



Skamania County

Community Development Department

Building/Fire Marshal ♦ Environmental Health ♦ Planning

Skamania County Courthouse Annex

Post Office Box 1009

Stevenson, Washington 98648

Phone: 509-427-3900 Inspection Line: 509-427-3922

MEMO

TO: Board of County Commissioners
FROM: Alan Peters, Assistant Planning Director
DATE: November 6, 2019
RE: Short-term Vacation Rentals Discussion

Introduction

A short-term vacation rental (STVR) is generally understood to be the rental of a residential dwelling unit, accessory building, or an individual room for a period of less than 30 days. They are generally furnished spaces used for transient lodging, usually in place of more traditional lodging establishments such as hotels. These units can be divided into those that are owner-occupied and not owner-occupied. Some common scenarios include:

- Owner is present during rental; renting out one or more bedrooms in their home
- Owner is not present during rental; renting out the owner's unit for a short period of time while owner is away
- Owner-occupied duplex or home with accessory dwelling unit; renting out one or more units, not the owner's unit
- Single family home; non-owner-occupied; property used solely for short-term rentals
- Single family home or dwelling unit leased to a long-term tenant; lease does not prohibit sub-letting and tenant creates their own short-term rental

The concept isn't entirely new, but increased tourism to the Columbia River Gorge and the proliferation of online vacation rental platforms such as Airbnb, Vacasa, and VRBO has caused an apparent increase in the number of these units throughout Skamania County. Recent assessments of the number of STVRs suggest that there are anywhere from 150 to 200 rentals in Skamania County, including whole home or partial home rentals. Yet, STVRs have never been specifically addressed in the County Code.

Summary of Existing Code Related to STVRs

The Zoning Code defines several terms that are related to STVRs:

Accessory use or structure – “means one which is subordinate to the principal use or structure on the lot serving a purpose clearly incidental to the use or structure.”

Camping cabin – means “a small, recreational lodging unit typically found in rural recreational areas. Not intended as a permanent dwelling and may operate seasonally”.

Camping Cabins are only allowed in the Swift sub-area in the Mountain Recreational 5, 10 and 20 districts and the Swift Recreational (SR) district. The code also provides detailed regulations governing a "designed mixture of visitor-oriented accommodations, and recreation uses consistent with the Skamania County comprehensive plan."

Dwelling unit – means "means a structure, or that part of a structure, which is used as a home, residence, or sleeping place by one family that contains kitchen facilities and sanitary facilities. (Does not include recreational vehicles.)"

Guest house - means "a building that is detached from the single-family dwelling that contains up to two bedrooms and sanitary facilities, but does not contain kitchen facilities."

While not specifically defined, the following terms also are found in the Zoning Code:

Bed and Breakfast (B&B) – B&Bs are Allowed uses in the West End NC district (SCC 21.67.110.A8) and are not listed in any other zone.

Cottage occupation – is "a business operated within a private residence which does not constitute the principle use of that residence, and which principally employs household members associated with that residence or lot on which said business is located; and produces no outside evidence of such occupation with the exception of accepted signs. Such business may include the production, sale, repair, or service of products produced, manufactured, or assembled on the lot; and/or, provide a service to customers and clients." (SCC 21.08.010)

In the absence of more specific regulations pertaining to STVRs, the Community Development Department considers whole-house rentals to be an allowable residential use, so long as the house is rented to only one group at any time (this approach is supported by the Washington Supreme Court's decision in *Wilkinson v. Chiwawa Communities Association* which affirmed a Washington Court of Appeals decision in *Ross v. Bennett* finding that if a vacation renter uses a home "for the purposes of eating, sleeping, and other residential purposes," this use is residential, not commercial, no matter how short the rental duration).

Renting of individual rooms must satisfy the requirements for cottage occupations. However, the we believe we can limit the number of rented rooms to two, as RCW 70.62.210, considers any place offering three or more lodging units to travelers and transient guests to be a "transient accommodation", which the Community Development Department considers to be a commercial use, allowable only in commercial zones. In the National Scenic Area, the renting of individual rooms is allowable in certain zones as a bed and breakfast after approval of a land use application.

Washington House Bill 1798

Effective July 28, 2019, House Bill 1798 defines several terms related to STVRs and requires a short-term rental operator to remit all required taxes and to maintain liability insurance to cover a short-term rental unit. It also imposes several consumer safety requirements for operators.

In Skamania County, the combined tax rate for STVRs is .097:

<i>State Sales and Use Tax</i>	<i>.065</i>
<i>Local City/County Sales and Use Tax</i>	<i>.012</i>
<i>Special Hotel/Motel</i>	<i>.020</i>
<i>Total tax rate</i>	<i>.097</i>

Regulating STVRs

There are many reasons to regulate STVRs and many ways to do so. Some communities have developed land use regulations that welcome and encourage new STVRs. Other jurisdictions focus more energy on protecting the rights of adjacent property owners and have more restrictive codes. Some jurisdictions facing housing shortages seek to limit the number of STVRs as a way to address affordable housing concerns while other jurisdictions view STVRs as a means to make housing more affordable for the property owner or to provide needed revenue.

However, there are several broad concerns on which jurisdictions choose to regulate STVRs:

- Limit the number of days the STVR use is allowed
- Address neighborhood traffic and parking concerns
- Respect the right of adjacent property owner for the quiet use and enjoyment of their own property
- Require a local contact person who is easily accessible and accountable for the activity that occurs during STVR occupancy
- Address public safety concerns regarding the transient nature of short-term users
- Ensure collection of lodging taxes.

If the county chooses to further regulate STVRs, it would be important to determine both what types of land use limitations would be placed on short-term rentals and what licensing requirements would be established. Some key items to consider include:

Use Limitations

- Define what constitutes a STVR
- Determine where STVRs may be operated
- Determine the form of STVRs that are allowable
 - o Whole house
 - o Individual rooms
 - o Accessory structures
 - o RVs
- Parking requirements
- Limit the number of renters per bedroom/per unit
- Limit the number of rentals allowed per month
- Owner occupancy
- Commercial events

Licensing Requirements

- Determine whether or not to license STVRs
- Notice requirements
- Fees
- Health & safety inspections
- Insurance
- Tax remittance
- Local management person
- Enforcement and penalties
- Incentives

STVR Codes in Other Jurisdictions

Pacific County, Washington

Pacific County abuts the Pacific Ocean and includes the tourist and recreation oriented Long Beach Peninsula. Pacific County defines short term vacation rentals as occurring in single family dwellings and rented for periods of less than 30 days and the County distinguishes STVRs from more traditional types of short-term rental accommodations such as B&Bs, hotels, motels, condominiums, time shares, etc. STVRs generally consist of renting out a residential dwelling in a residential neighborhood and normally do not have any type of management presence on-site during the rental period.

Bed and Breakfast Facilities (Zoning Ordinance # 162 Section 21.M). Key provisions of the B&B regulations are:

- (a) specific regulations for each zoning district; (b) meet all applicable State and local health, safety and building codes, including minimum State Business licensing requirements; (c) the exterior of the building shall retain a residential appearance; (d) operate in a way that will prevent unreasonable disturbance to area residents; (e) provide a minimum of one off-street parking space for each room in addition to those for the primary residence; (f) signs may be no more than four square feet in area; (g) the access road must meet minimum Pacific County Road standards; and (h) the Administrator may impose other conditions such as additional parking, improved access, landscaping or minimum screening to ensure the proposed facility is compatible with the surrounding area.

Short Term Vacation Rentals (Zoning Ordinance # 162 Section 21.N). Key provisions of the STVR regulations are:

- (a) revocable annual license required; (b) limited to no more than two overnight guests per bedroom, plus two additional overnight guests (not exceed 10 person in the dwelling at any one time); (c) the exterior of the building shall retain a residential appearance; (d) operate in a way that will prevent unreasonable disturbance to area residents; (e) make provisions for garbage removal during rental periods; (f) secure pets at all times while on the property; (g) provide a local land line phone number for the unit; (h) provide a minimum of one off-street parking space for each room in addition to those for the primary residence; (i) signs may be no more than four square feet in area; (j) on properties containing both a residential dwelling and an accessory residential dwelling, only one residential structure may be rented out as a short-term vacation rental, but not both; (j) the access road must meet minimum Pacific County Road standards; and (k) file property management plan with the

County demonstrating how the vacation rental will be managed and how impacts to neighboring properties will be minimized, include local points of contact available to respond immediately to complaints which is "mailed to all adjoining property owners within 300' as a condition of license approval, and shall be posted in a visible location within the vacation rental".

Stevenson, Washington

Stevenson regulates STVRs in SMC 5.20. The ordinance was adopted in 2016 and includes several significant provisions:

- Rental of dwelling units for less than thirty days is an important contributor to the comprehensive plan's tourism goal. (SMC 5.20.005)
- A Vacation Rental Home is a dwelling providing separate living quarters which include such amenities as refrigeration, cooking facilities, toilets, showers, and other amenities for use or occupancy for a period of less than thirty consecutive days per rental period. (SMC 5.20.010)
- Administrative provisions include: Application for license, specific site and use information required, an application fee, annual licensing (SMC 5.20.015 – 5.20.035)
- Additional requirements include: annual public notice to neighbors, providing a local contact person, responsibility of the contact person to respond to complaints in a timely manner, meeting health and safety standards and being subject to health and safety inspections, guest logs and record management, compliance with tax reporting regulations (SMC 3.03), liability insurance and more. (SMC 5.20.040)
- Revocation of license procedures and penalties for violations of the local code or for nuisance violations. (SMC 5.20.045 -5.20.065).

Conclusion

Planning staff proposes to work directly with the Board on drafting new use limitations and licensing requirements for STVRs to be adopted and implemented in 2020. The Planning Commission would need to review and make recommendations on the use limitations. Community input could be gathered through public hearings, workshops, meetings with stakeholders, or surveys.

As with any new regulations, a significant challenge to implementation is the need for enforcement. It will require considerable staff time to educate property owners, review permit applications, inspect properties, respond to complaints, and carry out code enforcement. The county will also need to identify where STVRs are being operated to ensure compliance.

Staff has spoken to two service providers that provide outsourced solutions for implementation and enforcement of STVR regulations. Both providers can provide lists of existing STVRs in the county by retrieving data from various online platforms and matching listing information with assessment records to identify addresses and property owners. This data would be helpful at initial implementation and for ongoing compliance monitoring. These providers also provide online permitting, after-hours complaints, and monitoring of tax compliance. Staff has attached a presentation from one of these companies, Host Compliance, that outlines some of the various modules available. The costs of these services could be paid for by license fees and would be extremely beneficial for the initial startup and long-term implementation of a STVR permitting program.