

	DEVELOPMENT REGULATION TEXT AMENDMENT
	CASE NUMBER(S): LRN2021-00003
	STAFF REPORT DRAFTED BY: Olivia Story
	DATE: July 14, 2021
	<b>Staff Report</b>

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Applicant:	Yakima County	
Representative:	Olivia Story, Project Planner	
Request:	Type of Amendment:	Development Regulation Text Amendment
General Description of proposed Text Amendment:	Unregulated short-term rentals can lead to a lack of life safety standards, increased parking in the surrounding neighborhood, and a loss of lodging and sales tax. The proposed addition to YCC 19.18 will resolve these concerns while allowing property owners to earn income on their properties.	

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**A. SUMMARY OF RECOMMENDATIONS**

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Staff recommends Approval of the requested Development Regulation Text Amendment, subject to consideration of testimony from neighbors and interested parties.

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**B. SUMMARY OF REQUEST**

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The County requests the addition of YCC 19.18.420 to address standards for permitting short-term rentals by private property owners, within their legally established residences, to the general public.

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**C. BACKGROUND**

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Yakima County Code 19.18 is being reviewed to ensure it addresses short-term rentals adequately. A short-term rental is a residential dwelling unit, or portions thereof, that are rented to overnight guests for fewer than 30 consecutive days. Short-term rentals are commonly known as vacation rentals, AirBnBs, and VRBOs. The review intends to address concerns that may arise when short-term rentals are allowed in residential neighborhoods while allowing property owners to rent their properties.

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This proposed zoning code amendment provides a definition and permits the use of short-term rentals in residential zones. According to these proposed text changes, short-term rentals within these zones must comply with the International Building Code for occupancy and safety standards, provide off-street parking, and obtain appropriate business licenses.

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**D. ANALYSIS**

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The code currently only addresses the traditional form of bed and breakfasts, but it does not address the permitting needs of short-term rentals. Short-term rentals are substantially different than traditional bed and breakfast establishments and hotels because they are located in residential zones,

1 can offer the whole house as a rental, do not require the property owner to be on-site, and are not  
2 required to pay lodging and sales tax. Unregulated rentals can lead to:

3 **Lack of life safety standards**

4 Traditional commercial temporary accommodations must meet life and safety requirements such  
5 as a fire suppression system (sprinklers). These accommodations are typically not installed in a  
6 residential unit that was not originally permitted with commercial uses in mind. Short-term  
7 rentals are located in residential units. Residential units are permitted and built to a residential  
8 standard and do not have the same life and safety regulations that would otherwise be addressed  
9 through a commercial lodging facility.

10 The suggested text requires short-term rental obtain all applicable building permits, be a legally  
11 established residence, and comply with the International Building Code for occupancy. Property  
12 owners shall only allow the maximum number of rentals in the unit that it has been approved for.  
13 Units made available for short-term rentals shall only be in approved residential bedrooms to  
14 ensure egress in emergencies is available. And lastly, any residence with more than two units in  
15 one building shall have a fire suppression system (sprinklers) installed according to the building  
16 department.

17 **Increased parking in the surrounding neighborhood**

18 Most residential homes may not have adequate parking to accommodate the additional car space  
19 additional house guests may require.

20 Traditional commercial temporary accommodations are typically located in zones equipped to  
21 address increased parking and a higher intensity of use. Short-term rentals are proposed to be  
22 located in residential zones that usually do not have these higher impacts on the surrounding  
23 neighborhood. To resolve these concerns, additional adequate parking will be required for each  
24 short-term rental unit.

25 **Loss of lodging and sales tax**

26 Traditional commercial temporary accommodations, such as a hotel, lodge, or bed and breakfast  
27 are required to collect and pay lodging and sales tax. Short-term rentals provide much of the  
28 same services, however, are not required to pay taxes. To require one type of lodging facility to  
29 abide by tax laws, yet waived for another very similar use is problematic.

30 The loss of lodging and sales tax is addressed in the proposed text changes by requiring short-  
31 term rental applicants to get all applicable local and state business licenses. This requirement  
32 ensures all taxes will be paid.

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1 ***Staff Findings:*** Unregulated short-term rentals can lead to a lack of life safety standards, increased  
2 parking in the surrounding neighborhood, and a loss of lodging and sales tax. The proposed addition  
3 to YCC 19.18 will resolve these concerns while allowing property owners to earn income on their  
4 properties.  
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7 **E. PLAN OR DEVELOPMENT REGULATION TEXT AMENDMENT APPROVAL CRITERIA**  
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9 The approval criteria set forth in YCC 16B.10.095(5) and (6) shall be considered in any review and  
10 approval of text amendments to Yakima County Comprehensive Plan and any Development  
11 Regulation.  
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- 13 • **Consistency with 16B.10.095(5)(6) Approval Criteria:**
  - 14 (5) Plan policy and other text amendments must be consistent with the GMA, SMA, CWPP, other  
15 comprehensive plan goals and policies, and, where applicable, city comprehensive plans and  
16 adopted inter-local agreements.  
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    - 18 ○ GMA Consistency - This proposed text amendment is consistent with 8 of the thirteen  
19 GMA Planning goals, the remaining were not applicable. RCW 36.70A.020, without any  
20 order of priority.

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22 **RCW 36.70A.020(1) Urban growth.** Encourage development in urban areas where  
23 adequate public facilities and services exist or can be provided in an efficient manner.  
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25 ***Staff Findings:*** *This proposal will allow residential property owners to maximize their*  
26 *property rights by allowing them to rent all or portions of their personal residential*  
27 *property. This may have a minimal, yet positive effect by encouraging development in the*  
28 *urban areas because the majority of rentals will be located in the urban areas.*  
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30 **RCW 36.70A.020(2) Reduce sprawl.** Reduce the inappropriate conversion of undeveloped  
31 land into sprawling, low-density development.  
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33 ***Staff Findings:*** *By allowing residential property owners to rent portions or all of their*  
34 *homes, travelers will be less dependent on traditional commercial temporary*  
35 *accommodations, and utilize already established development.*  
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37 **RCW 36.70A.020(3) Transportation.** Encourage efficient multimodal transportation  
38 systems that are based on regional priorities and coordinated with county and city  
39 comprehensive plans.  
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41 ***Staff Findings:*** *Not applicable.*  
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43 **RCW 36.70A.020(4) Housing.** Encourage the availability of affordable housing to all  
44 economic segments of the population of this state, promote a variety of residential  
45 densities and housing types, and encourage preservation of existing housing stock.  
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1 *Staff Findings: This proposal will have a positive effect on the GMA’s requirement for*  
2 *housing by allowing property owners to earn an income on all or portions of their house,*  
3 *thus reducing their overall cost of housing and encouraging the preservation of the*  
4 *existing housing stock.*

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6 RCW 36.70A.020(5) Economic development. Encourage economic development  
7 throughout the state that is consistent with adopted comprehensive plans, promote  
8 economic opportunity for all citizens of this state, especially for unemployed and for  
9 disadvantaged persons, promote the retention and expansion of existing businesses and  
10 recruitment of new businesses, recognize regional differences impacting economic  
11 development opportunities, and encourage growth in areas experiencing insufficient  
12 economic growth, all within the capacities of the state's natural resources, public services,  
13 and public facilities.

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15 *Staff Findings: The GMA approval criteria, promoting new businesses, is enforced by this*  
16 *proposal because to obtain a short-term rental permit, the applicant must also obtain a*  
17 *business license, creating new business. Further, the proposal supports the GMA approval*  
18 *criteria of promoting economic opportunity for all citizens of this state by encouraging*  
19 *homeowners to realize an increased economic benefit from their residences.*

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21 RCW 36.70A.020(6) Property rights. Private property shall not be taken for public use  
22 without just compensation having been made. The property rights of landowners shall be  
23 protected from arbitrary and discriminatory actions.

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25 *Staff Findings: By homeowners exercising their rights to rent their property, even on a*  
26 *short-term basis, the County will be supporting property rights and avoid any arbitrary*  
27 *regulations.*

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29 RCW 36.70A.020(7) Permits. Applications for both state and local government permits  
30 should be processed in a timely and fair manner to ensure predictability.

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32 *Staff Findings: If the proposed text is approved, the permit standards and criteria will be*  
33 *available to the public and be clear and predictable*

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35 RCW 36.70A.020(8) Natural resource industries. Maintain and enhance natural resource-  
36 based industries, including productive timber, agricultural, and fisheries industries.  
37 Encourage the conservation of productive forestlands and productive agricultural lands,  
38 and discourage incompatible uses.

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40 *Staff Findings: Not applicable.*

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42 RCW 36.70A.020(9) Open space and recreation. Retain open space, enhance recreational  
43 opportunities, conserve fish and wildlife habitat, increase access to natural resource lands  
44 and water, and develop parks and recreation facilities.

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46 *Staff Findings: Not applicable.*

1 RCW 36.70A.020(10) Environment. Protect the environment and enhance the state's high  
2 quality of life, including air and water quality, and the availability of water.

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4 Staff Findings: Not applicable.

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6 RCW 36.70A.020(11) Citizen participation and coordination. Encourage the involvement  
7 of citizens in the planning process and ensure coordination between communities and  
8 jurisdictions to reconcile conflicts.

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10 Staff Findings: This proposal will follow the typical approval process of the Planning  
11 Commission public hearing, as well as the Board of County Commissioners Public hearing  
12 to allow comments regarding the proposal, before adoption.

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14 RCW 36.70A.020(12) Public facilities and services. Ensure that those public facilities and  
15 services necessary to support development shall be adequate to serve the development  
16 at the time the development is available for occupancy and use without decreasing  
17 current service levels below locally established minimum standards.

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19 Staff Findings: Occupancy levels allowed for the short-term rentals will not exceed what  
20 would have already been approved for by the building permits, ensuring public facilities  
21 and services will all already be in place prior to the operation of the short-term rental.

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23 RCW 36.70A.020(13) Historic preservation. Identify and encourage the preservation of  
24 lands, sites, and structures, that have historical or archaeological significance.

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26 Staff Findings: Not applicable.

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28 ○ SMA Consistency - This proposed text amendment is consistent with the Shoreline  
29 Management Act, RCW 90.58.

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31 Staff Findings: Not applicable.

- 32  
33 ○ County-wide Planning Policies Consistency - This proposed text amendment is consistent  
34 with the 2015 County-wide Planning Policies.

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36 Staff Findings: The proposal does not conflict with any County-wide planning policies

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38 ○ **Horizon 2040** Consistency - This proposed text amendment is consistent with four of the  
39 Yakima County Comprehensive Plan – **Horizon 2040** goals or policies, without any order  
40 of priority.

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42 Land Use Element Economic Development ED 5.1 Expand the County's tourism- and  
43 recreation-related economy. Support the development of programs, activities and  
44 facilities which increase tourism and recreation opportunities in Yakima County.

1 Land Use Element Housing H 3.3

2 Accommodate changing demographic trends and housing preferences by allowing  
3 accessory units, co-housing, and other nontraditional housing types in appropriate  
4 locations.

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6 Land Use Element Housing H 3.9

7 Allow accessory living units as a means to increase the supply of affordable housing units  
8 and to help existing homeowners remain in their homes.

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10 Staff Findings:

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- 12 ○ Sub-Area Plan Consistency – There is no applicable sub-area plan that affects this  
13 proposal.
  - 14 ○ City Comp Plan Consistency – There is no applicable city comp plan that affects this  
15 proposal.
  - 16 ○ Interlocal Agreement Consistency – There is no applicable interlocal agreement that  
17 affects this proposal.
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21 Staff Conclusion: Example - The proposed text amendment in question meets the approval criteria  
22 outlined in Y.C.C 16B.10.095(5)(6) and should be approved.

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24 **F. Discussion of Environmental Analysis (SEPA)**

25 Staff is assessing the potential environmental impacts associated with the proposed plan and  
26 zoning amendment and proposes mitigation, where appropriate. This assessment is being done  
27 concurrently and will be made available when completed.

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29 **G. CONCLUSIONS**

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- 31 1. The current Yakima County Code does not address short-term rentals and the specific needs and  
32 circumstances they are in. Many short-term rentals are currently operating in the County and  
33 have the potential to become a nuisance if unregulated.
  - 34 2. Unregulated short-term rentals can lead to a lack of life safety standards, increased parking in the  
35 surrounding neighborhood, and a loss of lodging and sales tax. The proposed addition to YCC  
36 19.18 will resolve these concerns while allowing property owners to earn income on their  
37 properties.
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41 **J. YAKIMA COUNTY PLANNING STAFF RECOMMENDATIONS**

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43 The Yakima County Planning Division recommends **APPROVAL** of the *Development Regulation* text  
44 amendment, subject to consideration of testimony from neighbors and interested parties.

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**APPENDIX A**  
**Proposed Text Amendment**

Outlined below is the full text amendment (blue underlined – added text, red strikethrough – deleted text, green underlined – moved text).