

Chapter 17C.316 SMC Short-term Rentals

April 13, 2023

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Contract with Granicus

- City Council approved OPR 2022-0885 for a contract with Granicus.
 Deliverables include:
 - Compliance monitoring
 - Property owner/operator communications
 - Providing weekly data
 - Locating STRs operating in city

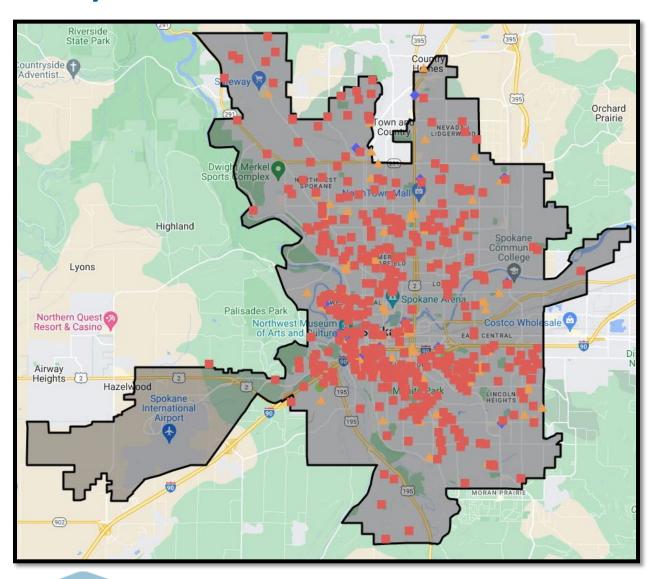




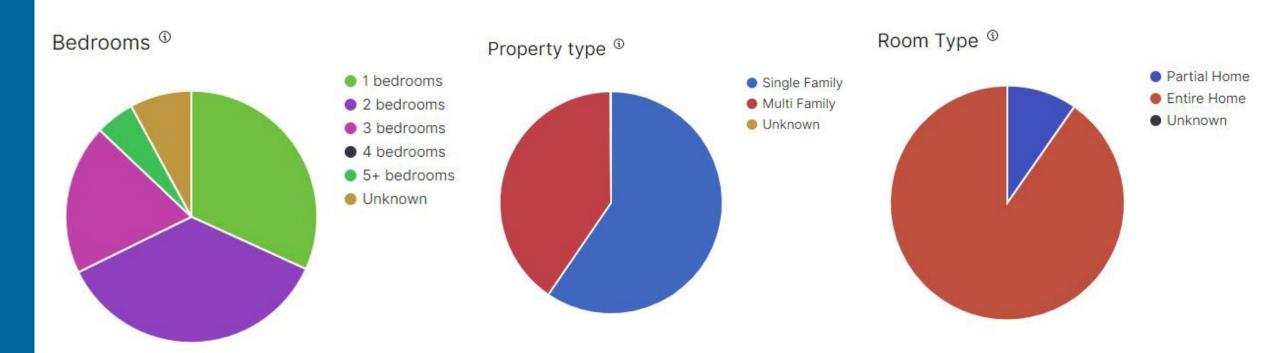
How many units exist

- Since 2015, 219 STRs have been permitted but
 - Only 44 are currently active
- Granicus monitoring of all short-term rental platforms has found
 - 666 STR units are currently being advertised
 - 50 New listings in the last 30 days

Where do they exist?



Property Details

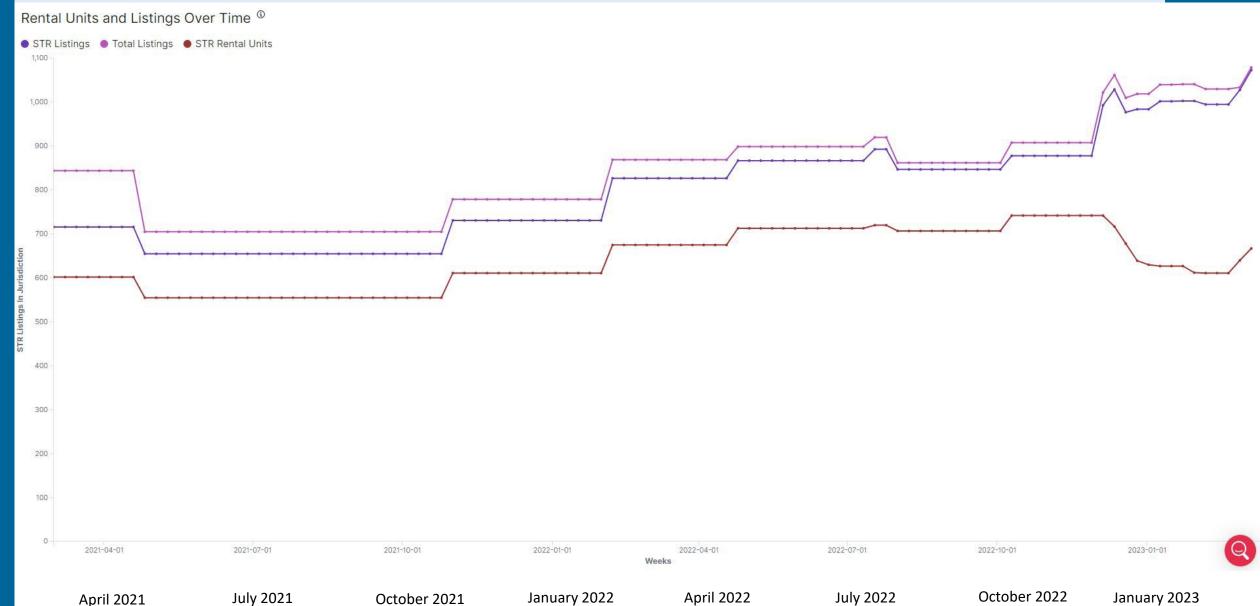


STR Listings over time

October 2021

April 2021





Current Regulations



Type A

- Administrative review
- \$150 application,\$100 renewal
- All permits issued since
 2015 have been Type A

Type B

- Type III Conditional Use Permit
- \$4,590 application,\$100 renewal
- Allows commercial meeting
 - E.g. banquets, weddings, fundraisers, etc.

Only permitted in: RA, RSF, RSF-C, RTF, RMF, and RHD zones

Intention of changes

- Create a path to compliance for nonconforming STRs
- Establish STR unit caps (includes ADUs)
- STRs on lots in RA and RSF with an ADU require owner occupancy
- Must meet Building & Fire requirements (if not currently) to get STR permit
- Addition of a Life Safety Compliance form
- New fee to cover annual life safety inspections
 - To be conducted by Fire Department [08.02.034(D) SMC]

Residential versus all other zones



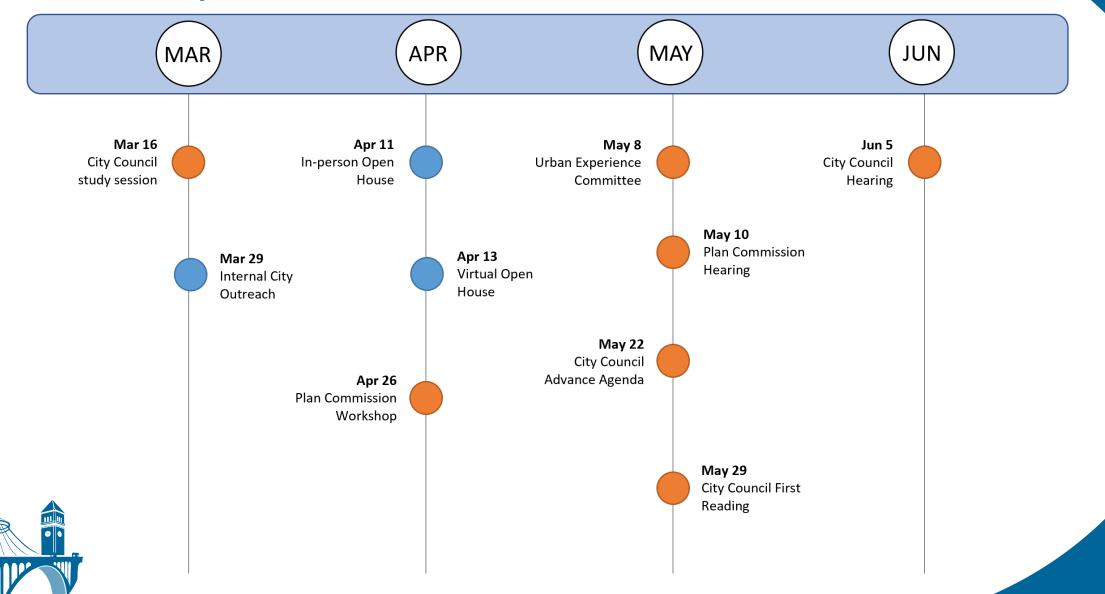
Residential Zones

- 1 STR allowed in a duplex, detached, or attached house
- Structures with 3+ units
 - Limited to 20% of total units
 - If <u>not</u> fire sprinklered, must come up to code
- Must keep as residential structure

All Other Zones

- 1 STR allowed in a duplex, detached, or attached house
- Structures with 3+ units
 - Limited to 30% of total units
 - If <u>not</u> fire sprinklered, must complete Change of Use & come up to code

Next Steps



Fees and Taxes



New Fees

- \$200 permit in residential zones, \$100 annual renewal
- \$300 permit in nonresidential zones, \$150 annual renewal
- \$105 per hour fee for annual life safety review by Fire Department

Taxes

- Short-term rental platforms will pay \$2/night excise tax, collected quarterly (new)
- Short-term rentals will still be subject to the lodging tax

Engrossed Substitute Senate Bill 5334

- Authority to impose a special excise tax on short-term rental lodging not to exceed 10 percent on the sale of or charge made for short-term rentals.
- Tax not subject to the statutory cap on all other lodging taxes.
- Revenues must be used for operating and capital costs of affordable housing programs.
- May be used for contracts, loans, or grants to nonprofit organizations or public housing authorities for services related to affordable housing programs.

Chapter 17C.316 SMC Short-term Rentals Comprehensive Changes

Questions?



