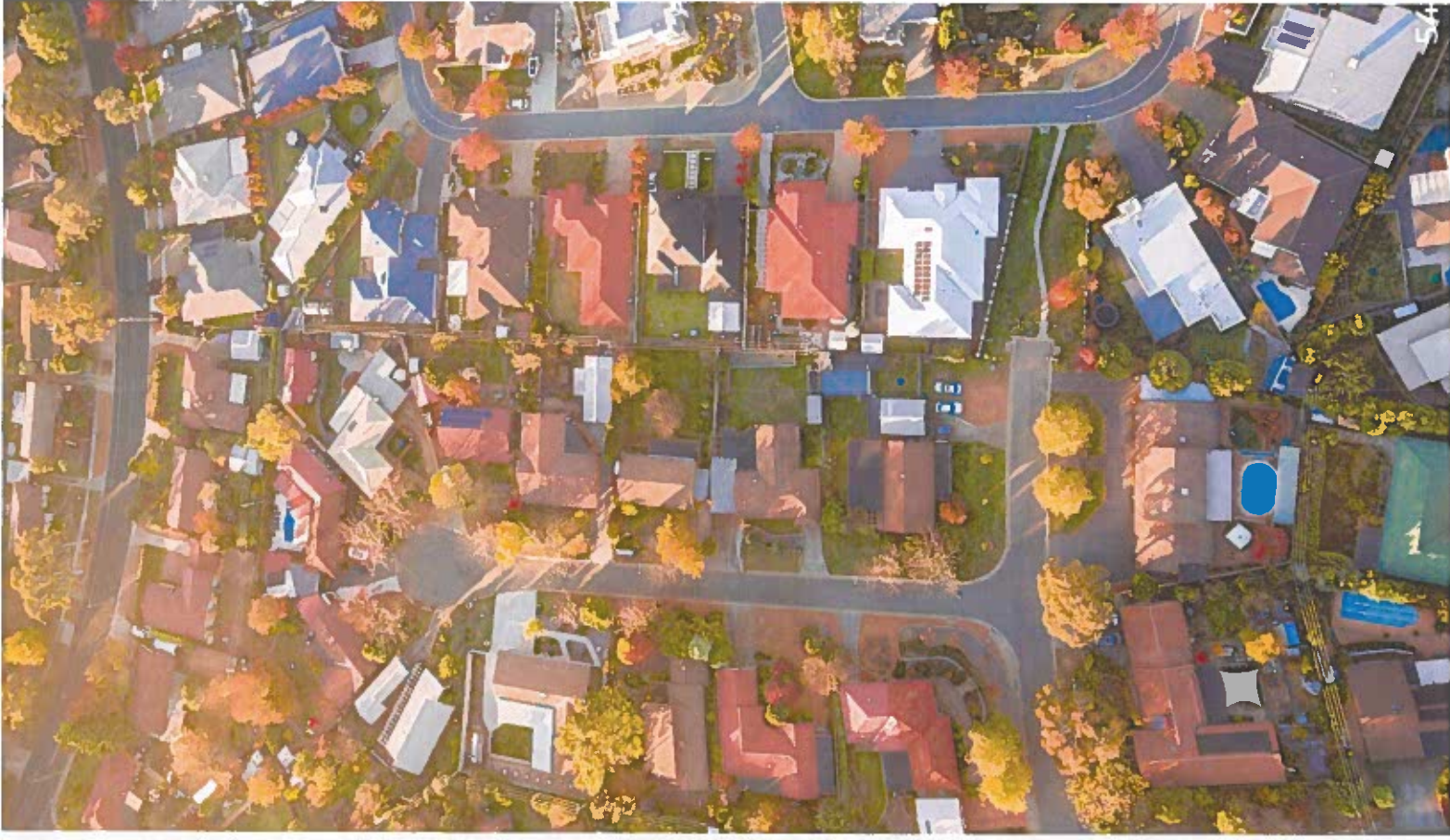


Source: Granicus/Zillow; Analysis by Beacon Economics

Home Ownership Rates by Income in San Luis Obispo County

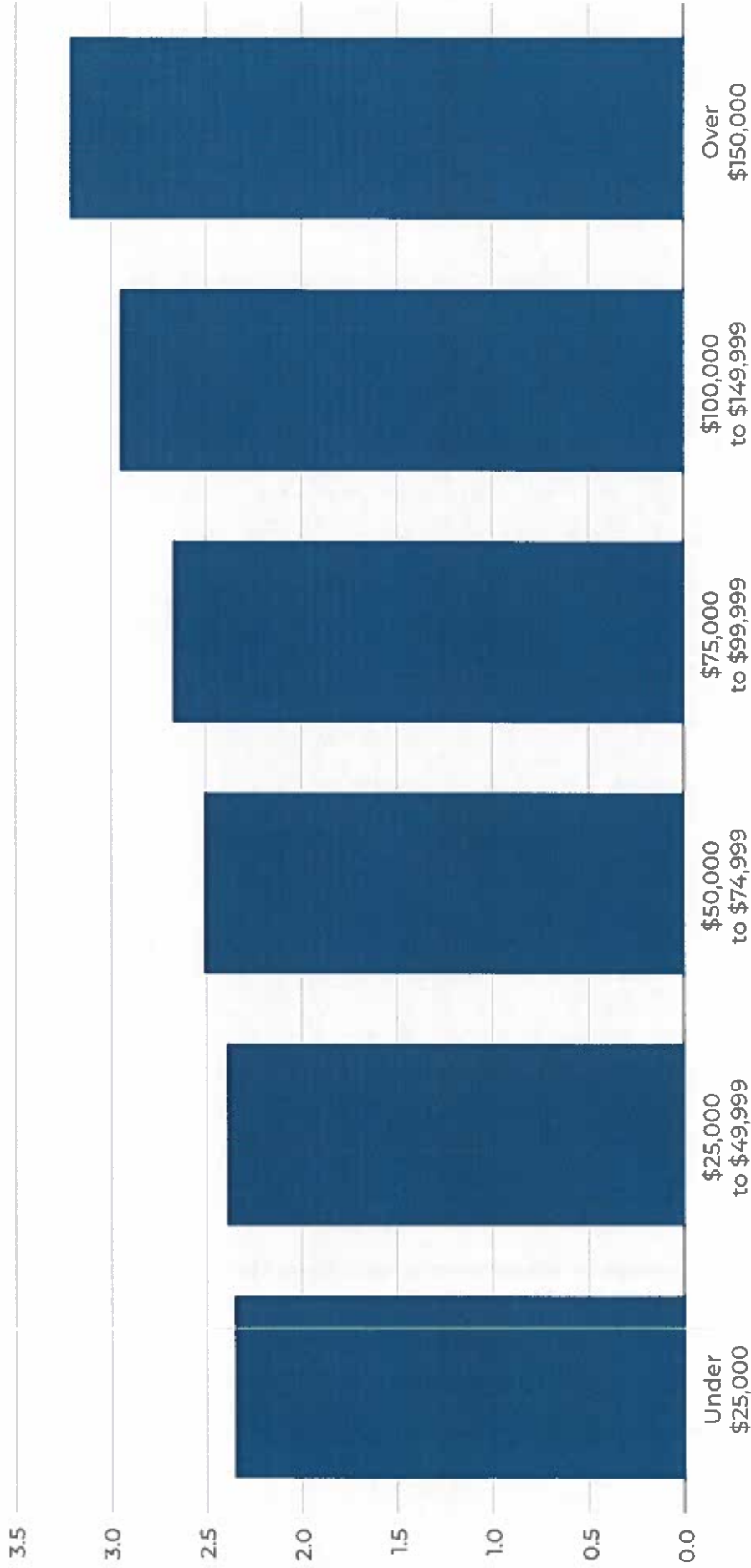


Source: U.S. Census Bureau American Community Survey; Analysis by Beacon Economics



The Granicus-Zillow data reveals that STR properties are typically larger than those in which lower-income households reside. The average STR property contains 3.4 bedrooms, while lower-income households typically live in much smaller properties (2.2 bedrooms).

Average Number of Bedrooms by Household Income in San Luis Obispo County



Source: U.S. Census Bureau American Community Survey; Analysis by Beacon Economics

Furthermore, STR properties in San Luis Obispo County have an average value of more than \$1.2 million, far out of the reach of lower income households, and higher than the median home value across most communities in the county. The following table summarizes the characteristics of SLO CAL communities along with their related STR activity.

Housing Characteristics by City/Community

City/Community	Median Household Income	Housing Units	Poverty Rate (%)	PP Change from 2012	Active STRs*	STR % of Housing	Share of STRs in County
Arroyo Grande	\$90,405	8,035	5.6	-1.6	213	2.65	8.0%
Atascadero	\$82,777	12,170	8.8	-2.0	147	1.21	5.5%
Avila Beach	\$113,704	1,031	8.6	N/A	N/A	N/A	N/A
Cambria	\$87,744	4,139	9.2	3.3	190	4.59	7.2%
Cayucos	\$77,963	2,467	18.7	2.9	183	7.42	6.9%
Creston**	N/A	41	N/A	N/A	12	29.27	0.5%
Grover Beach	\$77,637	5,913	9.4	-4.3	127	2.15	4.8%
Harmony	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Los Osos	\$82,894	6,605	10.0	1.9	79	1.20	3.0%
Morro Bay	\$80,808	6,304	7.9	-4.5	197	3.13	7.4%
Nipomo	\$88,525	6,057	9.6	-0.1	38	0.63	1.4%
Oceano	\$68,495	3,451	11.3	-5.0	133	3.85	5.0%
Paso Robles	\$75,569	12,556	9.2	-3.1	611	4.87	23.0%
Pismo Beach	\$94,268	6,040	6.8	2.0	246	4.07	9.3%
San Luis Obispo	\$61,862	21,032	29.6	-0.9	274	1.30	10.3%
San Miguel	\$66,496	853	30.0	9.7	38	4.45	1.4%
San Simeon	\$50,486	307	6.4	6.4	10	3.26	0.4%
Santa Margarita	N/A	543	8.5	-11.5	20	3.68	0.8%
Shandon	\$77,734	372	6.4	-10.7	1	0.27	0.0%
Templeton	\$104,340	3,303	4.4	-2.4	138	4.18	5.2%

Source: AirDNA, US Census Bureau (Data as of 2021); Analysis by Beacon Economics
 *Entire Unit. Excludes non-housing. ** 2020 Decennial Census

Many of the more affordable parts of the county are inland, away from major job centers. Shandon is one of the most affordable communities and the only one where the average home value is below \$500K. However, virtually no short-term rental activity takes place in Shandon. The Granicus data suggests there were at most seven short-term rental properties, but only three were listed.

Some communities have a high proportion of short-term rentals. Cambria and Cayucos has a comparatively large share of housing units devoted to STR activity. In Cambria, for example, 4.6% of housing units were short-term rentals. However, Cambria is also largely an ocean-front community with million-dollar

homes. The same is true for Cayucos, where nearly half of all housing units are second homes, but only 7.4% are short-term rentals.

As the findings in this report reveal, San Luis Obispo County has become increasingly unaffordable for lower-income households. For ease of analysis, STR activity in the community is collapsed into two groups. One group contains 85% of the STR activity in the county, the other group contains the rest. Areas of the county with the highest prevalence of STR activity are less affordable than the rest of the county. Within high frequency STR communities, home values are around 6% higher than in the communities that contain 15% of STR properties.

Housing Characteristics by Major ZCTA Grouping

Group	Short-Term Rentals	Share of County STRs	Home Value	Housing Units	STRs % of Housing	Second Home Share of Total
Top 10	2422	85%	\$888,288	86,653	2.8%	8.4%
Bottom	436	15%	\$833,837	34,628	1.3%	5.1%

Source: AirDNA, Zillow, US Census Bureau; Analysis by Beacon Economics
 * Active properties as of Feb 2023. Zillow Home value as of May 2023.

Furthermore, STR activity is occurring in wealthier communities. Median household incomes are 15% higher in the communities that contain 85% of STR activity, and these communities are home to fewer households with incomes below \$30,000 per year.

Income Characteristics by Major ZCTA Grouping, 2021

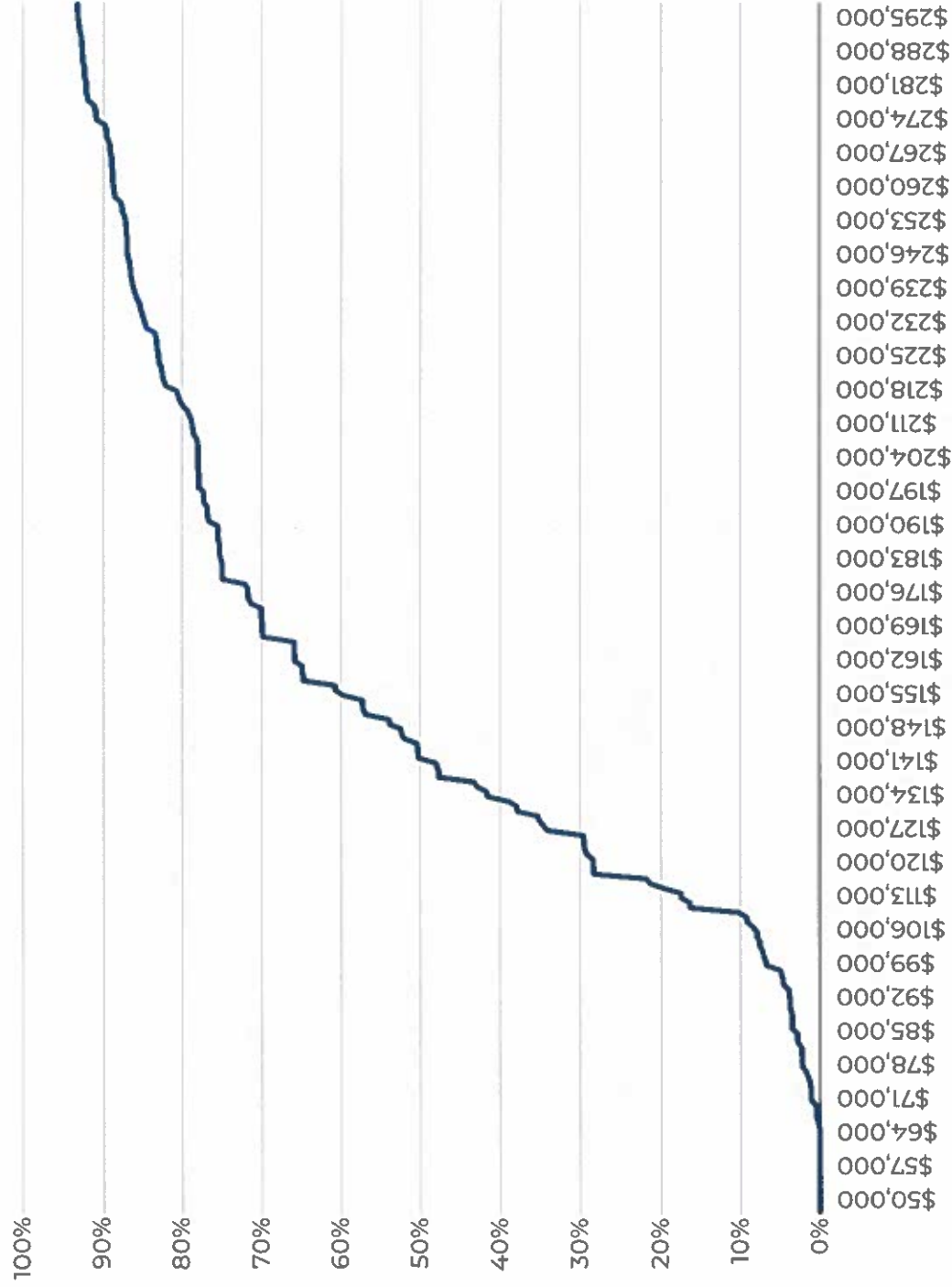
	Percent Households: Less \$30,000 Income	PP Change (from 2012)	Percent Households: More than \$200,000 Income	PP Change (from 2012)	Median HH Income	% Change (From 2012)
Top 10	12.1	-6.3	12.62	7.6	\$86,329	36.4
Bottom	14.5	-5.4	9.12	5.3	\$74,900	44.4

Source: US Census Bureau; Analysis by Beacon Economics

Overall, STR activity is occurring in the wealthiest, least affordable parts of the county, which are home to fewer low-income households. To further illustrate this point, consider the following chart which displays the affordability of STR properties by income. Housing is deemed unaffordable if it accounts for more than 30% of a household's income. If STR properties were converted to long-term rentals, based on prevailing market prices, households earning \$100,000 would only be able to afford 5% of the properties listed as STRs.

In summary, if STR properties in San Luis Obispo County were converted to long-term rentals, they would not provide accessible and affordable housing options for lower-income residents.

Income Level and Percent of Short-Term Rentals That Would be Affordable for Renters in San Luis Obispo County



Source: Granicus/Zillow; Analysis by Beacon Economics



CONCLUSION

As has been the case throughout the U.S. over the past ten years, the number of properties listed as short-term rentals in SLO CAL communities has risen sharply. STRs have provided greater accommodation choices for visitors to the region, and data reveals that STR activity has complimented, rather than replaced hotel occupancy.

Communities nationwide are, like those in SLO CAL, grappling with the rise of short-term rentals. Inherently, these communities are weighing the benefits that short-term rentals bring against the perceived costs they generate. In particular, opponents assert that short-term rentals have a negative effect on local housing markets – that STRs create housing shortages and are driving up rents and house prices.

The analysis in this report reveals that housing affordability issues are not new to SLO CAL, and long pre-date the rise in STR activity. Like so many others in California, SLO CAL communities have failed to build sufficient multi-family housing for decades. STR activity is occurring in the least affordable parts of the community, and even if all STR activity were converted to long-term rentals, it would do very little to improve housing affordability.

If there are concerns that STR activity reduces community housing supplies, there are more direct ways to increase those supplies through zoning reform.

APPENDIX

Active STRs by City/Community (2,859 Units)¹⁵

	Properties	Percent(%)
Paso Robles	715	25.01
San Luis Obispo	289	10.11
Arroyo Grande	242	8.46
Pismo Beach	220	7.69
Morro Bay	205	7.17
Cambria	201	7.03
Atascadero	187	6.54
Cayucos	154	5.39
Templeton	152	5.32
Oceano	133	4.65
Grover Beach	114	3.99
Los Osos	91	3.18
San Miguel	58	2.03
Nipomo	49	1.71
Santa Margarita	27	0.94
Creston	10	0.35
San Simeon	10	0.35
Shandon	2	0.07

Source: AirDNA (Feb.2023); Analysis by Beacon Economics

¹⁵ Based on a city identifier provided by AirDNA.

ZCTA Groupings

Zip Code	Grouping
93446	TOP
93420	TOP
93449	TOP
93401	TOP
93442	TOP
93428	TOP
93422	TOP
93430	TOP
93465	TOP
93445	TOP
93433	BOTTOM
93402	BOTTOM
93405	BOTTOM
93451	BOTTOM
93444	BOTTOM
93453	BOTTOM
93432	BOTTOM
93452	BOTTOM
93461	BOTTOM

Short-Term Rental Characteristics and Elasticity Effects from Conversion to Housing (Spatially Matched)

City/Community	Poverty Rate (%)	PP Change from 2012	Housing Units	Active STRs*	STR % of Housing	Elasticity Effect*		
						Average	Max	Min
Arroyo Grande	5.6	-1.6	8,035	97	1.21	-0.08	-0.12	-0.06
Atascadero	8.8	-2.0	12,170	115	0.94	-0.06	-0.09	-0.05
Avila Beach	8.6	N/A	1,031	4	0.4	N/A	N/A	N/A
Cambria	9.2	3.3	4,139	163	3.94	-0.27	-0.39	-0.20
Cayucos	18.7	2.9	2,467	181	7.34	-0.50	-0.73	-0.37
Creston**	N/A	N/A	41	1	2.44	-0.17	-0.24	-0.12
Grover Beach	9.4	-4.3	5,913	128	2.16	-0.15	-0.22	-0.11
Harmony	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Los Osos	10.0	1.9	6,605	77	1.17	-0.08	-0.12	-0.06
Morro Bay	7.9	-4.5	6,304	185	2.93	-0.20	-0.29	-0.15
Nipomo	9.6	-0.1	6,057	23	0.38	-0.03	-0.04	-0.02
Oceano	11.3	-5.0	3,451	114	3.30	-0.22	-0.33	-0.17
Paso Robles	9.2	-3.1	12,556	323	2.57	-0.17	-0.26	-0.13
Pismo Beach	6.8	2.0	6,040	238	3.94	-0.27	-0.39	-0.20
San Luis Obispo	29.6	-0.9	21,032	182	0.87	-0.06	-0.09	-0.04
San Miguel	30.0	9.7	853	7	0.82	-0.06	-0.08	-0.04
San Simeon	6.4	6.4	307	6	1.95	-0.13	-0.20	-0.10
Santa Margarita	8.5	-11.5	543	3	0.55	-0.04	-0.06	-0.03
Shandon	6.4	-10.7	372	0	-	N/A	N/A	N/A
Templeton	4.4	-2.4	3,303	67	2.03	-0.14	-0.20	-0.10

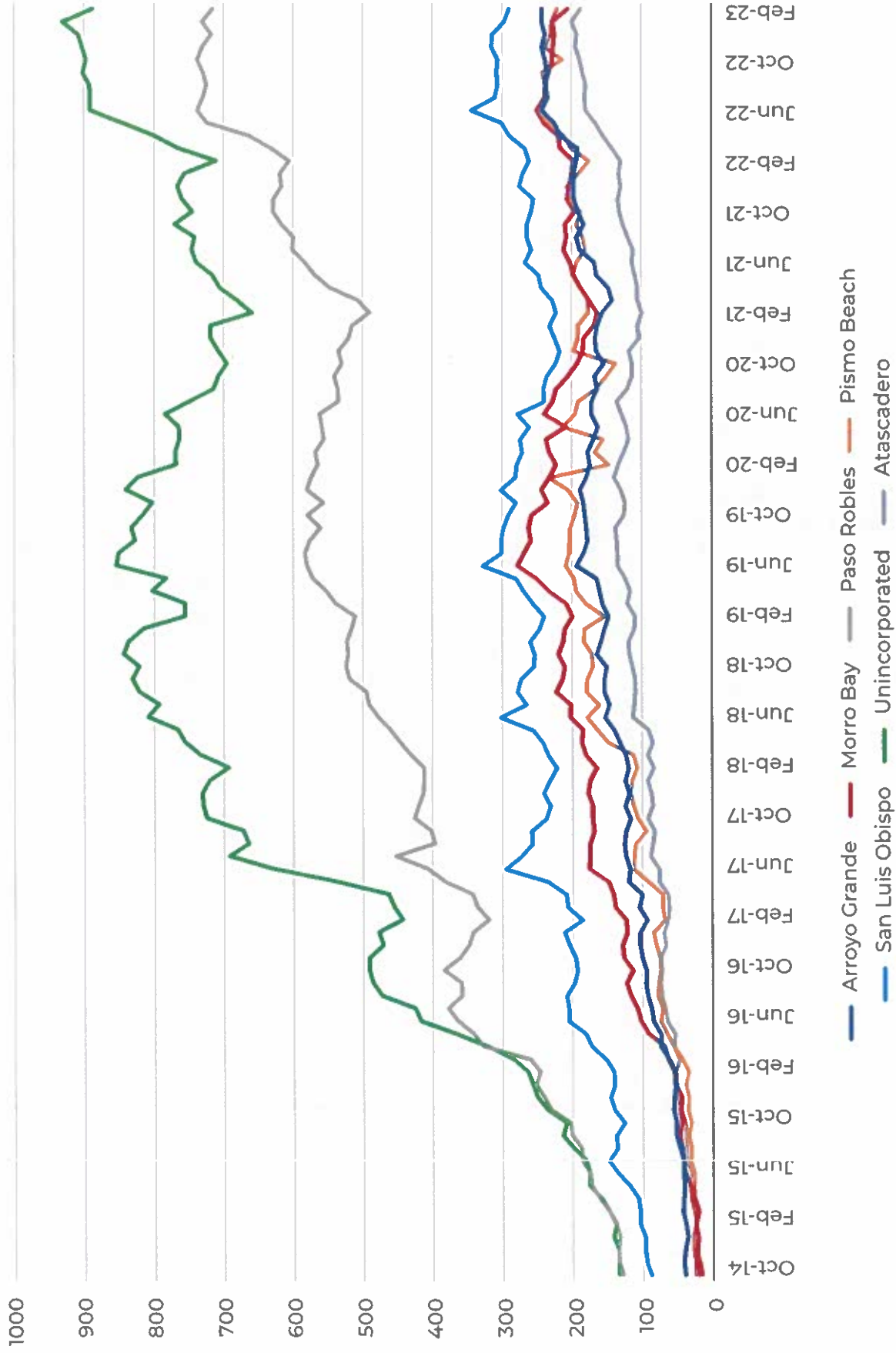
Source: AirDNA, US Census Bureau, Kung et. al 2021. Data as of 2021.; Analysis by Beacon Economics
 * Entire Unit. Excludes non-housing. ** 2020 Decennial Census

Housing Characteristics by City/Community (Spatially Matched)

City/Community	Median Household Income	Housing Units	Poverty Rate (%)	PP Change from 2012	Active STRs*	STR % of Housing	Share of STRs in County
Arroyo Grande	\$90,405	8,035	5.6	-1.6	97	1.21	3.7%
Atascadero	\$82,777	12,170	8.8	-2.0	115	0.94	4.3%
Avila Beach	\$113,704	1,031	8.6	N/A	4	0.4	N/A
Cambria	\$87,744	4,139	9.2	3.3	163	3.94	6.1%
Cayucos	\$77,963	2,467	18.7	2.9	181	7.34	6.8%
Creston**	N/A	41	N/A	N/A	1	2.44	0.0%
Grover Beach	\$77,637	5,913	9.4	-4.3	128	2.16	4.8%
Harmony	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Los Osos	\$82,894	6,605	10.0	1.9	77	1.17	2.9%
Morro Bay	\$80,808	6,304	7.9	-4.5	185	2.93	7.0%
Nipomo	\$88,525	6,057	9.6	-0.1	23	0.38	0.9%
Oceano	\$68,495	3,451	11.3	-5.0	114	3.30	4.3%
Paso Robles	\$75,569	12,556	9.2	-3.1	323	2.57	12.2%
Pismo Beach	\$94,268	6,040	6.8	2.0	238	3.94	9.0%
San Luis Obispo	\$61,862	21,032	29.6	-0.9	182	0.87	6.8%
San Miguel	\$66,496	853	30.0	9.7	7	0.82	0.3%
San Simeon	\$50,486	307	6.4	6.4	6	1.95	0.2%
Santa Margarita	N/A	543	8.5	-11.5	3	0.55	0.1%
Shandon	\$77,734	372	6.4	-10.7	N/A	N/A	N/A
Templeton	\$104,340	3,303	4.4	-2.4	67	2.03	2.5%

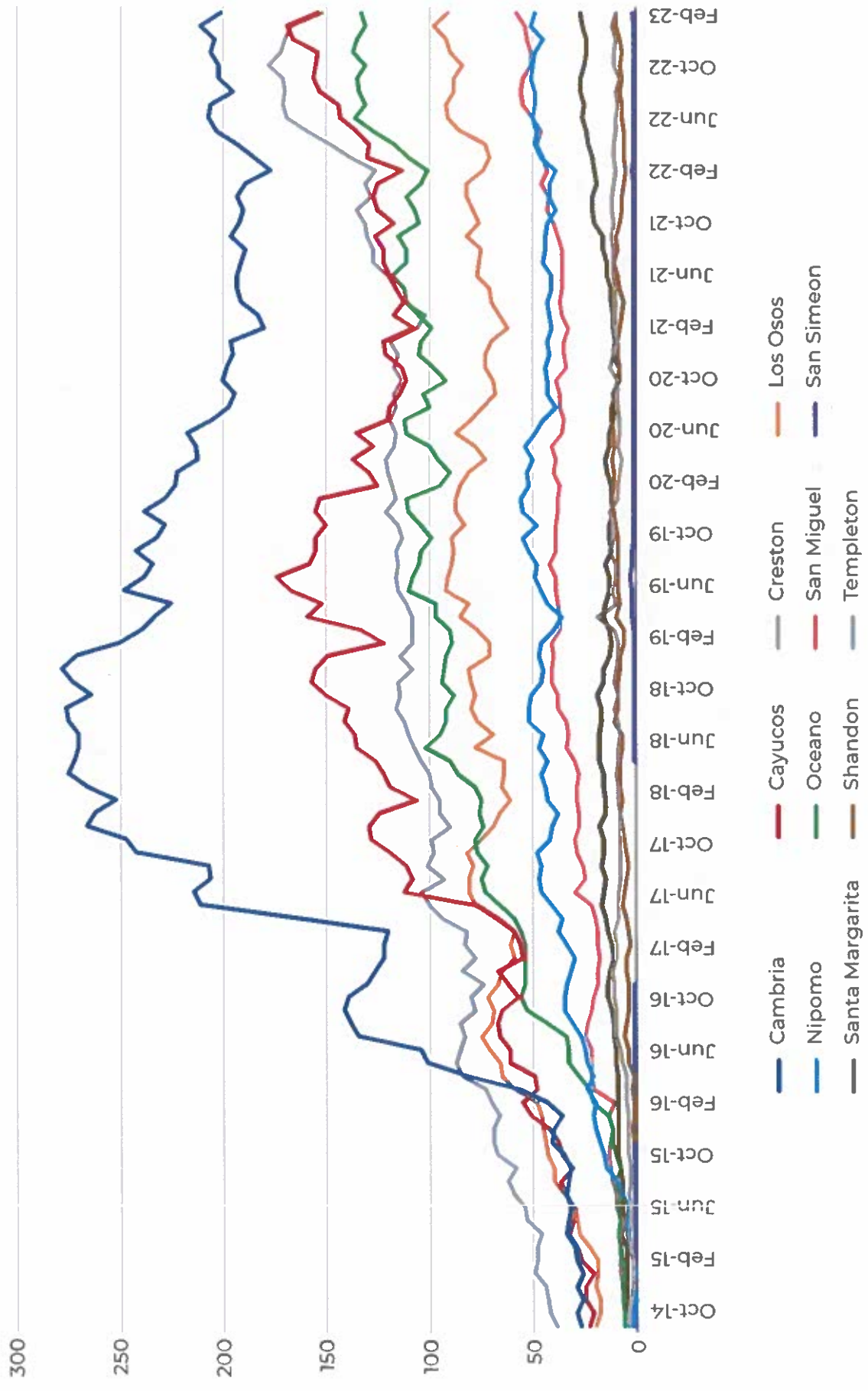
Source: AirDNA, US Census Bureau, Kung et. al 2021. Data as of 2021; Analysis by Beacon Economics
 * Entire Unit. Excludes non-housing. ** 2020 Decennial Census

Active STRs by Incorporated City (AirDNA Field)



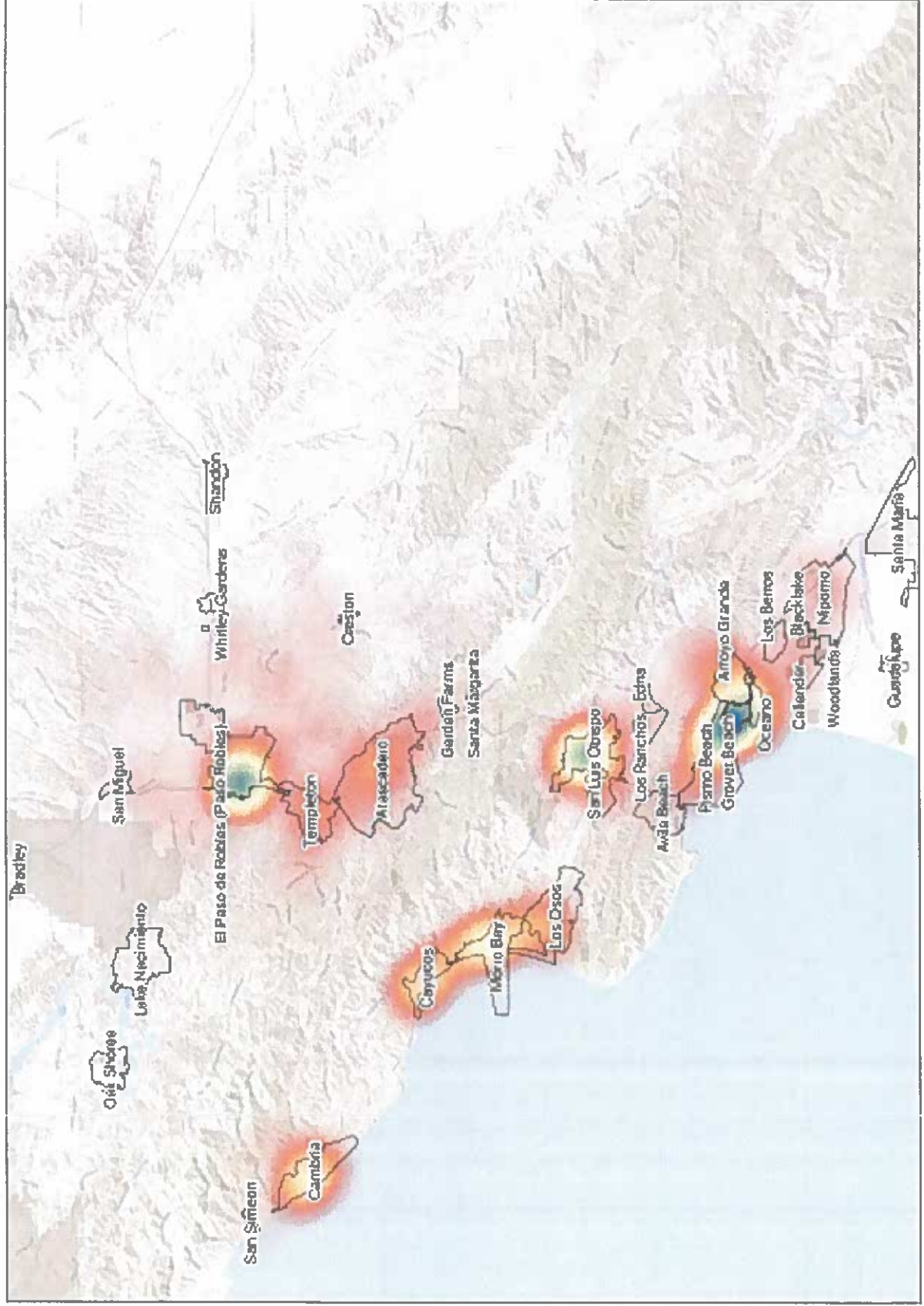
Source: AirDNA; Analysis by Beacon Economics

Active STRs by Unincorporated Community (AirDNA Field)



Source: AirDNA; Analysis by Beacon Economics

Map: Hot Spots of Short-Term Rentals in San Luis Obispo County





About Beacon Economics

Founded in 2007, Beacon Economics, an LLC and certified Small Business Enterprise with the state of California, is an independent research and consulting firm dedicated to delivering accurate, insightful, and objectively based economic analysis. Employing unique proprietary models, vast databases, and sophisticated data processing, the company's specialized practice areas include sustainable growth and development, real estate market analysis, economic forecasting, industry analysis, economic policy analysis, and economic impact studies. Beacon Economics equips its clients with the data and analysis required to understand the significance of on-the-ground realities and to make informed business and policy decisions.

Learn more at www.BeaconEcon.com

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Taner Osman, PhD

Manager, Regional and Sub-Regional Analysis

Justin Niakamal

Senior Research Associate

Brian Vanderplas

Senior Research Associate

For further information about this report, or to learn more about Beacon Economics please contact:

Sherif Hanna

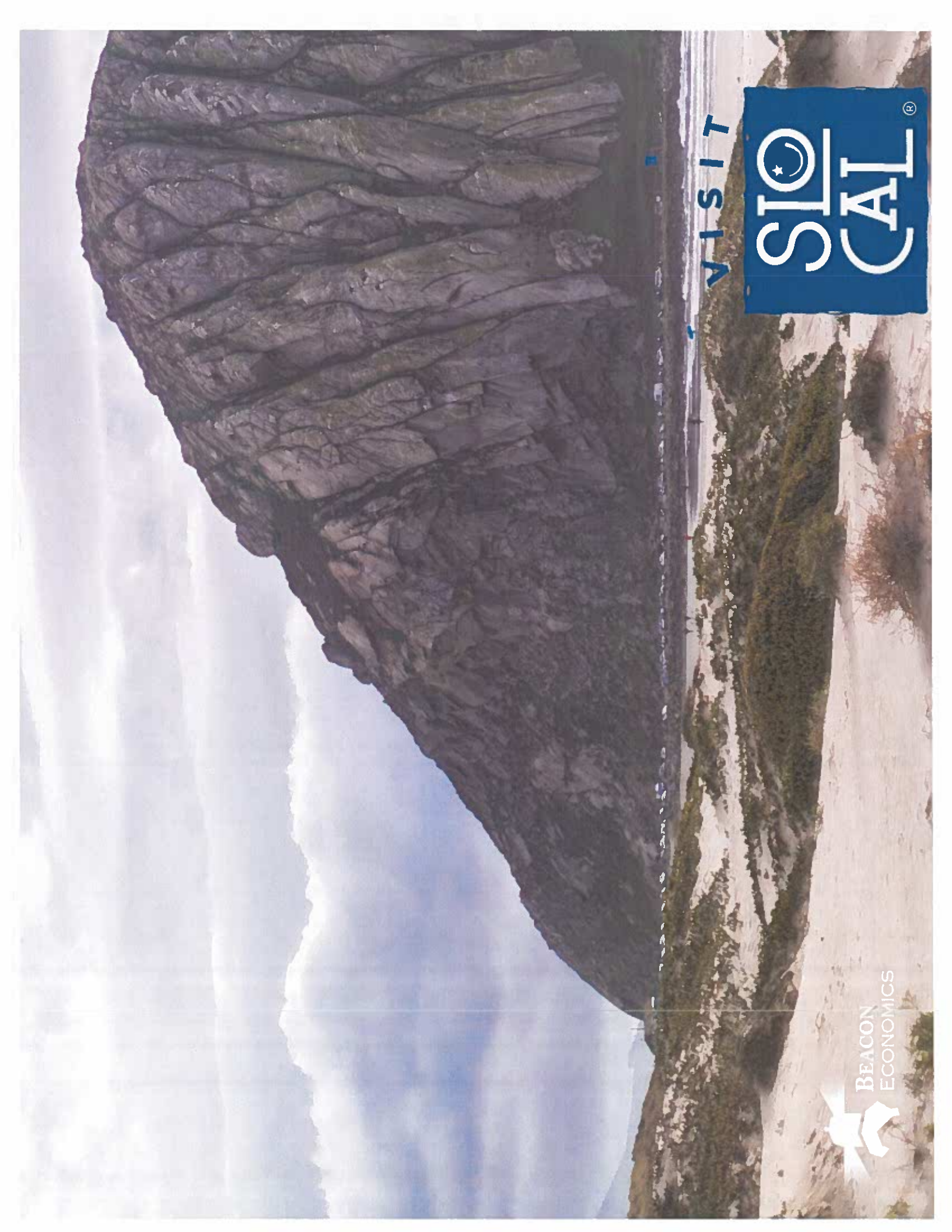
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Director of Marketing and Communications

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VISIT



BEACON
ECONOMICS

October 16, 2024

Morgan Dobbins
Membership Manager & Government Affairs
Building North Central Washington
2201 N Wenatchee Ave
Wenatchee, Washington 98801

Dear Planning Commissioners,

I am writing to you on behalf of Building North Central Washington, a local regional non-profit organization that was built on the vision of a community where people want to live and small businesses thrive. Building NCW promotes and protects the North Central Washington building industry for the preservation and growth of the local economy, small business and quality of life. We are in the heart of the Wenatchee Valley and represent hundreds of voices in this valley and the surrounding area. As a representative of this organization, I regularly attend Chelan County Commissioner meetings and specifically listen to Community Development Departmental updates by the Director. As a result, I have sat in on the recent STR workshop and would like to submit the following viewpoints.

Building NCW would first like to reinforce our stance on citizen's **property rights**. Property rights include the right to use, to enjoy, to exclude, and to dispose of their property. Individuals have the right to use their property as they deem fit in a lawful manner. In addition, tourism is a major driving economic factor in Chelan County. We ask you to protect and uphold the rights of individuals to run legal small businesses on their own property. We ask that you carefully consider the code revisions regarding the facts and not through any personal bias. Facts such as 1. Permitted STRs in Chelan County cause minimal nuisance issues and 2. STRs are small businesses that aid the flourishing of our heavy tourist driven economic environment in places such as Leavenworth and Chelan that depend on out-of-town visitors. We are in support of the success of small businesses, many of which depend on the tourism our region has cultivated and would be greatly affected by the increase or decrease of STRs.

We want to voice our support of *permitted* and *properly* run STRs in Chelan County. This is made possible by a clear, concise, and fair code. As a result of permitted and properly run STRs, Building NCW Members and other businesses benefit economically. Building NCW is in support of increasing the cap and/or the removal of the zip code and sub area designation and making the cap county wide. This will allow fair treatment of Chelan County property owners as well as the simplification of the code. This will support the growth of permitted STRs where they might be economically needed while holding the owners accountable to the code. We are in hopes that the code will be fair to the owners as individuals and business owners and allow the growth of small business by local individuals within their property rights.

Building NCW is grateful to the Planning Commission for their hard work and consideration. We would also like to voice our appreciation to Community Development and to the Board of Chelan County Commissioners for their work on the STR code. We understand working on a code takes the diligence to consider many factors and outcomes and we recognize the difficulties

that all entities involved must work with. We appreciate your time in reading this and ask if you need clarification, please reach out to my email at morgan@buildingncw.org.

Gratefully,

Morgan Dobbins,
Membership Manager & Government Affairs
Building North Central Washington

Jessica K. Thompson

From: Deanna C. Walter
Sent: Friday, October 18, 2024 3:36 PM
To: Jessica K. Thompson
Subject: FW: Short Term Rentals

For the STR file - comments

Deanna C. Walter, Director

Chelan County Community Development
316 Washington St Ste 301
Wenatchee, WA 98801
deannac.walter@co.chelan.wa.us
509-667-6228

From: Shon Smith <Shon.Smith@CO.CHELAN.WA.US>
Sent: Friday, October 18, 2024 2:57 PM
To: Kevin Overbay <Kevin.Overbay@CO.CHELAN.WA.US>; Tiffany Gering <Tiffany.Gering@CO.CHELAN.WA.US>; Anabel Torres <Anabel.Torres@CO.CHELAN.WA.US>; Cathy Mulhall <Cathy.Mulhall@CO.CHELAN.WA.US>; Deanna C. Walter <DeannaC.Walter@CO.CHELAN.WA.US>
Subject: FW: Short Term Rentals

For discussion, please do not respond to this.

Shon

SHON SMITH

Commissioner - District 2

-  509-630-4480
-  509-667-6219
-  www.co.chelan.wa.us
-  shon.smith@co.chelan.wa.us



400 DOUGLAS ST. SUITE#201 WENATCHEE, WA 98801

From: Carl Florea <cflorea@cityofleavenworth.com>
Sent: Friday, October 18, 2024 2:19 PM
To: Shon Smith <Shon.Smith@CO.CHELAN.WA.US>; Kevin Overbay <Kevin.Overbay@CO.CHELAN.WA.US>
Subject: Short Term Rentals

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

Shon and Kevin,

Greetings! Well, you have another hornets nest hanging under your eave! I would strongly urge you to not take steps to “clean up” the STR code without a more thorough vetting through the same kind of process that got you the first agreement, which made no one happy, but which was agreed to by all parties, reluctantly. If the changes truly are minor or “cleaning up”, then they should not have any problem being vetted through a panel similarly made up of both sides of the issue. If they are an attempt to gut them and remove any teeth and any caps, I dare say that is not going to go over well at all and will only invite all kinds of headache.

If it is worth doing, it is worth doing right. Slow it down, take the time, and don’t rush it in order to give an exiting commissioner a parting victory, and one that may only saddle the commissioner who follows with the repercussions. Thanks for listening.

Carl Florea (he)(him)(his)
Mayor | Administration



City of Leavenworth
700 US Hwy 2 | PO Box 287
Leavenworth, WA 98826
(509) 548-5275 ext. 125
(509) 423-0260 cell
cityofleavenworth.com

Pursuant to Chapter 42.56 RCW, email communications with City employees are public records and may be subject to disclosure.

Jessica K. Thompson

From: pat thirlby <patthirlby@gmail.com>
Sent: Wednesday, October 16, 2024 3:55 PM
To: CD Comment
Subject: Haste is a disservice to the community

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

Dear Planning Commissioners,

Please do not rush to change the STR Code.

The Planning Commission and the Board of Commissioners must give fair time to the process of making any code changes. After everything we have been through with residents and business owners: collecting opinions and complaints, hiring Berk Consulting, forming a balanced Task Force with a hired facilitator, writing a code, implementing it and hiring Deckard. The hours that the public and the County have put in are endless. Business owners agreeing to follow the code have invested time and money, some abandoning their business plans. Changing the major principles of the code is a disservice to those owners as well as residents. The differences in our neighborhoods are positive and the businesses that are following the Code are way easier to live with. We have six new families on our road in homes that could have become STR's.

If the Code needs adjustments, the same inclusive, careful process must be used again and not a rushed timeline to satisfy personal agendas. Your rural residential community deserves better.

Sincerely,

Pat Thirlby
Chelan County, District 2, Full Time Resident

Jessica K. Thompson

From: Tom <tomchiwa@nwi.net>
Sent: Tuesday, October 22, 2024 4:57 PM
To: CD Comment
Cc: Shon Smith; Kevin Overbay; Tiffany Gering
Subject: Proposed changes to the STR code

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

Planning Commission members-

We are long time residents living 5 miles north of Plain in the Chiwawa Pines subdivision. We are full time as of 2011 but have owned since 1997 and completely rebuilt in the interim.

We lived through the significant back and forth between the County and residents on developing an STR code in 2021-22. It was not done lightly and involved a long and arduous negotiating process. If it is any consolation, neither side was completely happy but it was accomplished. That is the definition of getting to an agreement.

Now we understand there is movement to revise that agreement after such a short time has passed. Knowing how hard the last process was on residents, one would think someone was purposely trying to subvert the prior significant code changes without giving those changes the same county wide communication, time and effort.

We understand there are at least three changes being proposed:

1. **An increase to the 6% cap on Tier 2 and Tier 3 STRs.**
 - o This would increase the number of STRs in residential neighborhoods. Also, there is a significant housing shortage in the Leavenworth area for longer term rentals needed for the Leavenworth area workforce. Most cannot afford what STRs would want to charge per night.
 - o Regarding community health, one does not have to dig too deeply into such health statistics to find that affordable/available housing is a significant factor in family health.
2. **Allowing residents of Tier 1 rentals to not be on site and rent the main home as well as the STR.**
 - o The STR renter then becomes the on-site manager, with less interest in good neighborly actions, minimizing noise and ensuring renters adhere to County rules. An actual example is where an owner has allowed many more guests than stipulated in septic, water and parking regulations. More non-owning on-site managers could likely do the same thing.
 - o Also Tier 1 STRs are not subject to the 6% cap. This change could automatically increase the number of STRs if owner occupancy is eliminated.
3. **Allowing the exclusion of children under two in the head count for occupancy limits on all three tiers.**
 - o Again, the result would be a lower cost by renters, thus increasing STR traffic.

These are the changes we have heard about, and we are worried there are others. We have had no direct communication from the County on these or any other proposals. Our knowledge is coming from other concerned residents. We are more concerned that the current code was crafted with significant effort and agreement by a representative Task Force. However, in such a short amount of time, the County now wants to amend that code again.

The County owes residents the same methodical Task Force type effort and transparency, with justification and research data to back up any proposals to change the current code.

Tom & Patricia Baranouskas

2219 Riffle Dr
Leavenworth, WA 98826

Jessica K. Thompson

From: E. Stan Foster <fosterstan2@gmail.com>
Sent: Friday, October 25, 2024 6:16 PM
To: CD Comment
Subject: Short-Term Rental Code changes

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

To Chelan County Commissioners:

Considering proposed changes to the Short-Term Rental Code, one current requirement makes no sense. The requirement that every Short-Term Rental property must provide an on-site, dedicated emergency phone instrument (a landline telephone, or a dedicated cell phone) is costly and useless. Virtually every adult occupant of every rental dwelling will be carrying their own personal cell phone.

Any dedicated, on-site telephone or cell phone is superfluous, providing no additional security or safety. That requirement should be eliminated.

Thank you.

Stan Foster
Chelan

Jessica K. Thompson

From: Kathy Branch <kathy.branch@gmail.com>
Sent: Monday, October 28, 2024 8:47 AM
To: CD Comment
Subject: STR Proposed Code Changes

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

Good Morning,

I am a full time resident in a very old neighborhood in Manson.

During the period leading up to the current code implementation my neighborhood became unlivable due to the proliferation of STRs. The constant noise, multiple vehicles, including boats, were overwhelming.

Since the new code was implemented the problems have abated substantially.

I am not opposed to the STRs as they are currently restricted, but we need a balance in order to protect the quality of life and availability of housing for permanent residents.

I would also state that an outgoing Commissioner who is leaving the state should not be allowed to push amendments to our code as she shuts the door behind her.

Thank you.

Anna Kathryn Branch

25 Ustah St

Manson

Sent from my iThing

Jessica K. Thompson

From: Peter Shreve <shrevepl@gmail.com>
Sent: Monday, October 28, 2024 9:02 AM
To: CD Comment
Subject: Short term rentals

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

The number of people allowed at a short term rental needs to be limited to a reasonable number like 6 or 8. A rental next door to me has often 18 to 20 people and the noise often is excessive.

Jessica K. Thompson

From: Peter Shreve <shrevepl@gmail.com>
Sent: Monday, October 28, 2024 9:05 AM
To: CD Comment
Subject: Short term rentals

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

The property boundaries need to be clearly marked. Often people from an adjacent property use my property.

Jessica K. Thompson

From: Michael Chiu <michaelchiu218@gmail.com>
Sent: Monday, October 28, 2024 1:12 PM
To: CD Comment
Subject: Short Term Rental - written comment

Importance: High

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

Dear County Commissioners,

I believe in the importance of thoughtful and insightful government to have the vision to help our NCW community grow responsibly and remain economically sustainable and healthy.

Toward that end, I implore the board to **establish much stricter limitations and mandatory license renewals on ALL Tier 2 short term rentals.**

Communities across the country, and across the globe, are negatively impacted by non-resident investors seeking "recreational" homes while local citizens are unable to afford entry level housing. Our children, and the future of our community, deserve to have clear-eyed elected leaders with the political courage to say NOT SO FAST to the growing tax revenue generated by skyrocketing property value. Leavenworth, Lake Wenatchee, Plain, Chelan, Manson, are all inundated by STR's and are literally being smothered to economic stagnation by the outpouring of love by the westside. Commerce that supports a community cannot thrive if the workers cannot afford homes. Allow the traditional hospitality industry to grow. Look at the Methow Valley and the San Juan Islands where they can't find enough staffing for grocery stores, restaurants and basic commerce. Please don't repeat the historic mistake those counties made.

Keeping Tier 2 STR's in check is the politically and socially responsible action.

Please restrict and reduce the number of Tier 2 short term rentals in Chelan County.

Respectfully submitted,

Michael Chiu
1678 Pitcher Canyon Rd.
Wenatchee, WA 98801
MichaelChiu218@gmail.com

Jessica K. Thompson

From: Clifton Burke <ckipburke@gmail.com>
Sent: Monday, October 28, 2024 8:39 PM
To: CD Comment
Subject: Short Term Rental Issues

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

What I have experienced living at our summer cabin located on the south shore of Lk. Wenatchee for the past seven years is, an increase of traffic on Cedar Brae Road the main ingress egress road which services the full time residents and summer residents.

This increase of STR traffic is, they don't respect the speed limit and seem to not see people with dogs or kids and dogs that walk on that road.

The road is the minimum width a rural road can be, so with say, two cars passing each and two families of four with dogs which are on both sides of the road the potential for an accident to happen and serious energies to deal with.

I strongly feel that those folks that own STRs should be required to be on site to monitor how the guest renters adhere to the speed limit, be required to dispose of their garbage in the proper manner, and respect the full time and summertime residents by not being disruptive with loud noise.

Most of the STRenters don't know the environment they are visiting, have a minimum understanding of what nature is or just don't care to understand.

The county administrators really need to observe what I
have mention above.

Clifton C "Kip" Bukre

Jessica K. Thompson

From: D Fuller <dfullerwa@gmail.com>
Sent: Wednesday, October 30, 2024 5:14 PM
To: CD Comment
Subject: STR

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

To Chelan County Commissioners and Planning Dept.

In reference to STR possible code changes, I would like to just make a short comment; Please do not make any further changes that make it easier for a homeowner, especially out of town homeowners, to set up a STR in a residential neighborhood! I have seen first hand, the disruption and total disregard for families living permanently on the same street. This battle is all about \$ to be made and the people that stand to make the most money are the ones arguing the hardest! Usually, they live far away from the "party house".

Diane Fuller
Cashmere
Sent from my iPad