



Land Use & Environment Committee

Short Term Rental Ordinance Recommendation

Agenda Date: 6/17/2021
Agenda Item Number: 6.D
File Number: 21-0583

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Title

Short Term Rental Ordinance Recommendation

Recommended Action

Committee Recommendation:

The Olympia Planning Commission recommends adoption of the attached ordinance adopting regulations for short term rental accommodations.

City Manager Recommendation:

Move to recommend to the full City Council adoption of an ordinance for regulations for short term rental accommodations.

Report

Issue:

Whether to recommend to the full City Council adoption of an ordinance for regulations for short term rental accommodations, consistent with guiding principles established by the City Council's Land Use and Environment Committee.

Staff Contact:

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Presenter(s):

Leonard Bauer, Director, Community Planning and Development,
Catherine McCoy, Associate Planner, Community Planning and Development

Background and Analysis:

On April 19, 2021, the Olympia Planning Commission held a public hearing on a short-term rental ordinance recommended by City staff following an extensive public process. The Commission discussed the ordinance and public testimony at its May 3, 2021, meeting and recommended approval of the ordinance with three revisions:

1. Short term rentals - vacation rentals may be permitted in accessory dwelling units.
2. Property owners may have a total of 4 (four) short term rental - vacation rentals.
3. Change the terms 'occupants' and 'occupancy' to 'overnight guests' in the ordinance.

Background

Short-term rentals, also known as vacation rentals, exist in Olympia neighborhoods as room rentals or rentals of entire living units, primarily in single family homes and multifamily units. City residents, property owners, and stakeholder groups (such as short-term rental operators) have shared their stories and first-hand experience renting, owning and living adjacent to short-term rental units.

The Washington State Legislature has adopted some regulations for short term rentals (RCW 64.37). The City of Olympia currently does not have specific regulations addressing short term rentals. In 2019, the Land Use and Environment Committee directed staff to conduct a public process to establish rules that carry out the following six guiding principles:

1. Housing: Establish protections for the supply and affordability of housing.
2. Health and Safety: Identify unwanted behaviors and negative consequences.
3. Neighborhood Integrity: Minimize impacts and tensions between short term rentals and neighbors.
4. Fees and Taxes: Ensure equitable permit and tax compliance.
5. Enforcement: Enact enforceable policies that improve building, safety, and accessibility requirements.
6. Economic Development: Ensure an equitable approach with existing local firms and providers and their employees and enable revenue opportunities for existing residents.

A summary of the planning process for short term rental regulations can be found at the attached link to the short-term rental project web page. The process included a survey, focus group meeting and several lengthy comment periods regarding the guiding principles, optional approaches and draft summary of recommendations. These comments and staff research of other jurisdictions and professional literature have guided the staff recommendations.

Neighborhood/Community Interests (if known):

Short-term rentals have citywide impact. Staff provided a briefing to the Council of Neighborhood Associations (CNA) several times during the planning process. Short-term rentals have also been raised by community members and neighborhood representatives during the Missing Middle and Housing Options discussions as being closely related to concerns about housing affordability and neighborhood character and quality.

Options:

1. Recommend the City Council adopt the attached ordinance.
2. Recommend the City Council adopt the attached ordinance with specific revisions.
3. Recommend the City Council not adopt short term rental regulations at this time.

Financial Impact:

Staff resources in Community Planning and Development have been allocated to this work effort. There may be increased costs to implement and enforce additional programs or regulations, if adopted.

Attachments:

Draft Ordinance

Type: recommendation **Version:** 1 **Status:** Filed

Summary of Public Hearing Testimony
Short Term Rental Project Web Page