

**CITY OF LAKE STEVENS
Lake Stevens, Washington
ORDINANCE NO. 1139**

AN ORDINANCE OF THE CITY OF LAKE STEVENS, WASHINGTON REVISING LSMC CHAPTERS 14.08 (BASIC DEFINITIONS AND INTERPRETATIONS), 14.16A (ADMINISTRATION AND PROCEDURES), 14.40 (PERMISSIBLE USES), 14.44 (SUPPLEMENTARY USE REGULATIONS) AND 14.72 (PARKING); ADOPTING FINDINGS AND CONCLUSIONS; AND PROVIDING FOR SEVERABILITY, AN EFFECTIVE DATE AND FOR SUMMARY PUBLICATION BY ORDINANCE TITLE ONLY.

WHEREAS, the city adopted regulations for tourist homes, now more commonly known as short-term-rentals, in LSMC 14.44.064 via Ordinance 590; and

WHEREAS, the short-term rental market has significantly changed since the existing regulations were adopted in 1998, and the city has identified a need to update and modernize the code; and

WHEREAS, the Planning Commission held three work sessions to discuss the proposed amendments; and

WHEREAS, the City submitted the proposed amendment to the Washington State Department of Commerce for the required review (Submittal ID 2022-S-3907), with expedited review granted on April 25, 2022; and

WHEREAS, the city determined that the proposal is categorically exempt from the State Environmental Policy Act (SEPA) per WAC 19-11-800(19)(b); and

WHEREAS, the Lake Stevens Planning Commission held a duly noticed public hearing on April 20, 2022, during which five members of the public provided public comment; and

WHEREAS, at the conclusion of the April 20 public hearing, Planning Commission made a recommendation to amend LSMC Chapters 14.08, 14.40, 14.44 and 14.72; and

WHEREAS, the Lake Stevens City Council reviewed the Planning Commission's recommendation relating to the proposed amendment during work sessions on May 3, 2022 and June 7, 2022; and

WHEREAS, at the conclusion of their June 7, 2022 work session, the Lake Stevens City Council opted to form a subcommittee of three members to consider refinements to the code language recommended by the Planning Commission; and

WHEREAS, the subcommittee worked together to develop revised code language; and

WHEREAS, the Lake Stevens City Council held a duly noticed public hearing on the code language developed by the subcommittee and considered all public testimony on September 13, 2022; and

WHEREAS, the City Council approved a motion to continue the September 13 public hearing to a future date to allow for an additional workshop to gather additional information and discuss potential refinements to the code language; and

WHEREAS, the City Council held a workshop on October 4, 2022, during which they provided direction to staff on desired revisions to the proposed code language; and

WHEREAS, those updates are reflected in Sections 2 through 6 of this ordinance; and

WHEREAS, land use code amendments are Type VI legislative decisions which require a recommendation from the Planning Commission to City Council, based on written findings and conclusions, supported by evidence from an open-record hearing; and

WHEREAS, the Planning Commission made findings and conclusions to approve the code amendment as part of their recommendation, the language of which has since been revised by the Council subcommittee but which the City Council has determined still meets the findings and criteria outlined in LSMC 14.16C.075(f).

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

Section 1. The City Council hereby makes the following findings:

- A. This ordinance amending the City’s municipal code was sent to the Washington State Department of Commerce (2022-S-3907), as required by the Growth Management Act; no comments were received.
- B. The requirements of Chapter 14.16C.075 LSMC for land use code amendments have been met.
- C. As required by LSMC 14.16C.075(f), the adoption and amendment of codes are consistent with the Comprehensive Plan, comply with the Growth Management Act and advance the public health, safety and welfare.

Section 2. Chapter 14.08 LSMC, entitled “Basic Definitions and Interpretations,” is hereby amended by the addition of new definitions as follows (additions shown by underline, deletions shown by ~~strike through~~, and all other sections remain unchanged):

14.08.010 Definitions of Basic Terms.

Principal. A principal or governing member of any business entity, including but not limited to: LLC member/manager, president, vice president, secretary, treasurer, CEO, director, stockholder, partner, general partner, or limited partner.

Responsible party (definition related to short-term rentals only). The owner, property management company, or another person who is designated by the owner, in writing, to act on their behalf as the main contact for guests and who is responsible for addressing any complaints.

Short-term rental. A lodging use, other than a hotel or motel, in which all or part of a dwelling unit is rented to a person or group for a fee for fewer than thirty (30) consecutive nights, subject to the standards identified in LSMC 14.44.064. A dwelling unit, or portion thereof that is used by the same person or group for 30 or more consecutive nights is not a short-term rental.

Short-term rental operator or operator. Any person who is the owner or a dwelling unit established under this title, or portion thereof, who offers or provides that dwelling unit, or portion thereof, for short-term rental use or a person who is the tenant of a dwelling unit, or portion thereof, who offers or provides a short-term rental as set forth in LSMC 14.44.064.

Short-term rental guest or guest. Any individual renting, occupying or present on the premises of a short-term rental at the invitation or permission of a short-term renter.

~~*Tourist Home.* A single family structure in which rooms are rented by the day or week.~~

Section 3. Chapter 14.16A, “Administration and Procedures,” is hereby amended as follows (additions shown by underline, deletions shown by ~~strike through~~, and all other sections remain unchanged):

Table 14.16A-I: Classification of Permits and Decisions

Type of Review	Land Use Actions and Permits	Recommendation By	Public Hearing Prior to Decision	Permit-Issuing Authority	Administrative Appeal Body and Hearing
TYPE I Administrative without Public Notice	<ul style="list-style-type: none"> • Shoreline Exemptions • <u>Short-Term Rentals</u> • Signs 	None	None	Department director or designee	Hearing Examiner, except shoreline permits to State Shoreline Hearings Board, and Open Record

Section 4. Chapter 14.40, “Permissible Uses,” is hereby amended as follows (additions shown by underline, deletions shown by ~~striethrough~~, and all other sections remain unchanged):

Table 14.40-I: Table of Residential Uses by Zones

A blank box indicates a use is not allowed in a specific zone. Note: Reference numbers within matrix indicate special conditions apply.															
P – Permitted Use; A – Administrative Conditional Use; C – Conditional Use (See Section 14.40.070 for explanation of combinations)															
NAICS Code	Use	R4	WR	R6	R8-12	MFR	LB	MU ¹	PBD ²	BD	CBD	CD	LI	GI	P/SP
MISCELLANEOUS AND ACCESSORY USES															
<u>N/A</u>	<u>Short-Term Rentals⁸</u>	P	P	P	P	P		P							
<u>N/A</u>	<u>Tourist homes</u>	A	A	A	A	A		A							

⁸ Subject to requirements of LSMC 14.44.064.

Section 5. Chapter 14.44, “Supplementary Use Regulations,” is hereby amended as follows, with the entirety of Section 14.44.064 (“Tourist Homes”) repealed and replaced by a new section entitled “Short-Term Rentals,” which is shown below as clean text:

LSMC 14.44.064 – Short-Term Rentals

- (a) Purpose and Process – the purpose of establishing specific standards for short-term rentals is to minimize potential adverse impacts to residential areas, preserve housing stock, and allow property owners to efficiently use their properties.
 - (1) Short-term rentals are a Type I permit per Table 14.16-A-I and Chapter 14.16B LSMC – Part I. Short-term rentals will require a city business license (“license”) per Chapter 4.04 LSMC along with a supplemental short-term rental permit (“permit”) under this chapter.
 - (2) The Planning and Community Development Director or designee will evaluate the application for the short-term rental permit for compliance with the requirements of the provisions regulating short-term rentals in this Chapter and all other applicable sections of the Lake Stevens Municipal Code, and in particular the regulations related to nuisance activity in Chapter 9.60 and Noise Regulation in Chapter 9.56.
 - (3) Permits and licenses shall be issued for a period of one year, with the effective date running from the date of issuance.
 - i. The permit and license must be renewed annually with the department of Planning and Community Development, provided all the approval criteria continue to be met;
 - ii. It is the owner’s / operator’s responsibility to ensure that the short-term rental remains in substantial compliance with all applicable codes and relevant laws.
 - iii. It shall be unlawful for any person to offer or to rent a short-term rental without a valid short-term rental permit
- (b) Restrictions
 - (1) No more than two short-term rentals may be operated by any operator within the city. It is the intent of these regulations to limit the ownership and operation of short-term rentals to no more than two per individual, family living together, domestic partnership, those living as a family unit and/or acting as a principal in any business entity that has ownership of a residential unit. Assigning ownership and/or application for a short-term rental use by a principal(s) of a business entity to separate business entities or to separate individuals that are living together as a family, in a domestic partnership, or living as a family unit as a means of exceeding this limitation is not permitted.
 - (2) Short-term rental permits are not transferable to another operator or location.
 - (3) Short-term rentals must not include weddings, banquets, parties, charitable fundraising, or other gatherings for direct or indirect compensation. The intent of short-term rentals is to provide transient accommodations.
- (c) Licensing and Registration
 - (1) Permit application shall include a Type I land use application, fees, and written description of the proposed short-term rental identifying the following:
 - i. The name and address of the owner and person or company who will operate the short-term rental (operator);

- ii. The address of the structure where the short-term rental will occur;
 - iii. The area to be rented, including number of bedrooms, to overnight guests.
 - iv. Short-term rental permit fees shall be established by resolution of the City Council.
- (2) The owner / operator must provide valid contact information for a responsible party that will respond to potential issues pertaining to the short-term rental for inclusion on the city’s short-term rental register every day the property is rented. Any changes to the name, or telephone number(s) of the responsible party must be submitted to the department of Planning and Community Development within 14 days of the change(s).
- (3) The owner / operator shall post a set of “good neighbor guidelines” in a conspicuous place in the short-term rental, on a form developed and approved by the city as part of the short-term rental permitting process that details the consumer safety requirements included in RCW 64.37.030 as well as the following information:
- i. Contact information for nonemergency police services;
 - ii. The location of the rental’s designated parking space(s);
 - iii. The location of emergency shut-offs; and
 - iv. The noise control prohibitions set out in Chapter 9.56 LSMC (Noise Control), including but not limited to the prohibition of Public Nuisances and Disturbance Noises in 9.56.040 LSMC and in particular subsections 5 (Devices creating and amplifying sound) and 6 (Quiet Time between 10 pm and 7 am).
- (d) Applicability and General Requirements – the following requirements shall apply to all short-term rentals.
- (1) Short-term rentals are allowed only in the zoning districts identified in Table 14.40-I.
 - (2) Short-term rentals may be hosted or un-hosted residences where all or part of the structure is rented for transient lodging.
 - (3) No short-term rental can be used or occupied by more than eight total individuals at any time. No more than two guests, excluding children five years old and under, per bedroom are permitted per guest stay.
 - (4) Per LSMC Table 14.72-I, a minimum of one off-street parking space shall be provided per 1-2 rented bedrooms; two off-street parking spaces per 3-4 rented bedrooms; and three off-street parking spaces per 5 or more rented bedrooms.
 - i. Parking of boat trailers and recreation vehicles is only allowed when adequate off-street parking is provided, and the additional parking does not conflict with required parking.
 - (5) Applicable sales/use and other related state imposed lodging taxes must be timely paid to the State of Washington. Timely payments are the responsibility of the property owner.
 - (6) The short-term rental must comply with Chapter 64.37 RCW.
- (e) Complaints and Enforcement
- (1) Complaints and enforcement are subject to the processes identified in Chapter 17.20 LSMC including any fines and penalties imposed for substantiated violations.

- (2) Multiple violations of the short-term rental code will result in progressive enforcement as identified in LSMC 17.20.030.
- (3) Violations of consumer safety are subject to the provisions in RCW 64.37.030.
- (4) A new short-term rental permit will not be issued to the owner / operator of a revoked short-term rental permit and business license until two years from the time of revocation have passed.

Section 6. Chapter 14.72, entitled “Parking,” is hereby amended as follows (additions shown by underline, deletions shown by ~~strike through~~, and all other sections remain unchanged):

TABLE 14.72-I: TABLE OF PARKING REQUIREMENTS

Rooming and boarding houses	1 space for each bedroom.
<u>Short-Term Rentals</u>	<u>1 space for 1-2 bedrooms to be rented; 2 spaces for 3-4 bedrooms to be rented; 3 spaces for 5 or more bedrooms to be rented in addition to the required spaces for the primary residential use if a hosted short-term rental.</u>
Tourist homes, Hotels and motels.	1 space for each room to be rented plus additional space (in accordance with other sections of this table) for restaurant or other facilities.

Section 7. Severability. If any section, clause, phrase, or term of this ordinance is held for any reason to be invalid or unconstitutional, such decision shall not affect the validity of the remaining portions of this ordinance, and the remaining portions shall be in full force and effect.

Section 8. Effective Date and Publication. A summary of this ordinance consisting of its title shall be published in the official newspaper of the City. This ordinance shall take effect and be in full force five days after the date of publication.

PASSED by the City Council of the City of Lake Stevens this 25th day of October 2022.

Brett Gailey, Mayor

ATTEST/AUTHENTICATION:

Kelly Chelin, City Clerk

APPROVED AS TO FORM:

Greg Rubstello, City Attorney

First and Final Reading: October 25, 2022

Published:

Effective Date: