

# Chelan County Short-Term Rentals

Planning Commission Recommendations July 9, 2020 | Prepared July 15, 2020

## Introduction

A short-term rental refers to a residential dwelling rented out on a nightly basis for less than 30 days to individual guests. It could be a whole home or just part of it. Short-Term Rentals are found across the county, but particularly in the Leavenworth-Peshastin area, Lake Wenatchee, Manson, and Chelan. The number of short-term rentals has increased rapidly in the last six years especially in Leavenworth and Manson areas.

Chelan County has been considering how to best address short-term rentals to allow for property owner income while protecting the character of residential communities across the county.

In 2019 Chelan County considered draft regulations. The Planning Commission and Board of County Commissioners heard comments and felt proposals did not meet the County's and community's needs, and denied the 2019 draft.

The Board of County Commissioners desire to look at new code options in 2020. The process includes: development of a situation assessment; development of code options; Planning Commission review, hearing and recommendations; and Board of County Commissioner review, hearing, and decision. See Exhibit 1.

### Exhibit 1. Short-Term Rental Regulation Process



Source: BERK 2020.

The Chelan County Planning Commission met seven times over April to July 2020 to develop draft short-term rental regulations, with a hearing on June 17, 2020 and deliberations on June 24 and July 9, 2020. The Board of County Commissioners will meet in July and August 2020 to consider the Planning Commission Recommendations and conduct a hearing and make a decision.

Data on short-term rentals and the evolution of the draft code can be found at:

- Project website: <https://www.co.chelan.wa.us/community-development/pages/short-term-vacation-rentals>. Public comments received through the Planning Commission review process including the hearing are posted at the project website.
- Planning Commission packets: <https://www.co.chelan.wa.us/community-development/pages/planning-commission>.

31 **Description of Regulations**

32 **VISION**

33 The Board of County Commissioners provided their vision for the short-term rental (STR) regulations after  
 34 a session on May 20, 2020 excerpted below. The vision has been a reference point for the Planning  
 35 Commission’s development of regulations.

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37 **Board of County Commissioner Vision**

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38 The Board of Commissioners understands that the Planning Commission asked for a statement of intent for  
 39 developing the code for short-term rentals in Chelan County. The BOCC met in session today and crafted  
 40 the following statement, which hopefully will give the Planning Commission the direction it needs:

41 *The Board of Commissioners intends to adopt code that addresses the rapid proliferation of short-term*  
 42 *rentals in Chelan County. The BOCC wishes to protect the character of residential communities across the*  
 43 *county, while allowing for property-owner income from short-term rentals. The BOCC recognizes that STRs*  
 44 *are an important part of our economy. However, while many owner/operators manage their properties*  
 45 *responsibly, many clearly do not.*

46 *Chelan County needs the tools to ensure that all STR owner/operators meet a minimum set of standards.*  
 47 *Those standards may include, but are not limited to: parking, garbage, noise, trespassing, privacy, septic*  
 48 *capacity, fire risk, consumer safety, signs, hot tubs, pools and spas, occupancy limits by zone and*  
 49 *neighborhood, density by zone and neighborhood, commercial and liability insurance, and the availability of*  
 50 *STR owner/operators to respond to a complaint within a short-time frame.*

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

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

57 **PLANNING COMMISSION RECOMMENDATIONS**

58 The Consultant and County staff reviewed meeting minutes and direction from the Planning Commission at  
 59 their deliberation on July 9, 2020 to document the recommendations; our intent was to accurately capture  
 60 the voted options and reconcile between the options and code text. Footnotes explain final changes  
 61 meant to match Planning Commission recommendations.

62 Planning Commission recommendations are illustrated in Exhibit 2 and described below.

- 63 ■ **Zones Allowed:** A short-term rental owner/operator would determine if the zoning district permits  
 64 or conditionally permits a short-term rental. Tier 1 owner-occupied short-term rentals are permitted  
 65 in most zones in the County provided they meet operational standards and obtain a land use permit.  
 66 Tier 2 short-term rentals are non-owner occupied, and are permitted but are further restricted on  
 67 smaller lots in certain zones with a sunset clause, or limited in numbers in areas where there is a high

68 concentration of existing short-term rentals. Tier 3 short-term rentals are those with larger  
 69 occupancies (over 12 total guests) and would require conditional use permits and have similar  
 70 restrictions on locations and numbers as Tier 2.

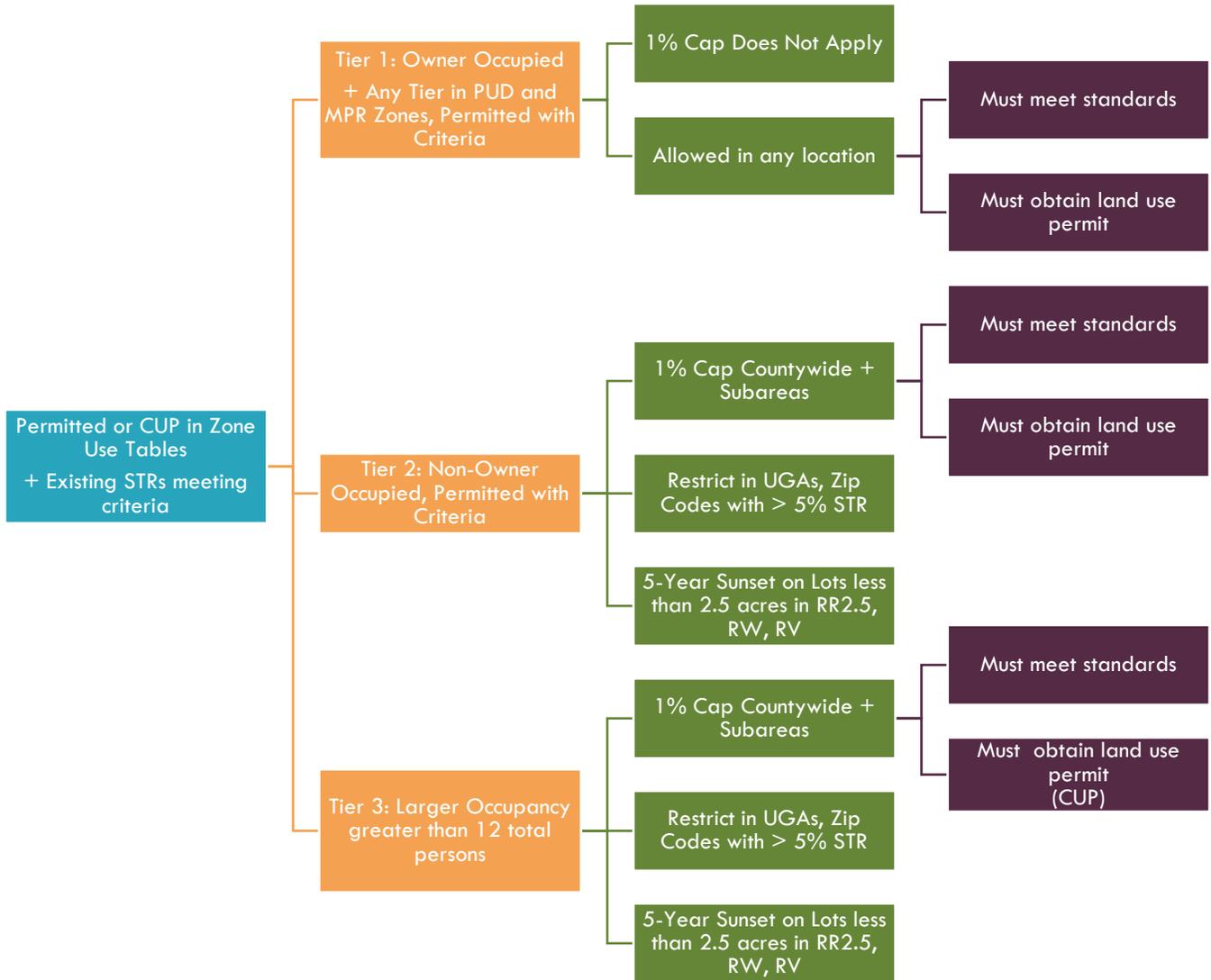
- 71 ■ **Number Allowed:** New non-owner-occupied units (Tier 2) and larger occupancy short-term rentals  
 72 (over 12 guests; Tier 3) would be limited in number to 1% of existing compliant short-term rentals  
 73 documented countywide. The Tier 2 and Tier 3 short-term rentals could locate in unincorporated  
 74 areas except for zip codes, overlay zones, and Urban Growth Areas (UGAs) with more than 5%  
 75 short-term rentals as a share of total units.<sup>1</sup> See Attachment A for a map of zip codes, and  
 76 Attachment B for a map of the Leavenworth-Lake Wenatchee subareas. These areas are referenced  
 77 in relation to the restrictions on locations where short-term rentals make up more than 5% of the  
 78 housing stock. Also, due to community preferences and concern over neighborhood quality, new short-  
 79 term rentals would be limited in Peshastin and Manson UGAs particularly in residential zones. Tier 1  
 80 includes developments specifically designed for short-term rentals (e.g. Planned Unit Developments  
 81 and Master Planned Resorts) are not subject to the cap.
- 82 ■ **Operational Standards:** Tier 1, 2, or 3 units would be required to meet standards such as occupancy,  
 83 parking, noise, solid waste, pool/hot tub monitoring, adequate sewer and water, fire preparedness,  
 84 access to a qualified person within 60 minutes, establishing a property management plan, etc.
- 85 ■ **Existing Units:** Existing short-term rentals established prior to the effective date of the code would  
 86 need to meet criteria regarding use allowances in their zones (locating in a zone that allowed for a  
 87 similar use such as a bed and breakfast), use as a short-term rental, proper payment of taxes, and  
 88 compliance with operational standards. Permits would need to be obtained as well. Where existing  
 89 units are in the RR2.5, RV, and RW zones but are on lots less than 2.5 acres, there is a 5-year sunset  
 90 clause. Where existing units are in a zone that prohibits them, there is a 2-year sunset period.
- 91 ■ **Permit Process:** Once compliant numbers of existing units are established through a land use permit  
 92 process, the 1% cap of new units would be determined. Then new units could be permitted. The first  
 93 permit would require inspections and more detailed review, but annual renewal would be based on  
 94 self-certification and a more abbreviated review. Fees would be set to recover costs of permit  
 95 reviews and inspections such as by the fire marshal, health district, etc.

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<sup>1</sup> The threshold share of short-term rentals is 5% of the total housing stock which is similar to a recommendation in a study of Oregon jurisdictions that found that where short-term rental growth and household formation is increasing at a faster rate than total housing unit growth there can be a constraint on housing affordability. See copy of study hosted by the City of Olympia's website: <https://engage.olympiawa.gov/4076/documents/5992>.

The rate of short-term rental growth has been occurring faster than new home construction in the Leavenworth Zip Code within unincorporated areas. The Zip Codes with greater than 10% share of short-term rentals compared to total dwellings within unincorporated areas include Leavenworth (12.3%) and Manson (11.2%). Peshastin Zip Code is at 5.5%. Chelan is 1.8% and others are less than 1%. These percentages are based on whole house rentals as shown in the Situation Assessment from March 30, 2020. The number where only a room is offered is < 100. More information about units and Tiers is in the [Planning Commission deliberation packet for July 9, 2020](#).

96 **Exhibit 2. Proposed Short-Term Rental Regulation Process**



97

98 **Task Force**

99 In addition to the permitting and code compliance standards in the proposed regulations, the Planning  
 100 Commission has recommended a Task Force be formed to review the effectiveness of the regulations  
 101 after a 2 to 3 year period. It would have nine members.

102 See Attachment C.

103 **Next Steps**

104 The Board of County Commissioners is scheduled to review Planning Commission recommendations. More  
105 information about the schedule can be found at the project website:

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

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# Chelan County

## Draft Short-term Rental Code

DRAFT July 9, 2020 | Planning Commission Recommendations

### Use Allowance Amendments

#### CHAPTER 11.04 DISTRICT USE CHART

##### 11.04.020 District Use Chart

The use chart located on the following pages is made a part of this section. The following acronyms apply to the following use chart. If a cell in the table is blank, the use listed in the left hand column is a prohibited use in the zone that is the heading for that cell.

- P — Permitted use
- P(1) — Permitted use subject to development standards in Chapters 11.88, 11.93 and/or within the applicable zoning district standards
- P(2) — Permitted use subject to development standards in Chapters 11.88, 11.93 and/or within the applicable zoning district standards, except for on parcels that are twelve thousand square feet or smaller, the use/structure must be located on a lot with an existing single-family residence
- P(3) — On lots 2.5 acres or smaller the short-term rental shall sunset within 5 years of XXX effective date**
- A — Accessory use
- A(1) — Accessory use subject to development standards in Chapters 11.88, 11.93 and/or within the applicable zoning district standards
- CUP — Conditional use permit

#### District Use Chart

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

#### CHAPTER 11.22 PESHASTIN URBAN GROWTH AREA

##### 11.22.030 Permitted, Accessory and Conditional Uses

(1) A district use chart is established and contained herein as a tool for the purpose of determining the specific uses allowed in each use district. No use shall be allowed in a use district that is not listed in the use chart as either permitted, accessory or conditional use, unless the administrator determines, by a

123 written administrative interpretation that may be appealed to the hearing examiner, that an unlisted use  
 124 is similar to one that is already enumerated in the use chart and may therefore be allowed, subject to the  
 125 requirements associated with that use and all other applicable provisions.

126 (2) The following acronyms apply to the following use chart:

Uses:

PRM = Permitted use

ACC = Accessory use

CUP = Conditional use

Where a cell is empty, the use is prohibited in that zone. All of these assume compliance with any and all development standards.

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Districts:

R-1 = Low Density Residential

R-2 = Medium Density Residential

R-3 = High Density Residential

C-D = Downtown Commercial

C-H = Highway Commercial

I = Industrial

I-C = Campus Industrial

P-U = Public Use

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Land Uses	R-1	R-2	R-3	C-D	C-H	I	I-C	P-U
RESIDENTIAL USES								
Boarding/ <del>Lodging House</del> <sup>3</sup>	ACC	ACC	ACC	ACC <sup>1</sup>	ACC <sup>1</sup>			
<u>Short-Term Rentals Tier 1 or Tier 2<sup>2</sup></u>				ACC	ACC			
<u>Short-Term Rentals Tier 3</u>				P	P			
COMMERCIAL USES								
Hotels/Motels/ <u>Lodging Facilities</u>				PRM	PRM	PRM	PRM	

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<sup>1</sup> In existing single-family residences only, as of July 1, 2008.

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<sup>2</sup> Indoor facility only.

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<sup>3</sup> Per CCC 18.88.170 (4) In any district that permits single-family residences, the renting of rooms to not more than two boarders, roomers, or lodgers is permitted as an accessory use.

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133 CHAPTER 11.23 MANSON URBAN GROWTH AREA

134 11.23.030 DISTRICT USE CHART.

135 The use chart located on the following pages is made a part of this section. The following acronyms apply  
 136 to the following use chart. If a cell in the table is blank, the use listed in the left hand column is a  
 137 prohibited use in the zone that is the heading for that cell.

UR1 Urban Residential-1

UR2 Urban Residential-2

<sup>2</sup> Removed prior proposal showing “PRM” in R-1, R-2, and R-3 zones.

UR3	Urban Residential-3
CT	Tourist Commercial
CD	Downtown Commercial
MLI	Manson Light Industrial
UP	Urban Public

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- P Permitted use—Subject to development standards in Chapter 11.88 and/or 11.93
- A Accessory use—Subject to development standards in Chapter 11.88 and/or 11.93
- CUP Conditional use permit—Subject to development standards in Chapter 11.93 and/or within this chapter

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**Table 9.1 – District Use Chart**

USE/ACTIVITY	UR1	UR2	UR3	CT	CD	MLI	UP
<del>Vacation-Short-Term Rentals Tier 1 or Tier 2</del>	P <sup>1</sup>	P <sup>1</sup>	P <sup>1</sup>	A <sup>1</sup>	A <sup>1</sup>		
<del>Short-Term Rentals Tier 3</del>				P <sup>1</sup>	P <sup>1</sup>		

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P<sup>1</sup> = Permitted with Standards

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**11.23.040 STANDARDS.**

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~~(3) Vacation-Short-Term Rentals. See 11.88.280 Short-Term Rentals. Vacation rentals, any unit being rented for less than thirty consecutive days, shall be permitted as identified in Section 11.23.030, District use chart. All vacation rentals shall receive an annual permit from January 1<sup>st</sup> to December 31<sup>st</sup>, under Title 14 limited administrative review, documenting conformance and agreement to conform to the following provisions:~~

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

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~~(i) Providing year-around solid waste receptacles and pickup service. Trash cans, on the right-of-way, should be removed within twenty-four hours of pickup; and~~

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~~(ii) Provide at least one off-street parking space, outside of the required setbacks for each two rented bedrooms. Where off-street parking requirements cannot be met the number of rented bedrooms shall be limited; and~~

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

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~~(iv) Occupancy. The maximum number of occupants permitted to stay overnight shall be two people for each bedroom plus two additional persons, excluding children under the age of six; and~~

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156

~~(v) Placing, adjacent to the front door (outside), a legible sign clearly visible to the general public listing the maximum number of occupants permitted to stay overnight, the maximum number of vehicles allowed to be parked on-site, and the name and contact information of the local contact person.~~

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~~(B) Vacation rentals shall provide a local contact person (within a forty-mile radius) twenty-four hours a day seven days a week. Contact information shall be provided to the adjacent properties, the Manson community council, District 5 fire chief, and the Chelan County sheriff.~~

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161

162 ~~Enforcement. Any violation of the provisions of this chapter is punishable pursuant to Title 16.~~  
163 ~~Enforcement actions may be brought against the owner of the vacation rental home for the conduct~~  
164 ~~constituting the violation.~~

## Short-Term Rental Standards

### CHAPTER 11.88 SUPPLEMENTARY PROVISIONS AND ACCESSORY USES

#### **11.88.280 Short-Term Rental Regulations**

##### (1) PURPOSE

(A) The purpose of this section is to establish regulations for the operation of short-term rentals as defined in Chelan County Code (CCC) 14.98.1692, within the unincorporated portions of Chelan County. This chapter also establishes a short-term rental land use permit.

(B) The provisions of this chapter are necessary to promote the public health and safety by protecting year-round residents' enjoyment of their homes and neighborhoods by minimizing the impact of short-term rentals on adjacent residences.

##### (2) TYPE, NUMBER, AND LOCATION

(A) Type. Short-term rentals are distinguished in three tiers.

(i) Tier 1: Owner-occupied short-term rentals where either (a) rooms are rented and the owner is personally present at the dwelling during the rental period, or (b) the short-term rental is located within 200 feet of the owner's primary residence<sup>3</sup>, or (c) the entire dwelling is rented no more than 15 total days in a calendar year provided that an on-site qualified person is there during the owner's absence. Portions of calendar days shall be counted as full days.

(ii) Tier 2: Short-term rentals at a dwelling that is not the owner's principal residence or that is rented more than 15 total days in a calendar year.

(iii) Tier 3: Short-term rentals exceeding occupancy limits of 11.88.280(3) or containing group facilities designed to host events such as weddings, gatherings, or retreats.

(B) Number and Density

(i) Tiered Permits and Numbers Allowed.<sup>4</sup>

(a) Tier 1: Short-term rentals are allowed where permitted per subsection (C).<sup>5</sup>

(b) Tier 2 and Tier 3: The annual number of new short-term rental land use permits issued must be capped to one percent (1%) of the total number of permitted short-

<sup>3</sup> Editorial: Could clarify measurement: "within 200 feet of the parcel containing the owner's primary residence.

<sup>4</sup> Editorial: Could move the (B)(i) to become title of (B) and renumber subsections accordingly.

<sup>5</sup> With the consolidation of number and density provisions under Option J in Planning Commission's July 9, 2020 recommendations, only cross reference to (C) is needed for Tier 1.

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term rentals in the county as determined through land use permit procedures in subsection (4) below, provided that:

(1) Short-term rentals in the following zones are not subject to the 1% cap: Planned Unit Development Overlay Districts expressly permitting short-term rentals, or Master Planned Resorts Overlay Districts.

(2) The number of short-term rentals subject to the cap cannot be located where short term rentals make up 5% or more of the total housing stock:<sup>6</sup> countywide, zip codes<sup>7</sup>, urban growth areas<sup>7</sup>, or the Leavenworth-Lake Wenatchee Overlay or any subarea within the overlay. If allowed in the future by paragraph (D), the number of short-term rentals subject to the cap cannot exceed 1% of the total countywide short-term rentals or exceed 1% of those located in the Leavenworth-Lake Wenatchee Overlay or any subarea within the overlay.<sup>6</sup>

(3) Leavenworth-Lake Wenatchee Overlay: An overlay district co-terminus with Zip Code 98826 encompassing Leavenworth-Lake Wenatchee. [See Attachment A.] It is further subdivided into three sub-areas for Lake Wenatchee, Plain, and Leavenworth, as well as lands abutting Fish Lake areas. [See Attachment B.]

(C) Zones Allowed. Short-term rentals must be permitted, accessory permitted, conditionally permitted, or prohibited pursuant to:

(i) Section 11.04.020 applicable to all Rural and Resource Designations, except as limited in Subsection (2)(B).<sup>8</sup>

(ii) Section 11.22.030 applicable to the Peshastin Urban Growth Area, except as limited in Subsection (2)(B).<sup>8</sup>

(iii) Section 11.23.030 applicable to the Manson Urban Growth Area, except as limited in Subsection (2)(B).<sup>8</sup>

(iv) In city-assigned Urban Growth Areas, pursuant to a city’s land use regulations, development standards, and land use designations, where the County has adopted such

<sup>6</sup> The 1% cap identifies the total units allowed and paragraph (2) indicates where they can locate. The Planning Commission recommended Option J to “Continue the 1% cap on new Tier 2 and Tier 3 short-term rentals, but amend the code to limit new short-term rentals from locating in any place countywide where the share of short-term rentals exceeds 5%.” The July 2, 2020 deliberation draft code text at lines 388-393 conflicted with the intent of Option J by indicating “The number of short-term rentals subject to the cap cannot exceed 1% in any of the following locations where short term rentals make up 5% or more of the total housing stock:...” An unintentional reading of it is that Tier 2 and 3 rentals could locate in impacted areas but not add more than 1%. The intent of Option J was to consolidate elements of the hearing draft code to streamline it without changing meaning. Per the hearing draft code and Option J, the concept was to not allow Tier 2 or 3 short-term rentals until the share was below 5% in various impacted locations. Thus the first sentence has been changed to reconcile the code text with Option J as: “The number of short-term rentals subject to the cap cannot be located where short term rentals make up 5% or more of the total housing stock.” The hearing draft code was also intending that short-term rentals allowed by the 1% cannot all locate in one geographic area especially in the Leavenworth-Lake Wenatchee area; the last sentence is clarified to match the hearing draft and Option J intent to clearly indicate that when short-term rental units are allowed in the future if the share drops below 5% the 1% cap applies countywide and to the Leavenworth-Lake Wenatchee overlay.

<sup>7</sup> Made plural since there is more than one in county.

<sup>8</sup> With the consolidation of number and density provisions under Option J in Planning Commission’s July 9, 2020 recommendations, only cross reference to (2)(B) is needed.

220 pursuant to the County-City Memorandum of Understanding filed with the Chelan County  
 221 Auditor July 8, 1997; provided that, the County’s review procedures in this subsection  
 222 11.88.280 must control.

223 (D)<sup>9</sup> New short-term rentals may be established in the locations cited in subsection (2)(B)<sup>8</sup> if the  
 224 combined percentage of Tier 2 and Tier 3 short-term rentals as a share of total dwelling units is  
 225 less than five percent (5%) and the applications meet all requirements of this section 11.88.280  
 226 as determined by the Director.<sup>10</sup> Total dwelling units must be determined based on the latest  
 227 annual count of total housing units by the State of Washington Office of Financial Management.  
 228 Short-term rental percentages must be determined at the time the number of allowed short-term  
 229 rentals is determined per subsections (2)(B) and (4)<sup>11</sup> of this section.

230 (E) Existing Short-Term Rentals:

231 (i) A use shall not be considered lawfully established and existing as of the effective date  
 232 of this ordinance XXX [effective date] unless the owner proves all of the following:

233 (a) That similar uses were allowed in the subject zones at the time the short-term  
 234 rental was established, including but not limited to: bed and breakfast, guest inn,  
 235 boarding house, lodging facility, hotel/motel, or other transient accommodation;  
 236 and<sup>12</sup>

237 (b) That a location was used for short-term rental purposes during January 1,  
 238 2019 to XXX [effective date]. The Director may permit homes with approved  
 239 building permits after January 2019, constructed within six months of the effective  
 240 date of this ordinance to be considered as an existing short-term rental; and

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

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

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

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

250 (ii) Nonconforming Short-Term Rental Units in Restricted Zones: Where a zone does not  
 251 allow short-term rental units as of XXX [effective date] according to CCC Sections  
 252 11.04.020, 11.22.030, or 11.23.030, only those short-term rentals that exist as of XXX  
 253 [effective date] and are compliant with criteria in subsection (i) above, will be allowed as

<sup>9</sup> Based on Planning Commission recommendations (July 9th, Option J consolidation) this paragraph is renumbered.

<sup>10</sup> Per 14.98.580 Director. “Director” means the director of the Chelan County department of community development or designee. This term is synonymous with administrator.

<sup>11</sup> Corrected cross reference to (4) since that is where permit process is addressed.

<sup>12</sup> See CCC 11.04. Generally Bed and Breakfasts are allowed in all rural residential zones and resource zones as accessory uses, and guest houses are conditional use permits in the same zones except they are not allowed in commercial forest zones (FC). Lodging facilities are allowed in the RC zone.

254 nonconforming uses. Such uses may not be significantly changed, altered, extended, or  
 255 enlarged and must cease after two years from XXX [effective date]. After expiration or  
 256 revocation of the permit authorizing a legal nonconforming short-term rental, no operator  
 257 shall operate a short-term rental.

258 (iii) See CCC 11.04.020. Within the RR2.5, RW, and RV zones, short-term rentals on lots  
 259 2.5 acres or smaller shall sunset within 5 years of XXX [effective date].<sup>13</sup>

260 (3) SHORT-TERM RENTAL STANDARDS

261 (A) Primary or Accessory Residence. Short-term rentals must be operated out of an owner’s main  
 262 house or a legally established accessory dwelling unit. In no case, shall an owner or operator  
 263 make available a recreational vehicle, tent, or other temporary or mobile unit for short-term  
 264 rental.

265 (B) Occupancy.

266 (i) Overnight Occupancy. The owner or operator must limit overnight occupancy to no more  
 267 than two guests per bedroom, not to exceed a total of 12 guests including children.  
 268 Occupancy limits must comply with the International Residential Code.

269 (ii) Daytime Occupancy. At no time shall the total number of persons at a short-term rental  
 270 exceed 12 persons, including children.

271 (iii) Exceeding Nighttime or Daytime Occupancy. In order to exceed daytime or nighttime  
 272 occupancy limits an operator must obtain a Conditional Use Permit provided that the zone  
 273 allows short-term rentals as an accessory, permitted, or conditionally permitted use and  
 274 meets all other short-term rental requirements of this section. All applicable criteria of  
 275 CCC Chapter 11.93 shall be met.

276 (C) Parking.

277 (i) One off-street patron parking space in addition to the residential parking  
 278 requirements, not located within a setback, shall be provided for each bedroom.

279 (ii) The number of vehicles allowed at the short-term rental must be limited to the number  
 280 of bedrooms plus one; this requirement must be included in the Property Management Plan  
 281 per Section (3)(K).<sup>14</sup>

282 (D) Garbage. Trash containers must be provided. Trash must be in proper containers on collection  
 283 day. Where curbside recycling is available to the unit receptacles must be provided. Receptacles  
 284 must be set out on the right-of-way and removed within twenty-four hours of pickup. Trash must  
 285 be managed in compliance with CCC Chapter 4.04 Garbage. This requirement must be included  
 286 in the Property Management Plan per Section (3)(K) and good neighbor guidelines per subsection  
 287 (3)(M).

<sup>13</sup> To match Planning Commission’s recommendations on July 9, 2020 (amended Option C), the 5-year sunset limitation is stated here as well as in a note to the use chart in CCC 11.04.020 since this section contains regulations of existing short-term rentals and has other provisions about sunsets.

<sup>14</sup> Corrected cross reference to (3)(K) instead of (2)(K).

- 288 (E) Noise. Short-term rentals must be operated in compliance with Chapter 7.35 Noise Control.  
 289 This requirement must be included in the Property Management Plan per Section (3)(K).
- 290 (F) Trespass. Owners or operators must provide rules in rental contracts restricting occupants from  
 291 trespassing on neighboring private property and identify proper routes to public places such as  
 292 easements to shorelines. Such trespass rules must be included in the property management plan in  
 293 (3)(K) and good neighbor guidelines per subsection (3)(M).
- 294 (G) Signs. All owners or operators must display the address of the residence so that it is clearly  
 295 visible from the street or access road. The rental must have a sign or other identifier on outside as  
 296 short-term rental. The sign must be made of natural materials not exceeding two square feet in  
 297 area and if illuminated, must be indirectly illuminated.
- 298 (H) Consumer Safety. All Consumer Safety requirements of RCW 64.37.030 must be met by the  
 299 owner or operator. Violations are subject to Title 16. Requirements must be included in the  
 300 property management plan in (3)(K).
- 301 (I) Fire Safety and Outdoor Burning. Each owner or operator must include a fire protection plan in  
 302 their property management plan in subsection (3)(K) to alert renters to respect firewise efforts on  
 303 a property, or to comply with travel or activity restrictions of CCC Chapter 7.52, Fire Hazard  
 304 Areas. This includes, but is not limited to, restricting use of outdoor fire places or grills and to  
 305 properly secure and restrict portable barbeques.
- 306 (I) Fire Safety and Outdoor Burning. Each owner or operator must include a fire protection plan in  
 307 their property management plan in subsection (3)(K) to alert renters to respect firewise efforts on  
 308 a property, or to comply with travel or activity restrictions of CCC Chapter 7.52, Fire Hazard  
 309 Areas. The fire protection plan shall demonstrate consistency with a Ready Set Go program or  
 310 equivalent. This includes, but is not limited to, restricting use of outdoor fire places or grills and to  
 311 properly secure and restrict portable barbeques.
- 312 (J) Qualified Person.
- 313 (i) The owner or operator must provide the name, telephone number, address, and email  
 314 of a qualified person (which can be a person or company) who can be contacted  
 315 concerning use of the property and/or complaints and can respond to the property within  
 316 60 minutes to complaints related to the short-term rental consistent with the requirements  
 317 of this section. The owner or operator must provide a valid telephone number where  
 318 qualified person can be reached 24 hours per day, every day.
- 319 (ii) The owner or operator must post a sign of similar materials and dimension as  
 320 subsection (3)(G) with the contact information of the qualified person. If the permanent  
 321 contact information changes during the permit period, the new information must be  
 322 changed on the sign. Renewal applications must provide evidence of the sign. The Director  
 323 may allow annual mailings to neighboring properties and an interior posted notice for  
 324 tenants in lieu of an exterior sign where a property's size and visibility make an exterior  
 325 sign ineffective. The purpose of this sign is so that adjacent property owners and residents  
 326 can contact a qualified person to report and request resolution of problems associated  
 327 with the operation of the short-term rental.
- 328 (K) Property Management Plan. Short-term rentals must maintain an up-to-date property  
 329 management plan on file with the Chelan County Community Development Department and

- 330 property owners within 300 feet of parcel boundaries within which the short-term rental is  
 331 located. The property management plan must include the following:
- 332 (i) Provide a floor plan and site map clearly depicting the property boundaries of the  
 333 short-term rental, and the escape route in case of an emergency. The map must indicate if  
 334 there is an easement that provides access to a<sup>15</sup> shoreline; if so, the boundaries of the  
 335 easement must be clearly defined. If there is no access, this must be indicated together  
 336 with a warning not to trespass;
  - 337 (ii) Provide the unified business identifier number, and the names and addresses of the  
 338 property owner;
  - 339 (iii) Designate a qualified person and provide contact information consistent with (3)(j) ;  
 340 and
  - 341 (iv) Provide information required for Consumer Safety per (3)(H) and RCW 64.37.030  
 342 and fire protection plan per (3)(I).
  - 343 (v) All units must have an operable landline telephone installed to aid in emergency  
 344 response, and the dwelling recorded in “Rivercom” data base.
  - 345 (vi) The plan must identify the method by which the owner/operator will notify renters of  
 346 emergency or temporary conditions such as burn bans.<sup>16</sup>
  - 347 (vii) The plan must specify the maximum number of guests and number of bedrooms.
  - 348 (viii) The plan must be kept up to date at the time of the annual permit and include the  
 349 annual permit number per subsection (L).
  - 350 (ix) The plan must include the Good Neighbor Guidelines per subsection (M).
- 351 (L) Annual Permit Number. The owner or operator must include the Chelan County land use permit  
 352 number for the short-term rental in all advertisements (AirBnB, VRBO, Craigslist, poster, etc.) and  
 353 marketing materials such as brochures and websites.
- 354 (M) Good Neighbor Guidelines. Owners and operators must acknowledge receipt and review of  
 355 a copy of the good neighbor guidelines. Owners and operators must provide evidence that the  
 356 good neighbor guidelines have been effectively relayed to short-term rental tenants, by  
 357 incorporating it into the property management plan, and rental contract, posting it online,  
 358 providing it in a conspicuous place in the dwelling unit, or a similar method.
- 359 (N) Liability Insurance. A short-term rental owner or operator must maintain primary liability  
 360 insurance consistent with RCW 64.37.050.
- 361 (O) Taxes. The owner or operator must be in compliance with CCC Chapter 6.30 Lodging Tax,  
 362 and other local sales taxes and state hotel/motel and sales taxes in accordance with the  
 363 Department of Revenue.

<sup>15</sup> Changed from “the” to “a” since it could be any shoreline.

<sup>16</sup> The Planning Commission discussed adherence to health guidelines such as 24 hours between guests and determined that standards of cleanliness are likely beyond the scope of a land use permit (and may be self-regulating as guests would likely use short-term rentals where an owner/operator strives to demonstrate voluntary measures to provide for health). This provision to ensure that emergency or temporary conditions are communicated to guests by the owner/operator/qualified person could encompass health if there was an emergency health district order.

364 (4) LAND USE PERMITS

365 (A) Land Use Permit Required. No short-term rental owner or operator may advertise, offer, operate,  
 366 rent, or otherwise make available or allow any other person to make available for occupancy or use  
 367 a short-term rental without a valid short-term rental land use permit issued by the Director.

368 (B) Annual Renewal. Annual renewal of the short-term rental land use permit is required.

369 (C) Permit Applications. Short-term Rental owners must apply for a land use permit to establish  
 370 compliance with this code.

371 (C) Permit Applications. Short-term Rental owners must apply for a land use permit to establish  
 372 compliance with this code. Fees consistent with CCC 3.24.010 must be paid. The Director may  
 373 waive the initial conditional use permit fee if the applicant provides written and notarized proof  
 374 that an approval was granted by Chelan County prior to the effective date of this code. All other  
 375 permit costs apply.

376 (D) Application Acceptance and Evaluation.

377 (i) From September 1 to October 31 each year, existing short-term rental owners must  
 378 submit a Short-Term Rental Land Use Application. By February 1 of each following year the  
 379 Director must report the baseline number of authorized existing short-term rentals and  
 380 identify the number of new short-term rentals allowed pursuant to subsection (2)(B). From  
 381 February 15 to March 15, the Director must accept new applications for short-term  
 382 rentals. Compliant permits will be entered into a lottery by June 1. The lottery must be  
 383 conducted at a public meeting after the publishing of a legal notice a minimum of 10 days  
 384 prior to the lottery. The number of issued permits selected by lottery will not exceed the  
 385 number allowed per the applicable cap in subsection (2)(B). Selected permits remain valid  
 386 until such time as an annual renewal is required.

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

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

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

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

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

402 (i) Fire and Emergency Safety. Prior to approving the initial short-term rental permit, the  
 403 applicable fire district or fire marshal must perform a life-safety inspection, except as  
 404 provided under subsections (H)(iv) and (H)(v).<sup>17</sup>

405 (ii) Water and Wastewater. The Chelan-Douglas Health District must inspect the short-term  
 406 rental to ensure that there is a verifiable legal source of water that meets applicable  
 407 standards, and an approved on-site sewage disposal system, except as provided under  
 408 subsections (H)(iv) and (H)(v).<sup>17</sup>

409 (iii) Hot Tubs or Pools. The Chelan-Douglas Health District must inspect new hot tubs or  
 410 pools. Existing and new hot tubs and pools shall be annually monitored by either the  
 411 District or a third-party inspector. Water quality shall be consistent with Chapter 246-260  
 412 WAC and Chapter 246-262 WAC.

413 (iv) The Director may waive inspections under subsections (H)(i) and (H)(ii) and (H)(iii)<sup>18</sup>  
 414 associated with the initial short-term rental permit if the owner provides a notarized  
 415 affidavit from the applicable fire district or fire marshal or Chelan-Douglas Health District  
 416 that the short-term rental is in compliance with applicable requirements in subsections (H)(i)  
 417 and (H)(ii).

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

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

423 (vii) Owner Responsibility. It is the owner’s responsibility to assure that the short-term  
 424 rental is and remains in substantial compliance with all applicable codes regarding fire,  
 425 building and safety, health and safety, and other relevant laws.

426 (I) Only one transfer of ownership is allowed, and the short-term rental is limited to a three-year  
 427 operational period provided all permits per subsection (4) are obtained. A transfer occurs when  
 428 the property is sold to a person or when officers of corporations are changed to remove former  
 429 officers and add new officers. At the time of the only transfer, all permits shall include the  
 430 following provision: “This permit shall automatically expire upon sale or transfer of the property,  
 431 or three years, whichever comes first.” After a single transfer, the short-term rental permit is no  
 432 longer valid after the land use permit expiration date. The operator must obtain a new short-term  
 433 rental permit compliant with this section following expiration or cease operation. New owners must  
 434 certify compliance with the conditions of permit approval within 90 days after the closing date of  
 435 the sale of the property. Written certification must be submitted to the Community Development  
 436 Department on forms specified by the Director. New owners must apply for a new permit by the  
 437 annual deadline.

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

<sup>17</sup> Corrected cross references with the insertion of Planning Commission recommendation on Option K regarding hot tubs or pools.

<sup>18</sup> Due to addition of Planning Commission Recommendation of Option K on Hot Tubs and Pools added cross reference.

- 440 (i) The short-term rental is located in a base or overlay zone that allows its use pursuant to
- 441 this section.
- 442 (ii) The short-term rental is consistent with density limitations of this section.
- 443 (iii) The short-term rental is consistent with short-term rental standards of this section.
- 444 (iv) The short-term rental is consistent with all applicable health and safety requirements of
- 445 this section.
- 446 (v) The short-term rental is not the subject of outstanding code violations per Title 16.
- 447 (K) Appeals of the denial or conditions of short-term rental land use permits or annual renewals
- 448 must be filed in compliance with Title 14 CCC.

449 (5) ENFORCEMENT

- 450 (A) Within Chelan County jurisdiction, a short-term rental must not operate without an approved and valid
- 451 Short-Term Rental Permit. Evidence of operation includes advertising, online calendars showing
- 452 availability, guest testimony, online reviews, rental agreements, or receipts.
- 453 (B) Enforcement of this section will be in accordance with Title 16 CCC.

454 (6) MONITORING

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

458 Chapter 11.93 Conditional Use Permits

459 11.93.450

460 All short-term rental applications requiring a conditional use permit shall be consistent with CCC 11.88.

461 Chapter 3.24 Community Development Department Fees

462 3.24.010 FEE SCHEDULE.

463 **(a) Planning.**

Application Type	Fee
Conditional use permit	\$1,520
<u>Short-term rental (Tier 1, first permit)</u>	<u>\$500</u>
Short-term rental ( <u>Tier 2, inspection not</u> <u>required, annual first permit</u> )	\$500
<u>Short-term rental (Tier 2, inspection required</u> <u>first permit)</u>	<u>\$900</u>
<u>Short-term rental (Tier 3 first permit)</u>	<u>\$1,520</u>

Application Type	Fee
<u>Short-term rental (Tier 1 annual renewal)</u>	<u>\$75</u>
<u>Short-term rental (Tier 2 annual renewal)</u>	<u>\$150</u>
<u>Short-term rental (Tier 3 annual renewal)</u>	<u>\$225</u>

## Definitions

### 14.98 DEFINITIONS

#### **14.98.1410 Person.**

"Person" means any individual, firm, association, partnership, corporation, or any entity, public or private. For the purposes of short-term rental regulations, person is defined consistent with in RCW 82.04.030.

#### **14.98.1632 Bedroom**

For the purposes of CCC 11.88, a "bedroom" means either enclosed or open areas within a structure being used as a Short Term Rental that provides sleeping accommodations such as mattresses, beds, sofa sleepers, roll away beds, day/trundle beds, bunkbeds, murphy beds, etc.

#### **14.98.1692 Short-Term Rental**

"Short-Term Rental" means a dwelling unit, or portion thereof, that is offered or provided to a guest by a short-term rental owner or operator for a fee for fewer than thirty consecutive nights. They are commonly referred to as vacation rentals. They are a form of tourist or transient accommodations. Short-term rental units may be whole house rentals, apartments, condominiums, or individual rooms in homes. For the purpose of administration and enforcement of this title, the terms "overnight rental," "nightly rental," and "vacation rental" are interchangeable with short-term rentals. Subleasing or subletting of units for short-term rental is prohibited if the underlying zone prohibits such use.

#### **14.98.1693 Short-Term Rental Operator**

"Short-term rental operator" means any person who receives payment for owning or operating a dwelling unit, or portion thereof, as a short-term rental unit, or their authorized agent including a property management company or other entity or person who has been designated by the owner, in writing, to act on their behalf.

#### **14.98.1694 Short-Term Rental Owner**

"Owner" means any person who, alone or with others, has title or interest in any building, property, dwelling unit, or portion thereof, with or without accompanying actual possession thereof, and including any person who as agent, executor, administrator, trustee, or guardian of an estate has charge, care, or control of any building, dwelling unit, or portion thereof. A person whose sole interest in any building, dwelling unit, or portion thereof is solely that of a lessee under a lease agreement is not considered an owner.

493 **16.20. SHORT-TERM RENTAL ENFORCEMENT AND VIOLATIONS**

494 **16.20.010 Compliance**

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

497 **16.20.020 Enforcement Procedures, Notices, and Citations**

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

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

505 (3) Citations must be issued consistent with Chapter 16.08, provided that citations may be issued on-site  
 506 at the discretion of the code compliance officer if a violation of Short-Term regulations in Titles 11 and  
 507 14 CCC occurs. Alternatively, the citation may be accomplished in another manner consistent with Title 16.

508 **16.20.030 Civil Penalties**

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

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

514 **16.20.030 Revocation**

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

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

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

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

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

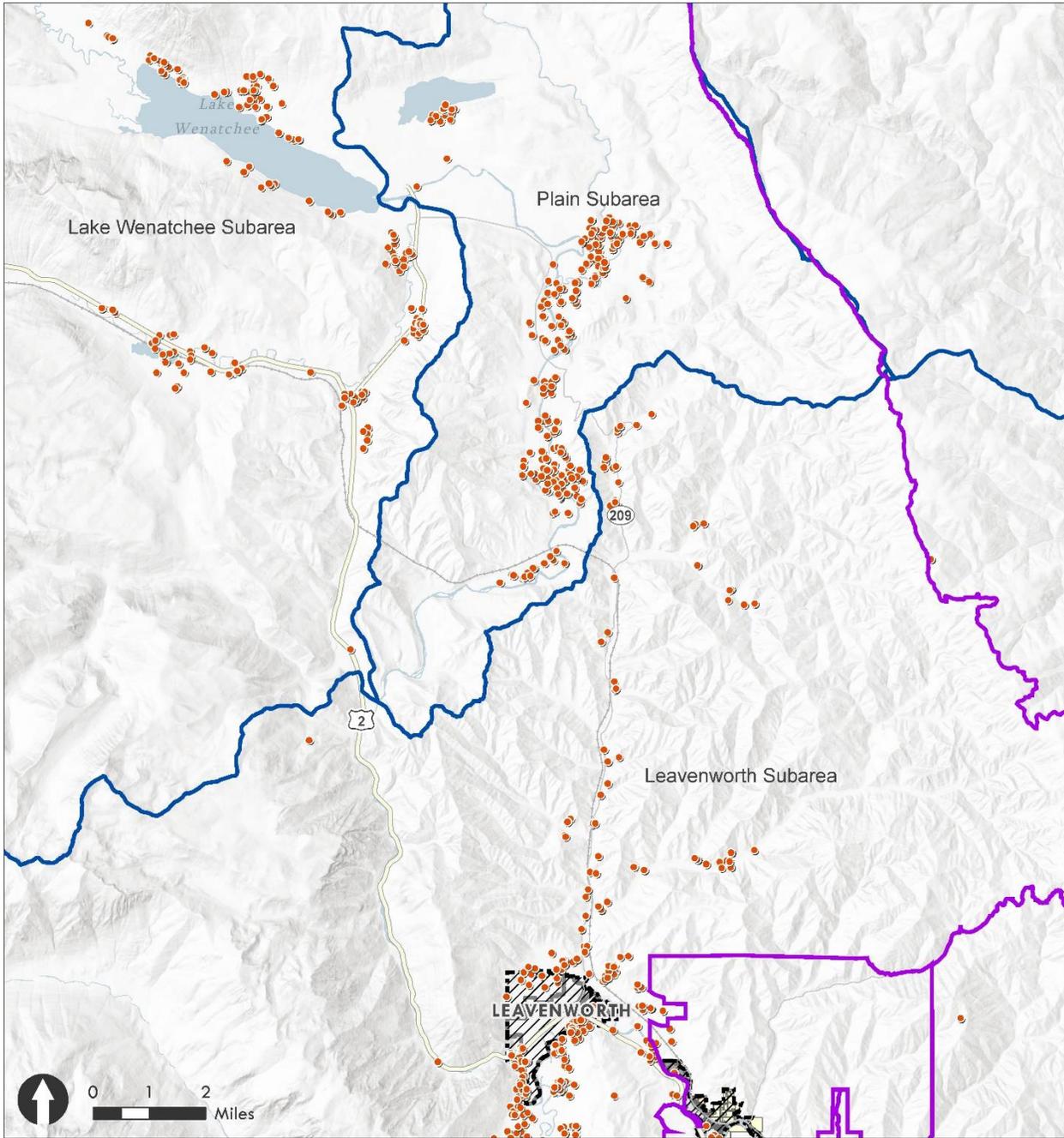
527 (D) Such other violations of Titles 11, 14, and 16 of sufficient severity in the reasonable judgment  
528 of the Administrator,<sup>19</sup> so as to provide reasonable grounds for immediate revocation of the land  
529 use permit.  
530 (E) If three violations are verified under subsection (D) at any time during a twelve-month period,  
531 the penalty shall be revocation in addition to any required civil penalties under 16.20.030.

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<sup>19</sup> In Title 16, reference is made to “Administrator” whereas in Title 11 reference is made to “Director”. Both have a similar meaning in Title 14 definitions.



535 **Attachment B: Leavenworth-Lake Wenatchee Subareas**



536

**LEGEND**

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



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

537 Source: Chelan County GIS, AirDNA, BERK 2020

ATTACHMENT C: STR TASK FORCE

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STR Task Force

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

Considering the complexity of the issue at hand, it is felt such a review and possible recommendations would and could be beneficial for the county and its citizens. It is expressly not the purpose of the Task Force to rewrite the document (code), but merely to review its performance and suggest fine tuning points if any are felt necessary.

The Task Force would be composed of:

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

Thank-you for your consideration.

Respectfully,

Chelan County Planning Commission

DRAFT