

ORDINANCE NO. C _____

AN ORDINANCE OF THE CITY OF SPOKANE RELATING TO REGULATION OF SHORT TERM RENTALS; AMENDING SMC 17C.110.120; AMENDING SMC 17C.190.110; ADOPTING NEW CHAPTER 17C.316 SMC; AND SETTING AN EFFECTIVE DATE.

WHEREAS, (recitals)

WHEREAS, the City Council hereby adopts the foregoing as its findings of fact justifying its adoption of this ordinance;

Now, Therefore,

The City of Spokane does ordain:

Section 1. That SMC 17C.110.120 is amended as follows:

Section 17C.110.120 Accessory Uses

Accessory uses to a primary use are allowed if they comply with specific standards for the accessory uses and all development standards. See chapter 17C.190 SMC, Use Category Descriptions. Accessory buildings such as garages are included in SMC 17C.110.225. Accessory dwelling units, bed and breakfast facilities, short-term rentals, and home occupations have specific standards in chapter 17C.300 SMC, chapter 17C.315 SMC, and chapter 17C.340 SMC, respectively.

Section 2. That SMC 17C.190.110 is amended as follows:

Section 17C.190.110 Residential Household Living

A. Characteristics.

Residential Household Living is characterized by the residential occupancy of a dwelling unit by a household. Tenancy is arranged on a month-to-month basis, or for a longer period. Uses where tenancy may be arranged for a shorter period are not considered residential. They are considered to be a form of transient lodging (see the Retail Sales and Service and Community Service categories). Apartment complexes that have accessory services such as food service, dining rooms, and housekeeping are included as Residential Household Living. Single room occupancy housing (SROs) that does not have totally self-contained dwelling units is also included if at least two thirds of the units are rented on a monthly basis. SROs may have a common food preparation area, but meals are prepared individually by the residents.

Residential structures occupied by persons with disabilities requiring reasonable accommodations pursuant to the federal or state law are included in the Residential Household Living category.

B. Accessory Uses.

Accessory uses commonly found are recreational activities, raising of pets, hobbies, and parking of the occupants' vehicles. Home occupations, accessory dwelling units, short-term rentals, and bed and breakfast facilities are accessory uses that are subject to additional development standards of the zoning code.

C. Examples.

Uses include single-family residences, duplexes, apartments, condominiums, retirement center apartments, manufactured housing and other structures with self-contained dwelling units. Examples also include living in SROs if the provisions are met regarding length of stay and separate meal preparation.

D. Exceptions.

1. Lodging in a dwelling unit or SRO where less than two-thirds of the units are rented on a monthly basis is considered a hotel or motel use and is classified in the Retail Sales and Service category.
2. SROs that contain programs that include common dining are classified as Group Living.
3. Guest houses that contain kitchen facilities are prohibited as accessory to Residential Household Living uses.
4. In certain situations, lodging where tenancy may be arranged for periods less than one month may be classified as a Community Service use, such as short-term housing or mass shelter.

Section 3. That there is adopted a new Chapter 17C.316 to read as follows:

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. 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. A short-term rental is one where bedrooms in a residential unit or accessory building are rented to overnight guests for fewer than 30 days. There are two types of short-term rental:

1. Type A. A Type A short term rental is where no more than 4 bedrooms are rented to overnight guests, and no commercial meetings are held.
2. Type B. A Type B short-term rental is where 5 or more bedrooms are rented to overnight guests or where fewer than 5 bedrooms are rented to overnight guests and commercial meetings are held.

B. Definitions. For purposes of this chapter, the following words have the following meanings:

1. Resident. An individual or family who resides in the dwelling unit. The resident can be the owner or operator of the short-term rental.
2. Operator. The owner or a person or entity that is designated by the owner to manage the short-term rental.

Section 17C.316.030 Where These Regulations Apply

The regulations of this chapter apply to short-term rental in the following zones:

_____. 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 a short-term rental under the regulations of this chapter. The decision is up to the applicant.

Section 17C.316.040 Type A Short-Term Rentals

A. Use-related regulations.

1. Permit required. A Type A short-term rental requires a Type A short-term rental permit per .040 C below.
2. Allowed structure type. A Type A short-term rental is allowed only in the following residential structure types:
 - a. House;
 - b. Attached house;
 - c. Duplex;
 - d. Apartments;
 - e. Condominiums; and
 - f. Accessory dwelling unit.

B. Standards. The following standards apply to Type A short-term rentals. Adjustments are prohibited.

1. Maximum size. A type A short-term rental is limited to renting a maximum of 4 bedrooms to overnight guests.
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, but the maximum number of bedrooms on the site that can be rented to overnight guests is 4.
3. Detached accessory structures. A bedroom in a detached accessory structure can be rented to overnight guests, and counts toward the maximum size limit.
4. Bedroom requirements. The City's Building Official must verify that each bedroom to be rented to overnight guests:
 - a. Met the building code requirements for a sleeping room at the time it was created or converted;
 - b. Meets fire code requirements.

5. Number of overnight guests. The total number of guests occupying a dwelling unit with a Type A short-term rental may not exceed two (2) people per bedroom.
6. Employees. Nonresident employees are prohibited. An operator, hired service for normal maintenance, repair and care of the resident or site, such as yard maintenance or house cleaning, is allowed.
7. 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.
8. 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.
9. Parking. See Spokane Municipal Code Chapter 17C.230 Parking and Loading
10. Advertising. All advertisements for the short-term rental must list short-term rental permit number.

C. Type A Short Term Rental Permit. 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 document that the required notification requirements have been met:

1. Notification. The owner must:
 - a. 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.
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.

- b. A short-term rental application and permit fee established by [separate ordinance].
- c. Proof of property insurance covering the property.
- d. A copy of the owner's current City of Spokane business license.
- e. A copy of the notification letter and a list with the names and addresses of all property owners and organizations that received the letter.

D. Revoking a Type A Short-Term Rental Permit. A Type A short-term rental permit can be revoked according to the procedures in SMC _____ for failure to comply with the regulations of this chapter. 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.

Section 17C.316.050 Type B Short-Term Rentals

A. Use-related regulations.

1. Conditional use permit. A Type B short-term rental requires a Type III conditional use permit. 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. House;
 - b. Attached house;
 - c. Duplex;
 - d. Apartments;
 - e. Condominiums; and
 - f. Accessory dwelling unit.

B. Standards.

1. Maximum size. Maximum set through conditional use review.
2. Bedroom requirements. The City's Building Official must verify that each bedroom to be rented to overnight guests:
 - a. Met the building code requirements for a sleeping room at the time it was created or converted;
 - b. Meets fire code requirements.
3. 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.

4. Employees. Nonresident employees for activities such as booking rooms and food preparation may be approved as part of the conditional use review. Hired 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 or monitored as part of a conditional use 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 the residential single family zones, commercial meetings are prohibited;
 - ii. In all other zones, up to ____ commercial meetings per year may be approved 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. Appearance. Residential structures may be remodeled for the development of a short-term rental, subject to required approvals and permits. Structural alterations may not be made that prevent the structure from being used as a residence in the future. Internal or external changes that will make the dwelling appear less residential in nature or function are not allowed. Examples of such alterations include installation of more than three parking spaces, paving or required setbacks, and commercial-type exterior lighting.
8. Parking. See Spokane Municipal Code Chapter 17C.230 Parking and Loading.
9. Advertising. All advertising for the short-term rental must include short-term rental permit number.

Section 17C.316.060 Monitoring

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.

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.

Section 3. Effective Date. This ordinance shall take effect and be in force on _____.

PASSED BY THE CITY COUNCIL ON _____.

Terri Pfister, City Clerk

Approved as to Form:

Assistant City Attorney