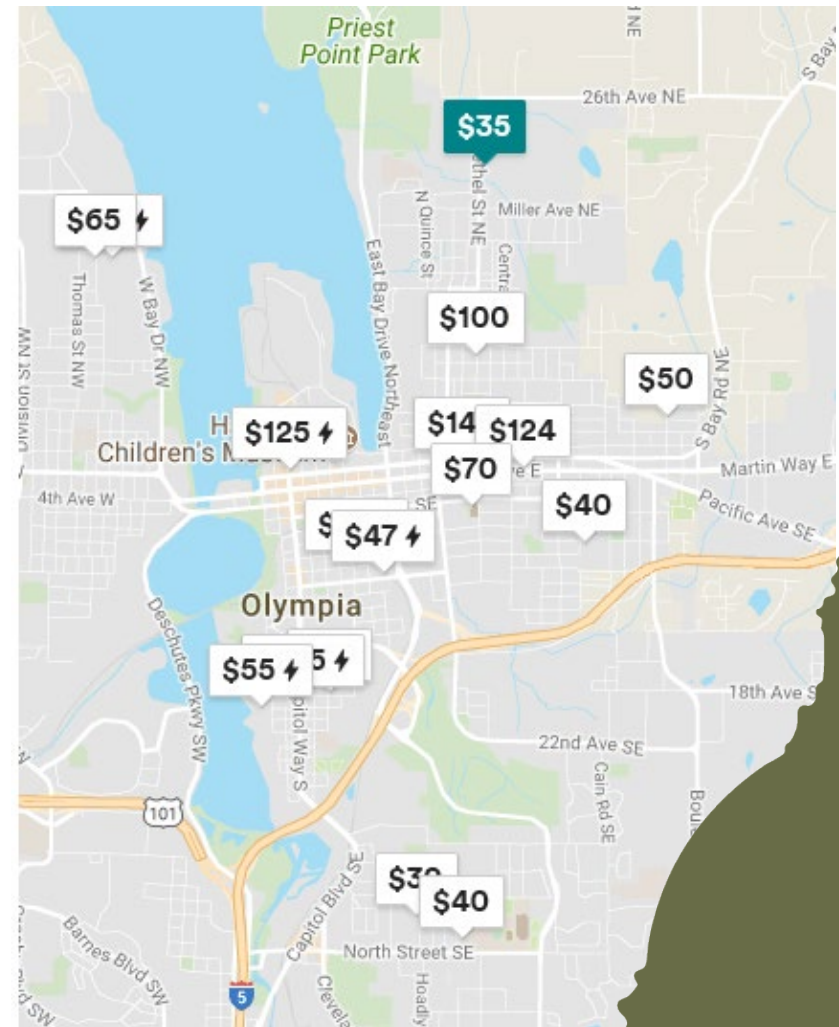


Short-Term Rentals

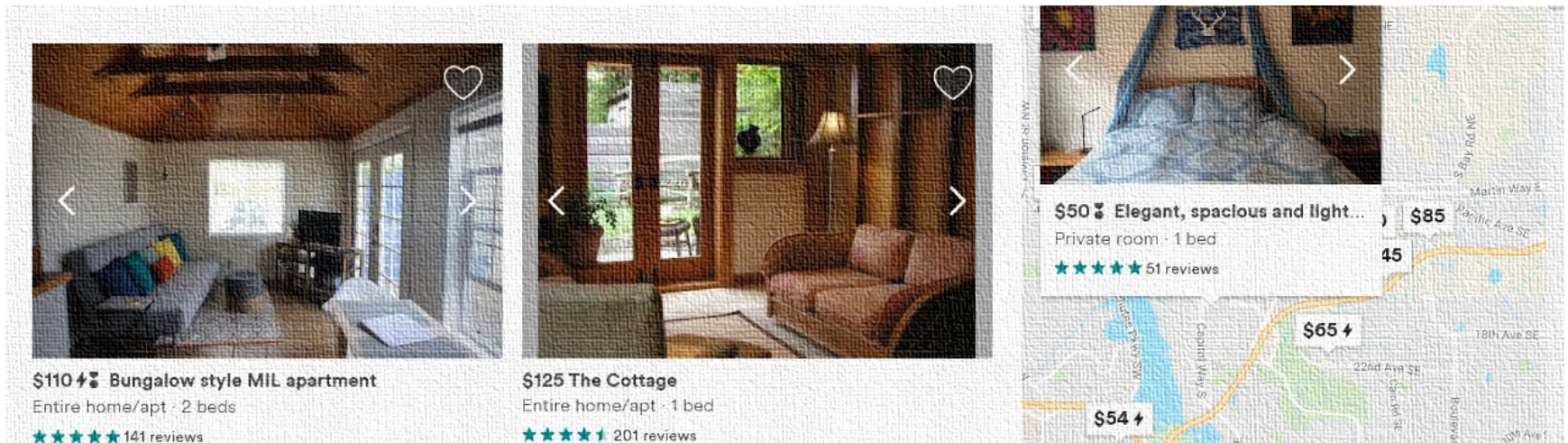
Olympia Planning Commission
August 5, 2019

Leonard Bauer, Deputy Director
Catherine McCoy, Associate Planner
Community Planning & Development



Overview

- Project Purpose & Intent
- How are Short Term Rentals Defined?
- How We Address Short-Term Rentals Today
- Key Policy Considerations
- Key Stakeholders & Engagement
- Next Steps



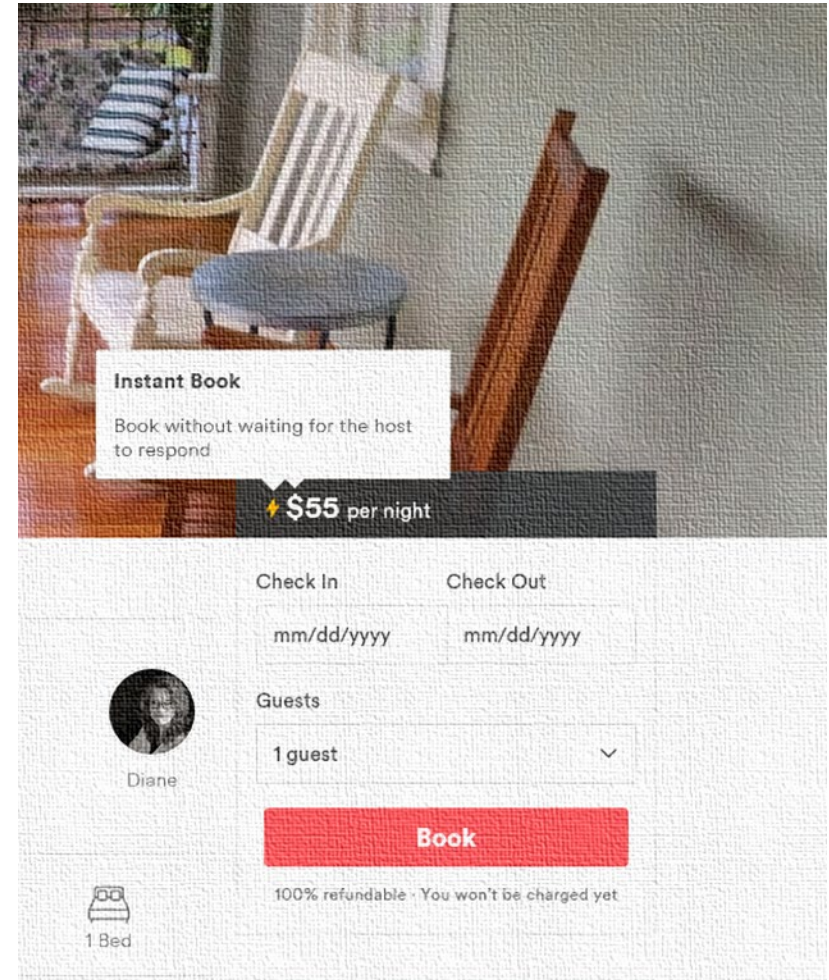
Project Purpose

Purpose:

Establish an equitable process and set of rules to address short-term rentals.

Intent:

- Align with our context and priorities
- Protect public and private interests
- Promote fairness
- Help meet social and economic needs



Terms and Definitions

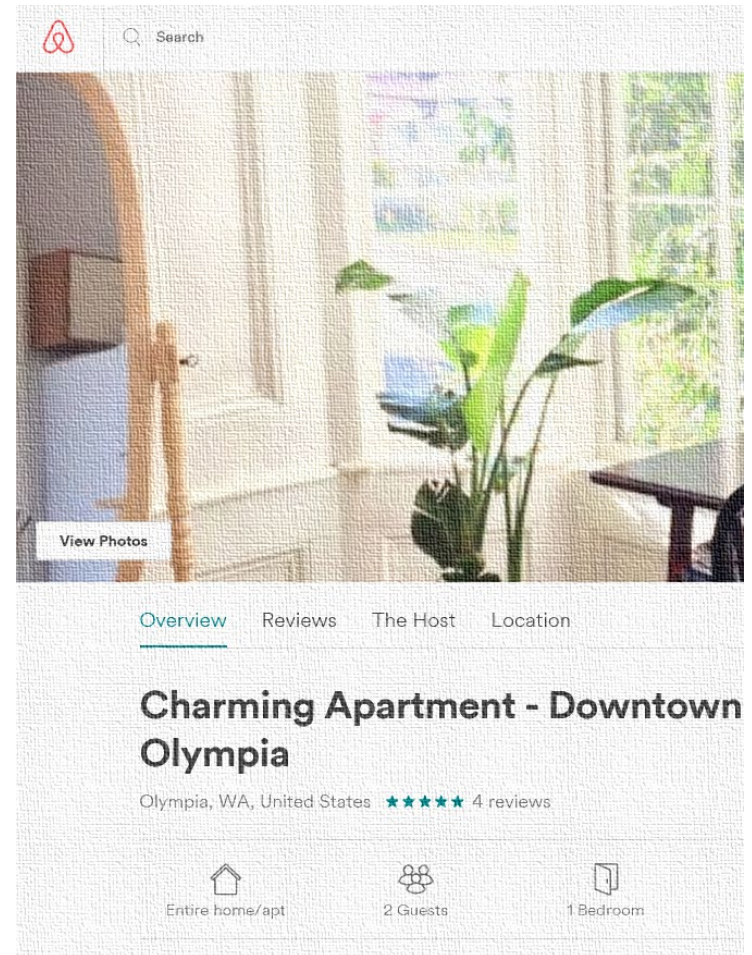
- Sharing Economy
- Marketplace Facilitators
– aka Platforms
- Short Term Rental
- Long Term Rental
- Vacation Rental
- Homestay Rental
- Host
- Operator
- Guest



Existing Short-Term Rentals

How are Short-Term Rentals Addressed Today?

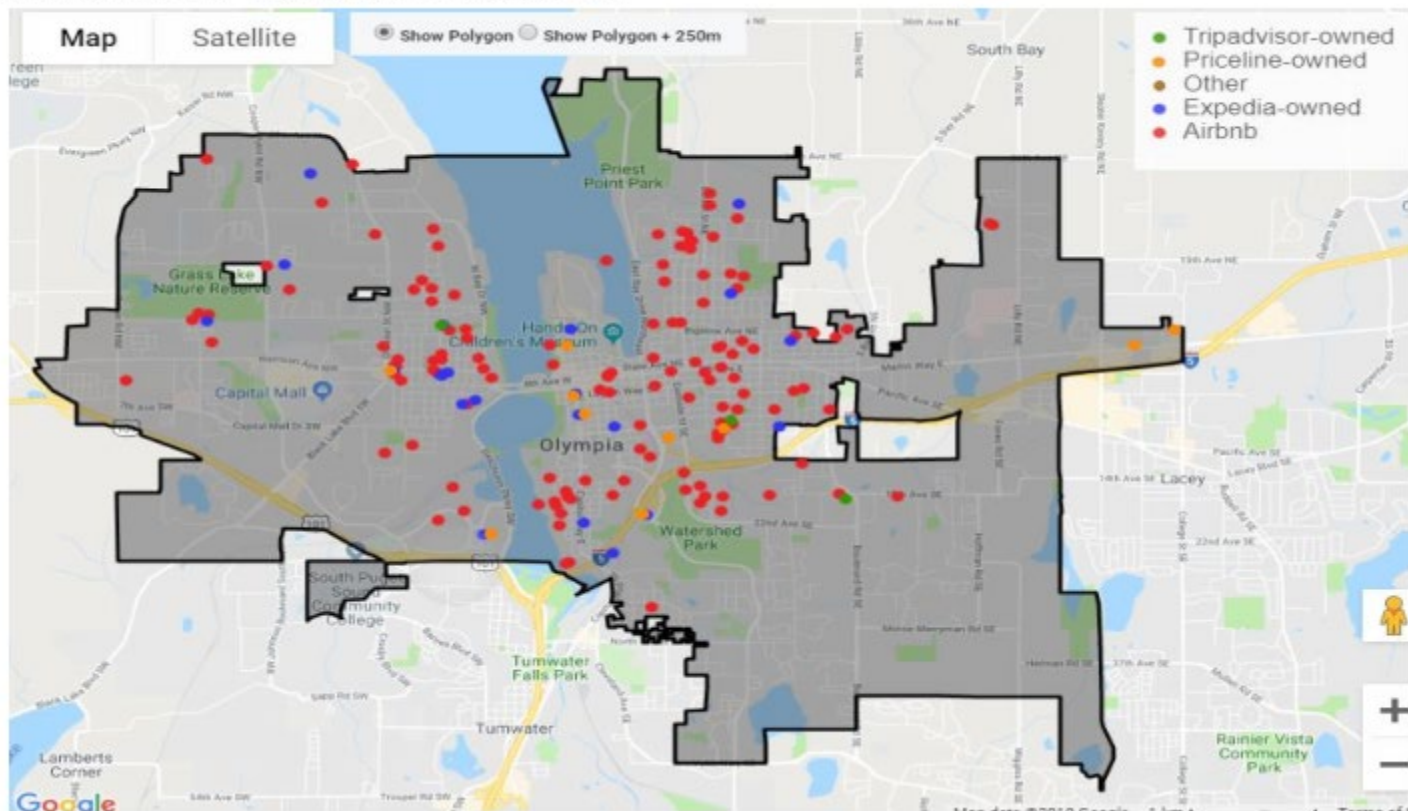
- We know they are happening
- No Zoning Code definition
- Meets definition for engaging in business activity (OMC 5.04)
- WA DOR requires collection and payment of taxes
- Enforcement of impacts (parking, noise, waste, etc.)



Olympia, May 2019

167 Listings Representing 144 Unique Rental Units

Short-term rentals in Olympia as of May, 2019





HB 1798 Legislation

HB 1798 – Effective Jul 28, 2019

Short term rental as lodging use provided to a guest for a fee for less than 30 consecutive nights

- Definitions
- Licensing
- Consumer Safety
- Liability Insurance
- Penalties
- Platform Registration with DOR
- Taxes

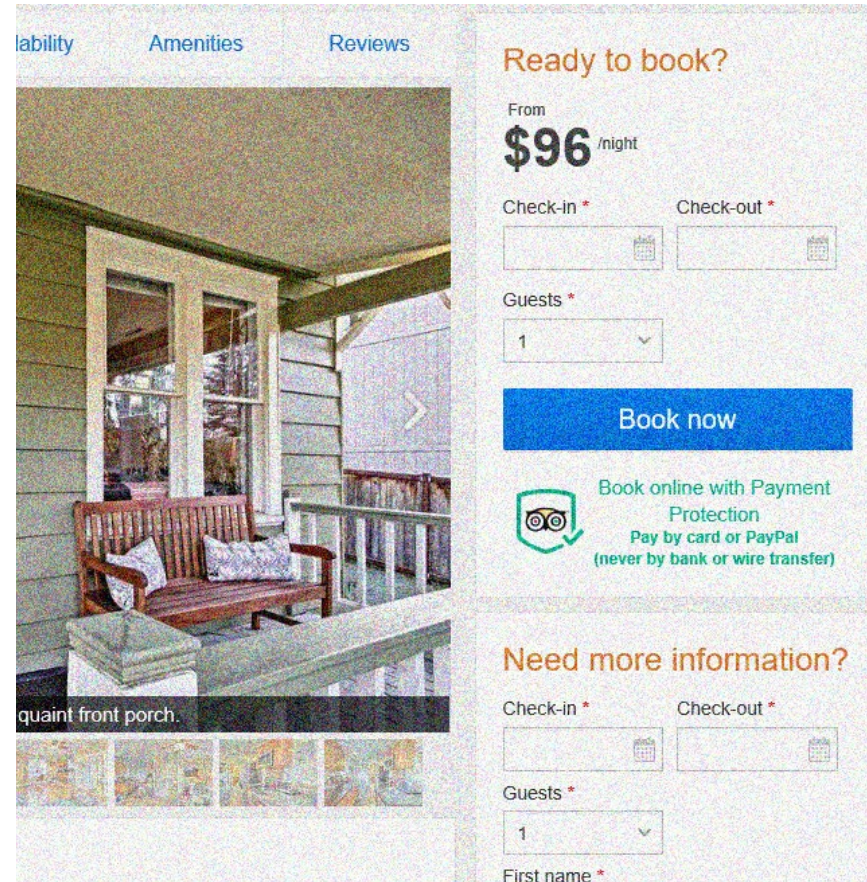
Policy Considerations

Overarching Values:

Fairness, Equity, Vision

Impact Areas:

- Housing
- Health & Safety
- Neighborhood Integrity
- Fees and Taxes
- Enforcement
- Economic Development



The screenshot shows a vacation rental booking interface. On the left, there's a large photo of a wooden porch with a bench and a railing, with a caption "quaint front porch." Below the photo are four smaller thumbnail images. Above the photo are tabs for "liability", "Amenities", and "Reviews". To the right of the photo is a booking form. The form includes a price "From \$96 /night", check-in and check-out date fields, a guests dropdown menu set to "1", and a blue "Book now" button. Below the button is a "Book online with Payment Protection" section, which includes a padlock icon and text: "Pay by card or PayPal (never by bank or wire transfer)". At the bottom of the form is a "Need more information?" section with another set of check-in, check-out, and guests fields, and a "First name" field.

liability Amenities Reviews

quaint front porch.

Ready to book?

From
\$96 /night

Check-in * Check-out *

Guests *
1

Book now

Book online with Payment Protection
Pay by card or PayPal
(never by bank or wire transfer)

Need more information?

Check-in * Check-out *

Guests *
1

First name *

Goal

Establish protections for the supply and affordability of housing

Example Approaches

- Limits on # bedrooms and occupancy
- Owner-occupied property
- Disallow rentals in subsidized housing – HB 1798
- Create buffers around units (i.e., no units within x distance of each other)
- Buffers around traditional hotel and lodging businesses

Goal

Minimize public safety risks and noise, trash, and parking problems associated with short term rentals

Example Approaches

- Establish specific parking and garbage disposal requirements
- Require hosts to post ordinances (noise, parking, etc)
- Require local contact person (HB 1798)
- Registration and permitting
- Annual inspections
- Require insurance (HB 1798)



Neighborhood Impacts

Goal

Minimize impacts and tensions between short term rentals and neighbors

Example Approaches

- Neighborhood quotas
- Limit signage
- Require hosts to notify neighbors – host operation regulations (HB 1798)
- Guest requirements – noise limits, times restrictions for pools and spas, traffic limits, guest registration
- Create channels for neighbors to file complaints



Fees & Taxes

GOAL

Ensure equitable permit and tax compliance

Example Approaches

- Lodging tax, sales tax, B&O tax, business license, permit fees – CURRENTLY REQUIRED AS APPLICABLE
- Establish categories for short term rentals – different permits or licenses for different types
- Scaling permit fees based on types of STRs, # of Bedrooms
- Permitting – permit, license, both?



Enforcement

Goals

Enact enforceable policies that improve adherence to building, safety, accessibility requirements

Example Approaches

- Impose fines or suspend permits for multiple violations
- Issue a warning letter for the consumer safety violation(s) (HB 1798)
- Registration/license = verification of listings, notices, following up notices, etc.
- Consultant or in-house code enforcement staff?



Economic Development

Goal

Ensure equitable approach with existing local firms/providers and their employees; enable revenue opportunities for existing residents

Example Approaches

- Ensure that operators remit all applicable local, state, and federal taxes unless the marketplace facilitator does this on the operator's behalf (HB 1798)
- Designate all or most of the taxes collected from short term rental activity toward affordable housing initiatives and other economic support services
- Direct a portion of revenue to improving oversight and compliance

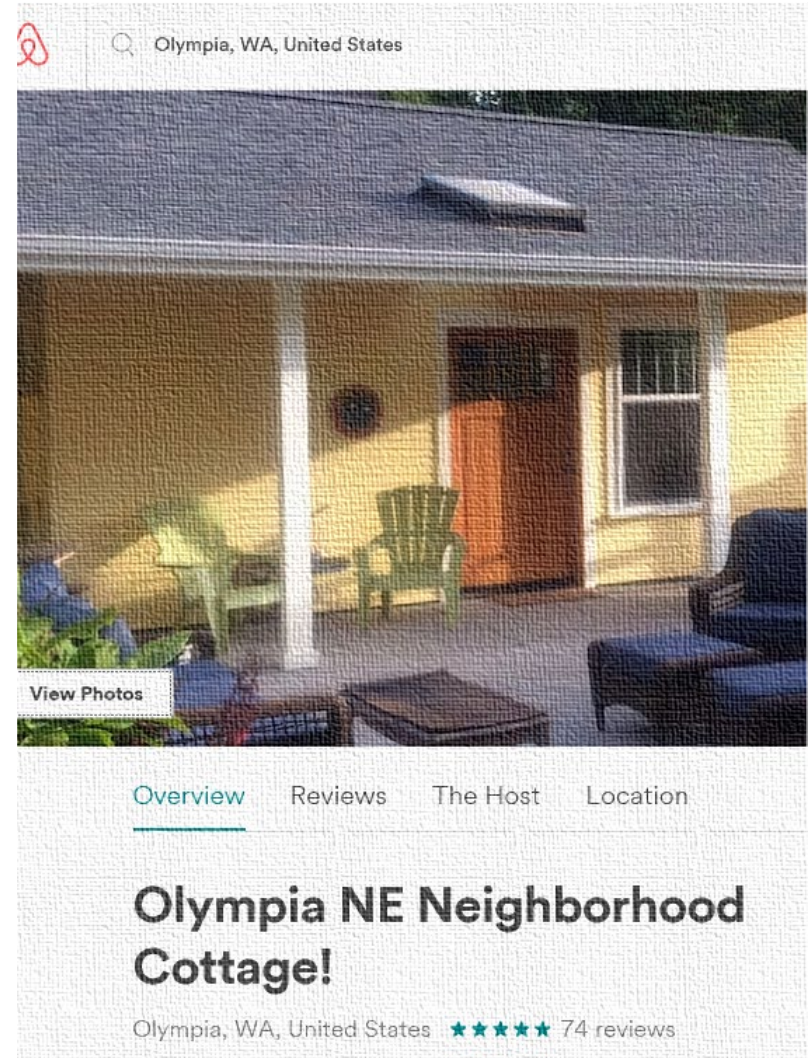


Goals

- **Housing:** Establish protections for the supply and affordability of housing
- **Health and Safety:** Minimize public safety risks and noise, trash, and parking problems associated with short term rentals
- **Neighborhood Integrity:** Minimize impacts and tensions between short term rentals and neighbors
- **Fees and Taxes:** Ensure equitable permit and tax compliance
- **Enforcement:** Enact enforceable policies that adhere to building, safety, accessibility requirements
- **Economic Development:** Ensure equitable approach with existing local firms/providers and their employees; enable revenue opportunities for existing residents

City of Olympia:

- Building /fire inspection
- Code enforcement
- Law enforcement
- Business licensing/taxes
- Economic development
- Zoning and land use
- Housing
- Parking





Stakeholders

Community & Key Stakeholder Interests:

- Neighborhoods
- Tourism & destination organizations
- Lacey, Tumwater, and Thurston County
- Other lodging types (hotels, bed and breakfasts, etc.) (LTAC)
- Housing interest groups
- Current and future short-term rental hosts
- Economic development community & organizations
- Property management firms

Community & Stakeholder Engagement

Community Values &
Priorities



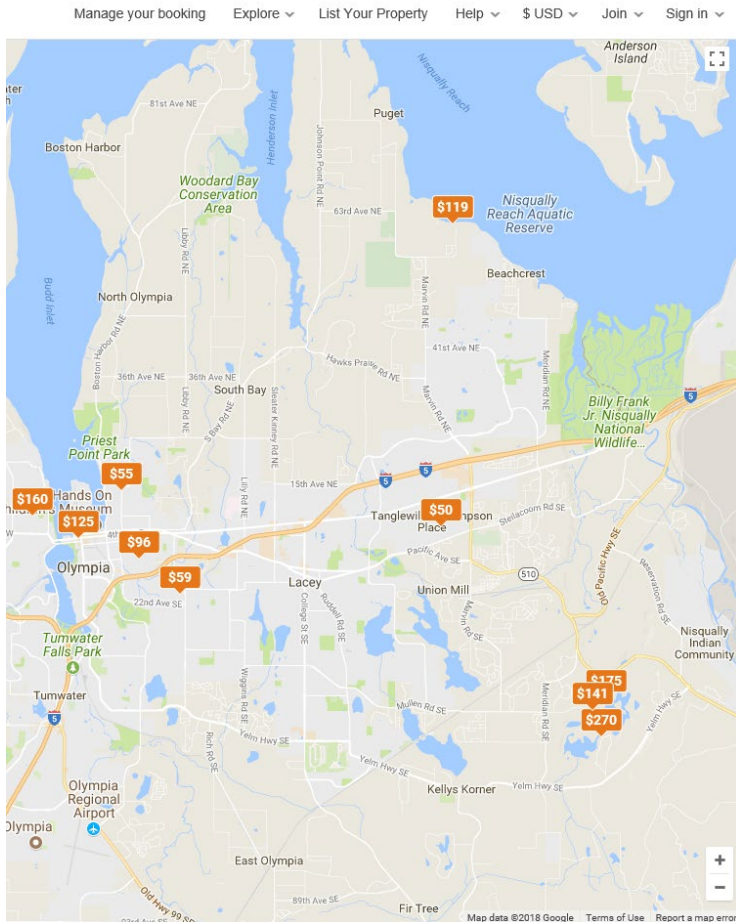
- Neighborhood Engagement

Policy
Considerations

- Stakeholder Focus Groups
- Community Survey

Recommendations

- Planning Commission (Public Hearing)
- City Council



- **Win – Public Safety**
- **Win – Community Goals**
- **Win – Compliance**

Thank you.

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Approaches

- Home occupation with provisional use permit
- Allowing strs by right, conditional permitting, or prohibiting them
- Pilot program – allowing them by right with business license registration – for one year while adapting regulations as needed.
- Operators register their units with the city pay transient occupancy taxes.
- Establish occupancy and safety standards, allow for inspections
- Seasonal rental license
- Surety bond required (i.e., \$1500)
- Quantitative restrictions – e.g., fixed caps (concentration caps), proximity restrictions, off-street parking requirements, max permitted rentals during a 7-day period, # of licenses per property
- Qualitative Remedies – annual re-licensing and inspections, eliminating illegitimate properties, placing a bond/deposit, mandatory property management, compliance assistance program
- Additional staff resources for administrative and enforcement – processing permits, inspections, responding to complaints – burdens on several city departments.

Scope of Work

- Community Engagement and Outreach (HANDOUT)
- Identify criteria for participation in the project/program – type, location, size, # units, # occupants, etc.
- Identify of specific fees, licensing for the STR project/program
- Develop participant registration and permitting process
- Resource allocation, cost-sharing, consultant options
- Establish enforcement program