



STAFF REPORT

PLANNING AND ECONOMIC DEVELOPMENT SERVICES DEPARTMENT

To:	City Plan Commission	
Subject:	Shaping Spokane Housing: Housing Action Plan Code Changes Phase 2 for Short-term Rentals	
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Hearing Date:	May 10, 2023	
Recommendation:	Approval	

I. SUMMARY

These City-initiated text amendments are proposed to update the Spokane Municipal Code according to strategies outlined in the adopted Spokane Housing Action Plan and the City Council Implementation Plan. Proposed draft code would revise Chapter 17C.316, Short Term Rentals; amend Sections 08.02.034, Fire Code; 08.02.066, Zoning; and 08.08.010, Tax Levied; and adopt a new section 08.02.090, Short-term Rental License Fee. The proposed draft code has been developed to update permitting requirements for short-term rentals within the City, following vacation rental monitoring data to inform updates that reflect the current utilization of this accessory land use.

II. BACKGROUND

The 2021 Washington legislative session substantially amended the housing-related provisions of the Growth Management Act (GMA) through House Bill [HB 1220](#). Changes strengthened the GMA housing goal from “encourage the availability of affordable housing to all economic segments of the population” to “plan for and accommodate housing affordable to all economic segments of the population of this state.” The GMA housing goal still retains additional objectives to “promote a variety of residential densities and housing types, and encourage the preservation of existing housing stock.”

Approved in July 2021, the City adopted its [Housing Action Plan](#) (Res. 2021-0062) to guide implementation of policies within the Comprehensive Plan by identifying strategies to achieve our community’s housing needs and objectives. Spokane’s Housing Action Plan (HAP) identifies actions that the City and community partners can enact to encourage more housing options that create more homes for more people. The first phase of code changes acting on HAP strategies updated development requirements for accessory dwelling units, short plat notifications, and lot size transitions (Ords. C36224, C36225, and C36226). Continuing that work, city staff have drafted a comprehensive update of Chapter 17C.316 as well as related fees contained in Chapter 08 of the Spokane Municipal Code. The proposed changes are also guided by the City Council’s HAP [Implementation Plan](#).

This staff reports reviews the proposed code revisions for Phase 2 of the Housing Action Plan code amendments started in 2021. The code changes specifically align with the below noted HAP strategy about short-term rentals, and the City Council implementation actions.

- Housing Action Plan Strategy A3, “Continue to streamline and simplify changes to the City’s permit process, as necessary.”
- Housing Action Plan Strategy B5, “Study the local short-term rental market to reduce impact on housing affordability, neighborhood identity, and displacement.”
- City Council Implementation Plan Strategy 1.5, “Contract with a vendor to track real-time use of housing in the City as short-term rentals and enforce compliance with City business license laws.”
- City Council Implementation Plan Strategy 2.6, “Consider imposing an excise tax on short-term rental gross receipts to support housing programs that mitigate displacement of regular rental units.”
- City Council Implementation Plan Strategy 2.7, “Expand allowable zones for short-term rentals to match current actual usage to improve licensing compliance.”

III. PROCESS

DEVELOPMENT CODE AMENDMENT PROCEDURE

Article III Section 21, Amendments and Repeals, of the City of Spokane Charter provides for the ability of amendments of the Charter and Spokane Municipal Code through ordinances. Title 17 is known as the Unified Development Code (UDC) and is incorporated into the Spokane Municipal Code to implement the City’s Comprehensive Plan, and by reference, the requirements of the Washington State Growth Management Act (GMA). Section [17G.025.010](#) establishes the procedure and decision criteria that the City uses to review and amend the UDC. The City may approve amendments to the UDC if it is found that a proposed amendment is consistent with the provisions of the Comprehensive Plan, and bears a substantial relation to public health, safety, welfare, and protection of the environment.

ROLE OF THE CITY PLAN COMMISSION

The proposed text amendments require a review process set forth in Section 17G.025.010(F) SMC. The Plan Commission is responsible for holding a public hearing and forwarding its findings, conclusions, and recommendations to the City Council. Utilizing the decision criteria in 17G.025 SMC, the Plan Commission may recommend approval, modification, or denial of the proposal.

The Plan Commission may incorporate the facts and findings of the staff report as the basis for its recommendation to the City Council or may modify the findings as necessary to support their final recommendation.

ROLE OF CITY COUNCIL

The City Council will also conduct a review process considering the proposed text amendment, public comments and testimony, the staff report, and the Plan Commission’s recommendation. The final decision to approve, modify, or deny the proposed amendment rests with the City Council. Proposals adopted by ordinance after public hearings are official amendments to the Spokane Municipal Code.

COMMUNITY ENGAGEMENT

As a follow-up to the Housing Action Plan (HAP), engagement efforts for Shaping Spokane Housing have built upon the extensive community outreach conducted for the HAP. Emphasis was placed on reaching existing permit holders, development stakeholders, and tourism stakeholders such as the Spokane Hotel and Motel Association. Outreach included an in-person and virtual open house, project webpage, and inclusion in the Shaping Spokane Housing newsletter that is delivered to over 350 stakeholders. A summary of engagement and outreach activities can be found in **Exhibit C**.

Below is a list of the major outreach and engagement activities held for short-term rentals under the Shaping Spokane Housing project:

- “[Next Steps for Housing Action Plan Implementation](#)” blog published on November 11, 2021
- Project webpage, <https://my.spokanecity.org/projects/shaping-spokane-housing/hap-phase-two/>, has been kept up to date with information about Plan Commission workshops, project progress, and public hearings.
- Presentation at the Land Use Subcommittee on November 18, 2021;
- Tabling at the Winter Market on December 15 and 22, 2021;
- Presentation at Community Assembly on January 6, 2022;
- Presentation to the Lincoln Heights Neighborhood Council on January 18, 2022;
- Virtual open houses on January 25 and 27, 2022;
- Presentation at the Land Use Subcommittee on February 17, 2022, and April 21, 2022;
- Presentation to the West Hills Neighborhood Council on April 12, 2022;
- Presentation to the University District Public Development Authority on April 12, 2022;
- Tabling at the Spring Market on April 6, 13, 20, and 27, 2022;
- In-person open house on April 11 and a virtual open house on April 13, 2023;
- Inclusion in the Community Assembly agenda packet for June 1, 2023;
- [Educational videos](#) shared in the City’s Community Update e-newsletter, on official City social media channels, and available on project webpage; and
- Updates in the Shaping Spokane Housing newsletter, sent to over 350 stakeholders.

The planning team has provided updates on the proposed code changes to elected and appointed officials, as well as to staff from other City departments and interested agencies.

- Regular meetings with Development Services Center staff to review proposed code language and potential implementation considerations, including the Fire Marshall and Building Official;
- Plan Commission workshop presentations on January 12, 2022; February 22, 2023; and April 26, 2023; and
- City Council study sessions on February 10 and May 5, 2022; and March 16, 2023.

PUBLIC NOTIFICATION AND SEPA REVIEW

As outlined in Section 17G.025.010 SMC, notices of proposals to amend the UDC are distributed and interested parties should be made aware of such proposals during the Plan Commission review, including the SEPA checklist and determination. Similarly, a public notice published in the *Spokesman-Review* fourteen days prior to the Plan Commission public hearing is required.

This proposal was properly noticed pursuant to Section 17G.025.010(E). See **Exhibit B** for the SEPA Determination of Non-significance. Noted below are the public noticing activities:

- Notice of Intent to Adopt submitted to the Department of Commerce (March 2, 2023)
- Notice of Intent to Adopt pursuant to 17G.025.010 SMC, which included the SEPA Checklist, emailed to City departments, Local, County, Tribal, and State contacts (April 24, 2023)
- SEPA Determination of Non-significance (DNS) issued (April 24, 2023), the comment period ended on May 9, 2023
- Notice of Public Hearing for the Plan Commission was published in the *Spokesman-Review* on April 26 and May 3, 2023.

COMMENTS RECEIVED

Written comments received by the planning department by 12:00 p.m. on May 3 are included in **Exhibit D**.

IV. ANALYSIS

PROPOSAL DESCRIPTION

These City-initiated text amendments are proposed to update regulation of short-term rentals, or vacation rentals, according to strategies outlined in the adopted Spokane [Housing Action Plan](#) and the City Council [Implementation Plan](#). The proposed draft code has been developed to update permitting requirements for short-term rentals within the City, following vacation rental monitoring data reflecting the current utilization of this accessory land use, and aiding in updating regulations.

This proposal will amend Spokane Municipal Code: Section 17C.316.010, Purpose; 17C.316.020, Description and Definitions; 17C.316.030, Where These Regulations Apply; 17C.316.040 Type A Short-Term Rentals; 17C.316.050 Type B Short-Term Rentals; 17C.316.060, Monitoring; and 17C.316.070, Pre-Established Bed and Breakfast Facilities.

Additional amendments are being made to inspection fees for annual life safety compliance, updating permitting fees to align with proposed updated regulation of STRs, a proposed per night license fee, and a code clean up to clarify that an existing lodging excise tax also applies to short-term rentals. Those Spokane Municipal Code Sections are 08.02.034, Fire Code; 08.02.066, Zoning; 08.08.010, Tax Levied; and adopting a new section 08.02.090, Short-term Rental License Fee.

See **Exhibit A** for the draft ordinance with strike-through text and proposed changes.

SHORT-TERM RENTALS

The Spokane Municipal Code defines a short-term rental (STR) as “where a residential dwelling unit or bedrooms in a residential unit are rented to overnight guests for fewer than 30 days.” STRs are also defined with the 30-day limit in RCW 64.37.010. Currently, this accessory residential use is only permitted in residential zoning districts (RA, RSF, RTF, RMF, RHD).

Changes to chapter 17C.316 SMC respond to Strategies A3 and B5 of the Housing Action Plan, and the Strategies 1.5, 2.6, and 2.7. The changes proposed would:

- To improve permitting compliance, allow short-term rentals in all zoning districts where residential uses are permitted. This would create a path to compliance for the over 600 short-term rentals that are operating outside of current regulations.
- Differential between a property owner and a short-term rental operator.

- Recognize the potential difference in impacts to adjacent properties and therefore regulate STRs based on whether they are in a residential zone or any other zone, such as Downtown Core (DTC) or Community Business (CB).
- Only allow STRs in conforming residential or mixed-use buildings, and for the latter it must occupy the residential units within a mixed-use building.
- Propose a unit cap:
 - An accessory dwelling unit counts towards the maximum unit allowance on a lot.
 - For residential zones single-family detached and attached, and duplexes are allowed one unit. Multifamily or mixed-use buildings with three or more units are limited to 20 percent of total units being allowed as short-term rentals.
 - For non-residential zones single-family detached and attached, and duplexes are allowed one unit. Multifamily or mixed-use buildings with three or more units are limited to 30 percent of total units being allowed as short-term rentals.
- For structures that are fire sprinklered, or not required to by Building or Fire Code, they will no longer be required to complete the Change of Use process. Any permit wishing to go beyond the 30 percent cap in non-residential zones would be required to complete the Change of Use process to ensure life and safety of all occupants of the structure.
- For active permit holders, they will be allowed to continue their short-term rental permit as a grandfathered use. Any lapse of the permit, or an attempt to expand beyond the units or size approved in the permit will not be allowed.
- A notarized Life Safety Compliance form will be required to show egress and safety requirements.
- Annual inspections will be required for renewal.

PERMITTING AND INSPECTION FEES

To ensure that residents and guests are able to enjoy a safe visit while in the City, a requirement to complete an annual fire safety inspection is proposed. The fire inspectors will evaluate structures for compliance with both Building and Fire Code requirements, such as working smoke detectors, appropriate egress, and possible exiting hazards. To cover the staff costs of these additional inspections completed by the City's fire inspectors, the Fire Department would charge an inspection fee of \$105 per hour.

Also, to match the proposed changes of short-term rentals in residential zones versus non-residential zones, the permit fees in Section 08.02.066 have been modified from the Type A permit of \$150 and a \$100 annual renewal, to a residential STR permit of \$200 and the existing renewal fee. Type B STR permits, which functioned as sort of bed and breakfasts in what uses were allowed, are a Type III Conditional Use Permit and cost \$4,590 for the permit with a \$100 annual renewal fee. To mirror new language of vacation rentals in non-residential zones, this section has been amended to a permit fee of \$300 and maintains the \$100 renewal fee.

Acknowledging the continuing housing crisis, and the growing body of research that shows the correlation of increased short-term rental units and increases in both house and rental prices and a decrease in housing supply, staff have proposed a per night fee to offset the effect short-term rentals have on the City's legitimate interest in ensuring there is enough housing within city boundaries. As taxing authority is limited by the Legislature, a \$2.00 per night license fee to be collected by the vacation rental platform, and then reported and remitted to the Department of Revenue is being proposed. Vacation rental platforms that operate in the State of Washington are required to be licensed and registered to do business within the state, and the Department of Revenue already manages and disperses the lodging tax that vacation rental platforms are required to collect as well.

While not a fee, staff have completed a related code clean up in Section 08.08.010, Tax Levied, to clarify that the transient accommodations excise tax also applies to short-term rentals meeting the applicable requirements. Per RCW 67.28.181, the City may levy that tax so long as the total excise tax imposed is limited to 2 percent, or not greater than 12 percent when combined with all other taxes.

Applicable taxes paid for short-term rental uses include a 9 percent lodging tax for a lodging business that has less than 40 lodging units, and the 2 percent excise tax. Clarifying that short-term rentals are subject to that excise tax helps to ensure that competition from short-term rentals does not negatively impact the hotels and motels in the city, which pay separate lodging taxes of 8.8 percent, a special hotel/motel and convention and trade center tax of 3.3 percent, and the \$4 per unit per night assessment under the Tourism Promotion Area agreement between the County and the City.

Code language relating to taxes and fees will not be considered by Plan Commission. Information on the taxes and fees relating to the proposed update is included for informational purposes and is subject to change prior to Council action.

The proposed fee changes encompass:

- Annual inspections will be conducted by fire inspectors, similar to other inspections completed for permits issued by the Development Services Center.
- To ensure the Fire Department's budget is made whole given additional inspections being required, the existing fire inspection fee of \$105 per hour will also be charged for short-term rental inspections.
- Update short-term rental permit fees:
 - Type A becomes STRs in residential zones;
Currently a \$150 permit and \$100 renewal, proposed to be \$200 permit and \$100 renewal.
 - Type B becomes STRs in non-residential zones
Currently a Type III Conditional Use Permit costing \$4,590 and a \$100 renewal, proposed to be reduced to a \$300 permit and \$100 renewal.
- Vacation rental platforms will be required to collect a \$2.00 per night license fee for all short-term rental units within the City of Spokane, and then remit these fees on a quarterly basis to the Department of Revenue. This would be in addition to the lodging tax already imposed on short-term rentals.

IMPLEMENTATION OF COMPREHENSIVE PLAN GOALS AND POLICIES

Section [17G.025.010](#) SMC establishes the review criteria for text amendments to the Unified Development Code. In order to approve a text amendment, City Council shall consider the findings and recommendations of the Plan Commission along with the approval criteria outlined in the Code. The applicable criteria are shown below in *bold and italic* with staff analysis following each criteria. Review of the Comprehensive Plan goals and policies indicates that the proposal meets the approval criteria for internal consistency set forth in SMC 17G.025.010(G). Excerpts of the applicable goals and policies, and their Comprehensive Plan discussion points, are contained in **Exhibit F**.

17G.025.010(G) APPROVAL CRITERIA

1. The proposed amendment is consistent with the applicable provisions of the comprehensive plan.

Neighborhood Goal N 1 – The Downtown Neighborhood. *Recognize downtown Spokane as the primary economic and cultural center of the region and improve its viability as a desirable neighborhood in which to live and conduct business.*

Economic Development Policy ED 3.10 – Downtown Spokane. *Promote downtown Spokane as the economic and cultural center of the region.*

Staff Analysis: Vacation rental platform monitoring by the City's contracted consultant, Granicus, has provided data that clearly shows a predominance of short-term rentals available for booking in the downtown (see **Exhibit E**). The proposed changes of where short-term rentals are permitted aligns the municipal code with the actual usage occurring, while also supporting the variety of choices visitors have for accommodations when visiting the City. Creating a path to compliance for those units operating in downtown ensures visitor safety, a variety of accommodations, and generates permit fees to pay for increased monitoring and compliance from city staff. The proposed code changes support the downtown as the primary economic and cultural center of the region. Allowing short-term rental units in downtown helps to provide the downtown area with a market support base for its retail, services, restaurants, and entertainment venues.

Urban Design and Historic Preservation Goal DP 4.1 – Downtown Residents and Workers. *Encourage investments and create opportunities that increase the number of residents and workers in downtown Spokane.*

Economic Development Policy ED 8.3 – Recreation and Tourism Promotion. *Promote the region's outdoor amenities, recreational opportunities and tourism.*

Staff Analysis: Increasing the number of people in the downtown area provides the necessary number of patrons to maintain a healthy business climate, thereby increases the tax base and making more funds available for the provision of public facilities and services. More people in downtown also increase street level activity and can lessen crime by having more "eyes-on-the-street." Feedback from the development community has indicated that some area developers wish to utilize short-term rentals as a mechanism to finance projects, either as a revenue stream to repay construction loans, or as a revenue stream that can allow them to subsidize long-term market rate units within the same project. While they do have an impact on the long-term housing supply, short-term rentals can also help support infill investments in the downtown to encourage more housing, and therefore more people, and create a more vibrant regional center.

Housing Goal H 1 – Housing Choice and Diversity. *Provide opportunities for a variety of housing types that is safe and affordable for all income levels to meet the diverse housing needs of current and future residents.*

Staff Analysis: The values of the Housing chapter are grounded around maintaining affordable housing, developing a good mix of housing types, encouraging housing for low-income residents, and preserving existing housing. Proposed short-term rental code changes recognize that staff have heard anecdotal evidence of property owners not renewing long-term leases in favor of making more money from short-term rentals, and as such a unit cap has been built into the proposed changes. By limiting the number of short-term rentals that are permitted in residential zones, the proposed code changes attempt to limit the impact of this accessory land use on the long-term housing supply for current and future residents. To limit potential impacts to surrounding residential properties, the proposed code allows short-term rentals in other zoning districts, such

as the Downtown Core, where the intensity of development and activities more easily absorbs more people or a shorter turnover of stays. The changes to how STRs are regulated clarifies the intent that the use is allowed, but is meant to be accessory in nature and not therefore the predominant use in the City's numerous neighborhoods.

Housing Policy H 1.21 – Development of Single-Room Occupancy Housing. Allow development of single-room occupancy units in downtown Spokane and in other areas where high-density housing is permitted.

Staff Analysis: The foundation of the goals and policies within the Comprehensive Plan were developed with the public's input during the Spokane Horizons public participation process began in 1995, to ultimately shape the 2001 version of the document. While vacation rentals were a use at this time, they had not spread beyond early adoption, and so this type of accessory land use was not one the Comprehensive Plan contemplated. While there are differences between a single-room occupancy structure and a short-term rental, they do share the crucial feature of short stays and for a different price point than a traditional hotel or motel. Because of the transient element to both single-room occupancies and short-term rentals, they do share some overlap. As discussed above, the development community has indicated that the ability to utilize some short-term rental units to finance infill development of housing or mixed-use buildings balances the impact this accessory use has on long-term housing with the need to fund more housing.

2. The proposed amendment bears a substantial relation to public health, safety, welfare, and protection of the environment.

Staff Analysis: The proposed amendments closely follow guidance in State law, the Housing Action Plan, and the City Council HAP Implementation Plan. Changes to how and where short-term rentals are regulated will require that STRs are completing life and safety compliance forms, clarifies a process to ensure that residents or guests are staying in a safe structure, and as necessary structure improvements are required to comply with Building and Fire Code. These changes are consistent with the Comprehensive Plan and statutes protecting public health, safety, and the environment.

V. CONCLUSION

Based on the facts and findings presented herein, staff concludes that the requested text amendments to the Unified Development Code satisfy the applicable criteria for approval as set forth in SMC Section 17G.025.010. To comply with RCW 36.70A.370 the proposed text amendments have been evaluated to ensure proposed changes do not result in unconstitutional takings of private property.

VI. STAFF RECOMMENDATION

Following the close of public testimony and deliberation regarding conclusions with respect to the review criteria and decision criteria detailed in SMC 17G.025.010, Plan Commission will need to make a recommendation to City Council for approval, approval with modification, or denial of the requested code amendments to the Unified Development Code.

Staff **recommends approval** of the requested amendments and recommends that the Plan Commission adopt the facts and findings of the staff report.

VII. LIST OF EXHIBITS

- A. Proposed Draft Text
- B. SEPA Determination of Non-Significance
- C. Public Participation Summary
- D. Public and Agency Comments
- E. Short-term Rental Location Map
- F. Related Comprehensive Plan Goals and Policies

**Spokane Municipal Code Title 17C.316 Short Term Rentals
DRAFT TEXT**

SHORT-TERM RENTALS

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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.

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

- A. ~~((Description.))~~ Short-term rental. A short-term rental ~~is where~~ means a lodging use, that is not a hotel or motel, in which a residential dwelling unit, or portion thereof, or bedrooms in a residential unit are ~~is~~ rented to overnight guests by a short-term rental owner or operator for a fee for fewer than 30 consecutive days. ~~There are two types of short-term rentals: A dwelling unit, or portion thereof, that is used by the same person for 30 or more consecutive days is not a short-term rental.~~
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. 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.))~~
- B. Short-term rental platform. A short-term rental or vacation rental platform (Platform) means a person that provides a means through which an operator may offer a dwelling unit, or portion thereof, for short-term rental use, and from which the person or entity financially benefits. Merely publishing a short-term rental advertisement for accommodations does not make the publisher a short-term rental platform.
- ~~((2))~~ C. 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))~~ D. 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.
- E. 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.
- F. 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 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 must complete the Change of Use/Occupancy process to establish a Retail Sales and Service use, as defined in 17C.190.270 SMC, and shall meet all applicable Building Code and Fire Code standards.

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 lot. 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, but are not limited to, 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.
- F. Existing Approved Permits and Unit Caps. Existing approved short-term rental permits, which were active and approved prior to July 1, 2023, shall be allowed to grandfather the short-term rental use subject to the below requirements.

1. The short-term rental permit must be active and approved prior to July 1, 2023.
2. If the permit is not renewed a new short-term rental permit will be required and the unit cap stated in 17C.316.040(B) will be applicable.
3. A grandfathered short-term rental permit may not further expand their short-term rental use beyond what is existing in the approved permit, nor may it expand beyond what would be permitted under 17C.316.040.

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 to establish a Retail Sales and Service use, as defined in 17C.190.270 SMC.
- ~~((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 lot.
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 to establish a Retail Sales and Service use, as defined in 17C.190.270 SMC.
- 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. Hiring 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, but are not limited to, 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 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 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.))~~ 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.

Spokane Municipal Code Chapter 08.02 Fees and Charges
DRAFT TEXT

INSPECTION AND PERMITTING FEES

Section 08.02.034 Fire Code.....	13
Section 08.02.066 Zoning	17
Section 08.02.090 Short-term Rental License Fee	18

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 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 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 \$2.00 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.

Spokane Municipal Code Chapter 08.08 Lodging Tax DRAFT TEXT

LODGING EXCISE TAX

Section 08.08.010 Tax Levied	20
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Section 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.



NONPROJECT DETERMINATION OF NONSIGNIFICANCE

FILE NO(s): Housing Action Plan Code Changes Phase 2 – Short-term Rentals

PROPONENT: City of Spokane

DESCRIPTION OF PROPOSAL:

Continuing the series of City initiated development code amendments to the Unified Development Code (UDC) under the [Shaping Spokane Housing](#) program, city staff have prepared a new draft code amendment that updates Chapter 17C.316, Short-term Rentals. Given that for sale and for rent housing units have been constrained locally for the past several years, the proposed code amendment takes action on the following Housing Action Plan strategy:

- B5, "Study the local short-term rental market to reduce impact on housing affordability, neighborhood identity, and displacement."

As well as the following City Council HAP Implementation Plan strategies:

- Strategy 1.5, "Contract with a vendor to track real-time use of housing in the City as short-term rentals and enforce compliance with City business license laws."
- Strategy 2.6, "Consider imposing an excise tax on short-term rental gross receipts to support housing programs that mitigate displacement of regular rental units."
- Strategy 2.7, "Expand allowable zones for short-term rentals to match current actual usage to improve licensing compliance."

A concurrent code amendment will increase inspection fees to cover annual fire inspections for life and safety purposes, as outlined in 08.02.034 SMC, as well as updating zoning permit fees in 08.02.066. Clarification on excise tax collection will be added to Section 08.08.010, and a new Section 08.08.025, Short-term Rental Platform Fee, will be added with these amendments.

This proposal will amend Spokane Municipal Code (SMC): 17C.316.010, 17C.316.020; 17C.316.030; 17C.316.040; 17C.316.050; and 17C.316.060 to update regulations with the changing nature of short-term rental uses and to create a path to compliance for existing units operating without a permit. Concurrent amendments to fees will be made in Sections 08.02.034 and 08.02.066, as well as Section 08.08.010 and adding a new Section 08.08.025, Short-term Rental Platform Fee. The exact amendments to the code are available online at the following address: <https://my.spokanecity.org/projects/shaping-spokane-housing/hap-phase-two/>.

LOCATION OF PROPOSAL, INCLUDING STREET ADDRESS, IF ANY: This proposal has a City-wide impact

LEAD AGENCY: City of Spokane



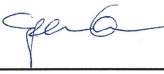
DETERMINATION:

The lead agency for this proposal has determined that it does not have a probable significant adverse impact on the environment. An Environmental Impact Statement (EIS) is not required under RCW [43.21C.030\(2\)\(c\)](#). This decision was made after review of a completed environmental checklist and other information on file with the lead agency. This information is available to the public upon request.

- ☐ There is no comment period for this DNS.
- ☐ This DNS is issued after using the optional DNS process in section 197-11-355 WAC. There is no further comment period on the DNS.
- ☒ This DNS is issued under 197-11-340(2); the lead agency will not act on this proposal for at least 14 days from the date of issuance (below). **Comments regarding this DNS must be submitted no later than 12:00 p.m. on May 9, 2023 if they are intended to alter the DNS.**

Responsible Official: Spencer Gardner **Position/Title:** Director, Planning Services

Address: 808 W. Spokane Falls Blvd., Spokane, WA 99201 **Phone:** 509-625-6097

Date Issued: April 24, 2023 **Signature:** 

Date	Name/Event
11/18/2021	Land Use Committee of the Community Assembly
12/12/2021	Plan Commission workshop
12/17 & 12/22/2021	Winter Market at Riverfront Park (approximately 120 visitors)
1/6/2022	Community Assembly
1/18/2022	Lincoln Heights Neighborhood Council
1/25 & 1/27/2022	Virtual Open Houses (respectively, 29 and 35 participants)
2/10/2022	City Council study session
2/17/2022	Land Use Committee of the Community Assembly
4/6, 4/13, 4/20, 4/27/2022	Spring Market at Riverfront Park (approximately 190 visitors)
4/12/2022	University District Public Development Authority
4/12/2022	West Hills Neighborhood Council
4/21/2022	Land Use Committee of the Community Assembly
5/05/2022	City Council study session
2/22/2023	Plan Commission workshop
3/16/2023	City Council study session
4/11 & 4/13/2023	In-person and Virtual Open Houses (approximately 7 participants)
4/26/2023	Plan Commission workshop
6/1/2023	Community Assembly agenda packet inclusion

Substantive Public Comments Received as of 05/03/2023

	Date	Name	Topic(s)	Page
1	1/14/2022	Todd Sullivan	ADU size, ADU parking, Short-term rentals	2
2	2/18/2022	Toni Sharkey	SEPA, Short-term rentals, Duplexes, Attached Homes	3
3	2/22/2022	Craig Hunt	Short-term rentals (STR)	9
4	4/6/2022	John Schram	Short-term rentals, Duplexes, Attached Homes	10
5	4/21/2022	Will Maupin	Code changes for housing	11
6	4/22/2022	Gene Brake	ADU, STR, Duplex	13
7	5/12/2022	Joan Hunt	STR, Other	15
8	4/3/2023	Karen Riley	STR	28
9	4/10/2023	Liza Mattana	STR and Fees	30
10	4/24/2023	Yolanda Herr	STR, Other	32
11	5/3/2023	Randy Abrahamson	STR	34

Beck, Amanda

From: Planning Services Development Code
Sent: Friday, January 21, 2022 3:45 PM
To: Todd Sullivan
Subject: RE: ADU Comments from a Home Builder

Hi Todd,

Thank you for providing public comment concerning the proposed revisions to ADU regulations. This is now part of the public record for the project, and will be shared with the Plan Commission at the public hearing. We really appreciate your insightful and informed comments- in our research we've noticed that trend to increase the size for an ADU.

We are still exploring the range of code alternatives for accessory dwelling units. Plan Commission has another workshop to discuss this as well as duplexes, attached homes, and lot size transitions at their January 26th meeting that begins at 2:00 pm. If you're able or interested in attending, [the agenda](#) has the Webex login information. If not, it will be uploaded to the City's [Vimeo](#) soon after the meeting.

Thank you,
 Amanda

Amanda Beck, AICP | City of Spokane | Assistant Planner II
 509-625-6414 | main 509-625-6500 | abeck@spokanecity.org | spokanecity.org



From: Todd Sullivan <toddsull@live.com>
Sent: Friday, January 14, 2022 9:19 AM
To: Planning Services Development Code <erapsdc@spokanecity.org>
Subject: ADU Comments from a Home Builder

[CAUTION - EXTERNAL EMAIL - Verify Sender]

As a home builder in the Spokane, Coeur d'Alene and Hayden region, we have been designing proposed ADU's in the Kootenai County for the last 2 years.

My recommendations that stem from my experience in Kootenai is as follows:

- Increase ADU size to 1,000. This provides an ADU with 2 bedrooms and 1 bathroom. Our typical ADU design will have on bedroom acting as an office.
- Require the ADU to match the primary home roof system. This will minimize chaotic design and integrate better with the property and neighborhood. If not, you will have shed roof ADU's as it's cheap to build and the result will be sheds in the backyard.
 - Drive around Coeur d'Alene and look at all the ADU's that are negatively impact the aesthetics of the neighborhood.
- Require 1 parking spot on the property. This is important as the ADU will likely become a rental or unit for family. Parking on-street creates havoc and congestion.
- Short term rentals are an issue. Coeur d'Alene has numerous ADU's for the AirBnB market. In the summer, it becomes hectic with parties, crowds, etc. The owners use the ADU's as additional revenue sources. An ADU

within walking distance to the lake can produce \$75,000 plus in revenue per year if properly managed. I don't have an opinion if that should be a factor, but it's important to understand.

If interested, I'm always available for comment and discussion.

Thanks,
Todd Sullivan
Sullivan Homes
(208) 755-1017
todd@sullivanhomespnw.com

Sent from [Mail](#) for Windows

Gwinn, Nathan

From: Gwinn, Nathan
Sent: Tuesday, February 22, 2022 4:59 PM
To: 'Antonia DePasquale'
Subject: RE: Housing Ordinance

Good afternoon Toni,

Thanks for your comments. I will combine this with the others and add to the record for the file.

Yes, the Council could ultimately choose to adopt all or part of the amendments. Yes, please send the link.

Nate

Nathan Gwinn, AICP | Assistant Planner | Planning & Development
 509.625.6893 | ngwinn@spokanecity.org | www.spokanecity.org

Residential Development Code amendments project webpage: my.spokanecity.org/projects/shaping-spokane-housing

From: Antonia DePasquale <depasquale5@yahoo.com>
Sent: Friday, February 18, 2022 8:56 PM
To: Gwinn, Nathan <ngwinn@spokanecity.org>
Subject: Re: Housing Ordinance

[CAUTION - EXTERNAL EMAIL - Verify Sender]

Good evening Nate, I was trying to be more supportive and open minded about the ordinance last night. The city of Spokane SEPA notifications are so transparent to the citizens, it is refreshing. In the valley notifications are the size of a piece of paper or found in the newspaper, so there are a lot of folks upset that there are so many apartments that happen so quick there.

Short term rentals folks hate them and they hate him with a passion, well 80% do, the 10-20% that are making a cash love them.

Is that piece of the ordinance to get a little more accountability, so we can do a moratorium or a reduction? At Friday Harbor (is where we are at right now ;-) there's a moratorium on them and they have to give a pretty high percentage to the San Juan Island Land Trust.

So when Council votes, can they vote on certain pieces of the ordinance? Because there are some pieces that I do support, having more housing opportunities for home ownership. And the parking in back I like! Less curb cuts so we can add more trees & green, I like!

I printed this out a couple months back, you may want to change the language highlighted, it makes it seem like duplexes are only rentals.

Making sure that you're in the know about the legislation Andy Billig is working on about developing on undeveloped space? If not, I can send you a link? We could add 40,000 residents to our downtown if there were more developments: high rise condo, retail, apartments, townhomes penthouse OK too!

Nov. 10, and joint Study Session with City Council on Thursday, Nov. 11.

The Housing Action Plan identified potential first steps necessary to address housing affordability. Following any code revisions, **residents could see new types of housing in their neighborhoods**. For example, one recommendation that could be included is the introduction of small-scale duplex development in areas where single-family houses are more common. A duplex is a building that contains primary homes for two families living independently on a single lot. Additional duplex development would give renters more housing options, increasing overall supply in the community. However, in allowing additional duplex development as part of this first phase of code changes, design standards and neighborhood compatibility will be taken into consideration.

In many established neighborhoods, the City expects little physical change on any given block. But on a larger scale and in growing neighborhoods, **the ability for additional owners or developers to choose to build duplexes, accessory dwelling units, and attached housing is part of a coordinated strategy to provide greater relief and economic opportunity** to residents facing

Sent from my iPhone

On Feb 9, 2022, at 1:47 PM, Gwinn, Nathan <ngwinn@spokanecity.org> wrote:

Good afternoon Toni,

Thanks for your message. I will add it to the public record for the file.

To respond to the question you asked about encouraging ownership, yes, the proposals are designed to work to provide more options for all incomes and both homeownership and rental tenancies. For example, the attached housing (townhouse) proposals involve the possibility of separate fee-simple ownership. Allowing more than two attached houses with a common wall, and potentially smaller attached houses, could be introduced together with the changes to allow duplexes in additional locations, advancing more ownership options for that kind of housing in all neighborhoods.

I am also looking forward to the discussion at the Land Use Committee next week.

Nate

Nathan Gwinn, AICP | Assistant Planner | Planning & Development
509.625.6893 | ngwinn@spokanecity.org | www.spokanecity.org

Residential Development Code amendments project webpage: my.spokanecity.org/projects/shaping-spokane-housing

From: Antonia DePasquale <depasquale5@yahoo.com>

Sent: Sunday, February 6, 2022 2:43 PM

To: Gunderson, Dean <dgunderson@spokanecity.org>; Gwinn, Nathan <ngwinn@spokanecity.org>; Beggs, Breean <bbeggs@spokanecity.org>; Kinnear, Lori <lkinnear@spokanecity.org>; Greg Francis <gfrancis1965@yahoo.com>; Robert Flowers <mr_mouse@comcast.net>; Tanya Starkel <tanya@avenuestonerealestate.com>

Subject: Housing Ordinance

[CAUTION - EXTERNAL EMAIL - Verify Sender]

Good Afternoon Council Members, President and interested parties. I hope all had a nice weekend.

In meeting with RNC, members last week, I received a couple follow up e-mails. We have a few concerns about the new proposed housing and infill ordinance:

We all know we need housing, but home/condo/duplex Ownership (not just a rental market) is critical for any community to thrive and get ahead.

Nate, are there any pieces in the ordinance that encourage home ownership (not just rentals)? I also look forward to hearing about the Design Standards proposed at Land Use meeting next Thursday, thank you for coming.

Personally, I am not interested in an ordinance that makes a few rental market investors from Wall Street richer (see link) and I ask that my Council members and President look into this aspect as well, thank you.

<https://youtu.be/cOEZ2Csxxu8>

Thank you for listening,
Toni Sharkey

Sent from my iPhone

Beck, Amanda

From: Beck, Amanda
Sent: Thursday, February 24, 2022 1:22 PM
To: Craig Hunt
Subject: RE: support for short term rentals

Hi Craig,

Thanks for your interest in the short-term rental code amendment and the [Shaping Spokane Housing](#) project. I will include your support for the short-term rental code change in the public comment record, which will be shared with Plan Commission at the public hearing.

Right now the draft code is in a sort of holding pattern, as we've heard a lot of push back from the public over concerns this is expanding a use that is negatively impacting the housing supply. So, we're trying to come up with some additional draft code options that might address these concerns, and the interaction of short-term rentals and accessory dwelling units. Once we have additional options we would take them back to Plan Commission for a workshop before the public hearing process.

Thank you,
 Amanda

Amanda Beck, AICP | City of Spokane | Assistant Planner II
 509-625-6414 | main 509-625-6500 | abeck@spokanecity.org | spokanecity.org



From: Craig Hunt <craigthunt@gmail.com>
Sent: Tuesday, February 22, 2022 2:36 PM
To: Beck, Amanda <abeck@spokanecity.org>
Subject: support for short term rentals

[CAUTION - EXTERNAL EMAIL - Verify Sender]

Hi Amanda,

I'm wondering if you have any updates regarding the proposed allowance for short term rentals in "all" zones? I'm supportive of the proposed change to the code, which would allow short term rental in areas where residential use is already permitted.

Thanks for your time,
 Craig Hunt

From: [John Schram](#)
To: [Planning Services Development Code](#)
Subject: Short term rental reedback
Date: Wednesday, April 6, 2022 11:34:12 AM

[CAUTION - EXTERNAL EMAIL - Verify Sender]

Please eliminate all short term rentals in Spokane County. This will immediately free up hundreds of rental units for those that wish to make/keep Spokane their permanent home. Let's employ basic economic principles to increase supply and keep housing in the affordability range. There is already adequate space in our existing hotel inventory for visitors.

John Schram

From: [Planning Services Development Code](#)
To: "Will Maupin"
Subject: RE: Shaping Spokane Housing Update Comments
Date: Friday, April 22, 2022 9:37:00 AM

Hello Mr. Maupin,

Thanks for your comment. I will add it to the public record for the phase 1 topics, and it will be shared with the Plan Commission at the public hearing for the first 3 topics – accessory dwelling units, lot size transition, and short plats – and with the City Council at its future, unscheduled public hearing. The Plan Commission’s hearing is tentatively scheduled for May 11, 2022 at 4 pm.

When the agenda for the May 11 hearing is posted, you can find meeting information on the [Plan Commission webpage](#). We will continue to update the project webpage as public hearings are scheduled and new efforts are announced.

Nathan Gwinn, AICP | Assistant Planner | Planning & Development
 509.625.6893 | ngwinn@spokanecity.org | www.spokanecity.org

Residential Development Code amendments project webpage: my.spokanecity.org/projects/shaping-spokane-housing

From: Will Maupin <willmaupin@gmail.com>
Sent: Thursday, April 21, 2022 12:43 PM
To: Planning Services Development Code <erapsdc@spokanecity.org>
Subject: Shaping Spokane Housing Update Comments

[CAUTION - EXTERNAL EMAIL - Verify Sender]

Hello, thank you for updating me on the updates to the city's approach to the housing crisis. What I see from the city is an approach. It's nothing close to a solution.

According to a report on KXLY last night, the average home price in Spokane County increased by \$30k over the past month. ONE MONTH. A friend bought a house on the lower south hill in 2018 for \$220k. Zillow estimates it could go for \$428k today. If \$220k was his max budget today, there are two homes currently listed in Spokane he could afford. Two.

This is a crisis. People who have lived in Spokane for most of their lives, who grew up here, can't afford to live here anymore. I had to re-sign my apartment lease this spring, and my rent increased by 50%. There is an old, cheap motel on 3rd that has been converted to studio apartments leasing for \$1,200+. If you earn the median income for the county, those apartments would take more than 30% of your total income. Respectfully, you can't continue farting around with phase 1.

The longer the city fails to accept this, the worse it will get. Look at the fringes of the city limits now, where development regulations are more lax. What's being built there? Totally unsustainable, completely car-dependent developments that look like the "multifamily housing midsize apartment building" on the graphic in the update, and that's well outside of phase 1.

Those won't even solve the problem, and on top of the help they do provide, they exacerbate other problems like traffic (have you tried getting around the Southgate neighborhood anytime between 2 and 6 p.m. lately?) and climate change. They're a two steps forward, one step back situation.

It's time for big and active change. In the update I saw the word "encourage" once, and it was about townhouses. The city is exploding, cost of living is skyrocketing, and the only thing you're going to "encourage" is a few more townhouses? You're going to "allow" duplexes in more zones? Cool. Go further. Encourage them, too. And then go further than that.

Change the comprehensive plan.

Make owning a surface parking lot in the city center (which looks like swiss cheese from all of those) less appealing than developing it into high density housing. "Encourage" high density urban housing.

Apply the principles of Vancouverism to the Centers and Corridors plan, and expand the plan. Then "encourage" it. In recent years we've seen buildings demolished on the Ruby/Division couplet and be replaced with things like a Panda Express and a sprawling gas station. Encourage density in places like that to the point it would be financially stupid for a developer to build one story nonsense.

Expand where airbnbs are allowed? Ban them all together.

I know there is more red tape and more bureaucratic hurdles to this process than I could ever understand. So I appreciate the fact that this process is underway at all. But I'm frustrated. I grew up here, I've spent almost my entire adult life here, and I can barely afford to stay. I have a good job, and earn good money. Two years ago, before the pandemic hit and this all blew up, I could've bought a good house in a nice neighborhood. The homes I looked at then are being listed now for literally hundreds of thousands of dollars more than they were just two short years ago. Spokane used to lose so many of its best people to bigger, more vibrant cities. Now it's going to start losing those who stayed to places they can afford, like the Tri-Cities or somewhere awful.

Thank you for your work, and know it is appreciated. But please, we need to go so much further.

- Will Maupin

From: [Planning Services Development Code](#)
To: [Gene Brake](#)
Subject: RE: Shaping Spokane Housing
Date: Tuesday, April 26, 2022 2:48:00 PM

Hi Gene,

Thanks for your comment. I will add it to the public record for all of the phase 1 topics, and it will be shared with the Plan Commission at the public hearing for the first 3 topics – accessory dwelling units, lot size transition, and short plats – and with the City Council at its future, unscheduled public hearing. The Plan Commission’s hearing is scheduled for May 11, 2022 at 4 pm.

When the agenda for the May 11 hearing is posted, you can find meeting information on the [Plan Commission webpage](#). We will continue to update the project webpage as public hearings are scheduled and new efforts are announced, and I have added the genebrake.re@gmail.com address to the contact list for notice of future opportunities.

Sincerely,

Nathan Gwinn, AICP | Assistant Planner | Planning & Development
 509.625.6893 | ngwinn@spokanecity.org | www.spokanecity.org

Residential Development Code amendments project webpage: my.spokanecity.org/projects/shaping-spokane-housing

From: Gene Brake <genebrake.re@gmail.com>
Sent: Friday, April 22, 2022 10:34 PM
To: Planning Services Development Code <erapsdc@spokanecity.org>
Subject: Shaping Spokane Housing

[CAUTION - EXTERNAL EMAIL - Verify Sender]

I do not support several parts of Phase 1 of the Housing Action Plan. I oppose and will actively work against any effort to expand Short Term Rentals, allow ADUs without the owner occupancy requirement and include duplexes in all Residential zones unless there are some limitations.

All three of these proposals will negatively impact housing availability, promote additional escalating home prices and negatively impact neighborhoods by encouraging out of area investors.

All of these will exacerbate the housing shortage and lead to net loss of affordable housing and more homeless neighbors.

Thank you,
Gene Brake
www.genebrake.com

www.corbinpark.net

509-981-5555



601 W 1st Ave, Ste 1400
Spokane, WA 99201

"IMPORTANT NOTICE: Never trust wiring instructions sent via email. Always independently confirm wiring instructions in person or via a telephone call to a trusted and verified phone number. Never wire money without double-checking that the wiring instructions are correct."

Beck, Amanda

From: Joan Hunt <craigandjoanhunt@gmail.com>
Sent: Thursday, May 12, 2022 12:44 PM
To: Beck, Amanda
Subject: Re: Support for short term housing changes

[CAUTION - EXTERNAL EMAIL - Verify Sender]

Thanks so much, Amanda.

I'm more than willing to contribute anything more if I can; I know this is challenging and efforts are being made to try to address many needs and concerns at once.

I have genuine concern that statements such as those made by Lori Kinnear and Breann Beggs in the recent Inlander article contribute to the public's perception that short term housing use is negatively impacting the local housing supply. Especially "affordable" housing, which is a topic that is in itself complex and I would venture to guess, most of the public does not understand in it's true definition as outlined by HUD.

I am also very concerned that our leadership seems ill-informed as well, and I am writing to Council President Beggs and Members Kinnear and Wilkerson, who are in my district, in an effort to provide my perspective as a small business and rental property owner.

Thank you for your work; I appreciate it as well as your communication.

Sincerely,
 Joan

On Thu, May 12, 2022 at 12:29 PM Beck, Amanda <abeck@spokanecity.org> wrote:

Hi Joan,

Thank you for providing public comment in support of short-term rental code changes under the [Shaping Spokane Housing](#) project. These comments have been added to the public record, and will be included with the staff report to Plan Commission when a public hearing is scheduled.

You very thoughtfully lay out the complications of being a community landlord, and how the Covid pandemic impacted our housing market the past two years. We appreciate your perspective on this issue as we haven't heard as much on this topic from landlords.

Right now the draft code is in a sort of holding pattern, as we've heard a lot of push back from the public over concerns this is expanding a use that is negatively impacting the housing supply. The City is working to come up with additional draft code options that might address these concerns. Once we have additional options we would take them back to

Plan Commission to workshop the language before the public hearing process. To help inform the workshop, we'll include comments received to date about short-term rentals to aid the Plan Commission in discussion on additional language.

Thanks for your investment and time as a landlord in Spokane.

Thank you,

Amanda

Amanda Beck, AICP | City of Spokane | Assistant Planner II

509-625-6414 | *main* 509-625-6500 | abeck@spokanecity.org | spokanecity.org



From: Joan Hunt <craigandjoanhunt@gmail.com>
Sent: Thursday, May 12, 2022 9:39 AM
To: Beck, Amanda <abeck@spokanecity.org>
Subject: Support for short term housing changes

[CAUTION - EXTERNAL EMAIL - Verify Sender]

Hello, Amanda.

We are writing as property owners who are in support of allowing short term housing in areas of Spokane that are currently zoned commercial or carry other zoning designations where residential housing can occur or is currently occurring. Our property is one 8-unit, mid-century apartment building on the lower South Hill. We also co-own one short term condo unit in a residential area. We do not fall into the category of a home-owner with a single room to rent, nor a "big corporate Airbnb" investment operator seeking to set up tens or hundreds of units in the downtown core. We are neither a solution to homelessness nor a threat to hotels.

Over the last years of the pandemic, property owners, particularly those of us who are small business owners and have a single apartment building with fewer than 10 units, have been hit very hard with the burden of supporting our citizens who are renters by keeping them housed and preventing more homelessness. The state's more than 20-month long rent moratorium, along with the post-pandemic RCW's governing how we may manage our property have left many of us with increased debt, damaged property, lost revenue, legal debt, and now, post-moratorium, the costs of repairing damaged units, or simply doing deferred maintenance on our property during a very high inflationary period. (This, of course, is one reason rents have gone up again...our cost of business has gone up as well.)

Allowing short term housing in a building such as ours that is currently zoned Commercial/RO, would have zero negative impact on our neighborhood, where the bulk of other buildings are also residential units (including one large SNAP apartment building across the street) and allow us to create even more positive impact. Unlike long-term rentals, short term housing allows us to better maintain our property, monitor the use and safety of our units, keep safety risks and damage to a minimum, and actually improve the surrounding neighborhood. We know what it takes to run our business and we feel we should have the ability to decide if short term units would help us, and how many we would need to incorporate in our building to gain that benefit.

Long term residential property management always has challenges, but became particularly difficult during the pandemic. 2 of 8 units in our building housed tenants who stopped paying rent, didn't apply for rent relief, damaged our property, and posed safety risks to others in the building and the construction workers employed on a building renovation next to our property. However, because of the prevailing state moratorium, we could not get an attorney to take our case in order to evict these tenants and even if we could have retained someone, we were told the timeline for the process would be very costly and take about 6 months if they were successful. (These were not frivolous cases; in one case, a gun was fired on two occasions on the property, and in the other, a worker was physically assaulted by our tenant, charges were pressed, and the police took the tenant to jail.) We lost other tenants in our building because of these 2 people, and when we finally were able to get the difficult tenants to vacate, we found thousands of dollars in damage in their units. (Including one broken brand new window; because of supply shortages, we had to wait 3 months just to receive the glass to repair it, which of course meant we had more lost revenue with an empty unit.) We were unable to recover any of the lost rent because the tenants moved, so we didn't qualify for any programs that were available for rent recovery. This is just one story, but there are many like this from other owners as well.

Short term housing can be a way for us to supplement our income to support our properties. I am not talking about drastically increasing our monthly personal income from this, I am speaking about the need for income to simply maintain and pay our bills in order to hold on to our property. Yes, down the road we hope this increased income will become a retirement income, but still very modest by many standards. But what crime is in that - that is, to be responsible for one's own future by maintaining a small, high-quality business?

The State and City continually characterize the disease of homelessness as one that residential rental property owners somehow are responsible for curing, and now the City Council is apparently getting lots of input from those who advocate for the unhoused that changing short term rules will create even more problems, and that it shouldn't be allowed or at least should be heavily restricted or taxed even more. Selecting an arbitrary number of allowed short-term rental units in a building, or increasing fees to implement short term housing in the same, suggests that those making the rules have any idea of the economics of owning and managing a property. The intent of the State, and now our City Council, to lay the burden of homelessness at our feet is unconscionable. This problem has been around and growing since the financial crisis of 2008. Even though Spokane offers an incredible number of support options for homeless individuals, the fact that the City hasn't, even with all the non-profits, been able to come up with viable, LONG-TERM solutions to this issue, is no reason to turn to small property owners to take this burden from them. And it is farce to believe that the problem simply stems from a lack of housing. Restricting short term rentals, and increasing costs for property owners who choose this option is NOT the solution to this complex problem. Recognition is never given to the positive advantages that good quality, long and short-term housing provides in our area.

As small business owners with rental property, we create local jobs. We hire local, independant cleaners for cleaning our properties, and pay them more than twice the current minimum wage. We treat them with respect, we help them grow their businesses, (many are younger moms who want to create their own small businesses), and help them grow their hard and soft professional skills. We hire local companies to renovate and repair our property, we use a local professional property manager, and we hire a small painting company owned by a senior to do our painting (and all this at prevailing wages). We keep our property in excellent condition, it is safe, clean and monitored by us daily and we live nearby so we respond to any needs very quickly. We pay taxes, we give back to our community through charitable giving, and we spend our dollars locally with other small businesses in Spokane. We do our exterior property upkeep (lawn upkeep, snow removal, landscaping, cleaning up parking areas etc) ourselves and hire our high school aged niece and nephew to help us. We also co-own one short term condo rental unit in a residential area, and we do the same for that business. And in all this, we also pay our utility bills, our mortgages, our property taxes and for the short term rental, our city lodging and business taxes. Anyone who thinks that small business owners are lining their pockets with this work, has either

never had the opportunity to talk with an owner or do this work themselves. I also challenge anyone to suggest that we tell grocery store owners, lawyers, retailers, restaurant owners or other small business owners that they have to be taxed more or limited in how they do their work because homeless persons need food, clothing and legal representation, and therefore these business owners must take on the weight of this problem.

The need for shorter term housing is real; traveling professionals doing contract work, entertainers who come to present the Best of Broadway series, families going through divorce needing housing, persons traveling to Spokane for medical care or visiting loved ones in the hospital, small groups or families traveling together, and travelers coming to spend money on tourism activities in our city are just some examples of people who want and need housing options. Hotels do not provide for the needs of every group. **And for what it may be worth, the taxes short term operators pay to the City are not insignificant.** It is not easy work, but it is satisfying to provide quality housing, to represent our city well, and improve our neighborhoods by our investment in them. We are not the terrible people we are often made out to be in news stories, nor are we mega landlords or absentee owners. (However, many local owners who were forced to sell their small rental properties during the pandemic, did indeed sell to cash investors from out of town...another sad loss created by the State, by legally binding property owners to subsidize non-paying tenants while offering no immediate balance of relief to owners, resulting in property owners who could not pay their bills being forced to sell.)

So often, property owners are cast as terrible "landlords" or "slum lords" while the homeless are cast as victims who have only come to their sad fate through no fault of their own; this is unfair to both groups, as both are diverse groups of individuals with varied needs and desires. This "good people, bad people" dynamic is simply an old trope that doesn't stand up and it is frustrating to read newspaper stories that represent such simplistic images. Of course it sells papers and makes the City look good to continue to engage in these myths (the latest story in [The Inlander](#) and quotes by Council President Beggs and Council Member Lori Kinnear are perfect examples). But the truth is that limiting short term housing, or increasing costs to those of us small owners who want to engage in it, is not a solution.

Obviously, we are in favor of expanding and modernizing the rules of short term housing. Please recognize that this method of housing is needed, it is a help to small business owners like we are, it supports investment in our local community, and it fills a need that does not exist in long term housing or hotels.

The changes brought into play by the pandemic have and will continue to shape the way people live, and it would benefit our community to recognize the larger narrative of how and why that is happening, in order to recognize the value and opportunity available in expanding short term housing options. This needs to happen concurrent with, but not as a threat to devising real, long term solutions to this problem of under housed people. We feel sure there is enough intelligence and imagination in our community to make this happen in the form of a win-win situation.

Thank you for your work on these changes; in our two conversations with individuals in the City Planning Department, we are encouraged by the level of thoughtful, intelligent work that has been done by your department to move this issue forward.

Respectfully,

Joan and Craig Hunt

Spokane

Beck, Amanda

From: Joan Hunt <craigandjoanhunt@gmail.com>
Sent: Friday, May 13, 2022 3:21 PM
To: Beggs, Breean
Cc: Kinnear, Lori; Wilkerson, Betsy; Beck, Amanda; Gardner, Spencer
Subject: Re: Short Term Housing

[CAUTION - EXTERNAL EMAIL - Verify Sender]

Good Morning, President Beggs.

Thank you for your reply. I am in agreement that updating the short term rental policies is necessary and I appreciate that all voices will be considered and I look forward to a possible forum.

With regard to your statement about other people just like me who say they see larger impact to adjoining properties - I'm not exactly sure what you mean by "just like me" since I am a property owner and I'm guessing that those who may complain of negative impacts are **not** the owners/operators of short term housing? For my part I can, without a doubt, say that the quality of my experience as an owner, and the safety and quality of life in my building as it relates to those who live there have improved with the addition of shorter term guests. There hasn't been any increase in vehicle traffic or number of people in my building, but the quality of guests are professional, quiet, and there with a specific purpose. They are courteous, follow our house rules, and express appreciation for having pleasant accommodations that suit their needs.

The fact that there are many single-family unregistered/unlicensed properties is interesting; I agree it needs to be remedied. If they are operating in residential zones that already have a pathway for registration, then I believe they should be enforced and I hope that is one area that could potentially be addressed right away, even prior to code changes.

I would not have an issue registering if I were allowed to have a short term unit in my zone, and since I am currently doing a monthly rental, I treat it as I do the long-term leases. However, because of the structure of the platform, we do pay all applicable short-term housing taxes to the city. If those unregistered residences were paying comparable taxes, would those funds, along (with all the other revenue from short-term rentals) be available to put toward your affordable housing fund?

Thanks again for your reply; I know this is a mult-faceted issue and I hope the solutions can address the needs of all.

Joan

On Fri, May 13, 2022 at 7:51 AM Beggs, Breean <bbeggs@spokanecity.org> wrote:

Thanks so much Joan. We are attempting to gather all the feedback from as many stakeholders as possible to guide as as we do what is best for the entire City. Your well articulated perspective will be very helpful. Once we have an actual proposal on the table, we will also likely schedule some type of public engagement forum where we can hear from you and others in real time.

I do want to point out that the eviction moratorium imposed by the State expired last year and I don't see it coming back. The City Council also distributed tens of millions of dollars in rental assistance to landlords to mitigate some of the losses they experienced during that moratorium. I also don't see regulation of short term rentals as a solution for homeless individuals, because they need below market housing. I have heard many concerns from people just like you that short term rentals do pose larger impacts to adjoining properties than regular rentals; and, that the loss of market rate housing is making it more difficult for everyday families to find vacant rental housing.

Last I checked, there where almost 800 single family market rate residential units being diverted into short term rentals. Only a fraction of them where actually registered and licensed with the City. It seems appropriate to update our polices and enforcement and I look forward to your continued input.

Best,

Breean Beggs

From: Joan Hunt <craigandjoanhunt@gmail.com>

Sent: Thursday, May 12, 2022 3:54 PM

To: Beggs, Breean <bbeggs@spokanecity.org>; Kinnear, Lori <lkinnear@spokanecity.org>; Wilkerson, Betsy <bwilkerson@spokanecity.org>

Subject: Short Term Housing

[CAUTION - EXTERNAL EMAIL - Verify Sender]

Council President Beggs, and Council Members Kinnear and Wilkerson,

I am writing in response to the current conversation about changes to the City Code governing short term rentals and specifically to points brought up in the May 5, 2022 article in The Inlander, "Spokane may consider tweaking its Airbnb policy - if it can figure out what the current one is"

My husband and I are property owners who are in support of allowing short term housing in areas of Spokane that are currently zoned commercial or carry other zoning designations where residential housing is currently occurring. Our property is one 8-unit, mid-century apartment building on the lower South Hill in a Commercial/RO zoning. We have been told by City Planning that based on our zone, we can enter into leases of 30 days, but no less, so we have 2 units in our building that we have furnished and offer for extended stays and advertise through Airbnb. We also co-own one condo unit (for the last 9 months), in a residential area northwest of Kendall Yards that is currently a licensed short-term rental advertised through Airbnb. We do not fall into the category of a home-owner with a single room to rent, nor a "big corporate Airbnb" investment operator seeking to set up tens or hundreds of units in the downtown core. **We do**

our best to set our rents at rates that allow us to maintain our property, pay our mortgage and taxes, pay the professionals we have to hire to do work for us, pay our professional property management company, and create some reserve for unexpected expenses, but the economics of that do not make it possible for us to charge 'affordable housing' rates as defined by the local housing authority. So we don't fall into a category of those who, if they set up a short term rental, would be denying affordable housing by doing so.

In the 4 years we've owned the property, we have taken less than \$6500 a year from the property for personal income. In that same time, we have had to make improvements and updates to the interiors of every unit in our building as well as do roof repair and chimney repairs, replace all windows, siding, railings, stairs and decking, and prune large trees. This was because when we purchased the property from my dad's estate, he and my mom had provided low rental rates

(if not officially "affordable housing"), for so long, that they could not manage to keep up with the severe needs of the building, and the deterioration and resulting costs for repair and maintenance were overwhelming. The same tenants who my mom would provide birthday cards and Christmas cakes for, told us they did not report maintenance issues for fear that "our rent would be raised", which is pretty frustrating to hear, but reveals a bit of a not-uncommon mindset that we've encountered with tenants. Two of these tenants lived in the building for more than 20 years each and when we took on the building, we were dismayed at the amount of damage that existed from tenant neglect. We have done this work because we care about it, we believe we are good at it, we enjoy contributing to the neighborhood, and hope that one day it supplements our income. However, if we have an opportunity to make our lives smoother by having the option of diversifying our mix of rental options, and that allows us more income, we would like to take it.

We are also among small property owners who sustained financial losses during the more than 20-month rental moratorium. Specifically we had 2 tenants who stopped paying rent, would not apply for assistance, posed physical threats to others in the building and to workers next door to our building, and whom we could not evict because even with "just cause", no attorney would take our cases during the moratorium. Even if they had, we were told it would be very costly, and because of state laws, would take 6 months or more to go through the process of eviction. When one of these tenants finally went to jail for assaulting a construction worker next door to our building, he decided to flee town after he was released so we got our apartment back. Our cost to repair damage to the unit was \$4000, we had to wait 3 months for the glass to replace a broken window so lost time to re-rent the unit, and the tenant left owing \$2400 in unpaid rent that we could not recover. The other tenant whose "friends" visited her often, and for whom the police and paramedics were called 3 separate times for drug overdoses, and who twice fired a gun on our property, was finally convinced by our property manager to move. She left damages that cost \$3500 to repair and unpaid rent in the amount of \$2200. Because of this one tenant's

behaviour and our inability to evict her, we lost 2 other good tenants, two of whom we let out of their leases without penalty because we also feared for their safety and in good conscience could not expect them to stay when we no longer had the ability to do what was needed to provide a safe environment.

This backstory leads to why we are supportive of opening up other zoning areas to shorter-term units; our property is already being used for residential purposes, it has no negative impact on the neighborhood, we can provide a needed housing opportunity, we have more control over who is in our property, we have the freedom to immediately remove anyone who poses a danger, we have the ability to keep our units maintained by being in them more frequently and cleaning them regularly, the rent money is guaranteed prior to occupancy, we don't have the problem of squatters, and the additional income helps us keep up with rising costs for maintaining our property. With regard to costs, as an example, over the past 4 years our cost to renovate a unit has more than doubled. In 2018 we paid \$22,000 to update a 65 year-old 1 bedroom unit and today it will cost us \$48,000. The economics of keeping up a property, while paying usual costs such as professional management, mortgage, utilities, taxes, and maintenance simply do not allow us to charge the 'affordable housing' rates desired for our underhoused population. If we supplement our long-term rates with the shorter-term ones, it eases our burden and gives us a path toward a more stable business model.

President Beggs, in the Inlander article, you suggest charging additional fees of \$15 per night for short term rentals to fund affordable housing "since these units are taking away affordable housing". How do you know if these units would be priced as affordable housing by the owners if they were long-term housing versus short-term? I am aware of at least 7 studio studio units downtown currently rent for \$1000/month with \$50/month utility costs. And, if someone has to park a car, the rates are \$100/month in lots next to these buildings. If I'm correct, these costs are not consistent with affordable housing. So to assert that all units downtown are going to be affordable housing seems incorrect. Additionally, some of these units that I'm aware of are in very old buildings that have had to have extensive renovation or remodeling work to bring them to code in order for them to be habitable. Especially with inflation and supply chain issues, this is currently extremely costly work. Based on my experience as a business owner, I would guess it is not possible to charge lower rent on these units and be able to justify doing the necessary work to create this housing.

Unless the article is incorrect, it sounds like you may be thinking that needed changes will affect only two categories of persons; "big corporate Airbnb's" and "small-time homeowners renting out their rooms". I am neither of those entities, and my property is not in the downtown core. So to limit my ability to discern what works economically for me in my 8-unit building on the lower South Hill, by creating an ordinance limiting my ability to operate one unit as a short term unit because I already co-own another short term unit across town doesn't address my needs, and seems completely arbitrary; I am curious to know on what economic facts are you basing this suggestion.

Further, Council Member Kinnear, you are quoted as saying "We have almost 800 Airbnbs around"... "almost the same number of homeless in our city". Perhaps this quote is not contextualized correctly, but it sounds like you are saying that short-term housing is the reason 800 persons are unhoused in Spokane. If so, it's hard to believe that anyone who had looked into homelessness and its complexities, and anyone who had talked with rental property owners would be able to make such a correlation. And I personally feel it's a very misleading statement and a disservice to anyone reading this article who really cares about the issues and is looking for guidance about how to take a position on it.

It's also interesting that there is rarely a mention of the fact that beyond "tourism", short-term housing provides a service for a segment of the population for whom hotel stays or long term rentals don't work. Traveling professionals, health-care workers on contract, persons traveling to Spokane for extended health care, or to attend to or visit family members in the hospital for extended time, families who need intermediate housing while in the process of divorce, professionals coming to Spokane to perform in productions such as the Best of Broadway series or youth sports events all need and want options other than hotels. Additionally, those of us who have decided to offer short term housing through Airbnb pay taxes that benefit the region and state, collected and disbursed by Airbnb. From the Airbnb Site:

Airbnb [collects and pays](#) a number of taxes on your (the owner's) behalf, including:

- *The Washington Combined Sales Tax*
- *Special Host/Motel Tax*
- *Convention and Trade Center Tax*
- *Regional Transit Authority Tax*
- *Tourism Promotion Area Charges in the State of Washington*

All locally imposed taxes on transient lodging will be collected on reservations in Washington. The Special Hotel/Motel Tax is typically 1-5% of the listing price including any cleaning fees for reservations 29 nights and shorter. Other local taxes vary and are only applicable in certain cities and counties.

As small business owners who have long-term rentals as well as one short-term, we create local jobs. We hire local, independant cleaners for cleaning our properties, and pay them more than twice the current minimum wage. We treat them with respect, we help them grow their businesses, (many are younger moms who want to create their own small businesses), and help them grow their hard and soft professional skills. We hire local companies to renovate and repair our property, we use a local professional property manager, and we hire a small painting company owned by a senior to do our painting (and all this at prevailing wages). We keep our property in excellent condition, it is safe, clean and

monitored by us daily and we live nearby so we respond to any needs very quickly. We pay taxes, we give back to our community through charitable giving, and we spend our dollars locally with other small businesses in Spokane. We do our exterior property upkeep (lawn upkeep, snow removal, landscaping, cleaning up parking areas etc) ourselves and hire our high school aged niece and nephew to help us. We also pay our utility bills, our mortgages, our association dues and our property taxes. In our shorter term units, we provide a positive, high-quality, personal experience of Spokane hospitality which reflects well on our city. It is not necessarily always easy work, but it can be meaningful and satisfying.

Over the last 3 years, it seems like the intent of the State, and now our City Council, is to lay the burden of homelessness at our feet. In reality, this problem has been around and growing since the financial crisis of 2007-08, and the resulting fallouts from predatory lending activities have left long-lasting, complex and far-reaching problems that demand significant creativity, collaboration, and ongoing dedication to resolve for the long term. So expecting that private owners of residential rental property could suddenly have the power and responsibility to significantly impact this difficult issue is unfair and naive. Imagine trying to tell grocery store owners, restaurateurs, automobile sellers, lawyers, clothing retailers, or other small business owners who have something to offer the underhoused, that they have to be taxed more or limited in how they do their work because homeless persons need food, clothing, transportation, or legal representation, and therefore these business owners must take on the weight of solving this problem in the way that property owners, especially over the last 3 years, have been asked to.

Please consider the long-term breadth of impact your decision making will have on varied members of this community. The changes brought into play by the historic housing crisis, and then the pandemic, have and will continue to

shape the way people live, work, and engage in community, and we benefit by recognizing the larger narrative of how and why changes are happening, in order to recognize the value and opportunity available in expanding short term housing options. I believe this can happen concurrently with, but not as a threat to devising real, long term solutions to this problem of under housed people, and that it can happen via a win-win situation.

Thank you for your service to our community, and for your willingness to look at this meaningful issue.

Sincerely,

Joan Hunt

From: [Planning Services Development Code](#)
To: [Karen Riley](#); [Planning Services Development Code](#)
Cc: [deBit, Donna](#)
Subject: RE: AirBnB
Date: Monday, April 10, 2023 11:21:34 AM
Attachments: [image001.png](#)
[image002.png](#)
[image003.png](#)

Hi Karen,

Thank you for providing public comment about the proposed [Short-term Rental changes](#).

The proposed changes are not meant to keep people from operating a short-term rental if they choose to. One of the main points is to update the code so that properties which are offering vacation rentals without the appropriate business license and permit, or in a zone that currently doesn't allow it, can come into compliance.

Short-term rentals do have an effect on the supply of long-term housing options in our city, but we know that people also use them to say, pay the construction loan for a detached accessory dwelling unit they've built or to cover their mortgage payment, or to pay a loan for a multifamily project they've constructed.

Please feel free to reach out if you have any questions or further comments. We're also holding a virtual open house this week if you would like to join:

Thursday, April 13, 2023 from 5:30 – 6:30 p.m.

Participate via video link on your computer:

- [Join meeting on Microsoft Teams](#)
- Meeting ID: 296 703 689 75
- Password: umVE27

Thank you,
Amanda

Amanda Beck, AICP | City of Spokane | Planner II

509-625-6414 | main 509-625-6500 | abeck@spokanecity.org | spokanecity.org



From: Karen Riley <karenriley98@gmail.com>
Sent: Monday, April 3, 2023 3:43 PM
To: Planning Services Development Code <erapsdc@spokanecity.org>
Subject: AirBnB

[CAUTION - EXTERNAL EMAIL - Verify Sender]

Please consider that many people rent out a portion of their home for additional income. That is way different than purchasing a property for the exclusive use as an AirBnB.

From: [Planning Services Development Code](#)
To: [Liza Mattana](#); [Planning Services Development Code](#)
Cc: [deBit, Donna](#)
Subject: RE: Airbnb, VRBO city policy discussion
Date: Monday, April 10, 2023 11:34:36 AM
Attachments: [image001.png](#)
[image002.png](#)
[image003.png](#)

Hi Liza,

Thank you for providing public comment about the proposed [Short-term Rental changes](#). The City does charge for short-term rentals (STR), we require a business license and approval of a STR permit, and there is an annual renewal fee if you wish to continue the use. In our proposed changes we are increasing those to make sure we are covering costs.

Short-term rentals do have an effect on the supply of long-term housing options in our city, and we want to prioritize long-term rentals. We recognize that some property owners also utilize STRs to pay back the construction loan for a detached accessory dwelling unit, to cover their mortgage payment, or to pay a loan for a multifamily project they've constructed. So, it's a fine balance of trying to limit the possible negative impact with the possible positive ability to fund new housing units or support existing residents.

Please feel free to reach out if you have any questions or further comments. We will record the open house and post the video on the project webpage (linked above) so you can watch it if you're interested.

And, your comment will be part of the public record once we go to public hearing with the Plan Commission and the City Council.

Thank you,
Amanda

Amanda Beck, AICP | City of Spokane | Planner II

509-625-6414 | main 509-625-6500 | abeck@spokanecity.org | spokanecity.org



From: Liza Mattana <lizamattana@gmail.com>
Sent: Saturday, April 8, 2023 7:29 AM
To: Planning Services Development Code <erapsdc@spokanecity.org>
Subject: Airbnb, VRBO city policy discussion

[CAUTION - EXTERNAL EMAIL - Verify Sender]

Hi

I won't be able to make this Thursday but wanted to provide comments

I think the city should charge fees for short term rentals. Not sure how, but i think it should be charged often enough or at a high enough rate that these kinds of rentals are discouraged. Priority for housing should be for city residents. if the impact of fees or taxes isn't felt, investors will buy up inventory further keeping housing out of reach for residents. fees would be used to help make housing more affordable in the city.

Also, another thought...Can the city charge fees to people that own houses in the city that are not their primary residence?? We live on 26th Ave just west of Bernard. On our block we have three houses that are largely unoccupied, except for a few days out of the year. One owner lives in Alaska, one in the west side of Washington and another in California. Can the city tax these properties? Then use the money to offset high rents or other ways to make housing more affordable. I think there is significant money to be gained to help folks. There are several homes, especially in our neighborhood on the south hill, that are unoccupied second, or even third and fourth homes.

Thanks for taking the time to read these comments. Hope it adds to the discussion.

Liza Mattana

453 W 26th Ave, Spokane, WA 99203

From: [deBit, Donna](#)
To: [yolanda Herr](#)
Subject: RE: Short Term Rental Code Updates - Housing Action Plan Ph. 2
Date: Monday, April 24, 2023 12:12:00 PM

Hi Yolanda,

Thanks for your comment. I'll add your comment to our record for the Short-Term Rental updates. Please feel free to reach out with any questions you may have in the future!

Thank you,



Donna deBit | Associate Planner | City of Spokane Development Services Center
 Desk [509.625.6637](tel:509.625.6637) | Cell [509.530.0814](tel:509.530.0814) | spokanecity.org

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I will be on maternity leave beginning May 15th, 2023

From: yolanda Herr <louiesfarmhome@gmail.com>
Sent: Friday, April 21, 2023 11:25 PM
To: deBit, Donna <ddebit@spokanecity.org>
Subject: Re: Short Term Rental Code Updates - Housing Action Plan Ph. 2

[CAUTION - EXTERNAL EMAIL - Verify Sender]

Have you ever thought that stricter laws to protect home owners would probably have people not be running g toward a short term rental. The current laws are ridiculous and it makes people who have worked hard not trust to rent out their home and help with what you call a problem. I had thus home as a rental but because of your laws they squatted...moved in people not on the lease caused me to spend thousands that I didn't have (law makers seem to think people with rentals are rich. Which is not true) to get them out. . I feel the state has taken their responsibility and pushed it off into rental owners . To allow someone to not pay rent fir half a year and not protect tge owner us horrible...now no one's wants to do this anymore and now you have a problem. Here is an idea make better laws to protect owners and you would not have this problem. There problem fixed. Your welcome!

On Fri, Apr 21, 2023 at 3:19 PM deBit, Donna <ddebit@spokanecity.org> wrote:

Good afternoon!

You're receiving this email because you have an active City of Spokane Short Term Rental Permit **OR** have had one in the past.

You've likely seen short-term rentals (e.g. Airbnb, VRBO) in the news nationally for their possible impacts on long-term housing supply. In response to how this alternative lodging option has grown in popularity, Planning staff have been working on changes to provide for the orderly and safe provision of short-term rentals in Spokane. **Short-term rentals** are residential units (e.g. bedrooms, basements, entire dwellings) that the property owner rents to a guest for periods of **less than 30 days**.

Currently, short-term rentals (STRs) are only allowed in residential areas of the city and require a permit, which ensures the STR is operated in a safe manner that does not significantly affect the residential nature of the neighborhoods. Operating STRs in non-residential zoning districts changes the building use to a hotel/motel.

What are the proposed changes under Shaping Spokane Housing? ([Click to read draft](#))

- Expand where STRs may be located – such as in the downtown core and other non-residential zoning districts. This creates a path to compliance for existing units operating without permits.
- Cap the number of units by structure type. Low-density residential structures (single-family detached homes, duplexes) are limited to one STR unit. Structures with three or more units in residential zones are limited to 20% of the total units being rented out as STRs, and in non-residential zones will be limited to 30% of the total units.
- Establish annual life safety inspections through the Fire Department and require a notarized Life Safety Compliance form for new or renewing permits.
- Permit fees are changing to match the proposed regulation updates:
 - STRs in residential zones will pay \$200 and \$100 for their annual renewal;
 - STRs in non-residential zones will pay \$300 and \$150 for their annual renewal

Existing STRs that have a current permit will be allowed to grandfather their existing units. Those grandfathered permits would not be allowed to add more units, and go further out of compliance with changed regulations, or if the STR use was stopped and a new permit obtained your property would be subject to the new provisions for unit caps. This provision is being added to the proposed changes following comments from public outreach (it is not included in the draft on the website as this is being newly added).

Please feel free to email DevelopmentCode@spokanecity.org with any questions related to the proposed changes, or visit our webpage at [HAP Phase 2 - City of Spokane, Washington \(spokanecity.org\)](https://www.spokanecity.org/HAP-Phase-2)

Thank you!



Donna deBit | Associate Planner | City of Spokane Development Services Center

Desk [509.625.6637](tel:509.625.6637) | Cell [509.530.0814](tel:509.530.0814) | spokanecity.org

Emails and attachments sent to or from the City, including personal information, are presumptively public records that are subject to disclosure. - Chapter 42.56 RCW

I will be on maternity leave beginning May 15th, 2023



Spokane Tribe of Indians
Tribal Historic Preservation Office
 P.O. Box 100 Wellpinit WA 99040

May 3, 2023

To: Amanda Black, Planner II

RE: Home Action Plan Code Changes Phase 2-Short Term Rentals

Ms. Beck,

Thank you for contacting the Tribe's Historic Preservation Office. We appreciate the opportunity to provide a cultural consult for your project, the intent of this process is to preserve and protect all cultural resources whenever protection is feasible.

In response we concur with recommendations made that the city is requesting "*housing action plan code changes phase 2 -short term rentals*", at this time I have no concern on code change, however if any ground disturbing activity there will be more consultation needed to complete this project.

However, if any artifacts or human remains are found upon inadvertent discovery, this office should be immediately notified and the work in the immediate area cease.

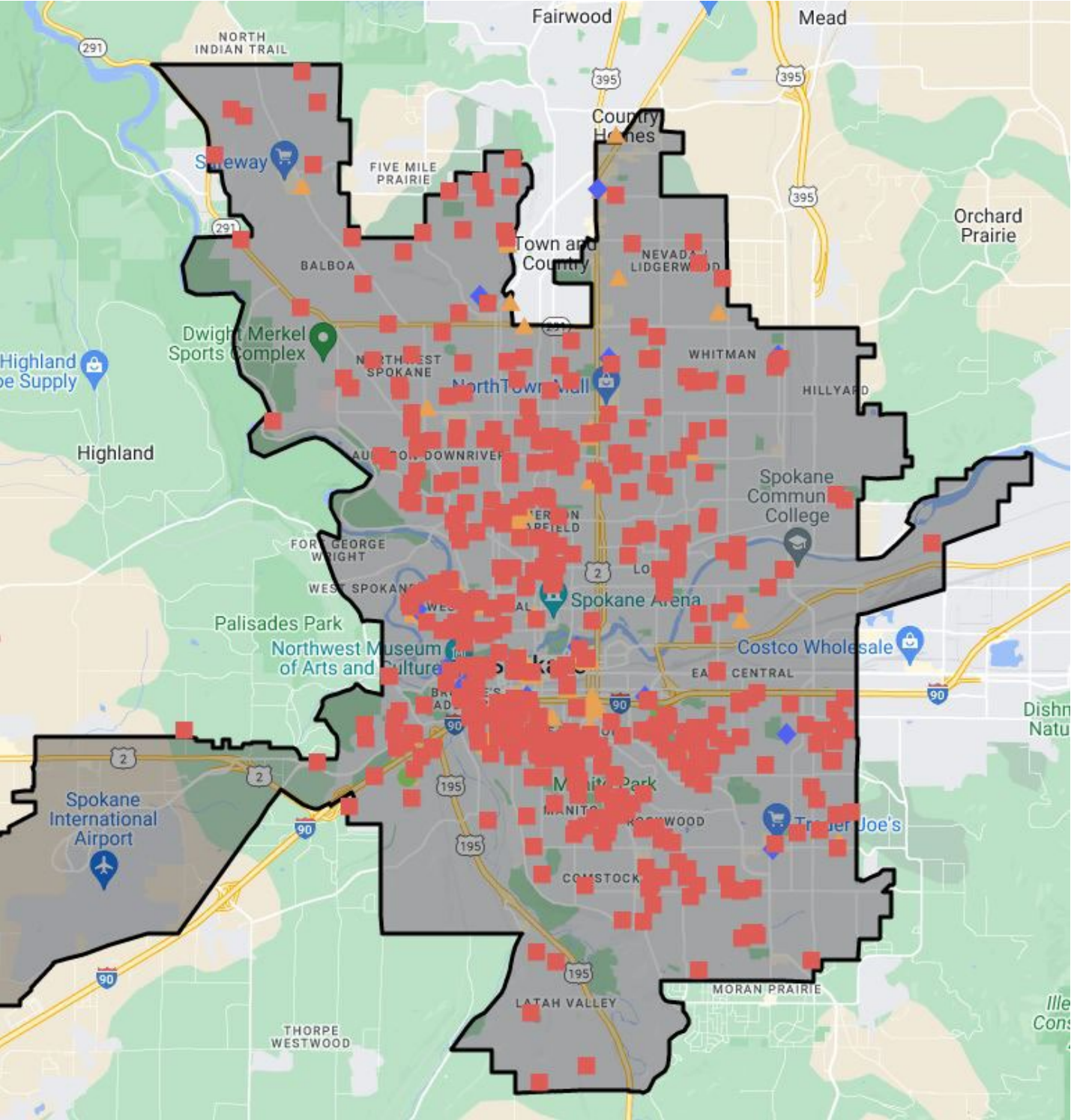
Should additional information become available or scope of work change our assessment may be revised.

Our tribe considers this a positive action that will assist us in protecting our shared heritage.

If question arise, contact my office at (509) 258 – 4222.

Sincerely,

Randy Abrahamson
 Tribal Historic Preservation Officer.
 Spokane Tribe of Indians



Short-term rentals active as of May 2, 2023
Total active listings: 648

NEIGHBORHOOD GOAL N 1 – THE DOWNTOWN NEIGHBORHOOD.

Recognize downtown Spokane as the primary economic and cultural center of the region and improve its viability as a desirable neighborhood in which to live and conduct business.

Neighborhood Policy N 1.1 – Downtown Development. *Develop downtown Spokane as the primary economic and cultural center of the region and provide a variety of housing, recreation, and daily service opportunities that attract and retain neighborhood residents.*

Discussion: Develop downtown Spokane as the primary economic and cultural center of the region and provide a variety of housing, recreation, and daily service opportunities that attract and retain neighborhood residents.

URBAN DESIGN AND HISTORIC PRESERVATION GOAL DP 4 – DOWNTOWN CENTER VIABILITY.

Create a vital, livable downtown by maintaining it as the region's economic and cultural center and preserving and reinforcing its historic and distinctly urban character.

Urban Design and Historic Preservation Goal DP 4.1 – Downtown Residents and Workers. *Encourage investments and create opportunities that increase the number of residents and workers in downtown Spokane.*

Discussion: Increasing the number of residents and workers in the downtown area provides the necessary number of patrons to maintain a healthy business climate, which increases the tax base, making more funds available for the provision of public facilities and services. More people in downtown Spokane can increase street level activity and can lessen crime by having more “eyes-on-the-street.” Supporting investments and opportunities is not only a benefit to developers and property owners, but to the general public as well, which can enjoy a safer, thriving business district.

ECONOMIC DEVELOPMENT GOAL ED 3 – STRONG, DIVERSE, AND SUSTAINABLE ECONOMY

Foster a strong, diverse, and sustainable economy that provides a range of employment and business opportunities.

Economic Development Policy ED 3.10 – Downtown Spokane. *Promote downtown Spokane as the economic and cultural center of the region.*

Discussion: Continue to support our economic partners in revitalizing downtown retail activity, expanding job opportunities in the public and private sectors, attracting recreational, arts, and entertainment and tourist businesses, and developing downtown housing.

ECONOMIC DEVELOPMENT GOAL ED 8 – QUALITY OF LIFE AND THE ENVIRONMENT

Improve and protect the natural and built environment as assets that attract economic development opportunities and enhance the City of Spokane's quality of life.

Economic Development Policy ED 8.3 – Recreation and Tourism Promotion. *Promote the region's outdoor amenities, recreational opportunities and tourism.*

Discussion: Recreational and tourism business opportunities abound in the Spokane region because of the geographical location and abundance of lakes, streams, and mountains. The Spokane River and Spokane Falls, in particular, are key outdoor recreation and tourism resources for the city.

HOUSING GOAL H 1 – HOUSING CHOICE AND DIVERSITY.

Provide opportunities for a variety of housing types that is safe and affordable for all income levels to meet the diverse housing needs of current and future residents.

Housing Policy H 1.21 – Development of Single-Room Occupancy Housing. *Allow development of single-room occupancy units in downtown Spokane and in other areas where high-density housing is permitted.*

Discussion: Single-room occupancy (SRO) housing contains units for occupancy by one person. These units may contain food preparation areas, sanitary facilities, or both. Due to their small size, SRO units are less expensive to rent than regular apartments, so they often serve as the only affordable housing option for many lower-income individuals. Maintaining and increasing the supply of SRO housing is an important part of the lower-income housing market.