

# **REGULAR MEETING NOTICE/AGENDA OF THE SPOKANE CITY COUNCIL**

## **MEETING OF THURSDAY, MARCH 16, 2023, 11:00 A.M. – CITY COUNCIL CHAMBERS**

A regular meeting of the Spokane City Council will be held at **11:00 A.M. on Thursday, March 16 2023**, in City Council Chambers - City Hall, 808 W. Spokane Falls Blvd. The meeting can also be accessed live on CityCable5 and streamed online at <https://my.spokanecity.org/citycable5/live/> and <https://www.facebook.com/spokanecitycouncil> or by calling 408-418-9388 and using access code 2499 197 1781.

The meeting will be conducted in a study session format and will be open to the public both virtually and in person. No legislative action will be taken. No public testimony will be taken, and discussion will be limited to appropriate officials and staff.

### **Executive Session**

At any time during or after the regular Study Session Agenda, the City Council may choose to adjourn into Executive Session for the purpose of discussing privileged legal matters. This portion of the meeting would be closed to the public pursuant to RCW 42.30.110.

### **Agenda:**

Short-Term Rental Data Review - Donna DeBit (30 min)

[Short-Term Rental Code Proposals](#) - Amanda Beck (30 min)

6-Year Streets Program Update - Kevin Picanco (1 hour)

**AMERICANS WITH DISABILITIES ACT (ADA) INFORMATION:** The City of Spokane is committed to providing equal access to its facilities, programs and services for persons with disabilities. The Spokane City Council Chamber in the lower level of Spokane City Hall, 808 W. Spokane Falls Blvd., is wheelchair accessible and also is equipped with an infrared assistive listening system for persons with hearing loss. Headsets may be checked out (upon presentation of picture I.D.) at the City Cable 5 Production Booth located on the First Floor of the Municipal Building, directly above the Chase Gallery or through the meeting organizer. Individuals requesting reasonable accommodations or further information may call, write, or email Human Resources at 509.625.6237, 808 W. Spokane Falls Blvd, Spokane, WA, 99201; or [mpiccolo@spokanecity.org](mailto:mpiccolo@spokanecity.org). Persons who are deaf or hard of hearing may contact Human Resources through the Washington Relay Service at 7-1-1. Please contact us forty-eight (48) hours before the meeting date.

## ORDINANCE NO. C36 \_\_\_\_

AN ORDINANCE relating to the regulation of short-term rentals; amending Spokane Municipal Code (SMC) Sections 17C.316.010, 17C.316.020, 17C.316.030, 17C.316.040, 17C.316.050, 17C.316.060, and 17C.316.070; and setting an effective date.

WHEREAS, the short-term rental of a residential dwelling unit for fewer than thirty days is a permitted use in residential zones, but is not a currently permitted use in other non-residential zones of the Spokane Municipal Code; and

WHEREAS, the City's contractor, Granicus, has pulled short-term rental listings from the vacation rental platforms licensed in Washington State and determined that there are short-term rentals operating in zoning districts which do not currently allow a short-term rental use; and

WHEREAS, RCW 36.70A.600 encourages the City to take a number of actions in order to increase its residential building capacity and authorized the City to adopt a housing action plan; and

WHEREAS, as authorized by RCW 36.70A.600(2), Council Resolution RES-2021-0062 adopted the City of Spokane Housing Action Plan as a guide for future housing planning, policy development, and regulatory and programmatic implementation measures that increase housing options that are affordable and accessible for people and families of all incomes in the City; including the Implementation Plan, included as Appendix A within the Housing Action Plan, which outlines several strategies and policies to remedy the current housing crisis; and

WHEREAS, the 2020 Housing Action Plan (HAP) specifically called Strategy B5, "Study the local short-term rental market to reduce impact on housing affordability, neighborhood identity, and displacement;" and

WHEREAS, in adopting RES-2021-0062 the City Council outlined several code amendments and permit processes that the City should enact in support of Housing Action Plan Strategy B.5, namely City Council HAP Implementation Plan Strategies 1.5; 2.6, and 2.7; and

WHEREAS, on July 26, 2021, the Mayor of the City of Spokane proclaimed a housing emergency and directed the City to pursue actions to expand housing types, reduce overall development costs to increase development of affordable housing, and to streamline municipal procedures to support the development cycle; and

WHEREAS, the proposed regulations are intended to allow for an alternative form of lodging for visitors that prefer a more residential experience when staying in the City of Spokane; and

WHEREAS, the proposed regulations create a path to compliance for short-term rental units currently operating in zoning districts which do not permit the use, and clarify regulation of short-term rental units for both residential and other zoning districts; and

WHEREAS, the proposed regulations create a balanced system of permitting the short-term rental use in all zoning districts in proportion with their potential effect on surrounding properties and infrastructure, updating permit fees and taxes such that the Spokane Municipal Code is capturing the increased demand for this type of lodging, and tracking short-term rental units, permits, and renewals to ensure the health and safety of the public; and

WHEREAS, the City has complied with RCW 36.70A.370 in the adoption of this ordinance, avoiding any unconstitutional taking of private property; and

WHEREAS, on February 2, 2023, the Washington State Department of Commerce and appropriate state agencies were given the required 60-day notice before adoption of proposed changes to the Unified Development Code pursuant to RCW 36.70A.106; and

WHEREAS, on May #, 2023, a Notice of Intent to adopt and request for SEPA agency comments was issued for the draft code. The comment period ended on May #, 2023; and

WHEREAS, a State Environmental Protection Act (SEPA) Determination of Nonsignificance and Checklist were issued by Planning Services on April #, 2023. The comment period ended on May #, 2023; and

WHEREAS, prior to the Plan Commission public hearing, a legal notice of public hearing was published in the *Spokesman-Review* on May # and May #, 2023 and the notice of the proposed amendment was distributed to the City's agency/interested party list and posted on the City's website at [www.ShapingSpokaneHousing.com](http://www.ShapingSpokaneHousing.com); and

WHEREAS, on May #, 2023, the Spokane Plan Commission held a public hearing on the proposed amendment and heard testimony from the public, following which they voted to recommend the City Council adopt the proposed amendments; and

WHEREAS, the City Council adopts the recitals set forth herein as its findings and conclusions in support of its adoption of this ordinance and further adopts the findings, conclusions, and recommendations from the City of Spokane Plan Commission (Exhibit A) for the same purposes;

NOW THEREFORE, the City of Spokane does ordain:

Section 1. That Section 17C.316.010 SMC is amended to read as follows:

### **Section 17C.316.010 Purpose**

This chapter provides the requirements and standards under which residential dwelling units may be used for short-term rental use in ~~((residential))~~ zones where residential uses are permitted. The regulations are intended to allow for a more efficient use of certain types of residential structures in a manner which keeps them primarily in residential use, and without detracting from neighborhood character. The regulations also provide an alternative form of lodging for visitors who prefer a residential setting.

A short-term rental is where a residential dwelling unit or bedrooms in a residential unit are rented to overnight guests for fewer than thirty consecutive nights.

Section 2. That Section 17C.316.020 SMC is amended to read as follows:

### **Section 17C.316.020 ~~((Description and))~~ Definitions**

~~((A. Description. A short term rental is where a residential dwelling unit or bedrooms in a residential unit are rented to overnight guests for fewer than 30 days. There are two types of short term rentals:~~

- ~~1. Type A. A Type A short term rental is where bedrooms or an entire dwelling unit are rented to overnight guests, and no commercial meetings are permitted to be held in conjunction with use of a short-term rental. The Type A short term rental is an administrative permit.~~
- ~~2. Type B. A Type B short term rental is where bedrooms or an entire dwelling unit are rented to overnight guests and commercial meetings are held. The Type B short term rental requires a type III conditional use permit according to [Chapter 17G.060 Land Use Application Procedures](#).~~

~~B. Definitions.))~~ For purposes of this chapter, the following words have the following meanings:

- ~~((1.))~~ A. Commercial meetings. Commercial meetings include luncheons, banquets, parties, weddings, meetings, charitable fund raising, commercial or advertising activities, or other gatherings for direct or indirect compensation. Commercial meetings are prohibited with a Type A short-term rental. A historic landmark that receives special assessment from the State may be open to the public for 4 hours one day each year; this is not considered a commercial meeting.
- ~~((2.))~~ B. Resident. An individual or family who resides in the dwelling unit. The resident can be the owner or operator of the short-term rental.
- ~~((3.))~~ C. Operator. ~~((The owner or a person or entity that is designated by the owner to manage the short-term rental.))~~ Any person or entity that receives

payment for owning or operating a dwelling unit, or portion thereof, as a short-term rental unit.

D. Owner. For the purposes of this chapter, any person or trust, 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.

E. Primary residence. A dwelling unit occupied for more than six months each calendar year, as documented by driver's license, voter registration, utility bills, or other similar evidence.

Section 3. That Section 17C.316.030 SMC is amended to read as follows:

### **Section 17C.316.030 Where These Regulations Apply**

- A. The regulations of this chapter apply to short-term rentals in ~~((the following zones: RA, RSF, RSF-C, RTF, RMF, and RHD zones))~~ all zones where residential uses are permitted.
- B. In zones where Retail Sales and Service uses are allowed, limited, or conditional uses, short-term rentals may be regulated either as a Retail Sales and Service use or as hotel motel if they do not meet the regulations and standards in this chapter.
1. All such applications in structures previously classified as a residential use must complete the Change of Use/Occupancy process to a commercial use and shall meet all applicable Building Code and Fire Code standards.

Section 4. That Section 17C.316.040 SMC is amended to read as follows:

### **Section 17C.316.040 ~~((Type A))~~ Short-Term Rentals in Residential Zones**

- A. ~~((Use-related regulations.))~~ Allowed Structure Types. A short-term rental is allowed only in a conforming residential structure or a residential dwelling unit within a mixed-use building.
1. ~~((Permit required. A Type A short-term rental requires a Type A short-term rental permit per .040-C below.))~~ A short-term rental is an administrative permit.
- ~~((2. — Allowed structure type. A Type A short-term rental is allowed only in the following residential structure types:~~
- a. ~~Single Family Residence;~~

- ~~b. Attached house;~~
  - ~~c. Duplex;~~
  - ~~d. Apartments;~~
  - ~~e. Condominiums; and~~
  - ~~f. Accessory dwelling unit.~~
  - ~~g. Manufactured Homes))~~
2. No commercial meetings are permitted to be held in conjunction with use of a short-term rental.
- B. Maximum number of short-term rental units. Maximum short-term rental units are calculated by structure rather than per parcel. The maximum number of short-term rental units within residential zones shall not exceed those listed below.
- 1. A maximum of one short-term rental unit is allowed in a detached single-family residence, attached house, or duplex.
  - 2. All other multifamily or mixed-use buildings are limited to a maximum percentage of short-term rental units dependent on the below requirements:
    - a. Buildings that are fire sprinklered may have no more than twenty percent of the total number of residential units as short-term rentals within the building. All calculations will be rounded up to the nearest full unit.
    - b. Buildings that are not fire sprinklered must comply with current building and fire code regulations.
    - c. When calculating the maximum number of units results in a fraction, the units allowed are rounded up to the next whole number.
  - 3. On lots where there is an accessory dwelling unit (ADU) in addition to the primary building, a short-term rental use in the ADU counts towards the maximum number of units.
- ~~((B)) C. Standards. ((The following standards apply to Type A short-term rentals. Adjustments are)) A variance to the following standards is prohibited.~~
- 1. All short-term rentals must comply with the consumer safety and liability insurance requirements as listed in Chapter 64.37 RCW.
  - 2. Accessory dwelling units. ((On sites with an accessory dwelling unit, the resident can live in the primary or accessory dwelling unit and rent bedrooms in either dwelling unit.)) A short-term rental use may be established on a lot with an accessory dwelling unit subject to the following:
    - a. Lots in the Rural Agriculture (RA) and Residential Single-Family (RSF) zones with an accessory dwelling unit must be owner-occupied for more than six months of the year, in either the primary residence or the accessory dwelling unit. Only one of the units may be rented as a short-term rental.
    - b. In the Residential Two-family (RTF), Residential Multifamily (RMF), and Residential High Density (RHD) zones either the primary residence or the accessory dwelling unit may be rented as a short-term rental.

- i. Owner occupancy is not required in RTF, RMF, or RHD zones in either unit.
- ((2)) 3. Bedroom requirements. The City's Building Official must verify that each bedroom to be rented to overnight guests:
- c. ~~((Met))~~ Meets the current building code requirements for a sleeping room ((at the time it was created or converted));
  - d. Meets current fire code requirements;
  - c. Common areas, such as but not limited to living rooms, lofts, or closets shall not qualify as sleeping accommodations for the purposes of determining maximum occupancy.
- ((3)) 4. Number of ((overnight)) residents and guests. The total number of ~~((adults occupying a dwelling unit with a Type A short-term rental may not exceed two (2) adults per bedroom))~~ of residents and guests occupying a dwelling unit that includes a short-term rental may not exceed any lawful limits on occupant load per square foot or generally applicable health and safety provisions as established by applicable building or fire code, as provided in RCW 35.21.682.
- ((4)) 5. ((Employees. Nonresident employees are prohibited. Hired service for normal maintenance, repair and care of the resident or site, such as yard maintenance or house cleaning, is allowed.)) Appearance. Residential structures may be remodeled for the development of a short-term rental, subject to required approvals and permits.
- a. Structural alterations may not be made that prevent the structure from being used as a residence in the future.
  - b. Internal or external changes that will make the dwelling appear less residential in nature or function are not allowed. Examples of such alterations include installation of additional on-site parking, commercial-type exterior lighting, and signage.
- ~~((5. Services to overnight guests and visitors. Serving alcohol and food to overnight guests and visitors is allowed, subject to other county and/or state requirements.))~~
6. Parking. See [Spokane Municipal Code Chapter 17C.230 Parking and Loading](#)
7. Advertising. All advertisements for the short-term rental must list short-term rental permit number and is subject to sign requirements of Chapter 17C.240 Signs.
- ~~((C.))~~ D. ((Type A Short Term Rental Permit)) Permit Required. The owner of a ~~((Type A))~~ short-term rental must obtain a permit ~~((from the Planning and Development Services Department)).~~ The permit requires the owner to agree to abide by the requirements of this section and to comply with the requirements outlined in Chapter 64.37 RCW. ((, and document that the required notification requirements have been met:))
- 1. Notification. ~~((The owner must:))~~
    - a. The owner or operator must ((Prepare)) prepare a notification letter that:

- i. Describes the operation and the number of bedrooms that will be rented to overnight guests; and
    - ii. Includes information on how to contact the owner or operator by phone.
  - b. Mail or deliver the notification letter to all recognized organizations and owners of property abutting and directly across the street from the short-term rental upon issuance of short-term rental permit
- 2. Required information for permit. ~~((In order to apply for a Type A short term rental permit, the owner or operator must submit to the Planning and Development Services Department:))~~
  - a. Completed application form bearing the address of the property, the name, signature, address, and telephone number of the owner and operator if operator is not also an owner and emergency contact.
  - b. A short-term rental application and permit fee established by [SMC 08.02.066](#).
  - ~~((c. Proof of property insurance covering the property.))~~
  - ~~((d.))~~ c. A copy of the owner's current City of Spokane business license.
  - ~~((e.))~~ d. A copy of the notification letter and a list with the names and addresses of all property owners and organizations that received the letter.
  - ~~((f.))~~ e. A site plan and floor plan.
  - f. A completed and notarized Life Safety Compliance form.
- ~~((D.))~~ E. Renewal of and Revoking a ~~((Type A))~~ Short-Term Rental Permit. A ~~((Type A))~~ short-term rental permit must be renewed per the procedures in ~~((chapter 4.04))~~ [Chapter 04.04 SMC](#) and can be revoked according to the outlined procedures ~~((in chapter 4.04 SMC))~~ for failure to comply with the regulations of this chapter.
  - 1. ~~((In addition a))~~ A permit may be revoked for activities on site ~~((including))~~ such as nuisances, littering, or public disturbance as listed under Title 10 SMC ~~((under Chapter 10.08 Offences Against Public Health Chronic or public disturbance in Section 10.08D.090 Public Disturbance Noise))~~.
  - 2. For revocation of permit the owner or operator receives one warning of violation. ~~((In the case of non-compliance))~~ Non-compliance or a repeat of non-compliance in a 12 month period shall result in revocation of permit per a type two civil infraction as referenced in ~~((1.05.160))~~ [SMC 01.05.160](#).
  - 3. When a ~~((Type A))~~ short-term rental permit has been revoked, a new ~~((Type A))~~ short-term rental permit will not be issued to the owner at that site for 2 years.



Section 5. That Section 17C.316.050 SMC is amended to read as follows:

**Section 17C.316.050 ((Type-B)) Short-Term Rentals in Other Zones**

- A. ~~((Use-related regulations.))~~ Allowed Structure Types. A short-term rental is allowed only in a conforming residential structure or a residential dwelling unit within a mixed-use building. All other structures must complete the Change of Use/Occupancy process.
- ~~((1. Conditional use permit. A Type B short term rental requires a Type III conditional use permit according to Chapter 17G.060 Land Use Application Procedures. The approval criteria are stated in SMC 17C.320.080 F, Institutional and Other Uses in Residential Zones.))~~
- ~~2. Allowed structure type. A Type B short term rental is allowed only in the following residential structure types:~~
- ~~a. Single Family Residence;~~
  - ~~b. Attached house;~~
  - ~~c. Duplex;~~
  - ~~d. Apartments;~~
  - ~~e. Condominiums; and~~
  - ~~f. Accessory dwelling unit. Manufactured Homes))~~
- B. Maximum number of short-term rental units. Maximum short-term rental units are calculated by structure rather than per parcel.
- 1. A maximum of one short-term rental unit is allowed in a detached single-family residence, attached house, or duplex.
  - 2. All other multifamily or mixed-use buildings are limited to a maximum percentage of short-term rental units dependent on the below requirements:
    - a. Buildings that are fire sprinklered may have no more than thirty percent of the total number of residential units as short-term rentals within the building. All calculations will be rounded up to the nearest full unit.
    - b. Buildings that are not fire sprinklered must go through the Change of Use/Occupancy process.
    - c. When calculating the maximum number of units results in a fraction, the units allowed are rounded up to the next whole number.
  - 3. On lots where there is an accessory dwelling unit (ADU) in addition to the primary building, a short-term rental use in the ADU counts towards the maximum number of units.
- ~~((B-))~~ C. Standards.
- ~~((1. Maximum size. Maximum set through conditional use review.))~~
- 1. All short-term rentals must comply with the consumer safety and liability insurance requirements as listed in Chapter 64.37 RCW.

2. Accessory dwelling units. A short-term rental use may be established on a lot with an accessory dwelling unit and owner occupancy is not required.
- ~~((2-))~~ 3. Bedroom requirements. The City's Building Official must verify that each bedroom to be rented to overnight guests:
- a. ~~((Met))~~ Meets the current building code requirements for a sleeping room ((at the time it was created or converted));
  - b. Meets current fire code requirements;
  - c. Common areas, such as but not limited to living rooms, lofts, or closets shall not qualify as sleeping accommodations for the purposes of determining maximum occupancy.
- ~~((3-))~~ 4. Number of residents and ((overnight)) guests. The total number of residents and ((overnight)) guests occupying a dwelling unit ((with a Type B short-term rental may be limited as part of a conditional use approval)) that includes a short-term rental may not exceed any lawful limits on occupant load per square foot or generally applicable health and safety provisions as established by applicable building or fire code, as provided in RCW 35.21.682.
- ~~((4. Employees. Nonresident employees for activities such as booking rooms and food preparation may be approved as part of the review. Hired service for normal maintenance, repair and care of the residence or site, such as yard maintenance or house cleaning, is allowed. The number of employees and the frequency of employee auto trips to the facility may be limited as part of approval.))~~
- ~~((5. Services to guests and visitors. Serving alcohol and food to guests and visitors is allowed, subject to other county and/or state requirements.~~
- ~~6 Commercial meetings.~~
- a. ~~Commercial meetings. Commercial meetings, as defined above, are regulated as follows:~~
    - i. ~~In all other zones, the number of commercial meetings per year shall be determined as part of a conditional use review. The maximum number of visitors or guests per event will be determined through the conditional use review. Adjustments to the maximum number of meetings per year are prohibited.~~
  - b. ~~Historic landmarks. A historic landmark that receives special assessment from the State may be open to the public for 4 hours one day each year. This does not count as a commercial meeting.~~
  - c. ~~Meeting log. The operator must log the dates of all commercial meetings held, and the number of visitors or guests at each event. The log must be available for inspection by city staff upon request.))~~
- ~~((7))~~ 4. Appearance. Residential structures may be remodeled for the development of a short-term rental, subject to required approvals and permits.
- a. Structural alterations may not be made that prevent the structure from being used as a residence in the future.

- b. Internal or external changes that will make the dwelling appear less residential in nature or function are not allowed. Examples of such alterations include installation of ~~((more than paving or required setbacks))~~ additional on-site parking, ~~((and))~~ commercial-type exterior lighting, and commercial signage.
- ((8)) 5. Parking. [See Spokane Municipal Code Chapter 17C.230 Parking and Loading.](#)
- ((9)) 6. Advertising. All advertising for the short-term rental must include short-term rental permit number and is subject to sign requirements of [Chapter 17C.240 Signs.](#)
- D. Permit Required. The owner or operator of a short-term rental must obtain a permit. The permit requires the owner and operator to agree to abide by the requirements of this section and to comply with the requirements outlined in Chapter 64.37 RCW.
- 1. Notification.
    - a. The owner or operator must prepare a notification letter that:
      - i. Describes the operation and the number of bedrooms that will be rented to overnight guests; and
      - ii. Includes information on how to contact the owner or operator by phone.
    - b. Mail or deliver the notification letter to all recognized organizations and owners of property abutting and directly across the street from the short-term rental upon issuance of short-term rental permit.
  - 2. Required information for permit.
    - a. Completed application form bearing the address of the property, the name, signature, address, and telephone number of the owner and operator if operator is not also an owner, and an emergency contact.
    - b. A short-term rental application and permit fee established by [SMC 08.02.066.](#)
    - c. A copy of the owner's current City of Spokane business license.
    - d. A copy of the notification letter and a list with the names and addresses of all property owners and organizations that received the letter.
    - e. A site plan and floor plan.
    - f. A completed and notarized Life Safety Compliance form.
- E. Renewal of and Revoking a Short-Term Rental Permit. A short-term rental permit must be renewed per the procedures in [Chapter 04.04 SMC](#) and can be revoked according to the outlined procedures for failure to comply with the regulations of this chapter.
- 1. A permit may be revoked for activities on site such as nuisances, littering, or public disturbance as listed under [Title 10 SMC.](#)
  - 2. For revocation of permit the owner or operator receives one warning of violation. Non-compliance or a repeat of non-compliance in a 12 month period

shall result in revocation of permit per a type two civil infraction as referenced in [SMC 01.05.160](#).

3. When a short-term rental permit has been revoked, a new short-term rental permit will not be issued to the owner at that site for 2 years.

Section 6. That Section 17C.316.060 SMC is amended to read as follows:

### **Section 17C.316.060 Monitoring and Life Safety Review**

~~((All short term rentals must maintain a guest log book. It must include the names and home addresses of guests, guest's license plate numbers if traveling by car, dates of stay, and the room assigned to each guest. The log must be available for inspection by city staff upon request.))~~

The City may inspect short-term rentals for compliance with Fire and Building code requirements and that the Life Safety Compliance form is accurately completed.

Section 7. That Section 17C.316.070 SMC is amended to read as follows:

### **Section 17C.316.070 Pre-Established Bed and Breakfast Facilities**

~~((**A. Nonconforming Use.** Bed and breakfast facilities that were operating before June 14, 2006, which have not obtained a conditional use permit under [Chapter 17C.315 SMC](#), may continue to operate subject to the requirements and limitations in [SMC 17C.315.160.A](#)))~~

~~((**B.))** **A. Bed and Breakfasts with a Conditional Use Permit.** Bed and breakfast facilities operating under an approved conditional use permit may chose to operate under [Chapter 17C.315 SMC](#) or this Chapter.~~

**PASSED BY THE CITY COUNCIL ON** \_\_\_\_\_

\_\_\_\_\_  
Council President

Attest:

Approved as to form:

\_\_\_\_\_  
City Clerk

\_\_\_\_\_  
Assistant City Attorney

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
Date

\_\_\_\_\_  
Effective Date

DRAFT

**ORDINANCE NO. C36\_\_**

AN ORDINANCE relating to taxes and fees on short-term rentals and short-term rental platforms; amending Spokane Municipal Code (SMC) Sections 08.02.034, 08.02.066, and 08.08.010; adopting a new section 08.08.025 to chapter 08.08 of the Spokane Municipal Code; and setting an effective date.

NOW, THEREFORE, the City of Spokane does ordain:

Section 1: That SMC section 08.02.034 is amended to read as follows:

**Section 08.02.034 Fire Code**

**A. Storage Tanks.**

The fees in connection with aboveground or underground storage tanks for critical materials as defined in [SMC 17A.020.030](#), including flammable or combustible liquids, are:

1. Installation (including installation of pumps and dispensers) of underground storage tank, per tank: seven hundred twenty eight dollars.
2. Installation of above ground storage tank, per tank:
  - a. More than sixty but less than five hundred gallons: two hundred seventy six dollars.
  - b. Five hundred gallons or more: four hundred fifty dollars.
3. Aboveground or underground storage tank removal or abandonment, per tank: two hundred ten dollars.
4. Placement of tank temporarily out of service: two hundred ten dollars.
5. Alteration or repair of a tank: two hundred seventy six dollars.

**B. Installation of Fire Protection/Detection Equipment.**

1. The fees for installing, altering, or repairing fire protection and/or fire detection equipment are based on the value of the work, according to the following schedule:

<b>BID AMOUNT (Valuation)</b>	<b>PERMIT FEE</b>	<b>PLAN CHECK FEE</b>
\$1 through \$500	\$105	\$68.25
\$501 through \$2,000	\$210	\$136.50
\$2,001 through 5,000	\$420	\$273
\$5,001 through \$10,000	\$840	\$546
\$10,001 through \$15,000	\$1,260	\$819
\$15,001 through \$20,000	\$1,470	\$955.50
\$20,001 through \$25,000	\$1,680	\$1,092
\$25,001 through \$30,000	\$1,890	\$1,228.50

\$30,001 through \$40,000	\$1,995	\$1,296.75
\$40,001 through \$50,000	\$2,100	\$1,365
\$50,001 through \$60,000	\$2,520	\$1,638
\$60,001 through \$80,000	\$2,940	\$1,911
\$80,001 through \$100,000	\$3,150	\$2,047.50
\$100,001 through \$150,000	\$3,465	\$2,252.25
\$150,001 through \$200,000	\$3,780	\$2,457
\$200,001 through \$250,000	\$4,200	\$2,730
\$250,001 through \$300,000	\$5,000	\$3,250
\$300,001 through \$350,000	\$5,800	\$3,770
\$350,001 through \$400,000	\$6,600	\$4,290
\$400,001 through \$450,000	\$7,425	\$4,826.25
\$450,001 through \$500,000	\$8,230	\$5,349.50
For valuations of \$500,001 and over, fees are calculated as follows:		
Permit Fee: Valuation multiplied by 0.0165		
Plan Check Fee: 65% of permit fee.		

2. Fees apply to initial submittal and one subsequent resubmittal if the initial submittal is not accepted. If the resubmittal is not accepted, the applicant will need to begin a new submittal.
3. Penalty.  
Whenever any work for which a fire equipment permit is required is started without first obtaining a permit, the permit fees specified above are doubled and a Class 1 civil infraction may be issued.
4. Fee Refunds.  
The fire official may authorize the refund of any fee erroneously paid or collected. The fire official may authorize the refunding of not more than eighty percent of the paid permit fee when no work has been done under an issued permit.
5. Valuation.  
The valuation of the work done must be submitted at the time of application for a permit. The valuation is the value of the work to be done and includes all labor, material, equipment, and the like supplied and installed by the permittee to complete the work. The permittee may be asked to verify the valuation placed on the work. When the cost of any proposed work is unknown, an estimate of the cost shall be made and used to compute the permit fee. Upon completion of the work, a fee adjustment is made in favor of the City or permittee, if requested by either party.
6. Inspections.  
The number of inspections for each permit is determined by the valuation, with the minimum number of inspections for a permit being two.

7. Revisions.

Fees include one revision to an approved submittal. Additional revisions will be charged at an hourly rate of one hundred five dollars.

8. Phasing

Submittals for projects that are done in phases for the construction shall follow the phasing approved as part of the building permit. Where a building permit has not been issued, the phasing shall be approved by the Fire Code Official.

C. Fire Protection System Verification.

The fee for verification that a fire protection system has been appropriately serviced by a fire department registered fire equipment servicer, for each inspection, is:

1. Thirty-eight dollars for:

- a. sprinkler systems,
- b. standpipe systems,
- c. alarm systems,
- d. rangehood systems,
- e. inert gas extinguishing systems,
- f. spray booths, and

2. Nineteen dollars for private fire hydrants.

D. Safety/Building & Multi-Family Inspections.

The fee for conducting safety inspections is one hundred five dollars per hour with a minimum one-hour charge, including annual life safety reviews for short-term rentals. Building and multi-family inspections will be charged according to building area per the table below:

	<b>Building Area (sq. ft.)</b>	<b>Fee</b>
<b>A</b>	<b>0 – 1,500</b>	<b>\$44</b>
<b>B</b>	<b>1,501 – 3,000</b>	
<b>C</b>	<b>3,001 – 5,000</b>	
<b>D</b>	<b>5,001 – 7,500</b>	
<b>E</b>	<b>7,501 – 10,000</b>	



<b>F</b>	<b>10,001 – 12,500</b>	<b>\$202</b>
<b>G</b>	<b>12,501 – 15,000</b>	
<b>H</b>	<b>15,001 – 17,500</b>	
<b>I</b>	<b>17,501 – 20,000</b>	
<b>J</b>	<b>20,001 – 30,000</b>	
<b>K</b>	<b>30,001 – 40,000</b>	<b>\$355</b>
<b>L</b>	<b>40,001 – 50,000</b>	
<b>M</b>	<b>50,001 – 60,000</b>	
<b>N</b>	<b>60,001 – 70,000</b>	
<b>O</b>	<b>70,001 – 100,000</b>	
<b>P</b>	<b>100,001 – 150,000</b>	<b>\$512</b>
<b>Q</b>	<b>150,001 – 200,000</b>	
<b>R</b>	<b>Over 200,000</b>	

**E. Reinspections.**

The fee for conducting reinspections is one hundred five dollars per incident. This applies to inspection requests beyond the allowable inspections associated with an original permit. The reinspection fee will apply when an inspection is scheduled with the fire department and the following occurs:

1. The project or occupancy is not ready for the inspection.
2. Corrections that were previously identified remain uncorrected.
3. The site is not accessible and a return visit is required.

**F. Inspection fees as set forth in this section are appropriated for an estimated time spent equal to or less than one hour per inspection. Permittees are subject to additional inspection fees, which shall apply in a minimum of one-hour increments**

for each permit fee category, for additional time spent on inspection services to include code research and return site visits.

Section 2: That SMC section 08.02.066 is amended to read as follows:

### **Section 08.02.066 Zoning**

Unless an action is initiated by the city council, the fees for approvals under the zoning code are:

- A. Staff preparation of a notification district map and associated documents: One hundred fifty dollars.
- B. Type I application: One thousand eighty-five dollars. In the case of building and construction permit applications, the fee is based on Article III of this chapter.
- C. Type II application, except preliminary short plats with minor engineering review: Four thousand three hundred twenty-five dollars plus sixty dollars per each additional acre.
- D. Type II application for preliminary short plats with minor engineering review: One thousand eighty-five dollars.
- E. Type III application: Four thousand five hundred ninety dollars plus one hundred ten dollars per each additional acre.
- F. Site plan review and/or modification: Eight hundred fifteen dollars plus five hundred fifty dollars per each additional increment of ten acres of site or portion thereof.
- G. Optional consolidated project review: Four thousand three hundred twenty-five dollars plus two hundred fifteen dollars for each additional acre.
- H. Planned unit development bonus density or final planned unit development:
  - 1. Bonus density: Additional eight hundred eighty dollars if bonus density is sought.
  - 2. Final planned unit development: Three thousand two hundred ninety-five dollars.
- I. Any temporary use permit: Six hundred seventy-five dollars.
- J. Floodplain development permit: Nine hundred dollars plus fifty-five dollars per each additional acre.
- K. Establishment of a front yard setback that is more or less than the depth required by the zoning code: Eight hundred ten dollars.
- L. Accessory dwelling unit permit: Six hundred fifty-five dollars.
- M. Formal written interpretation of the zoning code: Five hundred eighty dollars.
- N. Any other matter not listed above that requires a public hearing before the hearing examiner: One thousand eight hundred ninety-five dollars.
- O. A fee of eighty-five dollars per hour may be charged to cover the cost of a particular planning staff service for the applicant that greatly exceeds the above fee or is not covered by the fees listed above.

- P. Short Term Rental Permit – ~~((Type A))~~ In residential zones: ((One)) Two hundred ((fifty)) dollars. The annual renewal for a ~~((Type A permit))~~ short-term rental unit in a residential zone is one hundred dollars.
- Q. Short Term Rental Permit – ~~((Type B))~~ In all other zones: ((Four thousand five hundred ninety)) three hundred dollars. The annual renewal for a ~~((Type B permit))~~ short-term rental unit in zones, except residential, is one hundred fifty dollars.

Section 3: That SMC section 08.08.010 is amended to read as follows:

#### **08.08.010 Tax Levied**

Under the authority of chapter 67.28 RCW, there is levied a special excise tax upon the sale, charge or furnishing of lodging or the granting of any similar license to use real property by any hotel, rooming house, tourist court, bed and breakfast facility, motel, trailer camp, short-term rental and other transient accommodations in the City of Spokane. The special excise tax imposed pursuant to RCW 67.28.181 shall expire in 2043.

Section 4: Adopting a new section SMC 08.08.025 to read as follows:

#### **08.08.025 Short Term Rental Platform Fee**

Under the authority of RCW 35.101.050, there is levied a charge on the furnishing of short-term rental lodging located in the City of Spokane, a quarterly fee based on the total number of nights booked for short-term rental use through a short-term rental platform (Platform). Platforms shall pay \$2 per night booked. The per night fee shall be calculated and remitted on a quarterly basis. If a platform fails to provide complete information the Director of Taxes and Licensing may estimate the quarterly per night license fee and issue an assessment.

**PASSED BY THE CITY COUNCIL ON** \_\_\_\_\_

\_\_\_\_\_  
Council President

Attest:

Approved as to form:

\_\_\_\_\_  
City Clerk

\_\_\_\_\_  
Assistant City Attorney

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
Date

\_\_\_\_\_  
Effective Date

DRAFT