



Agenda Sheet for City Council Meeting of:
06/12/2023

Date Rec'd	5/24/2023
Clerk's File #	ORD C36392
Renews #	
Cross Ref #	
Project #	
Bid #	
Requisition #	

Submitting Dept	PLANNING & ECONOMIC
Contact Name/Phone	AMANDA BECK X6414
Contact E-Mail	ABECK@SPOKANECITY.ORG
Agenda Item Type	First Reading Ordinance
Agenda Item Name	0650 - SHORT-TERM RENTALS FEES CODE AMENDMENTS

Agenda Wording

Code amendments to Chapter 08 SMC for concurrent fee updates to short-term rentals.

Summary (Background)

Proposed amendments to short-term rental regulations aligned with strategies outlined in the Housing Action Plan and the City Council Implementation Plan. Proposal revises Chapter 17C.316; amends Sections 08.02.034, 08.02.066, 08.08.010; and adopts a new section 08.02.090. The proposed draft code has been developed to update permitting requirements in line with monitoring data to reflect the current utilization of this accessory land use.

Lease? NO	Grant related? NO	Public Works? NO
Fiscal Impact		Budget Account
Neutral \$		#
Select \$		#
Select \$		#
Select \$		#
Approvals		Council Notifications
Dept Head	GARDNER, SPENCER	Study Session\Other Study session 3/14/23;
Division Director	MACDONALD, STEVEN	Council Sponsor CP Beggs & CM Kinnear
Finance	ORLOB, KIMBERLY	Distribution List
Legal	SMITHSON, LYNDEN	smacdonald@spokanecity.org
For the Mayor	PERKINS, JOHNNIE	sgardner@spokanecity.org
Additional Approvals		eschoedel@spokanecity.org
Purchasing		tpalmquist@spokanecity.org
		lgarcia@spokanecity.org
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FIRST READING OF THE ABOVE
ORDINANCE HELD ON

6/26/2023
AND FURTHER ACTION WAS DEFERRED


CITY CLERK

PASSED BY
SPOKANE CITY COUNCIL:

7/10/2023

CITY CLERK



Continuation of Wording, Summary, Budget, and Distribution

Agenda Wording

Summary (Background)

Fiscal Impact

Select \$

Select \$

Budget Account

#

#

Distribution List

abeck@spokanecity.org

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ORDINANCE NO. C36392

AN ORDINANCE relating to 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 08.02.090 to chapter 08.02 of the Spokane Municipal Code; and setting an effective date.

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, 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, Housing Action Plan (HAP) Strategy B5 calls on the city to, "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 regulating short-term rentals, namely City Council HAP Implementation Plan Strategies 1.5; 2.6, and 2.7; 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, and updating permit and inspection fees 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 multiple studies, including papers published in the Journal of Urban Economics and research from the National Bureau of Economic Research, have established that short term rentals have an affect on housing prices and rental rates; 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

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:

BID AMOUNT (Valuation)	PERMIT FEE	PLAN CHECK FEE
\$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	\$2047.50
\$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:

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

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

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: Adopting a new section SMC 08.02.090 to read as follows:

Section 08.02.090 Short-term Rental License Fee

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 each short-term rental listing through a short-term rental platform (Platform).

- A. Platforms shall pay \$4.00 per night booked through the Platform.
- B. The per night booking fee shall be calculated and remitted on a quarterly basis by the Platform.
- C. If a Platform fails to provide complete information the City's Chief Financial Officer or designee may estimate the quarterly per night booking fee and issue an assessment.
- D. All funds collected under this section shall be spent exclusively for purposes of acquiring, rehabilitating, or constructing housing affordable to low-income and moderate-income households as defined in SMC 08.15.020. At least 90% of funds collected under this section shall be allocated to direct, non-administrative costs of programs serving the purposes of this section.

Section 4: 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.

PASSED BY THE CITY COUNCIL ON

July 10, 2023

Lori Korman

Council President Pro Tem

Attest:

Verni Hefesto

City Clerk

Madeline Halverson

Mayor

Approved as to form:

Janet

Assistant City Attorney

7/19/23

Date

August 18, 2023

Effective Date

