

SUMMARY of Short-Term Rental Regulations

PRELIMINARY DRAFT for Public Comment

Protect the supply of affordable housing :: Minimize health and public safety risks :: Minimize impacts on Olympia neighborhoods :: Establish equitable permit and tax compliance :: Develop enforceable policies :: Develop an equitable approach for local providers and opportunities for existing residents

These six principles were established by the City Council's Land Use and Environment Committee, based on public comment. They provide the framework for the preliminary draft recommendations below. The recommendations were developed based on input from multiple citizens, agencies, and stakeholders through a public survey, meetings and correspondence, as well as research of best practices from cities across the state and nation.

Summary of Staff Recommendations – Preliminary Draft:

Definitions

Short Term Rental (STR)– A lodging use that is not a motel, hotel or bed and breakfast, that is offered for a fee for fewer than 30 nights.*

Two Types of STRs: 1) Homestay and 2) Vacation Rental

- Homestay –A residential use wherein rooms are rented within a dwelling unit that is occupied by a permanent resident. Allowed outright without a permit, as a home-based business that is subordinate and incidental to the main residential use of the dwelling unit.
- Vacation Rental –A lodging use wherein an entire dwelling unit is rented for overnight stays for less than 30 consecutive nights and owner does not reside on-site. A permit is required for a vacation rental.

Permitting

- A City permit (and associated fee) is required for each *vacation rental* unit; bi-annual renewal required
- Proof of city and state business licensing for *homestays* and *vacation rental* units*
- Proof of primary liability insurance for *homestays* and *vacation rental* units*
- Remit all applicable local and state taxes.*

Performance Standards

- Primary resident, property owner, or long-term tenant must reside in a residence containing *homestay* units.
- Maximum of three (3) separate *vacation rental* units in Olympia per property owner. This restriction does not pertain to *homestays*.
- Maximum of two *vacation rentals* per parcel.
- Vacation rentals permitted in ADUs only if legally established prior to effective date of these regulations. A grace period will be allowed for existing, nonpermitted ADUs to obtain permits.
- STRs limited to two adults per bedroom, excluding children under 12 years of age, and a maximum of 10 occupants regardless of the number of bedrooms.
- STRs will be permitted everywhere residential and commercial uses are permitted; prohibited in industrial zones.
- STRs will be permitted in single-family, duplex, tri-plex, four-plex, townhouse and multi-family units, subject to all other limitations.
- An additional off-street parking space will be required when renting more than two bedrooms in a dwelling unit – *homestay* or *vacation rental*. An additional off-street parking space would also be required if renting two units on a property.

Good Neighbor Guidelines

The following will be required of all STRs*:

- Local contact 24/7 within 15 minutes of dwelling unit
- Posted guidelines for guests
- Posted emergency contacts, floor plan, evacuation plan
- Posted copy of license and permit number

Enforcement and Oversight

- Compliance with health and safety requirements – building code, fire code, sanitation, etc.*
- Violations subject to civil penalties and suspension and/or revocation of license or permit

*Currently required pursuant to Title 64 RCW Chapter 64.37, Short Term Rentals, and City of Olympia Municipal Code.