

ORDINANCE NO.2019-1571

**AN ORDINANCE OF THE CITY OF CHELAN,
WASHINGTON ADDING A NEW CHAPTER 17.77,
ENTITLED “SHORT-TERM RENTALS” TO THE
MUNICIPAL CODE, AND AMENDING MULTIPLE
SECTIONS OF THE EXISTING MUNICIPAL CODE
RELATED TO SHORT-TERM RENTAL BUSINESS
OPERATIONS AND ZONING**

WHEREAS, short-term rentals for vacationing and other short term uses has become a widespread form of business in Lake Chelan area; and

WHEREAS, without regulation, the nature of short-term rental business creates dangers to public health and safety both to year-round residents of the City and to rental guests; and

WHEREAS, unregulated short-term rental markets can result in a loss of affordable year-round housing; and

WHEREAS, pursuant to RCW 36.70A.130, the City has authority to regularly review and evaluate its comprehensive land use plan and development regulations and make changes to the same as needed; and

WHEREAS, the City has held stakeholder meetings regarding including regulations of short-term rentals on October 24, 2018, May 15, 2019, and August 21, 2019; and

WHEREAS, the City Planning Commission held workshops regarding regulations of short-term rentals on May 15, 2019, July 17, 2019, September 19, 2019, and October 16, 2019; and

WHEREAS, the City Council at a public hearing on November 26, 2019, considered and approved code amendments regarding short-term rentals, attached hereto as Exhibit A, and instructed staff to prepare an adopting ordinance;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF CHELAN, WASHINGTON, DO ORDAIN AS FOLLOWS:

Section 1. Incorporation of Recitals. The foregoing Recitals are incorporated into this Ordinance.

Section 2. Code Adoption and Amendments. The zoning code and related codes sections shall be revised as set forth in Exhibit A, attached.

Section 3. Identification of Comprehensive Plan. The City’s Comprehensive Plan adopted June, 25, 1998 pursuant to Ordinance No. 98-1110, as amended from time to time, is

further amended by the zoning code amendments regarding short-term rentals identified herein. In the event of conflict between the provisions of the ordinances containing the provisions of the City's Comprehensive Plan, the provisions of the later ordinance shall govern.

Section 4. Severability. If any section, sentence, clause or phrase of this ordinance should be held to be invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any other section, sentence, clause or phrase or word of this ordinance.

Section 5. Corrections by City Clerk. Upon approval of the City Attorney, the City Clerk is authorized to make necessary technical corrections to this ordinance, including the correction of clerical errors; references to other local, state, or federal laws, codes, rules, or regulations; or section/subsection numbering.

Section 6. Effective Date. Upon passage, this ordinance shall be published in the official newspaper of the City and shall take effect and be in full force thirty (30) days after publication.

PASSED by the City Council of the City of Chelan, Washington, this 17th day of December, 2019.

APPROVED:

By: _____
Mike Cooney, Mayor

AUTHENTICATED:

By: _____
Peri Gallucci, Clerk

APPROVED AS TO FORM:

By: _____
Quentin Batjer, City Attorney

FILED WITH THE CITY CLERK: Bold Font
PASSED BY THE CITY COUNCIL: Bold Font
PUBLISHED: Bold Font
EFFECTIVE DATE: Bold Font
ORDINANCE NO.: Bold Font

Short-Term Rental Regulations

December 2019 | City of Chelan

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Zoning Amendments

Add section 17.77 Short-term Rentals

17.77 Short-term rentals

17.77.010 Basic Provisions. All short-term rentals are subject to licensing requirements, health and safety standards, and fees set forth in Chelan Municipal Code 5.15.

17.77.020 Land Use Districts. Short term rental licensees may be issued in the land use districts listed herein or otherwise governed by applicable development agreements on file with the City of Chelan Community Development Office. Local Homeowner Associations bylaws and/or tenant/landlord lease agreements may further redistrict short term rentals beyond the city’s license and zoning requirements.

- *Downtown Mixed Use (DMU) (CMC 17.14)*
- *Tourist Mixed Use (TMU) (CMC 17.14)*
- *Highway Service Commercial (C-HS) (CMC 17.36)*
- *Waterfront Commercial (C-W) (CMC 17.40)*
- *Tourist Accommodation (T-A) (CMC 17.48)*

17.77.030 *Violations of Land Use. Operators of short-term rental units in land use districts that do not permit them shall be subject to enforcement procedures in Title 2.80 and required to terminate all rentals agreements immediately upon notice. Failure on behalf of the owner to cancel rentals agreements shall constitute a criminal misdemeanor charge and subject to fines established by the City Council.*

Assume that the PUD approval and development agreement address the use in The Lookout.

17.14.020 Regulating plan – Land use districts and site orientation standards.

C. Overlay District Uses and Dimensional Standards.

2. Permitted Uses.

b. Permitted Use Table.

Table 1. Permitted use table.

	Downtown Land Use Districts				
	DMU	TMU	DMR	DSF	Public
RESIDENTIAL USES					
Dwelling, single-family	P ₁₆	P	P	P	
Dwelling, two-family (Duplex)		P	P	P ₅	
Dwelling, three-family (Triplex)		P	P		
Cottage housing			P		
Townhouse	P ₇	P	P		
Dwelling, multi-family	P ₇	P	P		
Fractional ownership condominiums and seasonal rentals	P ₇	P			
Accessory dwelling unit (ADU)	P ₇	P	P	P	
Senior assisted living facility or nursing home	P ₇	P	P		
Family day care homes ₁	P ₇	P	P	P	
Mini day care centers ₃	P ₇	P	P	P	
Day care centers	P ₇	P	P ₃	P ₃	
Home occupation	P	P	P _{2,3}	P _{2,3}	
Bed and breakfast	P ₇	P	C ₃	C ₃	
Hotel/motel, condotel, and other transient accommodations	P	P			
Short-term rental	P	P			
COMMERCIAL USES					
Retail, small scale (< 2,000 sf building footprint)	P ₁₀	P ₁₀			P ₆
Retail, medium scale (2,000 – 20,000 sf building footprint)	P _{10,13}				
Retail, large scale (20,001 – 50,000 sf building footprint)	C				
Retail, regional (> 50,000 sf floor area)					
Restaurants, bars, tasting rooms, and brewpubs ₃	P ₁₀	P ₁₀			P ₆
Professional office	P ₈	P			
Real estate office	P ₁₄	P			
Banks	P				
Personal service establishments	P	P ₁₁			P ₆
General services establishments	P				
Gasoline station and auto service ₃	P ₇				
Mini-storage and warehouse facility					

	Downtown Land Use Districts				
	DMU	TMU	DMR	DSF	Public
Commercial use providing drive-through service	P ₁₅	P			
General industrial ₄	P _{7, 12}				
Heavy industrial					
Marijuana retail outlet	C	C			
SPECIAL USES					
Parks and playgrounds including park buildings	C	C	C	C	P
Community recreational facility	C	C	C	C	P
Conference center	P ₈				
Private sports club	P ₈	P			
Government office/structure ₃	P	C	C	C	P
Medical clinic/office, medical facilities	P ₇		C		
Hospital ₃	C		C		C
Mortuary	P ₇		C		
Veterinary clinic or hospital ₃	P ₇				
Church ₃	P	C	C	C	P
Places of public or private assembly (including theaters)	P				P
School	C ₇	C	C	C	P
Museum	P	P			P
Boat launching facilities, marinas and similar facilities	P	P			P
Parking lot or structure	P ₇	P	P ₃		P
Public utility facility ₉	C	C	C	C	C

17.36.010 Permitted uses.

Permitted uses are as follows:

- A. Any use permitted in the R-L Residential District, R-M Residential District, or T-A Tourist Accommodation District. Single- and multi-family dwellings, including townhouses, shall be subject to the relevant provisions of Chapter [17.24](#);
- B. Public and commercial automobile parking lots and garages and appertaining uses;
- C. Mortuaries;
- D. Advertising signs; provided, that they meet the setback requirements of this district;
- E. Veterinary hospitals;
- F. Automobile sales lots, repairs, bus and truck terminals;
- G. Machinery and farm equipment sales and services, tire recapping and similar businesses;

- H. Lumberyards, basic construction materials, fuel, livestock feeds and similar uses;
- I. Boat building and sales;
- J. Plumbing, heating or electrical shops;
- K. Manufactured home parks subject to Chapter [17.54](#);
- L. Restaurants, and drive-in restaurants;
- M. Liquor stores, taverns, cocktail lounges, and nightclubs;
- N. Radio and TV studios;
- O. Transient businesses;
- P. Grocery stores;
- Q. Clinic;
- R. Barber or beauty shops;
- S. Office, business or professional;
- T. Bakery, candy store, or confectionery store, provided all products which are produced are sold only at retail on the premises;
- U. Shoe sales or repair;
- V. Radio, television and small appliance sales and service, provided all storage is contained within the structure;
- W. Photographic and musical studio, sales and service;
- X. Tailor and upholstery shop;
- Y. Bank or other financial institution;
- Z. Apparel;
- AA. Parking lot;
- AB. Locksmith;
- AC. Newspaper, printing or lithography establishment;
- AD. Florist;
- AE. Self-service laundry;
- AF. Arts and crafts;
- AG. Family day care homes, subject to licensing requirements of the Washington State Department of Social and Health Services and fire code requirements as set forth in Chapter [212-54](#) WAC;
- AH. Radio and TV studios;
- AI. Private educational institutions;
- AJ. Special event as defined in and pursuant to the provisions of Chapter [5.50](#), as the same exists now or may hereafter be amended.
- U. Short-term rentals.

17.40.010 Permitted uses.

Permitted uses are as follows:

A. Residential Uses.

1. Mixed-use developments that include water-dependent and water-oriented commercial uses together with single-family or multi-family uses while promoting public access for significant numbers of the public and/or providing an ecological restoration resulting in a public benefit;
2. Existing legal residential developments as of the date of this subsection are permitted;

B. Boat building;

C. Service stations with appertaining uses; provided, that no vehicle shall be repaired, painted, rented, built or sold upon or from the premises;

D. Commercial or public water transportation facilities, which may include a protected aboveground tank as an accessory use, subject to the conditions set forth in Section [17.40.020\(D\)](#);

E. Industrial docks with appertaining machinery, which may include a protected aboveground tank as an accessory use, subject to the conditions set forth in Section [17.40.020\(D\)](#); provided, that no product is manufactured on the premises;

F. Boat servicing and fueling facilities which may include a protected aboveground tank as an accessory use, subject to the conditions set forth in Section [17.40.020\(D\)](#);

G. Radio and TV studios;

H. Transient businesses;

I. Marina facilities, which may include a protected aboveground tank as an accessory use, subject to the conditions set forth in Section [17.40.020\(D\)](#);

J. Adult entertainment facilities subject to the provisions of Section [17.04.125](#);

K. Boat sales, including the display and sale of not more than three motor vehicles at any time as an accessory use to the principal permitted use of boat sales under the following minimum conditions:

1. The display and sale of motor vehicles is permitted only when operated as an accessory use to the principal permitted use of the premises when that principal use is boat sales;
2. No more than three motor vehicles shall be displayed for sale on the subject premises at any time;
3. All motor vehicles for sale shall be maintained in an operable condition at all times that such motor vehicles are located on the subject premises;
4. Motor vehicles for sale shall be licensed and registered with the state at all times that such motor vehicles are located on the subject premises;
5. Motor vehicles and motor vehicle parts shall not be stored, painted, repaired, dismantled, built, restored, or modified in any way on the subject premises;
6. The renting and leasing of motor vehicles is not permitted;
7. The motor vehicle sales activities shall be owned and operated by the owner of the boat sales business located on the subject premises and shall not be delegated or otherwise conveyed to other individuals or entities; and

- 8. Termination of the boat sales activities located on the subject premises shall terminate any motor vehicle sales business operated on the premises;
- L. Parks and playgrounds, including park buildings;
- M. Temporary construction offices within the tract or subdivision on which buildings are being erected and only for the duration of active construction;
- N. Family day care homes, subject to licensing requirements of the Washington State Department of Social and Health Services and fire code requirements as set forth in Chapter [212-54](#) WAC;
- O. Home occupations that involve no customers or other business-related visitors to the home business, no signs or other outward appearance that a business exists in the home, no delivery trucks, and no more than one individual residing within the home who is active in the home occupation business; provided, that if the planning director is given satisfactory proof of a physical disability of the individual wishing to engage in a home business or occupation, a volunteer or employee may assist in the home occupation. In addition, the home occupation must comply with the conditions for home occupation set forth in Section [17.56.060](#) and the fees for a home occupation permit as established by resolution of the city council must be paid;
- P. Restaurants, exclusive of drive-ins;
- Q. Office, business or professional;
- R. Bakery, candy store, or confectionery store, provided all products which are produced are sold only at retail on the premises;
- S. Special event as defined in and pursuant to the provisions of Chapter [5.50](#), as the same exists now or may hereafter be amended;
- T. When located outside of shoreline jurisdiction, or if considered part of a water-oriented development: ***
- U. Short-term rentals.

17.48.010 Permitted uses.

Permitted uses are as follows:

- A. Single-family, two-family, three-family and multi-family dwellings, including townhouses;
- B. Motels, hotels, lodges and similar resort accommodation operations;
- C. Restaurants, exclusive of drive-ins;
- D. Barber or beauty shops;
- E. Travel agencies and tourist bureaus;
- F. Souvenir and gift shops;
- G. Bookstores and newsstands;
- H. Boat launching facilities, marinas and similar facilities;
- I. Professional offices;
- J. Special event as defined in and pursuant to the provisions of Chapter [5.50](#), as the same exists now or may hereafter be amended;

K. Per Chapter [17.47](#), low intensity, moderate intensity, and high intensity agri-tourism uses are allowed in the T-A Overlay.

L. Short-term rentals.

Short-Term License Code

Note: Create a new chapter in Title 5 to provide for a short-term rental specialty license to address license criteria, inspection, and enforcement.

CHAPTER 5.15 SHORT TERM RENTAL OPERATING LICENSE

5.15. 010 Purpose

A. The purpose of this chapter is to establish regulations for the operation of short-term rentals within the city of Chelan. This chapter also establishes a short-term rental permit and license.

B. The provisions of this chapter are necessary to promote the public health and safety by:

1. Protecting year-round residents' enjoyment of their homes and neighborhoods by minimizing the impact of short-term rentals on adjacent residences and minimizing the impact of the commercial character of short-term rentals.
2. Benefiting residents and the community by supporting homeownership costs and the city's tax base.
3. Fully recovering the cost of code implementation and enforcement.
4. Ensuring fairness in the regulation of short-term similar to other forms of allowed transient accommodations.
5. Providing for short-term rental guest well-being by enforcing fire, building, parking, and sanitation standards.
6. .

5.15. 020 Definitions

A. "Short term rentals" means residential units, or portions of residential dwelling units, that are rented out on a nightly basis for not more than 30 days to individual guests. They are commonly referred to as vacation rentals. They are a form of tourist or transient accommodations. Short-term rental units may be whole house rentals, apartments, condominiums, or individual rooms in homes. For the purpose administration and enforcement of this ordinance, the terms "overnight rental", "nightly rental", and "vacation rental" are interchangeable with short-term rentals. Subleasing or subletting of units for short term rental is prohibited if the underlying zone prohibits such use.

B. "Authorized agent" means a property management company or other entity or person who has been designated by the owner, in writing, to act on their behalf. The authorized agent may or may not be the designated qualified person for purposes of contact for complaints.

C. "Family" means one or more persons (but not more than five unrelated persons) living together as a single housekeeping unit. For purposes of this definition and notwithstanding any other provision of this code, persons with familial status within the meaning of Title 42 United States Code, Section 3602(k) and

persons with handicaps within the meaning of Title 42 United States Code, Section 3602(h) and RCW [35A.63.240](#) will not be counted as unrelated persons. [Per Chapter 19.10, but abbreviated.]

D. “Owner” means the natural person or legal entity that owns and holds legal and/or equitable title to the property. If the owner is a business entity such as a partnership, corporation, limited liability company, limited partnership, limited liability partnership or similar entity, any person who owns an interest in that business entity shall be considered an owner.

E. “Advertise” or “offer” includes through any media, whether written, electronic, web-based, digital, mobile or otherwise.

F. “Qualified person” means the owner, authorized agent, or a designated property representative contact person who is at least 21 years of age and who resides within 30 minutes of the property and is available to respond to short-term rental tenants, neighbors, and the City regarding complaints or other operational conditions of the short-term rental unit.

G. “Administrator” means the planning and community development director or his/her designated representative.

5.15. 030 Applicability

A. Short-term rentals are allowed when specifically authorized by Title 17 Zoning.

B. All allowed short-term rentals defined in CMC 15.15.020 must be licensed consistent with CMC 5.15.040.

5.15. 040 Annual Short-Term Rental Operating License Required

A. Operating License: No owner of property within the Chelan city limits may advertise, offer, operate, rent, or otherwise make available or allow any other person to make available for occupancy or use a short-term rental without a valid short-term rental operating license. Annual renewal is required.

B. Business License: All short-term rental owners or authorized agents shall obtain a valid City business license and State UBI # and annually renew it.

C. Short-Term Rental Operator Records and Advertisement: The short-term rental operating license registration number shall be listed on all short-term rental advertisements.

5.15. 050 Application and Fee

A. Application Required. Applications for an operating license shall be on forms provided by the City, demonstrating the application meets the standards required by this chapter. The owner or authorized agent shall certify the following information to be true and correct:

B. Incomplete Application. If a license application does not include all required materials, the application will be considered incomplete and the City will notify the applicant, in writing, explaining the information required. If the applicant provides the missing required information within 30 days of the date of the notice, the application will be reviewed. If the applicant does not provide the required information, the application will be deemed withdrawn and the City will refund the application fee.

C. License Fee. The fee for application for a short-term rental operating license or license renewal shall be in an amount to recover the City’s actual average costs of reviewing and issuing the license

application or license renewal application, including a fee for a late application, investigation, and any required inspections, as established by resolution of the City Council.

5.15.060 Term of Annual License and Transferability

- A. Term. A short-term rental operating license shall be issued for a period of one year, with its effective date running from the date the application is due as set forth in 5.15.070 and shall be renewed annually by the owner or authorized agent provided all applicable standards of this chapter are met.
- B. Transferability. The operating license shall be issued in the name of the property owner and is not transferable. Although not transferable, the new owner or authorized agent shall have 60 days to update owner and contact information to continue operation until the annual application deadline. New owners must apply for a new operating license by the annual deadline. The operating license shall terminate and be deemed void if the new property owner does not update contact information within 60 days of sale when the license holder sells or transfers the property.

5.15.070 Operating License and License Renewal

- A. License Must Be Obtained. An operating license and number shall be obtained and/or renewed as required in this section. The ability to operate a short-term rental in the City shall be discontinued for failure to obtain or renew a license to operate as provided in this chapter.
- B. Application and Renewal Application Process. A person engaging in a short-term rental who has not yet obtained an operating license, or who is required to renew an existing operating license, shall do so as follows:
 - 1. Time for Application.
 - a. New Permits. For new operating licenses applied for after the effective date of this chapter, license applications must be submitted by November 1 for the following operating year.
 - b. Renewals. Renewal forms of licenses of registered STRs shall be submitted by December 1 for the following operating year, and annually every year thereafter.
- C. Sale of the Property. Upon change in ownership, a property subject to a short-term rental operating license, it is the obligation and responsibility of the new owner or authorized agent to obtain a new operating license to operate the short-term rental by the annual deadline. The new owner or authorized agent may operate for the remainder of the calendar year provided that the new owner shall have 60 days from the date of ownership (closing of the sale) to update owner and contact information on file with the City.
- D. Notice – Late Applications. If the license application or renewal application is not received by the expiration date, the City shall send notice of expiration to the owner and authorized agent, if known, of any property for which a timely application has not been received, advising the owner that they have 30 days to respond. An application will be considered timely submitted if the City receives a completed application, accompanied by the required fees, within the 30-day late period.
- E. License Timelines
 - 1. Expiration. All operating licenses will expire Dec. 31 of each year.

2. Renewals. Renewal applications shall be received by December 1st. If fees are not paid by Feb. 1st, the operator has until March 1st the ability to operate shall be discontinued and the City will commence revocation of the license pursuant to the procedures in CMC 5.15.100.

a. The City will review an application for operating license renewal and issue a renewal provided all the criteria of approval in Chapter 5.15.080 continue to be met. If not met, or documented nuisances or complaints are on file regarding the Short Term Rental, the City reserves the right to deny the renewal of the operating license and the property shall not be used as a short-term rental.

b. A decision on an operating license application or renewal may be appealed as provided in CMC 5.15.120.

3. License transfer. For transfer of property to new owners, once the 60-day grace period to update owner and contact information for a current license expires as referenced in subsection (B)(1)(c) of this section, or the new application deadline lapses, the ability to operate shall be discontinued with no further action by the City.

5.15.080 Application Requirements and Criteria for Approval

A. Operational Requirements. The applicant has the burden of proof to demonstrate compliance with each applicable criterion for approval or renewal of the operating license. The approval criteria also operate as continuing code compliance obligations of the owner. Staff may verify evidence submitted and the applicant shall cooperate fully in any investigation. Required criteria include:

1. Owner Information. Owner's name, permanent residence address, permanent residence telephone number and electronic mail addresses, and the short-term rental address and telephone number. The application must also include the names, mailing addresses, electronic mail addresses, and telephone numbers of all persons holding an ownership interest in the property, or holding an ownership interest in the entity that owns the property.
2. Qualified person Information. If the owner does not permanently reside within the Chelan City limits or is not always available when the property is being rented, the owner shall provide the name, telephone number and email of a qualified person (which can be a person or company) who can be contacted concerning use of the property and/or complaints and can respond to the property within 30 minutes to complaints related to the short-term rental consistent with definitions and requirements in CMC 5.15.020 and 5.15.080 respectively.
3. Zoning Compliance. The applicant shall identify the zoning district applicable to the short-term rental property by providing parcel number and physical address.
4. Parking. The owner shall provide off-street parking spaces in compliance with standards set forth in CMC 25.9. Where off-street parking requirements cannot be met, the number of rented bedrooms shall be limited to the ratio set in the development standards. Specific requirements are as follows:
 - a) A parking diagram of the approved parking spaces for tenant vehicles shall be required for licensing application.
 - b) The tenant parking areas shall be designated and signed, or otherwise made visible to the tenant in a prominent location within the short-term rental dwelling.

Exception: Short-term rental license operators operating with a current business license within a conforming land use zone who cannot meet the parking requirement at the time of this ordinance adoption shall be granted legal non-conforming use status with regards to parking and be permitted to operate.

5. Occupancy. Occupancy limits and number of bedrooms. The maximum number of occupants permitted to stay overnight shall be two people for each double bed or larger, excluding up to four children under the age of six. Properties that want to accommodate more than 10 tenants may need to comply with additional health and safety regulations as deemed necessary by the building official and be greater than 2000 square feet gross floor area to comply with the International Residential Code, as it exists now or future amendments thereto. Existing legal short-term rentals in effect prior to adoption of this code that do not meet the square footage requirement shall be granted legal non-conforming status.

a. A scaled floor plan must be submitted depicting the location of each sleeping area and square footage, labelling doors and windows.

b. All sleeping areas must comply to the habitable space requirements of 70 sqft and 50 sqft per person of International Residential Code as adopted by the City.

6. Good Neighbor Guidelines¹. Acknowledgment of receipt and review of a copy of the good neighbor guidelines. Evidence that the good neighbor guidelines have been effectively relayed to short-term rental tenants, by incorporating it into the rental contract, including it in the rental booklet, posting it online, providing it in a conspicuous place in the dwelling unit, or a similar method.

7. Health and Safety.

a. Fire and Emergency Safety. Prior to approving the initial operating license, the City shall perform a life-safety inspection. After the unit is approved for rental, a completed self-certification checklist for health and safety (fire extinguishers, smoke alarms, carbon monoxide detectors, appropriate egress, etc.) shall be required with each annual operating license renewal consistent with forms provided by the Administrator. [See example in Attachment B.]

b. Owner Responsibility. It is the owner's responsibility to assure that the short-term rental is and remains in substantial compliance with all applicable codes regarding fire, building and safety, health and safety, and other relevant laws.

¹ Guidelines may be subject to change via administrative decision. Updated guidelines shall be made available annually. [See Attachment A.]

c. Exception. Within the first year of adoption of this code, the City shall provisionally approve licenses for a period of six months upon receipt of the self-certification checklist. Compliance with Fire and Safety requirements must be met by the renewal date thereafter.

8. Waste Management. Weekly solid waste collection service shall be provided. Trash must not be visible from public view and must be in proper containers on collection day.

9. Noise. Noise shall not be in violation of CMC Chapter 8.31, Public Disturbance Noises.

10. Nuisances. The property and operation shall be free from nuisances per CMC Chapter 8.26.

11. Character of Structure. Occupancy and operation shall be compatible with the surrounding neighborhood character. The short-term rental shall not give the appearance of being a business. Factors upon which compatibility will be judged include but are not limited to: noise, traffic, solid waste management, signage, and light and glare.

12. Verification of Neighborly Notice. Applicants must provide evidence that neighborly notifications in Section B6 below have been met.

13. Other. Such other information as the Administrator deems reasonably necessary to administer this chapter.

14. Insurance. State requirements for liability insurance for coverage of no less and \$1 million.

15. UBI. Registration with Department of Revenue (DOR) in the form of a Uniform Business Identification.

B. Approval Criteria. To receive approval or renewal, an applicant must demonstrate that all approval criteria listed below have been satisfied:

1. Operational Criteria: Shall be met per subsection A above.

2. Renewals. All short-term rentals must operate under a current license regardless of non-use. If a property has not been rented in a 12-month period, renewal of license criteria must still be met to maintain license.

3. Operating License Revocation. If an owner lapses in renewing the annual licenses or fails to provide adequate renewal criteria, an operating license shall be revoked by the City under CMC 5.15.100. The exception to these criteria for continuation of an operating license is a temporary hardship exception, which includes submission of proof, acceptable to the City, that: (a) a medical condition of the owner or family member jeopardizes the ability of the owner to operate the short-term rental; or (b) the death of the spouse or family member jeopardizes the ability of the owner to operate the short-term rental; or (c) structural integrity of the short-term rental deems it uninhabitable for tenants and is not self-imposed. The City may attach a time limit to this hardship exception. A time limit may be set by the Administrator but shall not exceed six months. A one-time extension may be approved upon request if one of the conditions of this section still applies.

4. Contact Information. The owner or authorized agent has provided information sufficient to verify a qualified person will be available consistent with definitions in CMC 5.15.020. The owner or qualified person shall be available to be contacted by telephone to ensure a response to the short-term rental address at all hours (24 hours a day, seven days a week) and within 30 minutes while the dwelling unit is occupied for rent. The designated qualified person may be

changed from time to time throughout the term of the license. To do so, the license information shall be revised with the City at least 14 days prior to the date the change takes effect, except when the failure to do so is beyond the owner or authorized agent's control. In an emergency or absence, contact forwarding information to a qualified person may be provided for the owner or representative.

6. Notice to Neighbors.

a. New Applications: The owner or authorized agent shall either: (a) provide an annual mailing or otherwise distribute by hand, a flier to neighbors within a 250-foot radius of the short-term rental property address containing the owner and/or qualified person contact information, or (b) post a small placard or sign as permitted by Chapter 17.58 Signs, near the adjacent street advising neighbors and tenants of the same information where it can be seen from the public right-of-way. The purpose of this notice is so that adjacent property owners and residents can contact a responsible person to report and request resolution of problems associated with the operation of the short-term rental. If the permanent contact information changes during the license period, the new information must be mailed or distributed again, or changed on the placard or sign.

b. Renewals: Renewal applications may provide evidence of placard in lieu of annual mailings or distribution.

c. Electronic Availability. In addition, the City will make a database electronically accessible within which any person can enter in an address of a short-term rental and obtain the owner/authorized agent and/or qualified person's name and telephone number.

7. No Pending Actions or Violations. At the time of application, the owner of a short-term rental shall not have received a civil citation regarding compliance of the subject short-term rental property with any provision of the Chelan Municipal Code. A voluntary assurance of compliance, negotiated compliance agreement, or deferred sentence agreement will satisfy the requirement that there be no pending actions or violations.

8. Good tax and legal standing. The owner shall be in compliance with the Chapter 3.36, Special Excise Tax on Lodging, and other local sales taxes and state hotel/motel and sales taxes in accordance with the Department of Revenue. The owner must be in good standing with Code Enforcement including no active cases or unresolved issues.

C. Mandatory Postings. The short-term rental license issued by the City shall be displayed in a prominent location within the interior of the dwelling adjacent to the front door. The license will contain the following information:

1. A license number or other identifying mark unique to the short-term rental operating license which indicates the license is issued by the City of Chelan, with the date of expiration;
2. The name of the owner or qualified person and a telephone number where the owner or qualified person may be contacted;
3. The number and location of approved parking spaces;
4. The maximum occupancy permitted for the short-term rental;

5. Any required information and conditions specific to the operating license;
6. The property address; and
7. The City of Chelan official logo.

5.15.090 Additional Operational Requirements

A. Response to Complaints. The owner or qualified person shall respond to neighborhood questions, concerns, or complaints in a reasonably timely manner depending on the circumstances.

1. Complaints. The owner or qualified person shall maintain a record of complaints and the actions taken in response to the complaint, if relevant, in an electronic or written manner deemed reasonable to document the interaction. This record shall be made available for City inspection upon request to investigate under subsection (A)(3) of this section.

2. City Authority.

a. Certain types of complaints are subject to the City's regulatory authority under other sections of the Chelan Municipal Code (noise complaints, nuisance, disorderly conduct, etc.). Other complaints related to occupancy and on-site parking are subject to the City's code enforcement authority pursuant to this chapter. It is not intended that the owner, agent or qualified person act as a peace officer or code enforcement officer or put themselves in an at-risk situation. However, reasonable initial inquiries or complaints related to noise, disturbances, occupancy or parking may first be made to the owner or qualified person.

b. Complaints specifically related to the good neighbor guidelines, or the condition, operation or conduct of occupants of the short-term rental, should first be made to the owner or qualified person. If there is a failure to respond or a clearly inadequate response by the owner or representative, a complaint may be submitted to the City on a form provided by the City and the City will respond or investigate as needed. The City will first seek voluntary compliance or resolution, but if the City finds substantial evidence supports further action given the complaint(s), the City will follow the warning procedures set forth in Chapter 2.80.

3. Records. On request and in compliance with the public records law, the City shall provide the owner, authorized agent and/or qualified person with the information in the complaint.

4. Grounds for Warning. Repeated failure of the owner or qualified person to timely and reasonably respond to a complaint(s) relayed by City staff is considered grounds for a warning and potential revocation under CMC 5.15.100. Issuance of a noise citation to a tenant may be grounds for a warning to the owner, only if under the circumstances in the reasonable judgment of the Administrator, the owner should be held responsible. Issuance of a public nuisance citation may be grounds for a warning in the appropriate circumstances.

5. Administrative Rules. The Administrator shall have the authority to establish administrative rules and regulations consistent with the provisions of this chapter for the purpose of interpreting, clarifying, carrying out, furthering, and enforcing the provisions of this chapter. A copy of such administrative rules and regulations shall be on file in the office of the City Clerk and be posted on the City website.

5.15. 100 Revocation Procedure

A. In addition to the penalties described in CMC 2.80.160, the following provisions apply to violations of this chapter:

1. Failure to renew an operating license as set forth in CMC 5.15.070 is grounds for immediate revocation of the operating license.
2. Failure to meet the criteria required by 5.15.080 is grounds for immediate revocation of the operating license.
3. The discovery of material misstatements or providing of false information in the application or renewal process is grounds for immediate revocation of the operating license.
4. Such other violations of this chapter of sufficient severity in the reasonable judgment of the Administrator, so as to provide reasonable grounds for immediate revocation of the operating license.
6. Other violations of this chapter, including but not limited to City initiated investigation/sustaining of complaints, shall be processed as follows:
 - a. For the first violation within a 12-month period, the sanction shall be a warning notice.
 - b. If the same offense continues to occur or a second similar offense occurs at any time during a 12-month period, the City may either send a second warning notice or suspend the operating license for 90 days, depending on the severity of the offense.
 - c. If a third similar offense occurs at any time during a 12-month period, the penalty shall be revocation.

B. Notice of Decision/Appeal/Stay. If the operating license is suspended or revoked as provided in this section, the Administrator shall send written notice of suspension and revocation to the owner stating the basis for the decision. The notice shall include information about the right to appeal the decision and the procedure for filing an appeal. The owner may appeal the Administrator's decision to revoke the operating license to the Hearing Examiner per CMC Chapter 2.15. Upon receipt of an appeal, the Administrator shall stay the suspension or revocation decision until the appeal has been finally determined by the Hearing Examiner.

5.15. 110 Violations – Penalties

A. In addition to the revocation procedure of CMC 5.15.100, any person or owner who uses, or allows the use of, property in violation of this chapter is subject to the enforcement authority of CMC Chapter 2.80.

B. The following conduct also constitutes a violation of this chapter and is a civil infraction:

1. Representing a dwelling as available for occupancy or rent as a short-term rental where the owner does not hold a valid operating license issued under this chapter, or making a short-term rental available for use, occupancy or rent without first obtaining a valid operating license. Evidence of operation includes but is not limited to advertising, online listings or calendars of availability, guest testimony, online reviews, rental agreements or receipts;
2. Advertising or renting a short-term rental in a manner that does not comply with the standards of this chapter; and

3. Failure to comply with the substantive standards of CMC 5.15.070 and 5.15.080.

C. Notwithstanding the application of the uniform code enforcement procedures in Chapter [2.80](#), the business license fee and any assessed late charges shall constitute a debt to the city and may be collected by court proceedings in the same manner as any other debt in like amount, which remedy shall be in addition to all other existing remedies.

D. Termination of Water Service. In addition to the methods of code enforcement in Chapter [2.80](#), the administrator may terminate the provision of water service to the applicant or licensee.

Note: C and D are from Business License regulations, CMC 5.13.090.

5.15. 120 Appeals of Short-Term Rental Operating License Determinations

A. Filing Requirements – Notice. The owner or authorized agent may appeal a short-term rental operating license revocation to the Hearing Examiner.

B. Authority to Decide Appeal. The Hearing Examiner shall be responsible for determining an appeal of a decision approving or denying an application or renewal application for an operating license, or revoking or suspending an operating license, in any zone.

C. Time for Filing. An appellant is required to file a written notice of appeal including the basis for the appeal within fourteen calendar days of the license determination being appealed.

D. Fee for Appeal. The City Council may establish by resolution a fee for filing an appeal. The fee shall be sufficient to recover the average or actual costs of mailing notice of hearing and conducting the hearing.

E. Procedures. The Administrator may establish administrative procedures to implement the appeal procedures provided in this section, including any required forms. The Hearing Examiner may adopt procedures for hearings consistent with CMC Chapter 19.30.

F. Hearing. Within 30 days of receiving the notice of appeal, the Administrator shall schedule a hearing on the appeal before the Hearing Examiner. At the hearing, the appellant shall have the opportunity to present evidence and arguments as may be relevant.

G. Standard of Review and Decision. The Hearing Examiner shall determine whether the City's decision was based on a preponderance of the evidence. A decision of the Hearing Examiner shall be based on the evidence received. The Hearing Examiner may determine not to suspend or revoke the license, or to revoke or suspend the license. If the Hearing Examiner upholds the decision to revoke the operating license, the Hearing Examiner shall order the owner to discontinue use as a short-term rental.

H. Finality. The Hearing Examiner's decision shall be final on the date of mailing the decision to the appellant. The Hearing Examiner's decision is the final decision of the City and is appealable only to Superior Court.

5.15. 130 Discontinuance of Short-Term Rental Occupancy

A. After Revocation. After a short-term rental operating license has been revoked, the dwelling unit may not be used or occupied as a short-term rental unless a new short-term rental operating license and business license are granted, and the owner of the property to which the license applied and whose

license has been revoked shall not be eligible to reapply for a short-term rental license for short-term rental occupancy of the same property for a period of 12 months from the date of revocation.

B. After Expiration. If a short-term rental operating license expires, the dwelling unit may not be used or occupied as a short-term rental, except for the 60-day grace period for new owner(s) of property during which time they may apply for a new operating license. New operating licenses on properties with expired licenses shall comply with application procedures, criteria, inspections, and requirements in this chapter and any future conditions or requirements pertaining to Short term rentals.

5.15. 140 Remedies Not Exclusive

The remedies provided in this chapter are in addition to, and not in lieu of, all other legal remedies, criminal and civil, which may be pursued by the City to address any violation of this code or other public nuisance.

Attachment A: Good Neighbor Guidelines

Short Term Rental Operating License - Good Neighbor Guidelines

The Good Neighbor Guidelines (GNG) were created to educate Short-Term Rental (STR) owners and tenants/guests on the importance of being a good neighbor.

- **24-Hour Contact Information.** If at any time you have concerns about your stay with regards to the unit's health, safety, overall cleanliness, or concerns from your neighbors, please call the 24-hour contact number listed here:

Qualified Contact Person's Name:

Daytime Number: _____ Evening number:

email:

text number:

My qualified person's contact is also listed in the rental lease agreement, and posted in the unit, and distributed to my neighbors.

In the event of an emergency, please call 911.

- **General Respect for Neighbors.** Be friendly, courteous, and treat your neighbors like you want to be treated. Respect your neighbors and their private property by not trespassing
- **Noise.** The City of Chelan prohibits nuisance noise during hours of rest. Please be considerate of the neighborhood, and your neighbor's right to the quiet enjoyment of their home and property, especially after 10 p.m. Noise complaints generated from your party may result in a civil penalty and/or the owner's rental license revocation.
- **Maintenance of Property.** Be sure to pick up after yourself and keep the property clean, presentable and free of trash.
- **Garbage Disposal.** Place trash and recycling containers at the appropriate place and time for pickup. Return trash and recycling containers to the designated location within 12 hours after pickup. Cigarette butts should be properly extinguished and disposed of in the garbage.
- **Parking & Traffic Safety.** Refer to the parking diagram posted in the unit and park in the designated visitor spots. You are allowed to have one car for every two bedrooms. Do not park on lawns or in a manner which blocks driveways, sidewalks, alleys, or mailboxes. Drive slowly through neighborhoods and watch for pedestrians and children playing.
- **Pets.** Promptly clean-up after your pets. Prevent excessive and prolonged barking. Keep pets in designated areas and obey local leash laws to avoid them from roaming the neighborhood. Control aggressive pets. Store pet food indoors and in a secure container to reduce the likelihood of unwanted pest problems.
- **Tenant/Guest Responsibility.** Approved guests and their visitors are expected to follow these Good Neighbor Guidelines. Be sure to read your rental agreement for additional terms and restrictions which may include consequences for violating the Good Neighbor Guidelines.

Attachment B: Self-Certification Checklist

PROPERTY AND CONTACT INFORMATION

Property Owner		
Parcel Number		
Parcel Address		
City, State, Zip Code		
Zip Code		
Mailing Address		
City, State, Zip Code		
Phone/Email Contact	Phone:	Email:

QUALIFIED PERSON

“Qualified person” means the owner, authorized agent, or a designated contact person who is at least 21 years of age and who resides within 30 minutes of the city limits of the city of Chelan and is available to respond to short-term rental tenants, neighbors, and the City regarding complaints or other operational conditions of the short-term rental unit.

The owner or authorized agent or qualified person shall be available to be contacted by telephone to ensure a response to the short-term rental address at all hours (24 hours a day, seven days a week) while the dwelling unit is occupied for rent.

Qualified Person Name		
City, State, Zip Code		
Phone/Email Contact	Phone:	Email:

PARKING DIAGRAM

The owner shall provide at least one off-street parking space, outside of the required setbacks for each two rented bedrooms. A parking diagram of the approved parking spaces shall be provided to tenants and be available in a prominent location within the short-term rental dwelling.

SHORT TERM RENTAL OPERATING LICENSE SELF-CERTIFICATION CHECKLIST

The purpose of this form is to provide short-term rental property owners a guide when inspecting their properties to ensure compliance with the standards set forth in City of Chelan Short Term Rental Operating License, CMC Chapter 5.15.

Multi-use buildings

- For multi-use buildings with commercial and residential uses, please consult with building official before continuing with checklist.

Life Safety

- House numbers are installed and clearly visible from the street or common areas.
- Exit stairs are in good repair and have proper landings and handrails/guardrails. Handrails required on all stairways at least one side.
- Stairway width shall be minimum 36", and rise (7 3/4" max)/run (10" min) are sufficient.
- Door locks are present and operative.
- Window locks are present and operative.
- Windows in bedrooms must be present and have 5 sqft opening.
- Porch, deck, or balcony are in good repair and have guardrails.
- Exit/egress doors must be 32 inches in width, 78 inches height and hinged.
- All sleeping rooms must be a minimum of 70 sqft and have a minimum wall length of 7'.

Exit(s)

- Exterior doors and/or door framework are in good repair.
- Exit windows from sleeping rooms are provided and sufficient in area or dimension.
- Exiting is sufficient in number, width, or access for the occupant load served.

Fire

- Operative smoke detectors and CO monitors in all sleeping rooms, outside of sleeping areas, and on each floor of dwelling.
- Fire extinguishers in cooking areas present and clearly labelled
- Appropriate storage, and lack of building clutter or other fire hazards.

Electrical

- Every habitable room contains at least two electrical outlets or one outlet and one light fixture.
- All electrical equipment, wiring, and appliances have been installed and are maintained in a safe manner.
- Ground fault circuit interrupters are installed in the bathrooms and kitchens.
- Light fixtures, receptacles or switches are in working order.

Plumbing, Heating, Ventilation, and Sanitation

- Dwelling equipped with bathroom facilities consisting of a toilet, sink, and either a bathtub or shower and in sanitary condition.
- Dwelling equipped with kitchen facilities consisting of a stove, refrigerator, and sink.
- All plumbing fixtures connected to the sanitary sewer system and equipped with proper "P" traps.
- All plumbing fixtures connected to an approved water supply and provided with hot and cold water necessary for their normal operation.
- Dwelling is equipped with operable heating..
- Any solid fuel burning appliances are installed per applicable codes and maintained in safe working condition and properly ventilated.
- Dwelling has ventilation in all rooms
- Temperature/pressure relief valve present on water heater.
- Adequate and operative heating or mechanical equipment.
- Dwelling is equipped with heating facilities in operating condition.
- No signs of mold or mildew on wall surfaces.
- No signs of infestation from rodents or insects.
- Dwelling is equipped with adequate garbage and rubbish storage.

Structural

- Dwelling has no sags, splits or buckling of ceilings, roofs, ceiling or roof supports or other horizontal members due to defective material or deterioration.
- No split, lean, list, or buckle of dwelling walls, partitions, or other vertical supports due to defective material or deterioration.
- Fireplaces and chimneys are not listing, bulging, or cracking due to defective material or deterioration.
- No evidence of decay or damage to exterior stairs or decks.

Weather Protection

- Dwelling has no broken windows or doors.
- No broken, rotted, split, buckled of exterior wall or roof coverings that affect the protection of the structural elements behind them.