

**Subject:** Ordinance #1505 – Amending Chapters 25.01 and 25.07 RMC and adding a new Chapter 25.10 RMC – Regulating Short Term Rentals

**Proposed Council Action:**

No Action Requested. First Reading. Review and discuss draft Ordinance. Unless directed otherwise, this will return To Council for Second Reading and Adoption on November 20, 2018.

**Dept. Origin:** Planning Commission

**Prepared by:** Jennifer Robertson, City Attorney’s Office

**For Agenda of:** November 6, 2018

**Exhibits:** Ordinance #1505 & Memo to Planning Commission

Initial & Date

**Concurred by Mayor:** \_\_\_\_\_

**Approved by City Planner:** \_\_\_\_\_

**Approved as to form by City Atty:** JSR/11-1-18

**Approved by Finance Director:** \_\_\_\_\_

**Approved by Department Head:** \_\_\_\_\_

**INFORMATION / BACKGROUND**

There is a growing number of short term rental agencies, such as Air BnB, Booking.com, Vacation Rentals by Owners, and the like which are creating new zoning issues for cities. Some property owners in Ruston would like to use their residential property to allow short term rentals. In other cities that have experienced this growth, the short term rentals have created impacts on surrounding properties that have diminished the quality of life of the resident. Apart from the recently adopted business licensing requirements, the City does not currently have regulations regarding this use. In order to ensure compatibility between a residential property being used as a short term rental and its neighbors, the Planning Commission recommends regulations be adopted to ensure for public safety, health and welfare of these surrounding properties and for any tenants utilizing a short term rental in Ruston.

The Ruston Planning Commission held a public hearing on September 18, 2018. Following the public hearing the Planning Commission voted to recommend the short term rental regulations as contained in Ordinance No. 1505.

The changes to the zoning code are described below.

**RMC 25.01.020 – Definitions:** Ordinance #1505 amends RMC 25.01.020 to add a definition for “short term rental.”

**RMC 25.07.020 – Land Use Matrix:** A line is added to the land use matrix for short term rentals reflecting that the use is permitting in the COM and COM-P zones and a condition use in the residential zones. A footnote #10 is also added to reference the new Chapter 25.10 RMC which sets forth the regulations on short term rentals.

**New Chapter 25.010 RMC:** A new chapter is added to the Ruston Zoning Code to establish the regulations applicable to short term rentals. These regulations include such items as business licensing requirements, occupancy limits, parking requirements, a limitation of one unit per property, garbage, signage, complaint procedures, and permit revocation procedures.

**FISCAL CONSIDERATION**

No fiscal impact is anticipated from this Ordinance.

**RECOMMENDATION / MOTION**

No Action Requested. First Reading. Review and discuss draft Ordinance. Unless directed otherwise, this will return to Council for Second Reading and Adoption on November 20, 2018.



## MEMORANDUM

**DATE:** September 17, 2018

**TO:** Chair Moser and Members of the Ruston Planning Commission

**FROM:** Rob White, Planning Director

**RE:** Short Term Rental Code Update – Ordinance 1505

Please review the attached draft Ordinance 1505, update to the City's zoning code creating regulations for short term rentals, which has been updated to reflect the changes requested by the Planning Commission at the August 8, 2018 work study session as well as a few clarifying edits.

The purpose of the September 19<sup>th</sup> public hearing and work study session is to receive public input on the proposed zoning code amendment. Following the public hearing, the Planning Commission will review the updated draft and complete any further edits, if needed. A motion to forward the final draft to the City Council for consideration is expected on September 19, 2018.

**Background:** As we discussed at our meeting in August, in recent years, the popularity of Short Term Rentals (STR), (i.e. AirBnB, VRBO, HomeAway.com, Flipkey.com, Tripping.com, Craigslist Rentals, etc.), has been increasing. As a result, many communities have developed regulations to provide guidance over concerns such as business licensing; lodging taxes; increased parking needs; impacts to utilities; potential noise issues; impacts on neighbors; the increased density created by short term rentals; liability issues; and architectural continuity with surrounding neighborhoods.

Also, given the recent waterfront redevelopment efforts of the Point Ruston project, Point Defiance, and the Ruston Way waterfront within Tacoma, the City of Ruston anticipates an increase in the number of STR's within Ruston. As such, the City Council has asked the Planning Commission to prepare zoning regulations which are designed to help mitigate potential impacts and possibly even limit the total quantity of STR's allowed within Ruston.

After discussing concerns with the Mayor, City Attorney and Planning Commission, (and having reviewed examples of STR various regulations from other communities), Ruston staff prepared the attached draft of Ordinance 1505, which is ready for Planning Commission review, comment and action.

Along with your consideration of any public testimony received during the public hearing, staff recommends that you also consider the following topics as you proceed with your review of the final draft of Ordinance 1505:

**1) Insurance - *Does the Planning Commission want the City to require proof of insurance prior to approval of a short term rental?***

**Staff Recommendation:** This is recommended. The short term rental code update should proceed as currently proposed, which provides the City with the authority to require proof of insurance. Although various short term rental apps and websites may provide insurance assistance to the property owner in maintaining insurance, service providers likely vary in the quality of assistance they provide and may or may not stay in business for the duration that the property owner offers their residence up for rent. If proof is not provided prior to license approval, lack of adequate insurance may not be discovered until after an incident requiring coverage occurs. The liability insurance requirement doesn't just protect the property owner, but also protects any renters, their guests and neighbors. It also protects the City in case of an emergency situation (i.e. SWAT call out), the insurance will provide a source to cover these expenses. Finally, the licensing code as currently drafted includes a requirement for a minimum of \$300,000 liability insurance. The zoning code should be consistent.

**2) Economic Impacts/Benefits – *What are the potential economic costs and benefits of allowing short term rentals in Ruston?***

**Staff Recommendation:** There are both economic costs and benefits to allowing STRs in Ruston. One benefit of allowing STRs is that it may provide some residents with the opportunity to stay in their homes because these units provide the owner with an income stream as they “age in place” and as family dynamics change over time. This code also encourages construction of accessory dwelling units which can either be used as long term or short term rentals, which in turn adds to Ruston’s short term rental unit stock to support tourism. These units also contribute to the construction and maintenance of tourism-related amenities by generating lodging tax revenues. The downside to this is that short term rental units, (because they are residential in nature and are less expensive to construct), have the potential to create an unfair advantage to traditional hotels, making it difficult for them to operate a successful hotel and provide related employment opportunities. With a major hotel under construction in Ruston which will bring jobs and opportunities to our city, this impact is an important factor to consider.

**3) Housing and Community Character – *What are the potential impacts to housing and community character of allowing short term rentals in Ruston?***

**Staff Recommendation:** Aside from the more commonly discussed issues such as noise and parking, staff also has concerns about the potential removal of housing units from use as primary residences, which in turn increases the quantity of transient tenants within Ruston's traditional neighborhoods. Removal of traditional housing stock not only increases the potential for noise and parking issues, but also reduces the availability of affordable housing and also removes families and permanent occupants from Ruston's neighborhoods, which in turn may have negative impacts upon the overall quality and stability of the Ruston community.

If after considering public comments received during the public hearing, and also considering the above discussion items, the Planning Commission has no further edits to the ordinance, then please proceed with the following recommended motion:

**I move to direct staff to forward draft Ordinance 1505, along with the Planning Commission's recommendation to approve it as presented, to the City Council for consideration.**

If approved by the Planning Commission as recommended above, Ordinance 1505 will likely be scheduled for first reading before the City Council on October 2, 2018, followed by second reading and adoption on October 16, 2018.

Please feel free to contact me with any questions or comments. Thank you.

**ORDINANCE NO. 1505**

**AN ORDINANCE OF THE CITY OF RUSTON, WASHINGTON, REGARDING REGULATING SHORT TERM RENTALS, AMENDING SECTION 25.01.020 OF THE CITY'S ZONING CODE TO ADD A DEFINITION FOR "SHORT TERM RENTAL," AMENDING SECTION 25.07.020 TO UPDATE THE LAND USE MATRIX TO ADD "SHORT TERM RENTAL" TO THE MATRIX AS A CONDITIONAL USE IN THE RESIDENTIAL ZONE AND A PERMITTED USE IN NON-RESIDENTIAL ZONES, ADDING A NEW CHAPTER 25.10 ENTITLED "SHORT TERM RENTALS" TO THE RUSTON MUNICIPAL CODE, AND ESTABLISHING AN EFFECTIVE DATE.**

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WHEREAS, there is a growing number of short term rental agencies, such as Air BnB, Booking.com, Vacation Rentals by Owners, and the like; and

WHEREAS, some property owners in Ruston would like to use their residential property to allow short term rentals in Ruston; and

WHEREAS, in other cities that have experienced this growth, the short term rentals have created impacts on surrounding properties that have diminished the quality of life of the residents; and

WHEREAS, the City does not currently have regulations regarding this use; and

WHEREAS, in order to ensure compatibility between a residential property being used as a short term rental and its neighbors, regulations should be adopted to ensure for public safety, health and welfare of these surrounding properties and for any tenants utilizing a short term rental in Ruston; and

WHEREAS, the City's SEPA Responsible Official issued a Determination of Non-Significance (DNS) on September 17, 2018; and

WHEREAS, in accordance with RCW 36.70A.106, this amending ordinance has been sent to the State Department of Commerce with a request for expedited review on September 17, 2018; and

WHEREAS, the request for expedited review was granted and the required time has passed to allow adoption by the City Council on the date of adoption; and

WHEREAS, on September 18, 2018, the Ruston Planning Commission held a public hearing on these proposed regulations which would modify the City's zoning code; and

WHEREAS, following the public hearing the Planning Commission deliberated on the new zoning code regulations; and

WHEREAS, the Planning Commission recommends the short term rental regulations as contained in Ordinance No. 1505; and

WHEREAS, after a full deliberation and consideration, the Planning Commission recommends that the City Council adopt this Ordinance; and

WHEREAS, on November 6, 2018, the City Council held the first reading on this Ordinance; and

WHEREAS, on November 20, 2018, the City Council adopted this Ordinance during its regular meeting at second reading; **NOW, THEREFORE**

**THE CITY COUNCIL OF THE CITY OF RUSTON HEREBY ORDAINS AS FOLLOWS:**

**Section 1.** A new definition is hereby added to Section 25.01.020 for "Short term rental" to read as follows:

"Short Term Rental" means a single residential dwelling unit or accessory dwelling unit used for short-term transient occupancy (for periods less than 30 days).

**Section 2.** A new line is added to the Land Use Matrix contained in Section 25.07.020 of the Ruston Municipal Code, along with a note number 10, to read as follows:

Uses	RES	COM	COM-P
Short Term Rental	C <sup>10</sup>	P <sup>10</sup>	P <sup>10</sup>

<sup>10</sup>Short Term Rental regulations are contained in Chapter 25.10 RMC.

**Section 3.** A new Chapter 25.10 is hereby added to the Ruston Municipal Code, entitled “Short Term Rentals” to read as follows:

**Chapter 25.10 – Short Term Rentals**

**25.10.010 – Short Term Rentals.** Short term rentals are permitted outright in Ruston’s non-residential zones, and as a conditional use in the Residential zone, provided that the owner complies with the following regulations in any zone:

**a. License Requirement.** In addition to the underlying permitting and process requirements, an owner shall obtain an annual revocable short term rental license from the City of Ruston whenever a dwelling unit is to be used for short term rental purposes under Chapter 5.05D of the Ruston Municipal Code. If the terms of the short term rental license are not met, the license may be revoked under the procedures in Title 5 RMC. If the requirements of the short term rental regulations under this chapter are not met, then the property owner may be subject to enforcement, including the imposition of civil penalties under the Ruston’s code enforcement procedures contained in Chapter 25.03 RMC.

**b. Occupancy Limits.** No more than two overnight occupants per bedroom are allowed, plus two additional overnight occupants, shall be accommodated at any one time, e.g., a one bedroom cabin would be allowed four overnight occupants while a two bedroom cabin would be allowed six total overnight occupants. The total number of occupants temporarily residing in a short term rental shall not exceed 10 at any one time. “Occupants” includes all people over the age of two (2) years.

**c. Appearance.** The exterior of the building(s) shall retain a residential appearance with house numbers maintained on the front of the building and visible from the street or road. No junk or garbage shall be allowed to accumulate in any yards and all vehicles shall park in designated parking areas.

**d. Disturbances.** The short term rental shall be operated in a way that will prevent disturbances to neighboring properties which are not typical of a residential neighborhood,



including, but not limited to, loud music, loud noises, excessive traffic, loud and uncontrolled parties, junk/debris/garbage accumulation in the yards, trespassing, barking dogs, or excess vehicles, boats or recreational vehicles parked in the streets in front of the unit.

**e. Garbage.** Provisions shall be made for garbage removal during rental periods, at a minimum Solid Waste collection is required during all months.

**f. Pets.** Pets shall be secured at all times while on the property. Nuisance barking by pets is prohibited.

**g. Phone Service.** The vacation rental shall have a “land line” with local phone service. The phone number servicing the short term rental shall be included in the property management plan. A cable or internet based phone line is satisfactory if maintained year round.

**h. Parking.** The short term rental unit shall comply with the parking requirements of the underlying zone.

**i. Signage.** One sign meeting the standards for wall mounted home occupations may be permitted in accordance with the Ruston Sign Code, Chapter 25.09 RMC. No off-premise signage of any type is permitted.

**j. One Unit per Property.** On properties containing both a residential dwelling and an accessory residential dwelling, only one residential structure may be rented out as a short term rental, but not both.

**k. Property Management.** A property management plan demonstrating how the short term rental will be managed and how impacts to neighboring properties will be minimized and/or mitigated shall be submitted for review and approval as part of the permitting and licensing process. The property management plan which shall include local points of contact available to respond immediately to complaints, clean up garbage, manage unruly tenants, etc., shall be mailed to all adjoining property owners within 300’ as a condition of license approval, and shall be posted in a visible location within the short term rental.

**l. Compliance with other codes.** The short term rental shall meet the licensing requirements contained in Chapter 5.05D RMC and all applicable State and local health, safety and building codes.

**m. Complaints.** All complaints shall proceed as follows:

1. The complaining party shall first attempt to communicate with the local contact person designated on the permit and property management plan, describe the problem and leave a contact phone number for call back information;

2. The contact person shall respond promptly to the complaint, regardless of time of day, and make reasonable efforts to remedy any situation that is out of compliance; and

3. If the response is not satisfactory to the complaining party, then the complaining party may next provide a written complaint to the Ruston Code Enforcement Officer, which complaint shall identify and be signed by the complaining party. The complaint shall include a description of the informal attempts to resolve the complaint. A copy of the written complaint shall be provided to the owner and contact person by the City. The Ruston Code Enforcement Officer shall attempt to resolve the complaint. If so required, the owner or local contact person shall provide a written response to the complaint with the anticipated corrective action within 10 days. A copy of the complaint will be filed in the City's short term rental license file.

**n. Compliance and Revocation.**

1. Owners of short term rentals shall obey all applicable Laws and Ordinances of the City and shall be subject to permit revocation procedures and appeals processes outlined in the Ruston Municipal Code;

2. If there have been three (3) or more violations of this Ordinance related to the same short term rental within one (1) calendar year, or if there have been three (3) or more violations of other City Ordinances related to the same short term rental within one (1) calendar year, the Planning Director shall revoke the short term rental license and underlying short term rental permit, and the property owner shall be prohibited from obtaining a new short term rental permit and license for at least one year from the date of said revocation;

3. The property owner may appeal the revocation of the short term rental license and permit pursuant to the appeals procedures outlined in the Ruston Municipal Code, or any amendment thereto; and

4. Nothing in this subsection precludes the City of Ruston from proceeding with formal enforcement action against a property owner and/or occupants for violations of this Ordinance or any other provisions of the City Code as authorized under the City's code enforcement procedures.

**o. Additional Conditions of Approval.** The Planning Director may impose other conditions of approval, such as additional parking, improved access, fencing, landscaping, architectural detailing, open space, or minimum screening to ensure the proposed use is compatible with the surrounding residential neighborhood, provided that said conditions of approval are consistent with goals and policies of the Ruston Comprehensive Plan.

**Section 4. Severability.** If any section, sentence, clause or phrase of this Ordinance should be held to be 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 of this Ordinance.

**Section 5. Publication.** This Ordinance shall be published by an approved summary consisting of the title.

**Section 6. Effective Date.** This Ordinance shall be effective five days after publication as provided by law.

ADOPTED by the City Council of the City of Ruston and attested by the City Clerk in authentication of such passage on this \_\_\_\_ day of October, 2018.

APPROVED by the Mayor this \_\_\_\_ day of October, 2018.

\_\_\_\_\_  
Bruce Hopkins, Mayor

ATTEST/AUTHENTICATED:

\_\_\_\_\_  
Judy Grams  
City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
Jennifer S. Robertson  
City Attorney's Office

FILED WITH THE CITY CLERK: \_\_\_\_\_  
PASSED BY THE CITY COUNCIL: \_\_\_\_\_  
PUBLISHED: \_\_\_\_\_  
EFFECTIVE DATE: \_\_\_\_\_  
ORDINANCE NO: 1505