

AGENDA
GIG HARBOR CITY COUNCIL STUDY SESSION
Thursday, January 19, 2023 – 3:00 p.m.
Community Rooms

*This meeting may also be accessed through Zoom
at <https://zoom.us/j/93216056382> or by calling (253) 215-8782 and entering
Meeting ID 932 1605 6382.*

CALL TO ORDER/ROLL CALL

DISCUSSION ITEMS

1. Short-term Rental Regulations

Community Development Director Carl de Simas

Documents:

[STAFF MEMO Short-term Rental Regulations.pdf](#)
[Exhibit A - DRAFT Municipal Code Revisions.pdf](#)
[Exhibit B - Short Term Rental Distribution.pdf](#)
[STAFF MEMO Short-term Rental Regulations - Supplemental Staff Report.pdf](#)

ADJOURN

AMERICANS WITH DISABILITIES (ADA) ACCOMMODATIONS

ADA accommodations can be provided upon request. Those requiring special accommodations should contact the City Clerk at cityclerk@gigharborwa.gov or (253) 853-7613 at least 24 hours prior to the meeting.



COMMUNITY DEVELOPMENT DEPARTMENT STAFF REPORT

TO: City Council
FROM: Planning Staff
DATE: January 19, 2023
RE: Short-term Rental Regulations

I. BACKGROUND INFORMATION

The City of Gig Harbor Municipal Code (GHMC) currently does not specifically define nor regulate short-term rentals. The Planning Division, to provide for some regulation around the use, has utilized the definition and permitting process for Lodging, Level 1 uses when addressing a request for short-term rental approval. In addition, the city requires a business license prior to operating the Lodging, Level 1.

Lodging, Level 1 is currently defined as: “a single-family residence which provides overnight lodging for guests, and may provide meals for overnight guests, not to exceed five guest rooms.”¹

The definition more closely aligns with a bed and breakfast use and thus, is not as directly applicable to short-term rentals. Further, GHMC offers no performance standards or approval criteria for Lodging, Level 1 unless the use is proposed in a zoning district requiring a conditional use permit. The City’s land-use table² prescribes where Lodging, Level 1 is conditionally allowed, permitted, and not permitted:

- Conditional use in the following zones: R-1, R-2, B-2, C-1, WR, WM, WC
- Permitted use in the following zones: R-3, RB-1, RB-2, DB, B-1, MUD
- Not permitted in the following zones: PI, RLD, RMD, PCD-C, ED, PCD-BP, PCD-NB

¹ GHMC 17.04.444

² GHMC 17.14.020

Having noted a rise in the number of short-term rentals advertised within the City, the Planning and Building Committee discussed the issue at a regularly scheduled meeting on September 7, 2021. The Committee then directed Staff to draft an ordinance, enacting an emergency moratorium on the acceptance of Lodging, Level 1 permit applications until the city had more time to study the matter.

On September 27, 2021, the City Council considered a draft ordinance, placing a moratorium on acceptance of new applications for Lodging, Level 1 uses, pursuant to RCW 35A.63.220 and 36.70A.390. Council is allowed to adopt an ordinance at first reading with a vote of the majority plus one. The ordinance, Ordinance 1467, was adopted upon first reading. A hearing, required within 60-days of the adoption of the interim regulations, was held before City Council on October 11, 2021. Several comments were submitted by the public and added to the record for consideration by Council and later, the Planning Commission.

Following the public hearing, Staff was directed to begin researching the issue, update and maintain a City web page on the subject, and bring the issue forward to the City's Planning Commission for consideration and a recommendation for permanent regulations. The City web page is found here:
<https://www.cityofgigharbor.net/749/Short-Term-Rental-Moratorium>.

The Planning Commission took the issue up at its regularly scheduled meeting on January 20, 2022. Including that meeting, the Commission studied short-term rentals at a total of 9 meetings and conducted two public hearings on June 2, 2022 and August 4, 2022. Additionally, the Commission chose to open an early public input period to garner public comment between February 4, 2022 and February 19, 2022.

The Lodging Level, 1 moratorium under Ordinance 1467 would have expired on April 6, 2022. To allow Planning Commission more time the City Council chose to adopt an extension; and, on March 28, 2022, Ordinance 1484 was adopted, extending the moratorium another six months.

The Planning Commission reviewed several iterations of draft regulations culled together by Staff from other jurisdiction's efforts, vast amounts of public input, and the Commission's own research. Unfortunately, the Commission was unable to come to a consensus on a set of regulations they felt comfortable recommending to the City Council. As the extended moratorium was set to expire on September 28, 2022, Staff, with the Mayor's support, felt it was time to bring forward the extensive body of work and efforts to City Council for direction and potentially adoption of permanent code provisions for short-term rentals.

Shortly thereafter, Staff learned of a legal decision regarding short-term rental regulations elsewhere in the country that required a detailed legal analysis relative to the City's own draft ordinance. Due to the complexity of the analysis of

this case, and another found later, the timing necessitated the Council considering another extension. On September 12, 2022, the City Council passed Ordinance 1497, extending the Lodging, Level 1 permit application moratorium another 6-months.

The proposed regulations have been developed after careful consideration and the Planning Commissioners feedback as well as the many public comments received. They were also developed with counsel from the City Attorney to ensure legal consistency.

II. GENERAL INFORMATION

At the City Council Study Session on August 18, 2022, Staff presented the regulations to City Council and answered questions. The draft regulations are attached to this report. These regulations are an amalgam of standards and criteria researched and discussed during the Planning Commission's process.

III. APPLICABLE CODES AND POLICIES

The authority and procedures for passing an ordinance are set forth in Chapter 1.08 GHMC. Additional procedures for amending the city's Zoning Code, Title 17, are set forth in Chapter 17.100 GHMC. Procedures for the administration of development regulations, including permit procedures and noticing, are set forth in Title 19 GHMC.

The following definitions, regulations, and policies are taken directly from the City's municipal code and adopted comprehensive plan offering pertinent support and context for the proposed draft regulations.

Applicable GHMC Definitions:

GHMC 17.04.015 "Accessory apartment" means a residential unit of up to 600 square feet with a functional kitchen, bath, and outside entrance attached to or on the same parcel as a single-family residence in a residential zone. Accessory apartments shall be under the same ownership as the primary residential unit with the owner living on-site in either unit. Accessory apartments shall not be condominiumized or otherwise sold separately.

GHMC 17.04.235 - "Commercial" means a business or activity at a scale greater than a home occupation involving retail or wholesale sale or provision of goods and services. Examples of commercial uses include, but are not limited to, restaurants, business services, professional services, personal services, product services, commercial recreation, and sales.

GHMC 17.04.320 - "Dwelling unit" is one or more rooms with at least one kitchen, that is designed as a unit for occupancy by not more than one family for sleeping and living purposes. Each unit at an assisted living facility or independent living facility shall count as one-third of a dwelling unit (.33) for purposes of calculating density.

GHMC 17.04.410, 17.84.020(A) - "Home occupation" means any activity conducted for financial gain or profit in a dwelling unit by persons residing therein, and which activity is not generally or customarily characteristic of activities for which dwelling units are intended or designed and such activity is clearly incidental or secondary to the residential use of a dwelling unit.

17.84.020(B). Such activity is clearly incidental or secondary to the residential use of a dwelling unit, and is conducted only by persons residing in the dwelling unit plus no more than one nonresident assistant or employee. Persons engaged in building trades or similar fields, using their dwelling unit or residential premises as an office for business activities carried on off the premises may have more employees than the limitation set forth in this chapter if they are not employed on the premises.

GHMC 17.04.700 - "Residential" means activity involving the human occupation of a building for living, cooking, sleeping and recreation.

Applicable Comprehensive Plan Goals

2.8.1(g) - Discourage proposals or uses which do not fit the scale of a neighborhood or which can do harm to the residential integrity of the neighborhood.

GOAL 3.6: Retain and protect the unique character of historic business and residential neighborhoods within The Harbor.

3.6.1. Maintain the Design Manual to reflect the traditional characteristics of The Harbor.

3.6.2. Establish and define the integrity of small planning areas which have common boundaries, uses and concerns using transition land-use areas and buffers/open space.

3.6.3. Establish design standards and development regulations shall recognize and complement neighborhood characteristics.

a) Adopt setback, height and building size standards which reflect historic development patterns.

b) Review minimum lot size standards and impervious coverage requirements to allow development patterns consistent with historic densities.

c) Regarding lot division, address size compatibility with historical standards.

3.6.4. Define standards which encourage building forms consistent with existing historic designs (e.g., massing, roof styles and scale).

3.6.5. Respect existing topography and minimize visual impacts of site grading. Existing topography should be maintained while still providing usable yards and open space. Retaining walls, when necessary, should be terraced and enhanced and/or screened to minimize their visual impact

3.10.1 - Retain and support a mix of uses including fishing, boating, retail, commercial, and residential uses.

3.13.3. Provide reasonable guidelines and standards for the siting of home-based businesses in residential neighborhoods. Ensure that home-based businesses do not alter or impact the residential character of neighborhoods.

6.1. Maintain and protect the scale and character of existing neighborhoods.

Shoreline Master Program 7.11.2.D. - Live-aboard vessels
Protect shoreline resources and water quality from overuse by boaters living on vessels (live-aboards). Restrict live-aboards to existing and new marinas with facilities to provide waste handling and other sanitary services.

IV. ENVIRONMENTAL REVIEW

A SEPA threshold Determination of Nonsignificance (DNS) was issued for the proposed amendments on August 25, 2022. Notice of the SEPA threshold determination was sent to agencies with jurisdiction and was published in the Tacoma News Tribune on August 25, 2022. The deadline for appealing the determination was September 15, 2022. No appeals were filed.

V. STAFF ANALYSIS

The short-term rental (STR) regulations presented here (Exhibit A), as noted previously, represent the results of over a year's worth of work by both Staff and the Planning Commission. As you can see, during this period we received over 100 comments pertaining directly to this subject and the Planning Commission made every effort to consider the merits of each one of them. Staff too addressed several of the commentors and met with a few (e.g. Short-term Rental Alliance) to ensure their input was heard and understood. We have set up a page on the City

Website³ to include a project calendar, related documents, and past meetings. The city has maintained an interested parties list from these comments and provided those parties all notices related to STRs.

From the outset, the Planning Commission sought to develop a fair and balanced regulation structure with an easy to understand and easy to administer permit process. One goal was to find a way to allow short-term rentals but with factors limiting the overall number of them now and into the future. There was much discussion about the fact that these regulations are not necessarily fixing an issue the city currently has but fixing an issue the city may have someday. A second goal was to ensure the protection and maintain the integrity of the city's single-family neighborhoods from inundation by transient lodging uses. And, a third goal was to ensure that dwelling units remain available and attainable as long-term rentals and homes.

Initial analysis regarding the number of short-term rentals existing in the city varied between 30 and 70. This assessment was based on public input, internet-based research, and analysis provided by third-party companies who offer monitoring of short-term rentals as a service for a fee. From the latter, Staff received free consultations and basic data that was passed along to the Planning Commission for their consideration. It should also be noted that the numbers may or may not include live-aboards, which could skew the data.

A recent staff analysis was conducted of short-term rentals actively taking bookings within the city⁴. Staff found there to be roughly 25 short-term rentals active, this figure excludes live-aboards. It was found that these rentals, while largely concentrated within the Millville and Finholm neighborhoods, were spread throughout the residential areas of the city (See Exhibit B).

Staff also provided what we know from our permit and business license records. We know that we have 5 Lodging, Level 1 operations that have an approved conditional use permit. We also know that we have 8 active business licenses for Short-term rentals which were approved prior to the moratorium (4 associated with the abovementioned Conditional Use Permits), and another 8 which have submitted business license applications following the moratorium that are presently listed as pending. Additionally, 4 other business licenses have been approved in the past for Short-term Rentals that are no longer active. Based on our estimates, there appear to be roughly 15-20 Short-term rentals presently operating without prior authorization from the city. Over the course of the last three years, the City has received three Code Enforcement Action Requests related to Short-term Rentals operations.

³ <https://www.cityofgigharbor.net/749/Short-term-Rental-Moratorium>

⁴ Survey conducted November/December 2022.

The intent of these regulations is to allow a homeowner or occupant to offer their residence to guests as a rental on a short-term basis (less than 30 days). The regulations are also intended to both: protect the residential quality of the City's neighborhoods, particularly single-family neighborhoods, from any potential adverse impacts such a use might cause; and, to minimize the impact short-term rental uses might have on long-term housing availability and attainability.

The WA State Legislature has passed amendments to the Growth Management Act requiring local government to plan for and accommodate for housing affordable to all income levels.⁵ Local governments are currently working through the process of analyzing what types and how much housing stock exists within their boundaries and, in time, what gaps exist. Mechanisms for this analysis include housing action plans and housing needs assessments. The information from these analyses will be used to inform an update of each community's Comprehensive Plan Housing Element during the upcoming periodic update. The state and counties are supporting these efforts through grants, resources, and guidance. To this end, the WA State Department of Commerce (Commerce) will soon be providing data on housing needs by income band for each county. The counties will in turn work with the local governments to allocate that housing. Local governments will then need to show how they plan to accommodate those units.

One of the concerns that comes up when looking at how to make housing more affordable and available is the displacement risk posed by the rise in popularity of the short-term rental market. Throughout Staff's research, we found several sources indicating that they can negatively impact housing availability by effectively remove housing from the long-term rental and homeownership market, thereby lessening the amount of housing stock available and contributing to the rise in cost of what is available to buy or rent long-term.

One source of note is Commerce's Draft Guidance for Developing a Housing Action Plan.⁶ While still a draft publication, it does provide clarity and support for how short-term rentals contribute to both physical displacement and economic displacement of long-term renters and housing availability. In addition, the publication provides several strategies for minimizing these effects. Many of those strategies are captured within our own draft regulations. For example:

- Commerce's guidance document recommends tracking STR activity through registration and reporting from the owners of these units. Our draft regulations would require permitting and/or business licenses to operate an STR.
- The guidance document recommends permitting STRs within an owner-occupied residence or are occupied by a permanent resident for a period of time. Our draft regulations would require that certain categories of STRs are

⁵ HB 1220

⁶[Guidance for developing a Housing Action Plan - Public Review Draft](#)

- the operator's primary residence, requiring they live in the unit for a majority of the calendar year.
- Requiring transient rental or hotel taxes is another recommendation that our draft regulations also support through the imposition of lodging of taxes.

To further the points made in Commerce's guidance, Staff found additional resources and information supporting the need to regulate STRs from the Municipal Research and Services Center (MRSC).⁷ In one article from 2017, the author notes several reasons municipalities are adopting regulations around this use.⁸ They cite such items as: collection of taxes, mitigating impacts to neighborhoods, compliance with life/safety standards, and the impacts on affordable housing supply. The article goes on to cite several local governments in Washington and other states that have either adopted regulations or are working on adopting regulations due to these factors. Another MRSC blog post made similar findings relative to the effects of STRs on local affordable housing supply and concluded that affordable housing should be a "significant policy factor" when considering regulations for STRs.⁹ This article cites a 2019 Harvard Business Review (HBR) publication which shows that the number of short-term rentals in a community has a direct correlation on the number of available affordable housing units in that same community. The HBR publication also asserts that the owner-occupied units, whereby the owner rents out rooms or the entire house, do not have the same impact on the long-term rental housing market.

Staff found several other publications and examples that were used to guide its work and develop the draft regulations. Some additional resources were provided by Planning Commissioners, Councilmembers, and the public. All of these resources are publicly available and also on file at the City.¹⁰

Taking a bit of what we learned from research like the examples provided above, it became evident that a distinction would need to be drawn between Lodging, Level 1 and short-term rentals. STRs as a use have become far more popular than the traditional bed and breakfast. As Lodging, Level 1 was adopted to define bed and breakfasts when the city developed the definition back in 2006, and a bed and breakfast is clearly a commercial use, it is appropriate to add a component to its definition thereby offering food and/or services to further define the use. Including these elements to the definition clearly separates the two uses and will alleviate ambiguity in the future.

It also became increasingly evident that we would need to draw a distinction between different types of short-term rentals. What we heard from many residents is the desire to protect their single-family neighborhoods' character and feel. This

⁷ <https://mrsc.org/Home/About-MRSC.aspx>

⁸ <https://mrsc.org/Home/Stay-Informed/MRSC-Insight/November-2017/Short-Term-Vacation-Rental-Sample-Regulations.aspx>

⁹ <https://mrsc.org/Home/Stay-Informed/MRSC-Insight/December-2021/Affordable-Housing-and-the-Impact-of-Short-Term-Re.aspx>

¹⁰ [Staff Research and Resources](#)

idea, together with the need to preserve affordable and available long-term rental units and housing, supported the idea that certain standards should apply to certain units and geographic areas. Therefore, we defined three types of short-term rental: STR 1, STR 2, and STR 3. Further, each type would be permitted, or conditionally permitted, in certain zones as identified in the city's Land Use Matrix.¹¹ One factor in determining how to define the different short-term rental types was accepting and defining the primary residence concept. A primary residence, per the draft definition, being the place where a person resides for a majority of the year¹². As such, a person may only have one legal primary residence. We found this concept in other codes and found that it could be a way of limiting the number of short-term rentals in the city and also ensuring that the traditional neighborhood feel and fabric is maintained; particularly, in single-family residential neighborhoods. Including a primary residency requirement also mitigates the effects STRs might have on the long-term rental and affordable housing market as it inherently limits the number of housing units a property owner may rent as an STR.

During our research and work on this issue, we realized that short-term rentals, in dwelling units that are also the operator's primary residence, are very similar to home occupations¹³. GHMC 17.84 already regulates home occupations, so we determined that STR 1 would be permitted through that already established process, while also meeting the performance standards of the short-term rental chapter.

In contrast to STR 1, STR 2 is defined to regulate those short-term rentals operating in dwelling units or accessory apartments that are not necessarily the operator's primary residence. STR 2 would only be permitted in commercial or mixed-use zones.

STR 3 is defined to regulate live-aboards, or vessels, that are also the primary residence of the operator. Live-aboards are defined and regulated by the City's Shoreline Master Program. Therefore, the STR 3 use is not only limited to very specific zones, it would also be limited to specific shoreline environment designations and other stipulations of use.

With the recent discussion of live-aboard vessels at the December 15 Study Session, a deeper examination of the regulation of live-aboard vessels and whether they should be included in the draft regulations was conducted by Staff. In addition to looking at our Shoreline Master Program, Staff looked to other jurisdictions in the region that have recently adopted Short-Term Rental regulations for examples of how or if STRs on Live-aboards are regulated.

¹¹ GHMC 17.14.020

¹² 183 days – See definition

¹³ "Home occupation" means any activity conducted for financial gain or profit in a dwelling unit, and which activity is not generally or customarily characteristic of activities for which dwelling units are intended or designed.

In Gig Harbor's Shoreline Master Program (SMP)¹⁴, live-aboards are not presently regulated as standalone entities or uses, only as an accessory element of a Commercial Marina. Relative to live-aboards, a Shoreline Substantial Development Permit application for new marina facilities or alterations to existing facilities requires the applicant to provide only the number of live-aboards or slips allocated within the marina. It appears that the number is required to confirm whether a marina proposal has adequate facilities to provide waste handling and other sanitary services. Additionally, the SMP does not provide a maximum number or percentage of slips that may be allocated for Live-aboards within a Marina.

Among the jurisdictions in the region Staff looked at which have adopted STR regulations in recent years, none have included language regarding Live-aboards in their regulations. Additionally, any regulations pertaining to Live-aboards were exclusively found in the Shoreline Master Programs of each city. Those cities include; Seattle, Bellingham, Olympia, Steilacoom, Port Townsend, and Anacortes.

A consistent element of these jurisdictions has been to define Short-term rentals as a use which occurs within a dwelling unit. Our proposed definitions for Short-Term Rental 1 & 2 are consistent with these jurisdictions in that manner. As defined in the SMP, a live-aboard is not considered to be a dwelling unit.

After examining the path other jurisdictions have taken and considering how Gig Harbor presently addresses Live-aboards in the Shoreline Master Program. Staff believes that it is appropriate to remove Live-aboards from our draft STR regulations and potentially reexamine this use as part of a Shoreline Master Program update in the future.

There have been two recent court cases relative to STR regulations in New Orleans and Santa Monica which have helped support our confidence in utilizing a primary residency requirement. In each case, it was argued that city ordinances relating to short-term rentals were in violation of the dormant Commerce Clause¹⁵. In the 2022 5th Circuit Court of Appeals case Hignell-Stark v. City of New Orleans, the court ruled that the City had discriminated against out of state property owners as the ordinance forbids them from using a property as an STR unless the owner has a permit. New Orleans' STR code required that the STR Owner must provide a signed attestation that includes, amongst other requirements the following:

"For all Residential permits, the Dwelling Unit used as a Short-Term Rental is located on the same lot of record as the owner's primary residence, and the owner possesses a valid Homestead Exemption at that property."

¹⁴ [Gig Harbor Shoreline Master Program](#)

¹⁵ The dormant Commerce Clause denies the States the power unjustifiably to discriminate against or burden the interstate flow of articles of commerce.

Hignell-Stark is distinguishable from the Gig Harbor draft regulations because the Gig Harbor draft does not include the same owner primary residence requirement which proved problematic in Hignell-Stark. The Gig Harbor draft defines “operator” as either the owner or the primary resident. Considering this definition of operator, for Short-term Rental 1, the requirement that the dwelling unit be the primary resident of the operator therefore does not require that the owner is the primary resident like the requirement in Hignell-Stark. Similarly, Short-term Rental 3 only requires the live-aboard vessel to be used as a primary residence; there is no requirement that the owner is the primary resident.

The court in Hignell-Stark distinguishes itself from a 2019 case from the 9th Circuit, *Rosenblatt v. City of Santa Monica*. Santa Monica’s ordinance prohibits property rentals of 30 days or less with an exception for rentals where a primary resident remains in the dwelling. The court ruled that the appellant failed to plausibly allege that Santa Monica’s ordinance directly or indirectly discriminated against or burdened interstate commerce. The regulations in *Rosenblatt* were different than Hignell-Stark because they did not include an owner primary resident requirement. *Rosenblatt* upheld an STR regulation requiring someone to live on the property full time, but that person did not need to be the owner of the property. Thus, the challenged regulation permitted out of staters to enter Santa Monica’s STR market on equal terms as residents. The proposed Gig Harbor regulations are akin to those analyzed in *Rosenblatt* because there is no requirement that the owner of the property be the primary resident.¹⁶

To support different types of short-term rentals, slightly different permit processes are also proposed. STR 1 would be permitted as a home occupation requiring only a business license consistent with the city’s current practice. STR 2 would require a new permit application: Short-term Rental Permit. The application would be processed as a Type II procedure requiring noticing, public comment, and an administrative decision. An approved permit would be issued to one person, non-transferable, and would expire if property ownership changes, or the short-term rental operator no longer possesses a valid business license. Lodging, Level 1 would remain a Conditional Use Permit which is a Type III procedure requiring a public hearing and decision by the City’s Hearing Examiner¹⁷. All short-term rentals would require a city business license. Consistent with Title 5 GHMC, Business License and Regulations, the business license would be renewed annually. The proposed regulations require that a short-term rental operator must meet additional criteria, specific to short-term rentals, to successfully renew their business license.

¹⁶ The Short Term Rental Alliance also provided a copy of an Amended Order pertaining to a motion for preliminary injunction in a short term rental lawsuit out of the US District Court – District of Nevada. The July 2021 Amended Order provided was subsequently amended and then finally issued 8 months later in February 2022. The case was then settled and a stipulated order for dismissal was granted in March 2022. Aside from the orders on the preliminary injunction, the court did not consider or rule upon any dispositive motions nor did the matter go to trial. While this case adds very little to the ongoing Short Term Rental conversation, the City did review and considered this case.

¹⁷ The adoption of these regulations would have no effect on those Lodging, Level 1 uses established with an approved conditional use permit.

If they are unable to meet those criteria, their license would not be renewed and, if an STR 2, their short-term rental permit approval would also expire.

VI. STAFF RECOMMENDATION:

We feel the proposed draft regulations before you today meet the goals expressed in the opening section of this report. We find that they present a fair, balanced, and equitable approach to permitting short-term rentals in the city while preventing their unmitigated proliferation, potentially affecting the character and quality of our neighborhoods, and the availability and attainability of housing.

Staff is seeking Council's concurrence that these regulations should be brought back to Council in a legislative format for the public's consideration at an upcoming hearing prior to the expiration of the Lodging, Level 1 permit application moratorium on March 12, 2023.

Staff: Carl de Simas, Community Development Director
Jeremy Hammar, Associate Planner

Date: 01/13/2023

cc: Planning File

The following documents pertinent to your review are attached and/or linked:

- A. Draft Regulations, dated December 15, 2022
- B. Short-term Rental Distribution Map
- C. City Staff PowerPoint Presentation, dated January 19, 2023 (under development at the time of this publication)

Chapter 17.04

Definitions

17.04.444 Lodging, level 1.

“Lodging, level 1” means a single-family residence which provides overnight lodging for guests, and ~~may~~ provides meals or services for overnight guests, not to exceed five guest rooms.

17.04.XXX Primary residence.

“Primary residence” means a person's principal residence or usual place of return for housing. A person may have only one (1) primary residence and must reside there for a minimum of one hundred eighty-three (183) days during the calendar year.

17.04.XXX Short-term rental 1.

“Short-term rental 1” means a home occupation, in a dwelling unit that is the primary residence of the short-term rental operator, offered as a rental to guests for fewer than thirty consecutive nights.

17.04.XXX Short-term rental 2.

“Short-term rental 2” means a dwelling unit or accessory apartment that is offered as a rental to guests for fewer than thirty consecutive nights.

17.04.XXX Short-term rental 3.

“Short-term rental 3” means a live-aboard vessel typically a yacht or other recreational watercraft which is used as a primary residence which is offered as a rental to guests for fewer than thirty consecutive nights.

17.04.XXX Short-term rental operator.

“Short-term rental operator” or “operator” means any person who is the owner or primary resident of a legally established dwelling unit, accessory apartment, or live-aboard who offers or provides such for the purpose of a short-term rental 1, 2, or 3.

17.04.XXX Short-term rental platform.

“Short-term rental platform” or “platform” means a person or business entity that provides a means through which a short-term rental operator may offer a dwelling unit, accessory apartment, or live-aboard for the purposes of a short-term rental 1, 2, or 3 and from which the person or entity financially benefits.

17.04.XXX Vessel.

"Vessel" includes ships, boats, barges, or any other floating watercraft which are designed and used for navigation and do not interfere with the normal public use of the water.

Chapter 17.14

Land Use Matrix

17.14.010 Interpretation of land use matrix.

- A. The land use matrix in this chapter identifies uses permitted in each individual zoning district. The zoning district is located on the vertical column and the use is located on the horizontal row of this matrix.
- B. If a dash appears in the box at the intersection of the column and the row, the use is not permitted in that district.
- C. If the letter "P" appears in the box at the intersection of the column and the row, the use is permitted in that district.
- D. If the letter "C" appears in the box at the intersection of the column and the row, the use is conditionally permitted subject to the conditional use permit review procedures and criteria specified in Chapter 17.64 GHMC.
- E. If a footnote appears in the box at the intersection of the column and the row, the use may be permitted subject to the appropriate review process indicated above and the specific conditions indicated by the corresponding footnote.
- F. All applicable requirements shall govern a use whether or not they are cross-referenced in the matrix. To determine whether a particular use is allowed in a particular zoning district and location, all relevant regulations must also be consulted in addition to this matrix. (Ord. 1045 § 1, 2006).

17.14.020 Land use matrix.

Uses	PI	R-1	RLD	R-2	RMD	R-3	RB-1	RB-2	DB	B-1	B-2	C-1 ¹⁹	PCD-C	ED ¹⁸	WR	WM	WC	PCD-BP	PCD-NB	MUD ²⁴
Dwelling, single-family	-	P	P	P	P	C	P	P	p ³¹	p ¹⁴	C	C	p ¹⁴	-	P	P	P	-	p ¹⁴	P
Dwelling, duplex	-	-	-	P	P	P	-	P	p ³¹	p ¹⁴	C	C	p ¹⁴	-	P	P	P	-	p ¹⁴	P
Dwelling, triplex	-	-	-	C	P	P	-	P	p ³¹	p ¹⁴	C	C	p ¹⁴	-	-	C ¹⁷	P	-	p ¹⁴	P
Dwelling, fourplex	-	-	-	C	P	P	-	P	p ³¹	p ¹⁴	C	C	p ¹⁴	-	-	C ¹⁷	P	-	p ¹⁴	P
Dwelling, multiple-family	-	-	-	-	P	p ⁶	-	P	p ³¹	p ¹⁴	C	C	p ¹⁴	-	-	-	-	-	p ¹⁴	P
Accessory apartment ¹	-	C	P	-	P	-	C	C	p ³¹	p ¹⁴	C	C	p ¹⁴	-	-	-	P	-	p ¹⁴	P
Family day care provider	-	P	P	P	P	P	P	P	C	P	P	P	P	-	P	P	P	-	P	P
Home occupation ²	-	P	P	P	P	P	P	P	C	P	-	C	-	-	P	P	P	-	-	-
Adult family home	-	P	P	P	P	P	P	P	C	P	P	P	P	-	P	P	P	-	P	P
Living facility, independent	-	-	-	C	-	P	C	C	C	P	C	C	P	C ²¹	-	-	-	-	-	P
Living facility, assisted	-	-	-	C	-	P	C	C	C	P	-	C	P	C	-	-	-	-	-	P
Nursing facility, skilled	-	-	-	C	-	P	C	C	C	P	C	C	P	C	-	-	-	-	-	P
Hospital	-	-	-	-	-	-	-	-	C	-	C	C	-	C	-	-	-	C	-	-
School, primary	P	C	P	C	P	C	C	C	C	P	C	C	P	-	-	-	-	P	-	-
School, secondary	P	C	P	C	P	C	C	C	C	P	C	C	P	-	-	-	-	P	-	-

Uses	PI	R-1	RLD	R-2	RMD	R-3	RB-1	RB-2	DB	B-1	B-2	C-1 ¹⁹	PCD-C	ED ¹⁸	WR	WM	WC	PCD-BP	PCD-NB	MUD ²⁴
School, higher educational	P	C	-	C	-	C	C	C	C	P	C	C	P	-	-	-	-	P	-	-
School, vocational/trade	P	C	-	C	-	C	C	C	C	P	C	C	P	P	-	-	-	P	-	-
Government administrative office	P	C	P	C	P	C	C	P	P	P	P	P	P	P	C	P	P	P	P	P
Public/private services	P	C	-	C	-	C	C	C	C	P	C	C	P	C	C	C	C	P	P	P
Religious worship, house of	-	C	P ⁵	C	P ⁵	C	C	C	C	P	C	C	P	C	-	-	-	C	-	P/C ¹⁵
Museum	P	-	-	-	-	-	-	-	-	-	C	C	P	-	C	C	P	-	-	-
Community recreation hall	P	-	P	C	P	C	C	C	C	P	C	C	P	-	-	-	C	P	P	-
Clubs	-	-	C	C	C	C	C	C	P	P	P	P	P	C	-	C ²⁰	P	P	C	-
Parks	P	P	P	P	P	P	P	P	P	P	C	C	P	-	P	P	P	P	P	P
Essential public facilities	C	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Utilities	P	C	P	C	P	C	C	C	C	P	C	C	P	C	C	C	C	P	P	P
Electric vehicle charging station ²⁵	P	p ²⁶	p ²⁶	p ²⁶	p ²⁶	p ²⁶	p ²⁶	P	P	P	P	P	P	P	p ²⁶	p ²⁶	P	P	P	P
Rapid charging station ²⁷	P	-	-	-	p ²⁸	p ²⁸	-	p ²⁸	P	P	P	P	P	P	-	-	P	P	P	p ²⁸

Uses	PI	R-1	RLD	R-2	RMD	R-3	RB-1	RB-2	DB	B-1	B-2	C-1 ¹⁹	PCD-C	ED ¹⁸	WR	WM	WC	PCD-BP	PCD-NB	MUD ²⁴
Battery exchange station	-	-	-	-	-	-	-	-	P	-	P	P	P	C	-	-	-	C	P	-
Cemetery	-	-	-	C	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Lodging, level 1	-	C	-	C	-	P	P	P	P	P	C	C	-	-	C	C	C	-	-	P
Lodging, level 2	-	-	-	-	-	-	-	C	P	-	P	P	P	-	-	-	C	-	-	P
Lodging, level 3	-	-	-	-	-	-	-	C	P	-	P	P	P	-	-	-	C	P	-	P
Short-term Rental 1	-	P	P	P	P	P	P	P	C	P	-	C	-	-	P	P	P	-	-	-
<u>Short-term rental 2</u> ³²	-	-	-	-	-	-	<u>P</u>	<u>P</u>	<u>P</u>	<u>P</u>	-	-	<u>P</u>	-	-	<u>P</u>	<u>P</u>	-	<u>P</u>	<u>P</u>
<u>Short-term rental 3</u> ³²	-	-	-	-	-	-	-	-	-	-	-	<u>P</u>	-	-	-	<u>P</u>	<u>P</u>	-	-	-
Personal services	-	-	-	-	-	-	P	P	P	P	P	P	P	P	-	P	P	P	P	P
Business services	-	-	-	-	-	-	P	P	P	P	P	P	P	P	-	P	P	P	P	P
Professional services	-	-	-	-	-	-	P	P	P	-	P	P	P	P	-	P	P	P	P	P
Ancillary services	P	-	-	-	-	-	P	P	P	P	P	P	P	P	-	P	P	P	P	P
Product services, level 1	-	-	-	-	-	-	P	P	P	P	P	P	P	P	-	P	P	P	P	P
Product services, level 2	-	-	-	-	-	-	-	-	-	-	-	P	P	P	-	-	-	-	-	p ¹⁶
Sales, level 1	-	-	-	-	-	-	C ^{7,8}	-	P	P	P	P	P	C ²²	-	-	P	C ²³	p ¹³	P
Sales, level 2	-	-	-	-	-	-	-	-	-	-	-	P	-	C ²²	-	-	-	-	-	-

Uses	PI	R-1	RLD	R-2	RMD	R-3	RB-1	RB-2	DB	B-1	B-2	C-1 ¹⁹	PCD-C	ED ¹⁸	WR	WM	WC	PCD-BP	PCD-NB	MUD ²⁴
Sales, level 3	-	-	-	-	-	-	-	-	-	-	-	P	-	C	-	-	-	-	-	-
Sales, ancillary	-	-	-	-	-	-	P	P	P	-	P	P	P	P	-	-	P	P	-	-
Commercial child care	-	-	C	-	C	-	C	C	C	-	-	P	-	C	-	-	-	C	-	-
Recreation, indoor commercial	-	-	-	-	-	-	C	C	P	-	P	P	P	C	-	-	-	C	-	P
Recreation, outdoor commercial	-	-	-	-	-	-	C	C	C	-	P ¹⁰	P	P	C	-	-	-	C	-	P
Entertainment, commercial	-	-	-	-	-	-	-	-	P	-	P	P	P	-	-	-	-	C	-	P
Automotive fuel-dispensing facility	-	-	-	-	-	-	-	-	P	-	P	P	P	C	-	-	-	C	P	-
Vehicle wash	-	-	-	-	-	-	-	-	-	-	P	P	P	-	-	-	-	-	-	-
Parking lot, commercial	-	-	-	-	-	C	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Animal clinic	-	-	-	-	-	-	-	-	P ⁹	-	P	P	-	P	-	-	-	P	-	P
Kennel	-	-	-	-	-	-	-	-	-	-	-	P	-	-	-	-	-	-	-	-
Adult entertainment facility ³	-	-	-	-	-	-	-	-	-	-	P	P	-	-	-	-	-	-	-	-
Restaurant 1	-	-	-	-	-	-	C ⁸	P	P	P	P	P	P	P	-	C ¹²	P	P	P	P
Restaurant 2	-	-	-	-	-	-	-	-	P	-	P	P	P	C ²²	-	C ²⁹	P	C ²³	P	P
Restaurant 3	-	-	-	-	-	-	-	-	P	-	P	P	P	C ²²	-	C ²⁹	P	C ²³	P	P
Food truck ³⁰	-	-	-	-	-	-	-	P	P	-	P	P	P	P	-	-	P	P	P	P

Uses	PI	R-1	RLD	R-2	RMD	R-3	RB-1	RB-2	DB	B-1	B-2	C-1 ¹⁹	PCD-C	ED ¹⁸	WR	WM	WC	PCD-BP	PCD-NB	MUD ²⁴
Tavern	-	-	-	-	-	-	-	-	C	-	P	P	P	-	-	-	P	-	-	-
Drive-through facility	-	-	-	-	-	-	-	-	C	-	C	C	P	-	-	-	-	-	-	-
Marina	-	-	-	-	-	-	-	-	-	-	-	P	-	-	-	P	P	-	-	-
Marine sales and service	-	-	-	-	-	-	-	-	-	-	-	P	-	-	-	P	P	-	-	-
Marine boat sales, level 1	-	-	-	-	-	-	-	-	-	-	P	P	-	P	-	P	P	-	-	-
Marine boat sales, level 2	-	-	-	-	-	-	-	-	-	-	-	P	-	C ²²	-	P	P	-	-	-
Ministorage	-	-	-	-	-	-	-	C	-	-	C	C	P	C	-	-	-	-	-	P
Industrial, level 1	-	-	-	-	-	-	-	C	C	-	C	P	-	P	-	-	-	C	-	P
Industrial, level 2	-	-	-	-	-	-	-	-	-	-	-	P	-	P	-	-	-	-	-	-
Marine industrial	-	-	-	-	-	-	-	-	-	-	-	P	-	C	-	P ¹¹	C	-	-	-
Wireless communication facility ⁴	C	C	C	C	C	C	P	P	C	P	C	P	P	P	C	C	C	P	P	-
Accessory uses and structures	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P	P

1 Accessory apartments requiring conditional use permits are subject to the criteria in GHMC 17.64.045.

2 Home occupations are subject to Chapter 17.84 GHMC.

3 Adult entertainment facilities are subject to Chapter 17.58 GHMC.

4 Wireless communication facilities are subject to Chapter 17.61 GHMC.

- 5 Houses of religious worship shall be limited to parcels not greater than five acres.
- 6 Multiple-family dwellings shall be limited to no more than eight attached dwellings per structure in the R-3 district.
- 7 Sales, level 1 uses shall be limited to food stores in the RB-1 district.
- 8 See GHMC 17.28.090(G) for specific performance standards of restaurant 1 and food store uses in the RB-1 zone.
- 9 Animal clinics shall have all activities conducted indoors in the DB district.
- 10 Drive-in theaters are not permitted in the B-2 district.
- 11 Marine industrial uses in the WM district shall be limited to commercial fishing operations and boat construction shall not exceed one boat per calendar year.
- 12 Coffeehouse-type restaurant 1 uses shall not exceed 1,000 square feet in total size in the WM district.
- 13 Sales, level 1 uses shall be limited to less than 7,500 square feet per business in the PCD-NB district.
- 14 Residential uses shall be located above a permitted business or commercial use.
- 15 Houses of religious worship on parcels not greater than 10 acres are permitted uses in the MUD district; houses of religious worship on parcels greater than 10 acres are conditionally permitted uses in the MUD district.
- 16 Auto repair and boat repair uses shall be conducted within an enclosed building or shall be in a location not visible from public right-of-way and adjacent properties.
- 17 Only one triplex dwelling or one fourplex dwelling is conditionally permitted per lot in the WM district.
- 18 Planned unit developments (PUDs) are conditionally permitted in the ED district.
- 19 Junkyards, auto wrecking yards and garbage dumps are not allowed in the C-1 district.
- 20 Clubs in the WM zone shall not serve alcoholic beverages and shall not operate a grill or deep-fat fryer.
- 21 Independent living facilities are conditionally allowed in the ED zone only when in combination with assisted living facilities, skilled nursing facilities or hospitals in the same site plan or binding site plan.

22 See GHMC 17.45.040 for specific performance standards of sales and restaurant uses in the ED zone.

23 See GHMC 17.54.030 for specific performance standards of sales and restaurant uses in the PCD-BP zone.

24 Permitted and conditional uses in the MUD district overlay are subject to the minimum parcel size and location requirements contained in GHMC 17.91.040(A).

25 Level 1 and Level 2 charging only.

26 Electric vehicle charging stations, Level 1 and Level 2 only, are allowed only as accessory to a principal outright permitted or principal permitted conditional use.

27 The term “rapid” is used interchangeably with Level 3 and “fast charging.”

28 Only “electric vehicle charging stations – restricted” as defined in Chapter 17.73 GHMC.

29 Only those properties lying adjacent to or southeast of Dorotich Street are allowed to request a conditional use permit for a restaurant 2 or restaurant 3 use. In other areas of WM zone, restaurant 2 and restaurant 3 uses are prohibited. See Chapter 17.48 GHMC for specific performance standards for restaurant uses in the WM zone.

30 Food truck permits shall be processed with a special use permit, per Chapter 17.65 GHMC.

31 Permitted above and below street-level nonresidential uses.

32 Short-term rentals are subject to Chapter 17.XX GHMC

Chapter 17.XX

Short-term Rentals

Sections:

17.XX.010 Intent.

17.XX.020 Applicability.

17.XX.030 Short-term rental 1.

17.XX.040 Short-term rental 2.

17.XX.050 Short-term rental 3.

City of Gig Harbor

17.XX.060 General regulations.

17.XX.070 Inspections and enforcement.

17.XX.010 Intent.

This chapter is intended to provide review procedures and criteria for the accessory use of a legally established dwelling unit, accessory apartment or live-aboard as a short-term rental. The regulations herein are established to:

- A. Permit residents to offer their residences as short-term rentals subject to reasonable city regulations.
- B. Protect neighborhoods from the potentially adverse impacts of short-term rentals.
- C. Minimize potential impacts on long-term housing availability and attainability.

17.XX.020 Applicability.

The regulations established in this chapter apply to all short-term rental 1, 2, or 3 proposed or located within a legally established dwelling unit, accessory apartment, or live-aboard vessel¹. Except that short-term rental 1 shall be considered a home occupation and, in addition to the criteria of this chapter, must also meet the criteria of Chapter 17.84 GHMC.

17.XX.030 Short-term rental 1.

To operate a short-term rental 1, the short-term rental operator shall first obtain an approved City of Gig Harbor business license.

- A. Application procedure.
 - 1. Business license procedures and requirements are set forth in Chapter 5.01 GHMC.
- B. Criteria for approval.
 - 1. The proposal is found to be consistent with the definition of short-term rental 1.
 - 2. The proposal is found to be consistent with the definitions and general requirements of Chapter 17.84 GHMC.
- B. Annual business license renewal. Each annual renewal of the operator's business license shall include and comply with the following:
 - 1. The operator must be able to confirm primary residency at the time of annual business license renewal.
 - 2. At the time of annual business license renewal city staff may assess and consider the details of any code compliance cases brought against the property where the short-term rental is being operated.
 - 1. The short-term rental operator shall resolve all outstanding civil penalties, fees, fines, liens, infractions, or any other legal encumbrance before annual business license renewal.

¹ See City of Gig Harbor Shoreline Master Program for provisions regarding legally established live-aboards.

2. The short-term rental operator shall submit to the City a signed and notarized affidavit in a form approved by the director and the city attorney. Through the affidavit the short-term rental operator shall confirm information including, but not limited to, the following:
 - a. Affirmation that the general regulations of 17.xx.060 have been met.
 - b. That the place of operation remains the short-term rental operator's primary residence.

17.XX.040 Short-term rental 2.

To operate a short-term rental 2, the short-term rental operator shall first obtain an approved short-term rental permit and City of Gig Harbor business license.

- A. Application procedure.
 1. A short-term rental permit application shall be a Type II procedure and processed consistent with Title 19 GHMC.
 2. A short-term rental permit issued to one person shall not be transferable to any other person nor shall a short-term rental permit be valid at any address other than the one appearing on the permit.
 3. A short-term rental permit is considered valid until one or all the following criteria exist:
 - a. Operator changes; or
 - b. The short-term rental operator no longer possesses a valid City of Gig Harbor business license.
- B. Complete application. A complete short-term rental permit application shall include the following information:
 1. Completed short-term rental permit application.
 2. A verified statement by the applicant that the property affected by the application is in the exclusive ownership of the operator, or that the operator has submitted the application with the consent of all owners of the affected property.
 3. Written description of the proposed short-term rental operation and affirmation that the proposed operation will meet the general requirements of Chapter 17.XX.060.
 4. Written description of the proposed location for the short-term rental operation.
 5. Number of off-street parking spaces provided at the location, or that are proposed to be dedicated for use by guests of the short-term rental.
- C. Criteria for approval.
 1. The proposal is found to be consistent with the definition for short-term rental 2.
 2. The proposal is found to be compliant with Chapter 17.72 GHMC providing required parking for the primary use of the site.
- D. Annual business license renewal. Each annual renewal of the operator's business license shall include and comply with the following:
 1. The operator must be able to establish ownership and operator identity at the time of annual business license renewal.
 2. At the time of annual business license renewal city staff may assess and consider the details of any code compliance cases brought against the property where the short-term rental is being operated.

3. The short-term rental operator shall resolve all outstanding civil penalties, fees, fines, liens, infractions, or any other legal encumbrance before annual business license renewal.
4. Before the annual renewal of the business license the operator shall submit to the City a signed and notarized affidavit in a form approved by the director and the city attorney. Through the affidavit the short-term rental operator shall confirm information including, but not limited to, the following:
 - a. Affirmation that the general regulations of 17.xx.060 have been met.

17.XX.050 Short-term rental 3.

To operate a short-term rental 3, the short-term rental operator shall first obtain an approved short-term rental permit and City of Gig Harbor business license.

- A. Application procedure.
 1. A short-term rental permit application shall be a Type II procedure and processed consistent with Title 19 GHMC.
 2. A short-term rental permit issued to one person shall not be transferable to any other person; nor shall a short-term rental permit be valid at any address other than the one appearing on the permit.
 3. A short-term rental permit is considered valid until one or all the following criteria exist:
 - a. Operator changes; or
 - b. The short-term rental operator no longer possesses a valid City of Gig Harbor business license.
- B. Complete application. A complete short-term rental permit application shall include the following information:
 1. Completed short-term rental permit application.
 2. A verified statement by the applicant that the property affected by the application is in the exclusive ownership of the operator, or that the operator has submitted the application with the consent of all owners of the affected property.
 3. Written description of the proposed short-term rental operation and affirmation that the proposed operation will meet the general requirements of Chapter 17.XX.060.
 4. Written description of the proposed location for the short-term rental operation.
- C. Criteria for approval.
 1. The proposal is found to be consistent with the definition for short-term rental 3.
 2. The live-aboard vessel is moored at a commercial marina.
 3. The proposal is found to be consistent with other pertinent requirements of the City of Gig Harbor Shoreline Master Program.
- D. Annual business license renewal. Each annual renewal of the operator's business license shall include and comply with the following:
 1. The operator must be able to establish primary residency and operator identity at the time of annual business license renewal.

2. At the time of annual business license renewal city staff may assess and consider the details of any code compliance cases brought against the property where the short-term rental is being operated.
3. The short-term rental operator shall resolve all outstanding civil penalties, fees, fines, liens, infractions, or any other legal encumbrance before annual business license renewal.
4. Before the annual renewal of the business license the operator shall submit to the City a signed and notarized affidavit in a form approved by the director and the city attorney. Through the affidavit the short-term rental operator shall confirm information including, but not limited to, the following:
 - a. Affirmation that the general regulations of 17.xx.060 have been met.
 - b. That the place of operation remains the short-term rental operator's primary residence.

17.XX.060 General regulations.

For the purposes of this section, the term "short-term rental" shall mean short-term rental 1, 2, or 3; and the regulations herein shall apply to all three types of short-term rentals unless otherwise noted.

- A. The approved short-term rental permit number and City of Gig Harbor business license shall be posted on every listing advertising or offering the short-term rental, including listings on short-term rental platforms.
- B. Emergency and short-term rental operator contact information shall be clearly posted in a visible location within the living space of the short-term rental.
- C. Short-term rental operators, or their designee, shall always be available and able to respond within one hour to complaints, guest concerns, and inquiries.
- D. A good neighbor policy, in a form provided by the City, shall be posted in a visible location within the living space of the short-term rental. It shall be the responsibility of the operator to ensure that their guests comply with the policy.
- E. Off-street parking required for the primary use of the site shall be made available to guests.
- F. On or off premise signs advertising the short-term rental shall not be permitted.
- G. Short term rental guests are not permitted to host banquets, parties, or other gatherings for direct or indirect compensation.
 1. Short term rental guests are permitted to hold non-commercial gatherings which do not infringe upon the right of the neighboring residents to enjoy a peaceful occupancy of their homes.
- H. The short-term rental shall be conducted in such a manner as to give no outward appearance nor manifest any characteristics of a business, in the ordinary meaning of the term, that would infringe upon the right of the neighboring residents to enjoy a peaceful occupancy of their homes.
- I. Maximum occupancy shall be regulated consistent with GHMC Title 15.
- J. The short-term rental shall maintain all applicable performance standards for the zoning district or shoreline environment designation and as otherwise required by local, state and federal law.
- K. The short-term rental shall meet all local, state, and federal requirements regarding licenses and taxes.

17.XX.070 Enforcement.

- A. Enforcement of this chapter shall be conducted consistent with the land-use code enforcement regulations of GHMC Title 19 and business license regulations of GHMC Title 5.

DRAFT

Chapter 19.01

Types of Permit Applications

19.01.003 Project permit application framework.

B. Decisions.

TYPE I	TYPE II	TYPE III	TYPE III-A	TYPE IV	TYPE V
Final short plat	Preliminary short plat	Plat vacations and alterations	Preliminary plats/major preliminary plat revisions	Final plats	Comprehensive plan amendments
Minor site plan review	Major site plan review	Conditional use permit	Preliminary PRD/PUD	Final PRD/PUD	Development regulation amendments
Minor amendments to PUD/PRD	Alternative design review ¹	General variances, sign permit variances	Major amendment to PRD		Zoning text amendments; area-wide zoning map amendments
Special use permits	Binding site plan	Shoreline substantial development, shoreline variance, shoreline conditional use			Annexations

Temporary trailers	Revisions to shoreline management permits ²	Major amendments to PUD			
Sign permits	Administrative variances	Amendment to height restriction area map			
Administrative design review ¹	Administrative interpretations	Mobile/manufactured home park or subdivision			
Land clearing	Shoreline permit exemptions ²	Performance-based height exception			
Home occupation permit	<u>Short-term rental permit</u>	Changes from one nonconforming use to another			
Alternative landscape plan		Site-specific rezone			
Nonconforming review		Critical area variances			
Minor preliminary plat revisions		Critical area reasonable use exceptions			
Boundary line adjustment					

¹ In addition to the procedures in this title, applications for design review shall follow the procedures set forth in Chapter [17.98](#) GHMC.

² The notice of application requirements of GHMC [19.02.004](#) and notice of decision requirements of GHMC [19.02.007](#) shall not apply to shoreline permit exemptions. The decision shall be subject to the

procedural requirements of Shoreline Master Program subsection 8.2.3 and the appeal procedures of GHMC [19.06.004](#).

19.02.008 Duration of permit approval and expiration of permits.

A. *Duration of Permit Approval.* A land use permit shall expire three years from the date a permit is approved, except as specified in subsection C of this section.

B. When a project includes more than one land use permit, the expiration date of the land use permit with the longest permit approval duration shall govern all land use permits included in a project, except final plats, short plats, map amendments and Type V decisions.

C. The duration of approval, expiration and extension of the following land use permits shall not be governed by this section, except that subsection B of this section shall apply:

1. Shoreline permits shall be governed by the City of Gig Harbor Shoreline Master Program and WAC 173-27-090;
2. Subdivisions, short plats, binding site plans and boundary line adjustments shall be governed by GHMC Title 16 and Chapter 58.17 RCW;
3. Land use permits governed by a development agreement shall be pursuant to the development agreement;
4. Special use permits, land clearing permits, planned residential developments, planned unit development, short-term rental permits, and temporary trailer permits shall be governed by the provisions in the specific zoning code chapter regulating those permits;
5. Zoning district map amendments and height restriction area map amendments.

Short Term Rental Distribution

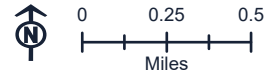


Exhibit "B"
STR Draft Regulations
City Council Study Session
December 15, 2022

Legend



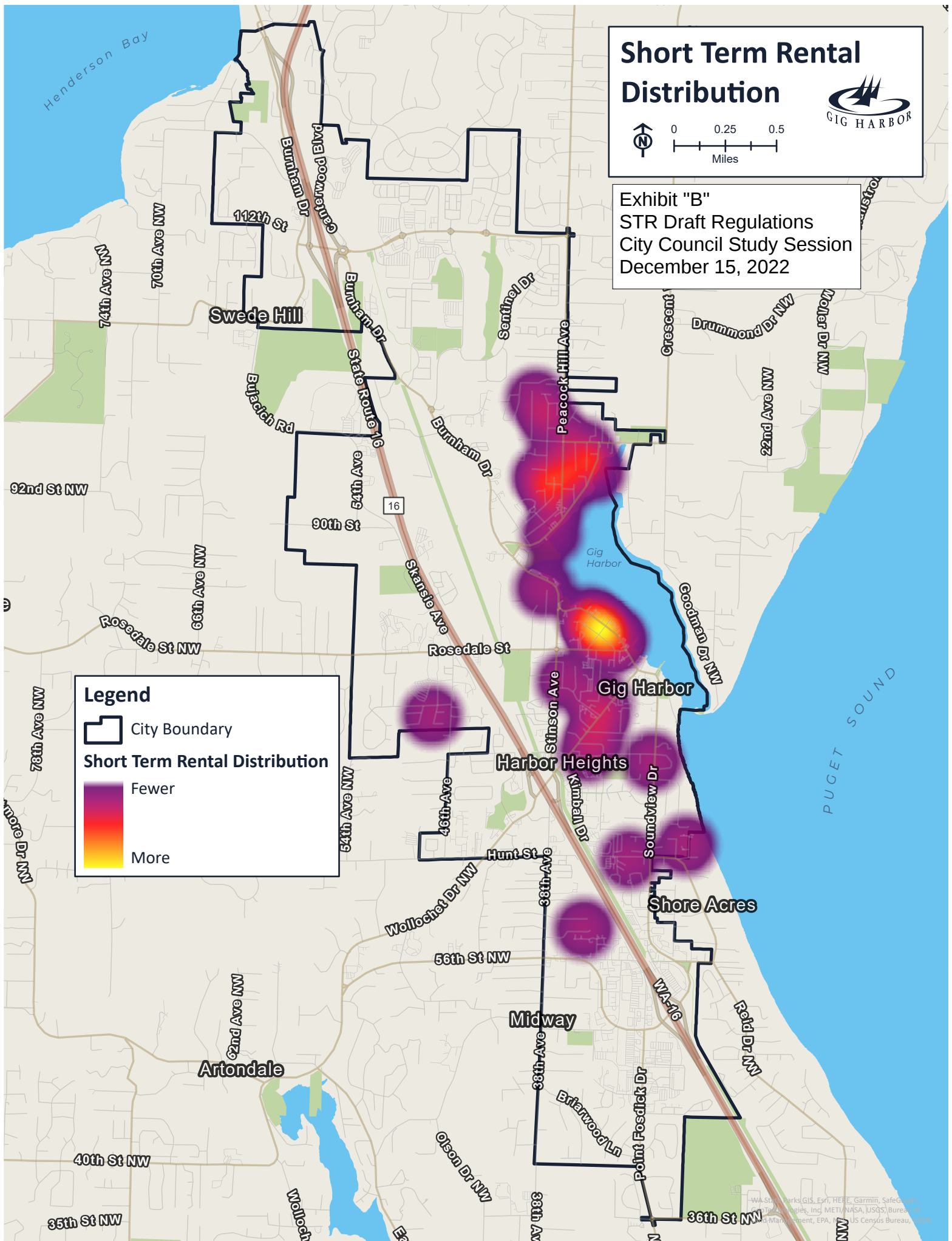
City Boundary

Short Term Rental Distribution



Fewer

More





Community Development Department

TO: City Council & Mayor

FROM: Carl de Simas, Community Development Director

SUBJECT: For City Council Study Session: January 19, 2023
Short-Term Rental Regulations – Supplement to Staff Report dated January 19, 2023

DATE: January 18, 2023

This memo is a supplement to the Staff Report already provided to Council for the upcoming Special Study Session regarding Short-term Rental Regulations. This memo seeks to provide options for Council's consideration and will be further described during the study session.

It is worth reviewing the history of the legislative process from its inception to where we stand currently:

- September 7, 2021: The Planning and Building Committee of the City Council discussed short-term rentals at regularly scheduled meeting and determined that they should be addressed.
- September 13, 2021: The City Council passed Ordinance 1467, declaring an emergency, and imposing a 6-month moratorium on the acceptance of Lodging, Level 1 permit applications. Council also directed Staff to present the issue to the Planning Commission for their consideration and recommendation.
- January 20, 2022: The Planning Commission took the issue up at its regularly scheduled meeting. They determined that early public input would be necessary and directed Staff to advertise a public comment period from February 4 – February 19, 2022.
- February – August 2022: The Planning Commission conducted 9 meetings focused on the issue and held two public hearings.
- March 28, 2022: The City Council passed Ordinance 1484 extending the moratorium another 6-months while the Planning Commission further considered legislation.

- September 12, 2022: The Council passed Ordinance 1497 extending the moratorium another 6-months. Having not yet received a recommendation from the Planning Commission, it was decided to bring forward Planning Commission's work for Council to directly consider draft regulations.
- December 15, 2022: The City Council reviewed draft regulations at a regularly scheduled study session. As there was not enough time to consider the draft and conduct a meaningful discussion, Council asked Staff to schedule a special study session to consider the draft and relevant issues.

It is worth noting that the current City Council is comprised of different members than those who originally proposed and passed the moratorium and regulatory control over STRs. As is shown in the timeline above, since that Council made its decision, the City has considered and studied this issue for nearly one and a half years. Also, the City has imposed a moratorium on the acceptance of Lodging, Level 1 permit applications – which currently includes an application for an STR – over this same period of time.

The City has received an abundance of public comment both in support of regulations and opposed to regulations. Some comments received support a particular draft of the regulations while others propose changes or offer an altogether different approach. Some comments received oppose allowing STRs at all, while others feel the City should not regulate them in any way.

The draft regulations in your packet, are an amalgam of all the Staff work and research, public sentiment, and Planning Commission direction that has been provided to the process to date. The draft regulations are not a staff recommendation per se, but really our best effort at synthesizing all this information. The legislative process, as it is, puts staff in the role of providing guidance and best practice advice to the elected officials, or Council and the Mayor. The elected officials also appoint volunteers to advisory commissions that work with staff to dive deeper on topics that the Council wishes to have further public input on. Staff, again, are in the role of guiding process, providing best practice advice, and conducting research as directed. It is rarely, if ever, the case that staff is driving a process or making recommendations in a vacuum. Therefore, again, this draft is based on the body of work and public input provided up to this point.

Since that last Council Study Session on December 15th, I have met and/or spoken with all members of the Council. In general, Council's sentiments appear to revolve around the need for options to move forward. While we heard other concerns as well – not enough data, neighborhood safety, city character, removing vessels, redefining, or defining the problem/issue, treatment of STRs already operating in the city, permitting and enforcement administration – the need for policy options continually rose to the top. Therefore, Staff would offer the following options (in no particular ranked order) that we hope will lead to Council direction and next steps in the legislative process:

Option 1: Additional Planning Commission Review: Send the issue back to Planning Commission for further consideration and a recommendation.

Option 2: Public hearing and adoption of current draft regulations: Consider public comment on the current regulations and adopt the current draft regulations presented here and dated December 15, 2022.

Option 3: Additional public outreach effort/s: Direct staff to conduct a public outreach campaign to garner additional public input to help inform next steps. This could be open houses, community meeting, online survey, etc.

Option 4: Streamlined approach/review in a year: Direct staff to craft an Ordinance that would create a permitting process for STRs in general in both residential and commercial zones through a Type II permit. The regulations would define one STR type, include performance measures, and enforcement measures. The permitting process would require both a notice of application, garnering public comment on the permit, a decision at the administrative level, and a notice of decision that would be appealable to the City's Hearing Examiner. The moratorium would be lifted concurrent with adoption of this ordinance.

This option would give the City an opportunity to collect real data on the amount of STRs, review any adverse impacts from STRs and review any public complaints. If this option is chosen, staff recommends a complete STR review within one years' time, where Council would review the data to determine if changes need to be made to the regulations based on data collected. Given that we are also in a Comprehensive Plan Update cycle, the City will be analyzing all land uses in upcoming public outreach processes. This effort could allow staff and electeds additional time to assess the issue, hear from the public, and ensure our regulations are meeting new guidance and legislation that might be instituted at the State Government level.

Option 4.a: In order to meet the original goals set out when this process began, this option would include a provision allowing only one STR permit per property owner. This option was included in previous public comment from participants in the public process and would alleviate any concerns regarding corporations purchasing STRs.

At the study session, we hope to discuss the options noted above, discuss the pros and cons of each, and receive direction from Council. Once direction is received from Council, staff will expeditiously work to finalize this project.

As always, please feel free to contact me directly with questions. Thank you.